

Europe: an end to fallacy

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*The Eurozone crisis has generated a number of structural reforms at the European level. In light of the democratic implications of some of these reforms, **Andrew Duff** and **Guy Verhofstadt** propose a new 'fundamental law' to replace the EU's existing treaty framework. This incorporates a federal union in which the European Commission is transformed into a full democratic constitutional government and the European Court of Justice takes on the responsibilities of a supreme court. They argue that a European Union reformed along these lines would be more efficient, transparent, and accountable.*



The European Union is put to the test as seldom before under the pressure of the financial crisis and its social, economic and political consequences. Much has been done *ad hoc* to salvage the euro but continuing structural reform at national and European levels is essential if economic recovery is to be assured. Banking union and fiscal union mean a large transfer of sovereignty from the member states to the EU. If borrowing costs are to be lowered, there will have to be a partial and conditional sharing of the burden of debt between richer and poorer states and taxpayers. Such fiscal solidarity will change the Union for good.



The importance of European integration rises, too, in other areas of policy - from immigration, border control, police and justice to energy, science and the environment. In international politics, especially in the Middle East, the unity of Europe is vital if global challenges are to be met and European values and interests promoted.



Credit: Rock Cohen (CC-BY-SA-3.0)

So how should a more united Europe best be governed? The present constitutional architecture is hardly fit for purpose. Executive authority is dispersed between the European Commission, European Council, Eurogroup and European Central Bank. The duty to ensure democratic accountability is spread between the European and national parliaments. European political parties are weak. The crisis management measures needed to address the financial instability have stretched the legal bases of the present EU treaties near to their limits and exposed a lack of instruments available at the European level. Above all, the arrangements for economic and monetary union, agreed over twenty years ago, have been found wanting.

In the face of hostile and Eurosceptic public opinion, Europe's national governments have tended to will the ends but not the means, ever reluctant to give the Union the powers and resources they must suspect it really needs. Instead, national policies have been coordinated by a bossy European Council in an ever tighter technocratic manner, leading to over-centralisation and a lack of democratic legitimacy.

People grumble about the EU's democratic deficit – when what it really suffers from is a deficit of government. The time has come to accept that the Union's system of governance must be reformed radically if it is to deliver much-needed public goods at home and decisive leadership abroad. Fiscal union needs federal government with a wider scope, more flexible instruments and larger powers, endowed with its own resources to match the level of its political ambition. With strong government comes strong parliamentary democracy in which EU citizens are enabled

to hold to account those in charge.

Ten years on from the close of the Convention which led eventually to the Treaty of Lisbon it is time to take up the constitutional story again. Last week, the Spinelli Group of federalist MEPs announced the publication of a new [Fundamental Law](#) to replace the existing treaties.

The Fundamental Law signals federal union. It transforms the Commission from an overblown secretariat into a democratic constitutional government, keeping to the method built by Jean Monnet in which the Commission initiates laws which are then enacted jointly by the European Parliament, representing the citizens, and the Council, representing the states. We rejig the European Council to direct the affairs of the legislative Council of Ministers, returning to the Commission responsibility for the overall political direction of the Union. The Court of Justice gains the attributes of a supreme court. And more competence is given to the Union in economic affairs, employment and energy policies. All the reforms proposed are aimed at strengthening the capacity of the EU to act effectively. The new treaty will be more permissive and less prohibitive.

A Convention made up of the Commission, heads of government, MPs and MEPs will be invited to consider this Fundamental Law. That body could start its work in spring 2015 once the new European Parliament and Commission are elected, and should be finished in good time for David Cameron's referendum in 2017.

The Union so reformed will be more efficient, transparent and accountable. Those states, like the UK, which may decide not to take the federal step forward can opt for the status of [associate membership](#). It is ironic that one of the few European leaders to call openly for a fiscal union (albeit without the UK) is Mr Cameron. Other leaders need to admit the fallacy of continuing to argue that Europe can be more united without the installation of a strong federal government.

[A Fundamental Law of the European Union](#) is published by the Spinelli Group and Bertelsmann Stiftung

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Note: This article gives the views of the authors, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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