

A Force for Good

EU After the Lisbon Treaty

by Göran Lenmarker

J

H

S

This report is written by Göran Lenmarker on behalf of
the Jarl Hjalmarson Foundation
© Jarl Hjalmarson Foundation 2009

A force for good in the world

EU after the Lisbon treaty

The European integration is one of the main achievements in history. Europe, tormented by war and oppression, is developing towards becoming a continent of peace, prosperity and freedom. However, the work is still not completed. Yet, oppression remains within some parts of Europe. The Balkans and more recently the Caucasus have experienced wars which may still resurface

The European integration is built on fundamental values, expressed in laws and regulation which is upheld by strong institutions. The principles of the Council of Europe are basic and take precedence over national as well as EU law. The European Court of Human Rights gives the citizen the utmost possibility to claim his right. In today's Europe, crimes against human rights and democracy are not considered domestic affairs.

NATO provides security from external aggression, through the guarantee of mutual defence. For those countries in the East and Central Europe which are recently constituted or which have been reborn from the past, such security is crucial. In addition, NATO strengthens the internal security between the countries of Europe since it prevents a re-nationalisation of defence policy. We should never forget the bloody history of Europe where the wars normally arose in the midst of the continent rather than through external aggression. Furthermore, the alliances involve all countries in Europe and Central Asia in the strife towards security through Partnership for Peace. The NATO-Russia Joint Council has a particularly important role to play. Cooperation based on mutual confidence building between defence forces remains an important condition for stability and peace. Should such cooperation cease, this would imply a major set back for European security.

Apart from NATO, several treaties on disarmament and openness for control, are other reasons why Europe has been able to reach the lowest level of armament in history. OSSE, the Organization for Security and Co-operation in Europe, also contributes with regard to the link between security, disarmament, human rights and democracy. That work is particularly important in the Eastern Europe and Central Asia.

However, it is the European Union which is at the heart of European Integration. In this report, the primary focus is the union and its further development. However, the EU would not function as intended with out the foundation laid by the Council of Europe, NATO and the OSSE. The very cooperation between strong institutions is what gives the European integration its extraordinary strength.

While the UN was the creation by victors, the EU was the one of the defeated. The six founders where, or had recently been occupied. This humiliation might be the reason for the depth in the co-operation which started as the European Coal and Steel Community and the Rome treaty. In a broader sense, the EU has however several creators. The League of Nations of the Interwar period was the initial, and in essence failed, attempt to create a closer bond. The generous US Marshall plan in the aftermath of the Second World War, where a cooperation between the receiving countries (Sweden included) was a condition, gave the economic co-operation a head start. The Benelux Customs Union, the Nordic Council and EFTA, the European Free Trade Association, were other important steps which served to develop the cooperation between European countries.

EU at the Heart of Integration

The strength of the EU lies in its strong organization and its democratic roots which are far deeper than in any other international organization. We often complain – rightfully- about the low turn out in the elections to the European Parliament. However, no other organization has a directly

elected parliament. The UN, as well as many other international organizations, does not even have a parliamentary assembly. Europe is the continent with the least democratic deficit.

The balance between the member state's responsibilities and those of the Union is crucial. Should EU aspire to take on too much without delivering any results, it would either fall apart or lose its influence. However, the right balance will change over time.

A well functioning EU needs driving forces, but it also needs firm boundaries to avoid a consolidation of power or too much centralization. These boundaries rest both with the member states as well as in the EU institutions.

"No taxation without representation" used to be the call to battle among those revolutionaries who through the tea cargo overboard in the port of Boston and created the United States. The most effective boundary against EU developing to a central state is the opposite, representation without the right of taxation. The EU is financed through fees from the member states. It's limited – 1 per cent of the economy – which gives the EU a limited financial strength, far below that of the governments of the member states which normally controls 30-40 per cent of their respective countries GDP. Tax finances transfers or activities thus remain a national issue. While the EU co-ordinates some national taxes such as VAT and taxes on tobacco and alcohol, not a single EURO of these funds goes to the Union.

The lack of a local EU administration forms a second constraint. Local administration is handled solely by the administration of the member states. This distinguishes the EU from federal states which normally have a powerful federal administration working side by side with the states. This prevents the development of a common bureaucracy which could strive towards further centralization. Contrary to common knowledge,

the EU central administration is modest compared to that of the member states, bearing in mind that half of those officials are needed to deal with the twenty three official languages.

A third boundary is the competence catalogue, as defined in the treaties, limiting the areas where EU has legislative power. All the EU law needs to have a legal foundation. Through the Lisbon treaty, the national parliament earns the right to warn – yellow card - if it believes the principles of subsidiarity and proportionality within the frames of EU's competence are abandoned. The European Parliament and the Council of Ministers are indeed the legislators. However, which national government would dare to act against the will of its parliament?

The right to resign membership from the union is now introduced in the EU treaties. This is positive since it clarifies the voluntary nature of the EU cooperation.

While the EU commission has traditionally been the driving force towards integration, its proposals and initiatives have been dismissed or so severely altered by the European Parliament that it has been more careful and, step by step, become weaker. Meanwhile the European Parliament has turned more moderate as the result of an increased scepticism towards the union within the member countries.

The member states through the Council of Ministers and the Council of Europe – the decisive body for the heads of state and governments of the member countries – are today more of the driving forces towards integration, although they rarely admit it. This is partly due to governments finding the national solutions inaccurate to solve problems such as financial crisis, climate change, energy safety, international crime and other problems. The old saying that “Brussels” is pushing for integration while the member states are pulling the break, is simple not the whole truth anymore.

While the balance between the member states and the Union is important, the same could be said about the balance between the different member states. France and Germany has previously had a decisive influence on the integration process. However, that has changed as the enlargement of the union has proceeded. The big countries no longer exercise the same dominating influence on the internal processes. Within the EU, all countries, regardless of size are equal. Contrary to the UN, where the super powers make all the important decisions, EU does not provide any special benefits for the larger member countries. Though the citizen's Europe naturally needs to take into consideration that seventy percent of the EU citizens (more than 25 million) live in the six largest countries whereas forty per cent lives in the three largest. The consideration implies that in founding and sensitive issues, each country has one vote. Changes in the treaties the decision must be taken in consensus. To other issues, there are some proportionality which nevertheless disfavour more populated countries. The European Parliament is strengthened through the Lisbon treaty, thus implying an increased proportionality. However, the votes in the European Parliament are not guided primarily by nationality but rather by party group.

An interesting observation is that both globalisation and decentralisation gives more responsibilities to decision makers at the European level. Since several years, Europe is experiencing a wide spread in decentralisation processes. More and more public services are being put up for competition and privatisation. The actors of the market, individuals, companies and the civil society play a more important role.

This decentralisation paradoxically implies an increased responsibility for the EU which is normally the actor that establishes and monitors the market boundaries. Municipalities, regions and state institutions are for instance subject to laws on public procurement, a feature important to counter-act protectionism and corruption.

As more services are being decentralised and international competition becomes the common status, the EU is often the appropriate legal level, according to the principle of subsidiarity which states that the lowest efficient level should bear the responsibility.

The Institutions

The Lisbon treaty increases the power of the European Parliament to contribute to decisions, increases the ratio of decision taken by supermajority in the Council of Ministers, gives the national parliament a monitoring role to preserve subsidiarity and proportionality. The Council of Europe is made permanent and gets an elected chairman, thus possibly increasing its standing.

The friction between the EU market legislation and the constitutions of the member states increase as for example as new media are developed. The balance between the freedom of media, copy right and integrity is important and will be even more difficult in the future. Once the EU is, for example, to harmonise criminal law to prevent for example trafficking the friction will raise in that area as well, since criminal law is one crucial element for the national legislative boards. Here, the new subsidiarity control will turn out as especially important.

While the EU has become more open, further reform is yet needed to make the publicity principle predominant within the Union. Still, there is a conception that an increased openness could harm the union. On the contrary, a strong publicity principle and budgetary control could serve to legitimise the EU and improve it.

It is crucial that the new European Parliament consolidates its power to control the union's finances. This is sensitive since 85 per cent of the expenses are channelled through member state administrations which are subject to national control. However, this dilemma must be solved to improve the

control against waste and corruption. While the European Court of Auditors and OLAF, The European Anti-Fraud Office, are important institutions, a stronger political pressure is needed as the representatives of the member states are not particularly keen on criticising each other. This could fuel national conflicts, which is the last thing that the EU wants to cause.

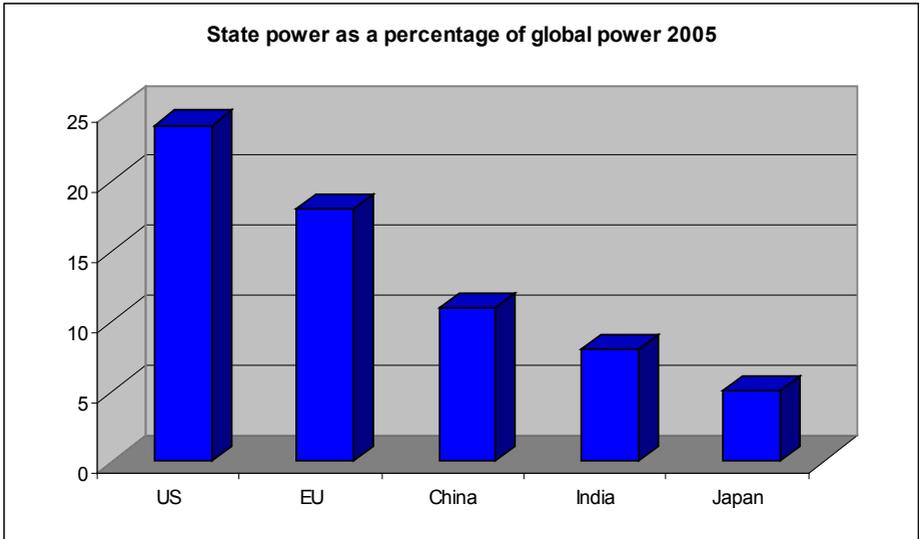
The role of the Commission needs to be strengthened further to encourage the integration process further. The commissioners have, as time goes by, been seen mostly as national representatives in the commission, thus the national resistance towards losing “their” commissioner.

Since the reduction of the numbers of commissioners stipulated by the Lisbon treaty seems to fail, it is necessary to find another way to combine efficiency with national links. One possibility could be to decrease the commission to a few – perhaps around ten - important functions which in a natural way represent the Union’s major areas. In addition, a small coordination unit ought to be constituted for each country within the commission.

Foreign and Security Policy

For a long time, the predominant perspective of the EU was to secure European peace and to aim towards increasing the common prosperity. The inner market, the agricultural policy, the free movement and later on the environmental policy were all constructed from this perspective. A common foreign and security policy started to take shape not until after the Cold War.

Through the European Union’s size (500 million inhabitants) and its economic weight (30 per cent of the world economy), the union’s policies regarding energy, trade, agriculture and fishing has a huge influence on other countries. Thus, raises a foreign perspective on internal policy. The lack of coordination within this area is often troublesome.



Source: Global Trends 2025, A Transformed World

A more unified EU could influence its surroundings in a way very much different than that achieved by the member states independently. Too often the current aim is to coordinate national foreign policy. The result is, at best, mixed. Thus, there is a need for a single common and truly coherent foreign and security policy to realise EU's potential.

Unfortunately, as tendencies towards the old great power perspective still remain in several capitals, such a development is often halted. However, Europe is no longer made up of global super powers. The only body which may have a true influence on the international arena is a unified European Union.

One of the arguments used against a strengthened common foreign and security policy within the Union is the concern for the transatlantic link, through Nato. However, the world and the US benefit more from a full-fledged EU which has realized its full potential as an international actor.

All good forces are needed. A strong union also gives a stronger and more balanced transatlantic partnership.

There is a need for a dynamic center – a competent ministry for foreign affairs – holding the common perspective. It will take time to build a highly qualified foreign ministry and it is necessary for all the member countries to give the project their full support. The British Foreign Office, which is often claimed to be one of the best foreign administrations in the world, could be used as a bench mark for the new European foreign ministry.

The current foreign representation, which is limited to the areas of commission, needs to be broadened and improved significantly. It also needs to take on consular issues as a support for all EU citizens. The small and new countries in particular would like to see a strong common representation in third countries.

In a broader international perspective, the overall structure remains adapted for super powers, for example in unions such as the G8, the G20 and the UN Security Council. It would be reasonable if the EU were to be represented in unity in these institutions, something which would give more weight to the European position.

The EU Security Strategy name three crucial positions for the union; to serve as a force for peace, as a support to the UN and accordingly to its principle, to contribute to create good neighbours in peace, prosperity and freedom and to contribute to prevent and solve conflict. These principles are all virtuous. The challenge is to fulfil them. The essence of the EU common defence policy is to create the preconditions to facilitate the fulfilment of the third point; solving crises. The member states decide for themselves if and when they are to take part in military interventions. This decentralised structure for military issues creates a good balance. No country is forced to send military personnel in to a conflict, but the Union

as such names the ambition, the goals and the boundary for interventions in accordance with UN policy. In Sweden, the Parliament decides, generally through bipartisan consensus, on military missions abroad.

The EU member states together hold 1.8 million soldiers and on average spend around 1.5 per cent of GDP on defence. Relatively, this is the lowest ratio in the Europe history. Meanwhile, the member states needs to take a greater responsibility to develop a better and more efficient crisis management capabilities.

As defence is a national responsibility, defence equipment are excluded from the rules of the internal market. Since there is only one possible buyer in each country, i.e. the state, the rules on public procurement could give a more rational dealing with defence equipment in the member states. It would give significant cost reductions within the entire union compared to the present stage. Also the export control of defence equipment should be transferred to the EU level. This would be more sensible as the defence industries are progressing towards further integration. The quality of the export control could also be improved compared to today.

The EDA, the European Defence Agency should, as was originally intended, develop to become a true common organ to coordinate big and costly defence projects. The national projects of today have high costs without any reason. A strengthened role of the European Union could counteract inefficient off sets, weak basis for decision and waist through small production series and corruption.

The majority of the world's development aid is given by the EU member countries. This is by and large their responsibility and there is no reason for EU to take over. The Union has however an important role in supporting the candidate countries and the countries in the Eastern Europe and Central Asia. The Eastern Partnership could be of significant importance

for those partners who so desire. The EU also has an important role in the Mediterranean region to strengthen the cooperation with and between countries in the southern and eastern coastline.

In addition, EU needs to strengthen its development aid actions in two regards. Firstly to contribute to make the African Union, AU, more effective in removing the internal borders within Africa which constitutes a major threat to the poverty reduction there. The AU is largely inspired by the EU.

Secondly, the EU commission is likely to be one of the world's most successful aid agencies. Not because of the actual aid but rather since its work with the candidate countries in the Central and Easter Europe gives it a unique competence in introducing good governance. Societies which have been predominantly characterized by corruption and lack of rule of law have gained a strong support for building good institutions and democratically based rule of law. The prospect of an EU membership adds an extra driving force to the process. However, even countries in other continents should, would they want it, receive such support, regardless the lack of membership prospect.

The EU internal market, joined also by Norway, Iceland and Switzerland, accounts for around thirty per cent of the world economy, corresponding to the amount of Nafta (US, Canada and Mexico). Previously, the US has been the predominant driving force for trade liberalization. As the Doha round has stagnated, the EU should take the lead. Through its strong position, the EU could unconditionally cut tariffs. This would stimulate further WTO negotiations as well as the world economy.

Dropping EU's tariffs and agricultural subsidies, altering the fishing policy towards more sustainable fishing, also outside of EU waters as well as rapidly decreasing the use of fossil fuels are all important contributions to the world environment as well as the development of the developing countries.

Therefore, there is a need for a strong EU body which may stick to the international perspective despite the sometimes narrow national interests.

After the Lisbon Treaty

The Lisbon treaty will strengthen the capabilities of the EU, improve the institutions and facilitate the inclusion of further member states in the West Balkans, Turkey and the most Eastern of Europe. However, once the treaty is in place, additional alterations of the treaty will be necessary

The idea that the treaties should be readable and understandable by interested citizens is too valuable to be neglected. The treaty thus needs further simplification, too make it more synoptic and free from obsolete paragraphs. Such an editing of the treaties should by no circumstances be accompanied by a transfer of competence to the EU and could thus be made without drama and without public referenda in any member state.

The financial crisis and the reform process which has been initiated in the financial area and for the EURO could also show the need for changes in the treaties. It is yet too early to identify such changes but the issue should be investigated.

The development in the area of foreign policy is rapidly progressing from the cold war perspective. While the Lisbon treaty constitutes an important step in this area, it remains unsatisfying. Once the new treaty has been in action for five years another survey of the foreign and security policy will be possible.

Changes of the treaty should be deeply rooted in the member states. Thus, they should be developed by convents where the majority of the deputies are members of national parliaments. The changes of the treaty should be made continuously and in well specified areas. That is how the Swedish constitution is changed. ■

The Jarl Hjalmarson Foundation

was founded in 1994. The Foundation is promoting development and European co-operation/integration on the basis of freedom, democracy and market economy. This goal is achieved by activities such as lectures and seminars intended for political parties and organisations promoting the development of democracy.

All projects are primarily funded through the Swedish International Development Authority (Sida) as a part of the Swedish government's development aid. According to the government's guidelines this aid will: "facilitate the materialization of a well functioning party structure in countries of Central and Eastern Europe as well as in the developing world. With the further aim of, promoting democratic and representative governments in those countries."



The Jarl Hjalmarson Foundation
Box 2080
SE-10312 Stockholm
Phone +46-8-676 8000