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**COMMUNICATION FROM THE COMMISSION
ON THE FUTURE OF THE EUROPEAN UNION**

EUROPEAN GOVERNANCE

RENEWING THE COMMUNITY METHOD

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The Laeken European Council will open a new phase of European integration.

Created for six Member States, the European Union today has 15; in the future it could contain **up to 30 countries**. Its horizons have broadened: the single currency, justice and security, foreign policy and defence have been added to economic action. 50 years of history have been 50 years of solid achievement. The results are there, as shown by the example of the euro, but **overall coherence has gradually been lost**. The very success of the reconciliation between the peoples of Europe, which was at the origin of the European project, has made us lose sight of the initial political ambition. The people, to whom Europe has brought peace, stability and wellbeing, are faced with machinery which they do not understand.

At the same time, **the world has changed**: exchanges have multiplied, and the developed countries have become richer, particularly through the development of new technologies. But inequalities between and within States are increasing, and the environment is deteriorating. The attacks on 11 September have highlighted the vulnerability of democracy and freedom. Only integration can enable Europeans to have an influence on the world, provided that they speak with a single voice. To meet these new challenges, the States and peoples of Europe must come closer together.

To these objective factors of change must be added the enlargement of the Union. In Nice, in December 2000, the Member States took the technical decisions required to ensure the accession of new States. But neither the meaning of European integration nor the full extent of what we want to do together have been debated. In fact, the changes wrought by the Treaty of Nice will not be commensurate, in the medium and long term, with the requirements of the European project in the enlarged Union. The heads of state or of government therefore agreed, in Nice, to embark on new reforms, to be preceded by a wide-ranging debate.

The first months of debate have shown that citizens attach importance to maintaining cultural diversity, defending and promoting common values, and the European social model. They want Europe to play an active international role. We therefore need to respond to an *expectation* of a Europe which is more complete and with more clearly defined aims.

The Laeken European Council is called upon to take the appropriate initiatives to pursue this process. One of these will be to organise a **convention** to prepare for future reforms of the Union treaties. This is a major innovation, championed for some months by the European Parliament and by the Commission, and it will bring together representatives of the Member States and of the Commission, and European and national elected representatives.

The Commission considers that **the task of the convention is to define credible guidelines so that an enlarged Europe is capable of pursuing political, economic and social integration.**

The Commission will make the necessary contributions to the work of this convention, firmly believing that the European Union can remain faithful to its history, but that it has to modernise. **For the Commission, the aim of future reforms is to renew the "Community method". Reflecting a Union of States and of peoples,** this method provides a framework which is both supranational and yet mindful of the States which make up the Union. It combines negotiation between States, expression of the will of the people, and the operation of strong and lasting institutions. In its White Paper on European Governance, the Commission had already proposed a number of measures to be applied in advance of the treaty reform, aimed at "reinvigoration of the Community method". It intends to give further thought to this in the context of the institutional debate.

In the new phase beginning in Laeken, which is novel with regard to the treaties, the Commission will assert the Community spirit in order to bring out the **general European interest**, over and above national interests and short-term concerns. It will defend a certain idea of Europe: demanding, modern but faithful to the original principles on which its success is built.

This communication simply sets out the way in which the Commission is approaching the Laeken European Council. It would like the Laeken declaration to specify **how and in what spirit** the members of the convention are to work, so that the debates provide an answer to two fundamental questions: what do we want to do together? And how do we strengthen democratic legitimacy and make Europe's institutional system more effective?

To answer these questions, Europe's leaders will need to demonstrate genuine political will. The achievements of European integration, the expectations of citizens and the requirements of globalisation clearly show that the only way is to push ahead with the process of deeper integration – in a manner that is resolutely political and democratic. The Commission will contribute accordingly to the work of the convention.

ANOTHER WAY OF BUILDING EUROPE

The future European Union will not be built without the support of its citizens, or the commitment of national and European politicians, who need to explain the *added value* of Europe – though the low level of participation in European elections throughout Europe shows a degree of indifference towards the European institutional system.

It is therefore necessary to base future institutional reforms on the broadest possible consensus right from the beginning. The declaration appended to the Nice Treaty called for a wide-ranging, in-depth debate. An informal network of interested organisations, a true **forum on the future of Europe**, will help to focus the thinking on future institutional reforms. For this approach to succeed, the Commission recommends **setting up as of now an operational link between this forum and the future convention tasked with preparing these reforms.**

If the Laeken Council European confirms the guidelines from the informal meeting in Ghent, a **convention** will be organised at the beginning of next year. It will bring together representatives of the governments and national parliaments of the fifteen Member States and

of the applicant countries, and representatives of the European Parliament and European Commission. It is important that the Economic and Social Committee takes on the role of active observer within the convention, together with the Committee of the Regions. This will enable the convention to be accessible to debate through the forum on the future of the Union, and at the same time open to the concerns of the regions of Europe.

The convention bears the responsibility for showing that the European Union can restructure itself. Failure is not an option. While listening to what Europe expects, it must show that it can produce credible proposals for deepening the European project and strengthening the democratic legitimacy and effectiveness of our institutions. The result of the convention must be at the level of what is at stake. If that is so, the Commission will be the first to ask that it be adopted by the intergovernmental conference which will revise the treaties.

The Commission therefore recommends **paying particular attention to the organisation of the convention** which, although based on the formula used for drawing up the charter of fundamental rights, has broader and more political aims. To chair the convention, the choice should of course go to a person with unchallenged European authority, who will make regular progress reports to the European Council. For reasons of effectiveness, he will need to be assisted by a restricted *praesidium* and an operational secretariat. Experience in negotiating the charter of fundamental rights shows that working by consensus is worthwhile and obviates the need to seek unanimity. The Commission feels, however, that dominant trends and more isolated positions must be brought out, so as to preserve the quality of the work done by the convention. It is important that the future intergovernmental conference be handed recommendations which are as ambitious, operational and coherent as possible. The Commission will not be satisfied with a watered-down consensus.

The Commission will make proposals to feed into the work of the convention. It stresses **the importance of concluding the intergovernmental conference before the European elections in 2004**, to avoid having elections in progress while reform of the treaties is still going on, against a background of uncertainty as to the future development of the European Union and its institutions.

THE CHALLENGE OF FUTURE REFORMS

The Nice declaration pinpoints, inter alia, four questions that should be addressed: the role of national parliaments, simplification of the treaties, the status of the charter of fundamental rights, and a more precise delimitation of powers between the European Union and the Member States. These are important questions, but are not enough to convey the challenge of the future reforms. How can we address the delimitation of powers without asking what the Member States of the Union want to do together? How can we examine the role of the national parliaments without a broader approach to the legitimacy and effectiveness of the European institutions? Adopting a narrow approach to the four themes identified in Nice would undermine the credibility of the convention. For this reason, **the Commission considers that the Laeken declaration should broaden the scope of the questions.** During the convention, account must be taken of the public debates, and all members of the convention must be able to present contributions on points which they consider relevant.

Consolidating the European project

Whether they relate to economic and social progress, strengthening the Union's international presence, protecting citizens' rights, establishing an area of freedom, security and justice or developing the common *acquis*, the main aims set out in Article 2 of the Treaty on European Union are not generally at issue. However, opinions sometimes differ as to how to achieve these aims, as is shown by the resistance to getting rid of the right of veto or by the exceptions and derogations from the current treaties.

Enlargement will increase differences within the Union, simply by increasing the number of Member States. The convention will be unable to avoid some discussion of joint measures. There is of course no question of asking the convention to plot the future course of our common policies. According to the procedures laid down in the treaties, the Commission will continue to propose to the legislature those changes it considers necessary.

But the convention will no doubt have to assess whether the Union has the appropriate means to achieve its aims. All are agreed in asking the European Union to tackle international monetary and financial discussions coherently, but are we really organised enough to set out our positions in a definite and, above all, stable manner? The same applies to foreign policy, where the importance of speaking with a single voice does not need to be emphasised. With regard to economic and tax policies, safeguarding of the European social model, or police and legal cooperation, do the treaties enable us to act in our best interests? When it comes to protecting the financial interests of the Communities, some agree with the Commission that there could be a case for establishing a European Public Prosecutor.

The Commission uses these examples only to underline that it is worthwhile **examining our instruments, methods and organisation** in order to assess whether they make it possible to achieve the very general aims laid down in the Treaty and which are subscribed to by all the Member States.

This advance discussion of the European project will be particularly useful for specifying in what spirit and with what aims the convention should, as the Nice declaration requests, *establish and maintain a **more precise delimitation of powers, in accordance with the principle of subsidiarity.*** **The collective interest requires that the results and overall coherence of 50 years of European integration should not be called into question.** But we are fully justified, as the European project matures, in examining closely the current situation with regard to our powers in order to refocus them if necessary. It would in any event be worthwhile seeking as rational a presentation as possible of the respective responsibilities of the Union and the Member States and clarifying them. It will be necessary to look at how those powers are exercised and how **compliance with the principle of subsidiarity and proportionality** is achieved.

The Union only exercises powers because the treaties, ratified by each Member State in accordance with its national procedures, have assigned tasks to it and the resources to act. Where it does not have exclusive competence, the Union must comply with the principles of subsidiarity and proportionality, i.e. acting judiciously and to the extent strictly necessary for achieving the set aims. This method is not contested.

However, neither the way these principles are translated into the different provisions of the treaties nor the way they are applied follow a uniform logic. In the general interest, the Union gears its action to what is needed, and it is difficult to describe theoretically the extent of the

powers exercised by the Union in those areas where the Member States also retain competence. Having lists of powers might risk hampering subsequent developments in the construction of Europe. The Commission therefore recommends paying particular attention to **monitoring the principles of proportionality and subsidiarity** which require action to be taken at the most appropriate level.

Furthermore, the convention should examine the way in which the treaties attribute powers, as well as the decision-making procedures and legal instruments laid down for exercising them. It would therefore be possible to **produce models for the attribution of powers and to rationalise them**. The Union would thereby have a number of models for **adapting the current distribution of powers** between the Union and the Member States to that required for developing the European project.

Being itself linked to the design of the European project, the **simplification of the treaties** should make it possible to **bring together in one basic text the essential provisions of the treaties**. A second document would bring together the other provisions. The Commission took a position in this regard in its communication of 12 July 2000¹, relating to the study by the European University Institute in Florence. A basic treaty to this design would be **more readable**, and having this separation would make it possible to have **simplified revision procedures**, something which is essential for a European Union which will soon have some 30 Member States.

Simplification **cannot in itself call into question the political choices** which inspired those who drafted the treaties. It has to be recognized that some of these choices make our treaties particularly complex. Obviously, there are an excessive number of instruments and decision-making procedures, exceptions and derogations granted to some Member States, or the coexistence of Community procedures and others whose inspiration is intergovernmental. However, the Commission does not exclude that the work of the convention might lead to review some of these options. It would therefore be necessary to clarify these political parameters before the work of simplification begins.

The **charter of fundamental rights** should find a place in the reorganised treaties. A text solemnly reaffirming the rights and freedoms already resulting from the constitutional traditions of the Member States and their international and European obligations could not have any other status. Although some technical questions deserve closer examination, such an operation will give our treaties great political coherence and an architecture with a simple logic which people will understand.

With the clarification of powers, the simplification of the treaties and the incorporation of the charter of fundamental rights into the Community's legal system, a **constitutional process has started**. The Commission considers it worthwhile, after 50 years of building Europe, to examine the possibility of giving the Union a basic text and discuss the procedures for adopting and revising such a text.

¹ *A basic treaty for the European Union* – Commission communication of 12 July 2000 (COM (2000) 434).

Strengthening the democratic legitimacy and effectiveness of the European institutional system

What institutions does the European project need? The Community system is largely satisfactory in meeting the needs of the Union as it stands, but it merits examination from the twin aspects of democratic legitimacy and effectiveness. In this regard, the Commission considers that the convention could not study the role of the national parliaments without asking about the **democratic legitimacy of our common institutions** and the balance which must be maintained between them.

The **European Parliament's** legislative role should be consolidated, and procedures for electing MEPs should be adapted as the Treaty now lays down, taking care to bring voters and MEPs closer together and strengthening the role of the European political parties. The **Council's** legislative function should be more clearly identified. A first, very easy step would entail making a visible and transparent distinction between the Council's legislative and executive functions. Meetings of the Council, when exercising its legislative functions, should be open to the public. The **Commission**, meanwhile, must concentrate on strategic tasks while affirming its power of initiative. The advantages and disadvantages of a possible change in the way the President of the Commission is appointed should be precisely assessed, keeping in mind the very particular role the current system assigns to the Commission in the general interests of Europe.

The question of the role of the **national parliaments** will need to form part of this overall discussion. Today, the national parliaments authorise the ratification of the treaties. Their participation in the convention will involve them at an early stage in the process of revising the treaties. They also exert a degree of control, depending on national traditions, on the government representatives in the Council. The protocol appended to the Treaty of Amsterdam has improved the information given to national parliaments on Community legislative proposals.

Further **improvements should be made to these systems**, seeking the most effective means, at both national and Community level, to make the national parliaments more involved in European decisions. But **the overall effectiveness of the Community system must be preserved**, which would not be the case if a new legislative chamber were to be set up.

With regard to **effectiveness, the scope of majority decision-making needs to be extended**, which the Treaty of Nice did not really accomplish.

The same concern for effectiveness means that the respective roles of our various institutions need to be clarified, restoring, within the institutional system, **a true executive function** and improving cooperation with the Member States in the preparation and implementation of common policies. **Clarification of what actually belongs in the legislative area** is also necessary, so that the European legislature applies itself to defining general standards without codifying in detail the procedures for implementing them.

As far as the functioning of the institutions is concerned, the European Commission has undertaken a major reform of its administration, which will need to be extended to include the College of Commissioners when the Treaty of Nice enters into force and the number of members of the Commission increases. **Improving the operation of the Council** forms part of the necessary reforms. The convention should also discuss the **role of the European**

Council, which should refocus its work on its task of issuing general guidelines and prepare them in a more transparent and more collective way within the institutional framework. These reforms of the institutions' working methods do not necessarily require amendment of the treaties, and the *White Paper on European Governance* underlined the importance of beginning right now to improve the functioning of the Union.

CONCLUSION

The relevance of the European project, arising from the global conflicts of the 20th century, remains valid. People tend to have certain doubts and uncertainties with regard to Europe but, as the public debate shows, they feel strongly the need for common policies. They look for European responses and want a better-organised Europe to meet the challenges of globalisation or deal with international crises, a Europe which is on top of migratory movements, a Europe more coherent in terms of economic and employment policy.

The European Union has the capacity to respond to these expectations, through the political will of its leaders, expressed at the highest level at meetings of the European Council, and through a very specific institutional system governed by legal rules and procedures, where European issues are the subject of debates open to all and of decisions binding on all.

For building today's Europe, the **Community method** has moved away from intergovernmental frameworks, without applying to the common European institutions national models which would be inappropriate given the diversity of constitutional traditions in the Member States. It has proved its **effectiveness** and must preserve it. It must gain in terms of **democratic legitimacy**. Future reforms of the treaties will therefore need to look at **renewing the Community method**. The Commission will contribute to the work of the convention, with the general interest in mind and in accordance with the role conferred upon it by the treaties.
