Carrefours Newsletter

Editorial

• *This is the era of foresight*. Not that the future is any more uncertain now than it was five or ten years ago. Indeed, if we look back to 1992 or 1987 we can see that forecasts and trends have already been contradicted by actual events. As the number and diversity of initiatives scheduled to mark the start of the new millennium go to show, it is, if anything, awareness of the uncertainties and of the scale of changes taking place which is growing.

• And yet, the new era has not waited for the arrival of the new century. For Europeans in particular, 1989 has come to denote a geopolitical break with the past, the importance of which becomes more and more tangible with every passing year. However, this same break merely serves to intensify other changes already taking place as the product of the interplay between social trends and developments caused by technological innovation and globalization.

• The danger confronting us therefore is that, whereas political foresight is more important than ever, a disenchanted public will minimize the importance of politics or diminish its function to a sort of management of day-to-day business. The future is therefore being eclipsed by short-term considerations. The process of European integration is now hampered by this same paradox in the shape of suspicion and preference for instant solutions whereas Europe is bound by international treaty to speed up its progress towards political union.

• Against this background, the function of foresight should not be to divert attention from the present by projecting hypothetical dangers which exacerbate anxiety or produce alienating visions of the future. On the contrary, it should be to increase awareness of the part already being played by the future in our present-day lives and the room for manoeuvre, the opportunities available for achieving together what is best designed to serve the common interest.

Jérôme VIGNON

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Our programme

In the past, the Forward Studies Unit has planned its activities on the basis of four lines of research which, since the beginning of 1995, have served as the general framework for monitoring and evaluating the process of European integration, i.e.:

* Significance and future of European integration

* Management of the transition to a more balanced type of development

* Adapting the European model of society towards ensuring sustainable social cohesion.

* Transformation of governance.

Emphasis has to be placed here on two interlinking topics, *the modernization of the European model of society* and *the new methods of governance,* on which, as it were after the event, much of the research work carried out in 1996 can be seen to converge.

LESSONS TO BE LEARNT FROM 1996

Significantly enough, the Commission opinion on the Intergovernmental Conference of March 1996 opens by promoting the European model of society: "As we enter a new political era, support for this model should be strengthened and made more explicit". The message which emerges from the work of the Forward Studies Unit concerns the overriding importance which the European public attaches to the preservation of balance and, at the same time, the acute awareness of how fragile that balance is in a context of globalization. The thrust of forecasting work has therefore been to gauge the avenues of reform that might be envisaged at this stage and the acceptability of these reforms.

The conclusion of this research is that the European dimension does offer a way of helping to complete adjustments as important as those facing the public services, social protection, territorial decentralization, the prevention of unemployment and the negotiation of flexibility at enterprise level. The seminar held in Munich in November illustrated in particular the European convergence that can be achieved around the transformation of the "welfare state" into the "welfare society" and the bottom-up proliferation of new corporate management practices.

These new management practices, where the separation between different authorities does not hamper their cooperation and where relations based on confidence play a key role, are more than the expression of a passing fashion. These same characteristics are to be found in the civil service and public authority reforms which have taken place in most of the Member States in recent years. The seminar on "governance" held by the Unit in conjunction with the philosophy of law department of the University of Louvain resulted at the end of 1996 in a veritable common framework for the interpretation of the new forms of governance.

The existence of this framework could help to improve understanding of and preparation for reforms in the methods of operation of the European Commission even if the complexity and interdependence with which the Commission has to cope in its capacity as a public regulator make it appear something of a trailblazer in this field. A crucial lesson drawn from this seminar was the realization that more consultation, communication and openness alone is not sufficient as an objective. The objective should be the recognition of the existence of a collective knowhow and the implementation of procedures for exploiting it or learning how to exploit it whilst reaffirming the responsibilities proper to the political decision-makers. Many of the dysfunctions which hit the headlines of the national or European press can be explained by the dilution of responsibilities arising from too narrow a view of "participatory" democracy or consultation.

1996 was also a year in which the Commission departments had greater expectations of forecasting. Such expectations are not inconsistent with a work schedule highly structured by the five priority items on the agenda. It is most certainly attributable to the fact that the demands of the political timetable provide an

opportunity to carry out this exercise in evaluation and "contextualization" warranted by changes other than those in which the Union is directly involved.

PRIORITIES FOR 1997

The priorities for the work of the Forward Studies Unit in 1997 have been determined in the light of this evaluation and the urgent items on the Commission's work programme. Four priorities are proposed for 1997. The first two are areas of forecasting connected with ongoing topics (the four research fields) on which the Unit accumulates knowhow or directs networks. The other two concern how forecasting activities can better satisfy the Commission's own objectives in 1997.

IDENTIFYING AND PREDICTING THE UNION'S INTERESTS IN THE WORLD

The EU's external relations are conducted in a manner revealing a persistent dichotomy between the economic sphere, where vested interests and established power bases occupy a very important place, and the political sphere, where the EU gives the impression of being guided by universal values.

Looking to the future could clarify our understanding of what has become a multipolar world where economic power can no longer be dissociated from political intentions. It should serve to define the essential and lasting interests of the Union more clearly. Are we faced with the merging of compatible national interests or interests proper to this new animal called the European Union? This work will help to clarify the coherence between instruments belonging to different institutional frameworks.

MODERNIZATION OF THE EUROPEAN MODEL OF SOCIETY

The Munich seminar defined various principles affording a way out of the impasse where the welfare state is the sole source of welfare entitlements and where flexibility is no more than a very uneven distribution of work. These principles should be translated into practical courses of action for the Union and the Member States, especially in the following fields, where preparatory work is already well under way:

- What kind of European framework and what conception of work are needed in order to ensure the success of lifelong adaptation of working time combining flexibility with security?

- What can be done to establish and propagate good business practices as a way of overcoming the outdated clash between the "Rhine" and the "Anglo-saxon" models?

- Is it possible to define the legal, fiscal and economic conditions which have to be met before the European transition to a service society can proceed?

- Europe has succeeded in establishing mutual insurance against social risks. Can the same experience be transposed to the prevention and spreading of technological risks?

THE EUROPEAN UNION, A SHAPER OF TOMORROW'S AGENDA

The "functional" need to move on from a process of passive integration to one of active integration at European level, the desire to have a European angle to many debates on society in Europe, and, the readiness of the general public to look towards the future as the new millennium approaches, all serve as an invitation to constructive deliberation on the agenda for the future, i.e. on the major challenges awaiting the people of Europe in the new century.

The main tool which the Forward Studies Unit intends to offer as a basis for such deliberation is its work on building "Scenarios of Europe in 2010", which began in 1996 and is to continue in 1997 and 1998. Commission departments are directly involved in five themes: European integration and governance; economic and social cohesion; adaptability of the European economies; enlargement of the European Union; and the external environment.

HELPING TO SHOW THE WAY FORWARD ON AGENDA 2000

The Forward Studies Unit will devote maximum energy to polishing up the work alrea-

dy done on the drafting of the Commission's "Agenda 2000", giving the foresight angle. This will be done on the basis of files already produced and regularly updated by the Unit, particularly with reference to the following questions:

- What are the prospects for the "growth-competitiveness-employment" triangle; what role can the Union play and what means of action are available at the start of the new century?
- Leaving aside various uncertainties, what major trends should influence the management of the Commission's human resources in the years up to 2010?
- Can the horizon 2010 clarify certain aspects of the adaptation of the Community policies to the effects of enlargement?

Our symposia

"WHAT *MODEL OF SOCIETY FOR EUROPE?*" *Munich, 21-22 November 1996*

This one was a new departure. Whereas all our European Symposia on Science and Culture used to be organized in cooperation with universities, the partner this time was the Bavarian state government. The Prime Minister, Edmund Stoiber, participated in person, together with the president of the European Commission, Jacques Santer. The location was the Munich Residence, a large castle in the middle of the city.

The splendour of the wonderful baroque and Renaissance rooms offered a strange counterpoint to the seriousness of the topic and to the concern with which it was addressed by the participants of this 12th Carrefour. Twenty five intellectuals and academics from all over Europe had accepted the invitation of the Cellule de prospective to make an united attempt to see what societal model Europe could or should plot out for itself in the future.

In the next issue a report will be published on the proceedings and the insights, which were to be won from it. Here is shown in part the paper, which served as a basis for the discussion.

The increasing internationalisation of life and of economic activities in particular provokes ever more frequent references to a "European Model of Society" which, it is said, should be defined, defended, developed and promoted.

Likewise the discussions conducted in the Member States concerning the imminent reforms deemed necessary in the field of economic and social policy, refer to the European Social Model either deliberately, by actually using the term, or indirectly by alluding to what corresponds to it in the national consciousness and perception (welfare state, état social, Soziale Markwirtschaft etc).

What this amounts to therefore is an *ideal*, an important component of the *European identity*. For this reason it is not merely advisable but imperative that we try to agree on the content and concrete meaning of this term.

A EUROPEAN SOCIAL MODEL?

In Europe, there are of course several competing models for an optimum social order: they reflect diverse national concepts and traditions of social organisation and social life. Even regional characteristics such as the differences between the northern (more Germanic and Protestant) and southern (more Roman and Catholic) Europeans come into play. Lastly, there are also those differences which are the product of ideological influences on the societies of the various countries: liberal, socialist, christian-democratic and conservative creeds have left clear and distinct traces in one place and another. And yet, the outline of a general European model which corresponds more closely than other models to the requirements and existential needs of Europeans can be discerned to have emerged over the decades.

The basic explanation for this lies in the fact that, thanks to its striking degree of cultural unity in which all differences can be viewed as

particular aspects or individual expressions of shared characteristics, Europe had, in the course of its history, also been converging in social and economic terms. Despite all the typical differences between its very diverse regions, a similar pattern of economic progress has caused social life to develop along comparable lines everywhere. An important role in this was played by a highly developed commercial system involving extensive trade in goods, labour and know-how. This led to the formation of a large, virtually frontier-free single market which, despite the limitations imposed by the emerging nationalism of the 19th century, operated up until the First World War, only then to be totally destroyed.

As social development in the various regions of Europe proceeded at a similar pace, and was accompanied by simultaneous social crises and similar cycles, we saw the emergence of social groups or classes naturally well disposed to transnational identification. This paved the way for a far-reaching type of integration propelled by the momentum of history and underpinned by a shared cultural heritage. A radical interruption in this movement towards social integration came about only with the division of Europe into two fundamentally different economic and social systems after the Second World War. Since 1989/90, we have been confronted with the task of overcoming the gulf that that division created.

Since the Second World War, the process of European integration in the western part of the continent has contributed to a further and practical deepening of the growing similarities in the countries belonging to the European Community Even if in the Member States of the European Union today, economic and social circumstances are still perceived mainly in the national context and interpreted as the outcome of the particular national tradition concerned, the economic and social order consists of the same components everywhere, any differences being a matter of detail and degree.

WHAT ARE THE DISTINCTIVE FEATURES OF THE EUROPEAN SOCIAL MODEL?

The core of the European Social Model, which can be regarded as the product of historical circumstances, essentially lies in an economy which permits the expression of market forces but contains them within a set of rules designed to prevent abuse and at the same time ensure the satisfaction of basic social needs and a minimum level of social security.

The resultant stability serves to underpin the *freedom of the market*. The resultant level of productivity generates the resources needed *to finance public welfare and social security systems*.

The role played by the State via public agencies in providing services to the Community on a regular and non-discriminatory basis together with the existence of social security systems (for the elderly, the sick and the unemployed) with mandatory contributions as a form of institutionalised solidarity is another important feature of the European Social Model.

This European model differs strikingly from its American counterpart, not to mention those which underlie social development in certain east and south-east Asian counties likewise characterised by market economics and industrial production methods.

WHERE DO THE DANGERS TO THE EUROPEAN SOCIAL MODEL LIE?

The European Social Model is in danger. More precisely, the unrelenting high level of unemployment combined with the exclusion of ever growing numbers of people and population groups through poverty, the deterioration of the social climate as a result of a general individualisation of human relationships and a gradual breakdown of social cohesion lead one to assume the failure or to doubt the capacity of this European model to adapt to the new circumstances. The causes of these weaknesses are clear:

- First, the multiplication of promises of prosperity over the years has eroded the balance between the responsibility of the individual towards society, and the responsibility of society towards the individual. In addition to this, a certain ossification of the institutional and procedural apparatus designed to ensure a balance between the laws of the market and solidarity has resulted in a certain immobilism; in any case, its ability to adapt to change has been substantially impaired.

- Second, the pressure of competition arising from the globalisation of the economy and communications has meant that in order to safe-

guard jobs in Europe, the welfare systems have had to be pruned quite sharply and their methods of operation drastically altered.

- Finally, this twofold danger besetting the European model is accompanied by a virulent attack on its underlying philosophy, an attack which is partly ideological in motivation and partly driven by specific interests, and which aims at the elimination of the social dimension.

Quite apart from the material requirements, *competitiveness* (external) and *affordability* (internal) are also essential preconditions for the European Union's claim to *political personality*. For if it fails to produce workable and meaningful answers to these challenges, the acceptance of *"the European Project"* will continue to be seriously handicapped. Furthermore, the way that the Union is still not accepted as the right level for action or problem-solving is precisely one of the greatest dangers confronting the European economy and society: the necessary adaptation or renewal measures can only be effective if they are designed and implemented on a European dimension.

Thomas JANSEN

JACQUES SANTER AT THE EUROPEAN SYMPOSIUM IN MUNICH

On the sidelines of the Carrefour on the european model of society in Munich the Bavarian Prime Minister Edmund Stoiber gave an official reception in the Residence in honour of the participants. Numerous personalities from politics, economics, culture and science in Bavaria and Munich were invited.

The president of the European Commission, Jacques Santer, used this opportunity to thank the host,and to express his ideas about the importance of the Carrefours organised by the Cellule de Prospective since 1992:

Please allow me to take this opportunity, Minister-President, to express my thanks for your warm words of welcome. I would also like to take this opportunity, on behalf of the participants at our European Symposium to thank the Government of the State of Bavaria for this reception in this splendid hall. It has given us a wonderful opportunity to meet and talk to a great number of personalities from the worlds of politics, economics, science and culture in the Free State of Bavaria and its capital, Munich.

This event is one of a series of meetings where the European Commission Forward Studies Unit invites personalities from the fields of science and culture to discuss a major issue regarding future social development.

This time - in view of the political upheavals that have taken place in our world since 1989 and in view of the challenge posed by economic globalization - we are concerned - with the question of how European society should best be organized in the future. In other words:

- do we want and can we stick to the social free-market economy?

- is this historically successful model still an exemplary one?

- what is the outlook for the social free-market economy, today and tomorrow?

- can we reconcile competitiveness with the social dimension?

The challenges now confronting us in the European Union, as in the Member States, are obliging us to take extremely difficult decisions and perform very complex tasks within a rather short timescale: the re-establishment of confidence by overcoming unemployment, the reform of the institutions, the realisation of Economic and Monetary Union, the enlargement of the Union.

In so doing, we must not overlook the fact that any practical solutions to which we give our consideration will have an impact on social developments in our countries and regions.

In order to achieve our objectives, we above all need to arrive at a consensus on what we regard as right and deserving of priority from the point of view of the shaping of society. This consensus must, however, be sought at a level which takes account of Europe's heritage and ambitions alike. The definition of this consensus cannot therefore be a matter for political deliberation alone.

The purpose of this "European Symposium on Science and Culture" is to provide an opportunity for dialogue with prominent representatives of culture and science. What we are doing here is not defining a specific policy but simply stimulating each other's thinking and awareness. But above all, what these encounters offer us is an opportunity to establish contacts with leading figures whose advice carries great weight in the work of the Commission. It is obvious that the Commission will continue to rely on this advice if it is to discharge its duties properly.

Our Studies

CHANGING GOVERNANCE : MESSAGES FOR THE COMMISSION

Since last year, the Forward Studies Unit has been engaged in a project which is considering the issue of *governance*. The aims of the project are : (a) to situate the activity of the Commission in the broader context of the transformation of modes of governance in democratic societies - a transformation which involves both the role of public actors and the methods available to them ; and (b) to understand the implications of this ongoing transformation and to anticipate future developments in order that it can clarify its role and better adapt its methods to this context.

The project which has been developed with the assistance of THE CENTRE FOR THE PHILOSOPHY OF LAW (LOUVAIN) and the EUROPEAN INSTITUTE FOR PUBLIC ADMINISTRATION (Maastricht) is based on a seminar which brings together representatives of the Commission, involved in European public policies, inter-institutional relations, horizontal co-ordination and the management of human resources, with researchers from the domain of the philosophy of law and of political and administrative science (See Forward Studies Unit, *Governance - Progress Report*, December 1996).

The working hypothesis on the evolution of governance upon which the project was founded describes the development of western democratic societies on the basis of the distinctive types of rationality which have underpinned the different stages of development. The progression traced is from *the classical liberal state*, through *the interventionist welfare state*, to the situation evident in more recent years that is commonly referred to as *the crisis of the welfare state*. The rationality underpinning the classical liberal state can be described as *formal* with the state providing a legal framework within which individuals could contract freely. The welfare state, by contrast, has been characterised by *substantive* rationality. Here the state has intervened in ever more areas of social life to correct the market failures of the liberal state, to guarantee minimum standards of living, to protect workers and consumers and so on. This intervention has proceeded on the basis that the organs of government have the cognitive and material resources and abilities to understand and resolve the problems of society - in other words, that public actors can define problems, determine their scope, formulate modes of action, implement them and achieve predicted desired results.

As the claims of government and the expectations of society have grown, however, the limits of the interventionist state have become all too evident and a situation of crisis has been reached. One response to this crisis has been *deregulation* which can be seen in these terms to represent a return to formal rationality. This approach sees the problems of the welfare state in terms of inefficiencies and inadequate incentives and attempts to address them with market-based solutions. The possibility of a vicious circle here is all too evident.

By contrast, *the working hypothesis of this project suggests that this crisis is one of rationality* and that both formal and substantive approaches must be transcended if such a vicious circle is to be avoided. Whereas both of these approaches have faith ultimately in the application of reason to discover, understand and control the causal relations that make up physi-

cal and social reality, the working hypothesis, based on *procedural rationality*, highlights the fact that this is inevitably a process of a construction of reality. As a result, all models of reality must be understood to be inherently contingent and unstable.

COLLECTIVE LEARNING

Accepting this to be the case means that there is no single universal model of reality and equally no means by which we could eventually arrive at a definitive version of reality. This, however, does not mean that we are left without hope. From experience, it is clear that agreement and shared meanings are possible. But a mutual acceptance of the contingency of models and a mutual striving to understand the models upon which others operate improves the value of reality constructions. Equally, this cannot be a one-off process. The contingency and constructed nature of models of reality mean that they are inherently unstable and must be continually open to modification. In other words, they must be continually open to the possibility of learning. As a consequence, the emphasis shifts away from improving information and action based on a dominant model, as in formal and substantive rationality, and towards a concern with the adequacy of the procedures by which different models are exposed to each other, that is confronted with their own contingency and encouraged into a posture of *collective learning*. In this way, what is universal is less the *content* of models than the *procedures* which develop this understanding of contingency and the need for learning.

The hypothesis, therefore, seeks to demonstrate the limits of formal and substantive rationality as a means of freeing the debate about government action from these constraints. It goes on to examine new practices in social regulation unbound by traditional concepts and looks for evidence of developments which indicate a practical response to the limits of the classical liberal and welfare states. Thus, in particular, it is interested in such practices as *broader consultation*; *negotiated rule making*; *independent administrative authorities*; *judicial review* of *administrative action*; *innovative regulatory forms* in the domain of the environment and the control of technology; and the increased use of *evaluation* and *audit* mechanisms.

On a more normative level, the hypothesis thus advances the notion of the emergence of a new mode of democratic regulation which rests on "proceduralisation" of the production and the application of norms, and more generally, of the co-ordination of collective action and the modes of structuration of collective actors. This mode of regulation does not substitute the foregoing substantive modes but rather represents an attempt to increase their potential by *achieving a better linkage between systems of knowledge: bureaucratic, expert, social, etc.*

In the context of complexity, of the pluralisation of explanatory models, of interdependency and of uncertainty, the centralised and *a priori* formulation of public problems (let alone solutions) as supposed by substantive rationality is rendered difficult. Coupled with the consequent difficulty of organising collective action on the basis of standardised norms, this situation suggests the creation of opportunities for the formulation of problems which brings together all affected actors in settings where there is the possibility for collective or mutual learning - in other words, the *contextualisation of the production and the application of norms.*

CONSTITUTIVE POLICIES

Procedural regulation thus affects the procedures of participation of collective actors in these instances, from the definition of public problems and of objectives, through the development of principles and mechanisms of action, up to their evaluation and the possibility of redefinition and reformulation. It involves affected actors in clarifying the presuppositions and hypotheses that they bring to a particular issue, the mutual critique of those positions, the consequent possibility of their evolution and thus of collective learning. The fact that this is not a one-off, unilinear process but rather one that involves the ongoing re-examination of the context and its reinsertion into the process (a feedback loop) means that the limitations of substantive rationality can be avoided.

By examining practical developments in a number of European jurisdictions, the usefulness of this interpretive framework has been tested. In all cases, evidence was presented of an emerging and developing situation in which the standard model of the state and its actors is profoundly challenged. This was evident across a range of issues, such as environmental policy

and health and safety, and throughout the process of regulation from the definition of problems through the implementation of mechanisms of action to the evaluation and reformulation of policies.

Public actors take on a role of developing and encouraging "*constitutive policies*". In situations, associated in particular with such issues as the control of technology and environmental protection, they begin to adopt a role of encouraging and supporting procedures in specific contexts which associate the different stakeholders. These procedures aim at one level to harness the variety of expertise which is available in each situation - expertise which under traditional regulatory forms is often unrecognised. Similarly, they aim by their inclusive and transparent nature to ensure a legitimate production of rules - the fact that all stakeholders are involved means that there is a greater chance of different perspectives being considered, of collective learning and of assurance that concerns have been addressed. Lastly, by encouraging a context-specific and inclusive application of these rules which similarly seeks to engage the different stakeholders, these procedures aim to improve effectiveness as well as openness to new information and emerging problems which in turn leads to improved flexibility and the ability to integrate the demands of other policies. The public authorities in such circumstances, in addition to their role of encouraging and supporting these procedures, frequently take on an auditing or oversight role which seeks to ensure the ongoing adequacy of the procedures and the attainment of collective objectives by the means agreed. The public actor thus remains interested in substantive outcomes but now seeks to define and achieve them via context-specific collective processes.

PARTICIPATION OF STAKEHOLDERS

These modes of governance do not imply that the location of ultimate *responsibility* for *decision making* is changed or made less certain. Rather the process by which stakeholders are involved in collective learning means that the substance upon which decisions are based is enhanced in terms of democratic *accountability* and the likelihood of *acceptance* and *effectiveness* is accordingly increased. Nor is the responsibility of public actors diminished by procedural modes of governance. Instead, it is increased as they must ensure the openness and adequacy of the procedures aimed at collective learning and co-ordinated action.

The discussions during the seminar have enabled the Commission's involvement in these transformations of governance and the evolution of its role to begin to be clarified. Its functions of guardian of the Treaty, as an initiator of policy and as an executive body must be understood in a situation where the traditional model of regulation is evolving. From a situation in which the ability to determine policy and to control outcomes centrally is assumed, the role becomes one of controlling the contextualisation of the production and application of rules - that is, a constitutive role. Thus, greater emphasis comes to be placed on clarifying the issues and enabling the participation of stakeholders; on maintaining a long-term strategic vision and integrating policies while encouraging the collective development of objectives; on seeking to engage broader contextual expertise rather than assuming a monopoly of expertise; on developing mechanisms for achieving the necessary participation and for co-ordinating networks of public and private actors at all levels; and on developing those mechanisms in such a way that ongoing evaluation and revision is encouraged in the light of new information or emergent problems.

The project has also helped to identify key features through illustrations of emerging modes of governance. These key features will help the next phase of the project to focus more precisely on the themes which will be of relevance for the Commission as it considers its existing role and methods and the ways in which these might evolve. These include the Commission's methods which manifest a certain *procedural potential* such as *consultation*, *partnership*, *horizontal co-ordination, co-ordination of networks*, and *evaluation*. By examining these methods in terms of a procedural understanding of governance, it may be possible to perceive the shortcomings and limits of current practices, to deepen our understanding of the main issues and to discern the specific tools which are essential to the Commission in this context. Certain more general themes, which both overarch and interpenetrate these methods, such as the role of other European institutions and the Commission's relationship with them, will also be considered.

Notis LEBESSIS

METHODOLOGY: GAME THEORY APPLIED TO THE IGC

As a contribution to the Commission's preparation for the InterGovernmental Conference which opened in Turin in March 1996, in the summer of 1995 the Unit started to consider the positions of the Member States, and began studying the state of mind of political decision-makers and the public regarding European integration in greater depth. Initially, we worked closely with the Commission Offices in the 15 capital cities. We particularly focused on the major issues at stake in the negotiations and the Member States' different positions on those issues, on the basis of press cuttings and public statements of position prompted by preparations for the Conference.

Once this preparatory work had been done, in association with the IGC Task Force we decided to carry out a systematic comparison of the national positions and to study the similarities and differences between Member States. Accordingly, we used the method known as game theory developed by the Laboratoire d'Investigation Prospective et Stratégique (affiliated to the Conservatoire National des Arts et Métiers, Paris).

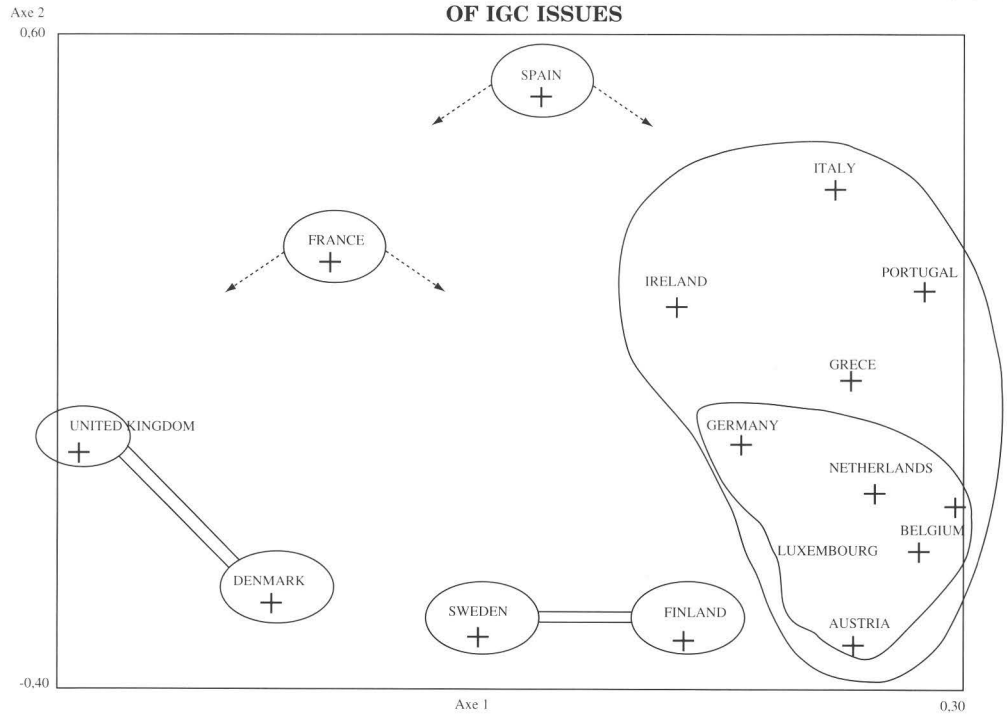
Game theory software is sometimes used by firms to help analyse negotiations in which they are involved. Firstly, it entails pinpointing the major issues in the negotiations. In this case, we identifed 10 issues in the IGC:

- the institutional balance between small and large Member States;
- use of appropriations (hidden agenda);
- enlargement (hidden agenda);
- common foreign and security policy;
- justice and home affairs («third pillar");
- a Social Europe;
- closer involvement of the citizen and fundamental rights;
- pace of integration and "variable geometry";
- political nature of the European Union and final form of the Treaty;
- power sharing between the institutions of the European Union.

Next, for each issue we establish each player's objectives for each issue. For example, four objectives emerge if we look at the balance of power between the EU institutions:

- the status quo with improvements at specific points;
- more powers for the more "Community-minded" institutions (Commission and Parliament);
- a greater role for the Council in certain areas, e.g. CFSP;

DIAGRAM SHOWING THE RELATIVE POSITIONS AND PROXIMITIES OF THE MEMBER STATES ON THE WHOLE SET OF IGC ISSUES



- a return to more intergovernmental decision-taking, e.g. by reducing the powers of the Commission and the Court of Justice.

The next stage in the exercise entails grading the Member States' positions on each goal from +4 to - 4 depending on the level of interest or aversion displayed by each country. The computer then produces a chart for each issue where the degrees of convergence or divergence between the players are shown as distances. This makes it possible to display all the positions and initial convergences between the Member States in visual form on 11 charts, one for each issue, plus a general chart bringing all the information together.

Needless to say, this method is no substitute for a qualitative assessment of progress made and the issues at stake in intergovernmental negotiations. It does, however, make it easier to grasp the complexity of the process by visualizing the play of forces around the essential aspects of the Conference, and the interaction within a single institutional framework of 15 players whose motivations and concerns are different.

Gilles BERTRAND

Miscellaneous

MEETING GEORGE SOROS

Mr George Soros had accepted an invitation to meet with the FSU on February 5, 1997 in order to discuss his ideas about a new political concept for Europe.

PHILOSOPHICAL VISION

The background to George Soros' thinking is the theory of Karl Popper which maintains that we have an imperfect understanding of reality (including history). We can approach reality (or 'truth' if one likes) only if we engage in a process of continuous *falsification*, verifying incessantly what we take to be our paradigms of thought and action. The fact that there is no perfect knowledge means that there is a considerable divergence between perception and reality. Applying this to an analysis of the state of the European Union, Soros argued that we have to recognize the fallability that is inherent in any political construct. "Any design is flawed". This also implies that those at the centre of the decision-making process are fallible in their judgments and need to learn from the people. This should lead us to accept a readiness to rethink the assumptions that guide our action. Soros argued that the European Union has lost its appeal and vision. There is a clear lack of political will which can lead quite soon (in particular with regards to questions on EMU and enlargement) to far-reaching disintegrative developments. Soros used an analogy between the behaviour of the "market" and "society" and applied a pattern of "boom-and-bust" to the development of European integration; he reasoned that the Danish referendum on EMU demarcates the turning point in European integration - "the moment of truth" - after which comes collapse and disintegration. Europe today cannot continue to work as it has done so far. There is a clear need for a reassessment and a new political vision. The situation necessitates what he described as "a new political concept".

PRACTICAL CONSEQUENCES

Soros argued that in the present political situation the common good gets lost in the European system. Particular interests are deeply entranched in the system and prevent a larger vision, to the actual detriment of European society at large. To remedy the malfunctioning of the system, Soros proposed to develop a new concept of European integration that is wholly political. In other words, it is the active support

of the people that is needed in order to create a common vision of what Europe is about. This can only be achieved via public debate and the integration of bottom-up initiatives into the larger framework. Sovereignty belongs to the people, he argued. "There is a de facto European government, it should be accountable to the people". A process of public mobilisation, debate and participation at the level of the people will create what Europe needs so badly: a European public. It is only via the channels of democratic accountability and participation that a European public can develop and generate the support that is needed for a renewed political purpose and design. The project of drafting a "Charter for Europe", Soros argues, would initiate such a new process of political involvement.

For Soros, the alternatives are either a "People's Europe", or severe disintegration. The option of "piecemeal engineering" no longer exist. He remained highly pessimistic about the future of the European integration project for 3 main reasons: (1) there might be fierce opposition to the common currency in Germany, (2) there is the possibility of social revolt in France, (3) the people of Europe might not be prepared to accept enlargement. The disintegrative scenario is prevailing, he concluded.

Despite his pessimism, Soros remained a committed advocate of the idea of European construction, since "the bigger the disappointment, the bigger possibilities for a turning-point". Still, he is aware of the difficulties ahead. Enlargement, in particular, will mean additional sacrifices for European citizens and will thus reinforce negative sentiments. Any improvement in the workings of the European Union would entail a common taxation system and an active fiscal policy.

His vision of a People's Europe is an attempt to try and re-engage the citizen, to give responsibility to lower levels and to enhance the role of the Parliaments. Central to his theory is public discourse and the active participation of the citizen. He was fully aware though that giving greater authority to the people might carry the risk of the falling apart of the Union altogether.

In his advocacy of an "open society", Soros employed a rather simplistic notion of society, neglecting the various layers of policy negotiations and the impact of the different sites of power. It might be asked whether his view of European integration gives adequate answers to the complexity and interdependencies of today's world.

Henrietta EGERTH / Henrike MUELLER

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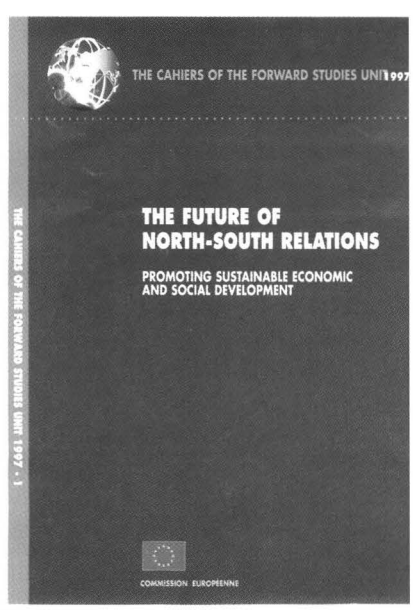

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