

Berlin likely to seek talks on future form of EU

By Halg Simonian in Berlin and Cornelia Knust in Paris

The German government may use today's state visit to Berlin by French President Jacques Chirac to float the idea of a new round of negotiations on the structure and workings of the European Union following the conclusion of this year's Inter-Governmental Conference.

Mr Chirac's visit comes just days before France takes over the EU's rotating presidency on July 1, and the talks will inevitably be coloured by the issues raised in last month's speech by Joschka Fischer, the German foreign minister. Although speaking in a private capacity, Mr Fischer's vision of a post-enlargement Europe, focused on a core of member states ready to push ahead with integration, appears to have been increasingly adopted by Gerhard Schröder, the chancellor.

However, the prospect of a multi-speed Europe is bound to be a sticking point at a second key meeting in Berlin this week when Tony Blair, the British prime minister, attends a private dinner with the chancellor on Thursday.

The French government has also been worried by certain aspects of the Fischer speech. At a briefing with German reporters in Paris last week, Mr Chirac said: "I do not think that one can have a federal Europe. At least as a Frenchman would understand the term. The creation of a United States of Europe is not realistic, because no single nation is

prepared to give up its identity."

Mr Chirac is expected to use his speech tomorrow to the Bundestag - the lower house of parliament - to set out France's proposed future for Europe, notably in terms of closer defence and foreign policy co-operation.

The French president may also go out of his way to ease fears among Germany's powerful federal states that further integration will inevitably lead to an erosion of their rights.

Mr Chirac has some sympathy for this position. "Subsidiarity - nobody understands what that means. Therefore it is necessary to make clear who does what in Europe. So it is necessary to think about something like a European constitution."

Berlin officials last week suggested that a second IGC in late 2003 or 2004 could be held to address the issue of regional competences, a key requirement of the German states. Bavaria in particular has threatened to block the admission of new EU members unless the competences of Brussels, national governments and regional administrations are formally defined.

Germany's federal constitution gives the states considerable power to block legislation in the Bundesrat - the upper chamber of parliament, where they are represented.

The planned formalisation of the states' rights could be part of a much broader revision of EU treaties to re-examine the roles of the central Brussels bureaucracy and national governments.

Rebuilding Europe's edifice

French plans for closer co-operation may make the EU more bureaucratic and less responsive to democratic control



QUENTIN PEEL

A curious thing is happening in the European Union. Its consequences will be anything but predictable. They could even be counter-productive.

The true bearers of the federalist flame are arguing for something known as flexibility, or "closer co-operation" in the jargon of the constitutional experts.

It means, in essence, an agreement to disagree; or the right for a few member states to press ahead with a common policy, even if the rest do not want to join them. It sounds like the opposite to strict federalism. It might well be a step towards what Helmut Kohl, former German Chancellor, used to call disdainfully an "à la carte community".

It is going to be the most important subject for debate on the agenda of the EU Intergovernmental conference (IGC) which is supposed to decide on a new round of constitutional reforms by the end of the year. The 15 member states aim to finalise a new Treaty of Nice, to clear the way for EU enlargement to take in up to 13 more members.

On that much, everyone is agreed. But if the federalists are dead set on flexibility, the traditional doubters about excessive integration, such as Britain, Denmark and Sweden, are standing in the opposite corner. They want to defend the integrity of the EU institutions, and stick to decisions that apply to all the member states.

As for the outright Eurosceptics, such as the British Conservative party, like the idea. They think it will be the beginning of the end for a cohesive community, which is precisely what they want.

So what is this flexibility all about? Surely they

cannot all be right?

At the EU summit last week, Jacques Chirac, the president of France, made a remarkable speech. He declared that flexibility was the only way forward for the EU. But it should not be hobbled by the institutions of the past. It should flourish in a multiplicity of forms. The slogan, he declared, was *décommunautarisation* - de-communitising. If such a dreadful word really exists.

Tony Blair, the British prime minister, sought to respond. He admitted that if the EU is going to expand to a membership of 28 or more, something of the sort might be needed. But he insisted that before he could support it, he would want to know precisely what subjects would be included.

No doubt Mr Blair's pragmatic appeal for a bit of substance in an otherwise highly theoretical debate was well meant. It was an indication of his doubts about going too far down that primrose path.

Mr Chirac appears to be the enthusiast, Mr Blair the sceptic. But I suspect they may end up on the same side. For flexibility may be a backdoor route to weakening the institutions they both mistrust - the European parliament, and the European Commission, headed by Romano Prodi.

Now the suspicion is that flexibility is a plot by the faithful few - the six-strong founding family of France, Germany, Italy, the Netherlands, Belgium and Luxembourg, plus a handful of loyal friends - to create a "hard core" of true federalists, while the standard-bearers for national sovereignty stay outside.

That is precisely what seems to be worrying the likes of Britain, the

Scandinavians and the accession candidates in eastern Europe. They do not want to be second-class members of a two-speed EU.

But that vision of the future is too simplistic in the ever more complex political process that is the European Union today. For the days when it was easy to see the original six lining up in favour of every integrationist move are long gone. Flexibility is going to be a far more variegated affair. It could also mean less democracy, and greater domination of the Union by the big countries, at the expense of the small.

The fact is that the EU is

already the subject of "variable geometry". Fifteen members are signed up to the internal market, competition policy and the like in the traditional "first pillar" of the EU treaty. But only 11, soon to be 12 with Greece, are members of the euro. The second pillar - common foreign and security policy - has different rules, although all 15 subscribe. And the third pillar - justice and home affairs - is different again. The Schengen agreement on open borders also applies to some, but not to all.

EU defence co-operation is going to be yet another example of different rules

and a different set of national combinations. Although everyone will sign up in principle, they can pick and choose which operations they take part in, so that neutral EU members can opt out. And non-EU members of Nato, such as Turkey and Norway, are being invited to join in.

It is all thoroughly confusing for the average voter. And "closer co-operation" adds another facet to this constitutional jumble. The Treaty of Amsterdam allows a bare majority of the present members - eight countries - to press ahead with a common policy, although it

does set a series of strict preconditions, and leave open the possibility of veto by an individual member at an EU summit.

It is only a year since the treaty came into effect, and no one has tried to use the new system. But now there is a push to make it easier, to relax the conditions, allow a smaller number of members to take part, and remove the veto right. Many think it inevitable.

Alexander Stubb, co-author of a new book on the IGC, says: "The Union faces a choice. It can either do the necessary changes to the flexibility clauses now or wait for a crisis caused by a paralysis in the decision-making structure, after which the changes will have to be made anyway."

The trouble is that every time the member states introduce another aspect of flexibility, the whole structure gets further removed from democratic control, and more intergovernmental.

The European parliament may be imperfect, but it is the only control mechanism we have. National parliaments have proved unable to follow the twists and turns of EU negotiations with any consistency. All the new moves towards flexibility, such as common foreign and security policy, common asylum policies, police co-operation and the like, exclude effective democratic scrutiny.

That is the real danger of Mr Chirac's vision of *décommunautarisation*. It looks like a backdoor way to a nice intergovernmental Europe, where our tiresome parliamentarians won't have any control. Mr Blair may end up finding it rather attractive, after all.

If we are not very careful, flexibility will simply be another way of making Europe more bureaucratic, and less intelligible to its citizens. Unless, that is, we insist on democratic control.

* *Rethinking the European Union: IGC 2000 and Beyond*, edited by Edward Best, Mark Gray and Alexander Stubb, pub. European Institute of Public Administration

quentin.peel@ft.com

