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Dear Nicolaos,

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Here is the EMV paper. The next on Financial INstruments and Guidelines should follow later this evening or first thing tomorrow morning.

Subject: EMV Paper

Stuart Holland



- Simitis EMV 10 March 03.doc

## The Case for an Enabling Majority Vote

(Vote Majoritaire Habilitant)

## 1. Voting Procedures and the Construction of Europe

In view of:

- the aim of the Treaties that qualified majority voting should assist the construction of Europe;
- the reality that no QMV has been used in a major policy area since the Luxembourg Compromise of January 1966 which formalised the national veto in cases of 'important national interest';
- the reluctance of some member governments to invoke procedures for qualified majority voting which could impose policies on other member states against their will;
- the risk that QMV therefore may not be invoked despite provisions for it in the Treaties and likely provision for it in a new European Constitution;
- the outcome of seeking to gain consensus between member states and thereby slowing the construction of Europe;
- the result of lowest common denominator compromises over a wide range of policy initiatives;
- the concern that not invoking QMV will weaken decision-making in the enlarged Union;
- recognition that member state governments in a minority in a European Council vote taken by QMV may face difficulties in sustaining their parliamentary or popular support;
- the associated risk of encouraging extremism on the grounds that national democracy and national elections no longer count;
- the risk of apathy or resentment in voting in an enlarged Union in which policy decisions may be taken by the European Council on a QMV basis irrespective of the actual view of governments in a minority in the Council, and especially of smaller states;
- concern that widening the construction of Europe will slow the decision-making process if QMV is not more widely adopted in practice;

- concern that defining new areas of exclusive Union competence in a new European Constitution (article 10 of the draft Constitution) will be seen by some national electorates as 'federalism without consent';
- the need for a mechanism which can make a reality of the aim of article 11 of the draft Constitution to 'indicate the areas of competence shared between the Union and the member states';
- the case that the more democratic method of so doing would be by co-decision as new policies are proposed rather than deciding *ex ante* what such areas of competence should be;
- the desirability of agreeing policies with the consent of both member governments and their parliaments;
- the case for a mechanism for decision on policies which would bind governments voting in favour of them on a weighted population basis but which would not be binding on those governments which do not do so;
- recognising that the principle of enhanced cooperation is based on the consent of the governments of member states agreeing to such cooperation and does not bind governments not entering such an agreement;
- recognising that the most important decision in the construction of Europe since the signature of the Rome Treaty, the adoption of the single currency, was supported by most but not all member states;
- recognising that the Shengen Agreement also has been supported by only some rather than all member states;
- being aware that both these initiatives have advanced rather than retarded the Union;
- the need to ensure that the future construction of Europe commands the consent of a substantive majority of its citizens and can add value to the democratic process of electing their own governments;

it is proposed that the European Council should consider recommending a new Enabling Majority Vote or EMV.

## 2. Principles of an Enabling Majority Vote

An Enabling Majority Vote:

 would bind and become operational only for the member states voting for it;

- would be weighted by population as is the QMV;
- therefore would be agreed by governments representing a substantive majority of the citizens of the Union;
- would carry political authority and the status of an EU Council decision on this basis;
- would enable governments voting an EMV Council decision to achieve higher common denominator progress on a wider range of policies rather than lowest common denominator compromise on fewer policies;
- would institutionalise enhanced cooperation as a central feature of the European project (EMV Procedure);
- would not exclude enhanced cooperation by a minority of member states in other policy areas;
- would be serviced by the Commission as an EMV adopted Council policy;
- could be followed in relevant cases by regulations binding member states voting for the policy concerned on an EMV basis but not binding for those which did not vote for the policy;
- would not qualify the 'acquis communautaire';
- would recognise co-decision with the European Parliament;
- would not apply in areas where the Union Treaties already provide for QMV unless by the agreement of all member states with appropriate Treaty revision;
- could apply in new policy areas where QMV as yet has not been adopted by Treaty;
- could be called for by any member state after a proposal had been made by the Commission to the Council for a policy decision;
- could be announced at that stage as a call for an EMV by the member state or states concerned, thereby both demonstrating the democratic nature of an EMV Procedure within the Council and informing public debate on the policy proposed;
- could operate in such a context for the respective individual Councils, thereby reducing overloading of the European Council agenda;

- could allow sufficient time after its call by a member state or member states for the proposal in question to be debated by both the European Parliament and national parliaments;
- would allow for the European Parliament to be able to take account of the debates on the proposal in national parliaments before implementation of the co-decision procedure;
- would enable governments which consider that they are not yet ready for the policy to decline to support an EMV Council decision on such a basis, while holding open the option of adopting it later;
- would enable those member states and their parliaments not adopting the policy as the outcome of an EMV Procedure to observe its implementation by the member states agreeing to it:
- could thereby encourage their adoption of the policy at a later stage on the evidence of its entry into practice as an EMV Council Decision;
- could enable the more rapid achievement of both minor and major new policies areas by member states representing a substantive majority of the citizens of the Union, not excluding initiatives in Common Foreign Policy and Common Defence Policy;
- could be a central feature of the new European Constitution with the QMV Procedure;
- would avoid the central sovereignty problem of national parliaments and governments being bound unwillingly by a QMV;
- would allow for both consent and dissent of the kind central to the democratic process;
- could reduce extremism on the basis that elected governments had voluntarily agreed to policies in areas for which they are responsible to their electorates;
- should offset apathy in voting in either European or national elections;
- would facilitate the construction of Europe by consent.

End