

38

**Reforming EPC and the IGC: the Possible Transformation of Political  
Cooperation into a Common Foreign and Security Policy**

Conference paper to be presented at the European  
Community Studies Association Conference, George  
Mason University, Fairfax, Virginia, 22-24 May  
1991.

Not to be quoted without the author's permission.\*

Martin Holland,

Department of Political Science,  
University of Canterbury,  
NEW ZEALAND.

Myself, I never bothered to speculate on whether the new Community Treaties might have been improved. I think that they embodied as much as possible at that time and that stage in men's (sic) thinking ... If experience has shown that too little power of decision was initially transferred to the European level, it is up to the men (sic) of today to do what those of yesterday dared not to propose. (Monnet, 1978, 423)

These prophetic words of Jean Monnet, reflecting on the original draft of the Community's founding treaties, are instructive for Europe's current generation of political leaders. For both Inter-Governmental Conferences (IGCs) convened in December 1990 (on Economic and Monetary Union - EMU - and on Political Union) the challenge is to dare to propose the structure for the further integration of the countries of the European Community.

This article is primarily concerned with the issue of Community foreign policy which forms part of the IGC debate on Political Union. Is a common expression of the EC's foreign policy a specious endeavour, or can the 1990s experience the long-awaited "saut qualitatif"? In order to set the context, a brief history of the development of European Political Cooperation (EPC) from its inception until the ratification of the Single European Act (SEA) in 1987 is necessary.

For Monnet, Europe could "not be built all at once, or as a single whole", but rather by "concrete achievements" encouraging a real sense of European solidarity (1978, 300).

Consequently, the initial emphasis on creating institutions that could provide a basis for European consolidation precluded the incorporation of "high politics" into the functional "low politics" of economic integration described in the Treaty of Rome. The ultimate aim of Monnet was for a full federation which included political union and a single foreign policy for the Community; in 1957, however, such supranationalism was tempered by the experience of the putative European Political Community and European Defence Community.

Despite the seeming "economic" exclusiveness of the original Community, within the Treaty of Rome there were at least the seeds, all be they scattered and poorly cultivated, of an international political role for the Community. The Treaty stipulated five areas in which the Community had an external role:

- i) the provisions for a Common Trade Policy (Article 113);
- ii) the association with Overseas Territories (Article 132);
- iii) the association agreements with third countries (Article 238);
- iv) the power to conclude international treaties (Article 228); and,
- v) the ability of the EC to receive and establish diplomatic missions (Rhein, 1989, 1).

With the expansion of the Community in 1973, the "political" content of these roles became pronounced as the Community of the then Nine sought to add a new impetus to the scope and depth of the integration process. Thus it was at The Hague Heads of State and Government meeting of 1969 that "European

Political Cooperation" was first launched as a prospective EC common foreign policy, although the critics of EPC would probably argue that it was a pleasant substitute for the harsher realities of a collective foreign policy. Whatever its purpose, the early seventies witnessed the transformation of the EC's external relations from those technical issues supervised by the Commission, into a real political content tantamount to a recognizable foreign policy. However, it is essential to grasp that the origin and much of the history of EPC has been versed in inter-governmentalism outside the formal provision of the Treaty of Rome.

It is hardly original to note that the Community is a unique experience, with *sui generis* institutional relationships. However, it is worth repeating this uniqueness vis-à-vis foreign policy coordination. How does one create the basis of a collective foreign policy from scratch? Imitating the *modus operandi* of Monnet, the Community approach was a pragmatic one. Certain broad objectives and procedural guidelines were established, but no definitive list of common policies, or policy areas, was ever stipulated. Collective foreign policy emerged in an organic way, often through the necessity of an external crisis, incrementally constructing what was to become a recognizable body of EC foreign policy positions. The scope was neither comprehensive nor necessarily logically linked. The process was essentially reactive, cautious and externally driven.

Throughout the 1970s and into the 1980s procedural reform (as opposed to an overall review of content) of EPC was attempted on a number of occasions. Although still difficult, engineering consensus on the mechanisms for developing political cooperation was significantly easier than addressing the more politically important question of the substance of the EC's joint foreign policy positions. Thus in 1975, the Tindemans Report set out what was to prove to be a too radical, federalist vision of EPC development. The Report called for a single decision-making centre and a legally binding obligation on the member states to comply with common foreign policy decisions - aspirations that the current IGC delegates are unlikely "to dare to propose". The 1981 London Report began the process of partial codification of EPC practice by recognizing the role of the European Council, the Troika arrangement, the 24 hour emergency procedure and the limited role of the Commission. However, the persistent distinction between the Community's economic and its political affairs was maintained. EPC at this time remained an inter-governmental exercise outside the formal provisions set down in the Treaty of Rome. EC procedures and competences remained distinct from those of the looser EPC structure: a "communautarization" of EPC, its incorporation within the EC's treaty framework, was not advocated. Inter-governmentalism "embodied as much as possible at that time and that stage in men's thinking" (Monnet, 1978, 423).

The SEA of 1986 sought to blur this inter-governmental distinction by linking EPC directly to the EC treaties. The

Common Provisions of title I state that "The European Communities and European Political Cooperation shall have as their objective to contribute together to making concrete progress towards European unity". The roles of the Commission and the European Parliament were clarified and extended; EPC was 'crowned' with its own secretariat (modest in size and function) and given for the first time limited "security" competences. Nonetheless, while member states were instructed to do all they could to avoid prohibiting consensus positions to develop, the requirement of an obligatory common foreign policy as outlined by Tindemans a decade earlier, was once again absent. The opportunity to "communitarize" EPC was wasted in favour of, admittedly improved, but essentially the same form of inter-governmentalism that inherently limited the development of an integrated Community common foreign policy.

Originally, the provisions relating to EPC in the SEA were due to be reviewed in 1992. However, the separate though parallel developments in progress towards Economic and Monetary Union accelerated this timetable and at the May 1990 Dublin Summit it was agreed that a second IGC on Political Union (with a major component being EPC) should be convened to coincide with the IGC timetable for EMU. Thus with due pomp and ceremony, the two IGCs were opened in Rome on 14/15 December 1990. This linkage is more than a calendar convenience; the success of each IGC is mutually dependent. As the history of the Community illustrates *ad nauseam*, 'package' bargains are fundamental to institutional progress.

### The Necessity of Reform

The purpose of the IGC on Political Union is "to deal with all aspects of foreign and security policy without exception" (my italics, General Secretariat, 1990). The first two decades of EPC, though remarkably cohesive and successful in many respects, had highlighted a number of flaws that jeopardized the development of a more integrated Community. Firstly, the debilitating constraints of the consensus principle imposed upon EPC have become increasingly apparent, be that in EC policy towards South Africa, Eastern Europe or most recently the Gulf war. "To speak with one voice" had proven to be somewhat of a charade and the euphoric ambitions of the London Report "to shape and not merely react to international events" seemed particularly inappropriate a decade later. As the leading EPC commentators have remarked, "EPC turned out to be strong on points of secondary importance but proved to be of minor importance towards issues of real crucial nature." (Regelsberger and Wessels, 1990, 4). Incrementalism along the path of inter-governmentalism was no longer sufficient: the elusive "saut qualitatif" became the prescribed remedy.

Secondly, in 1990 the Community faced a potentially precarious disequilibrium between the modest accomplishments of EPC and the greater "machismo" of EMU and the emergent European internal market. A balance between political and economic union seemed paramount, at least from the perspective of a majority of key Community partners.

Thirdly, and in many respects imitating the Community's earlier history, external imperatives have forced the Twelve to reassess their role in the international community. The tumultuous events in Eastern Europe since 1989, and the often disguised impact of German reunification, have combined to force the Community to assume a more forceful role in Europe. In many ways, the contemporary 'EC-Europe' idea is an accurate application of Monnet's earlier central notion that peace in Europe could only be achieved through the Community acting as the avenue for the reconciliation of the East and West.

Only through the economic and political unification of Europe ... and the establishment of a partnership of equals between Europe and the United States can the West be strengthened and the conditions created for peace between East and West. (Monnet, 1978, 442)

Three minor factors also contributed to the necessity for Political Union reform: the anticipated enlargement of the Community; the inadequacy of traditional diplomacy; and the crises posed by the Gulf war for EPC. Just as for EMU, a catalyst for Political Union has been the predicted consequences of Community enlargement during the 1990s. Clearly, any increase in member states to include the current applicant states (Austria, Cyprus, Malta, Sweden, Turkey) will necessitate the reform of the consensus rule in EPC. The numbers involved (17 or more) would be difficult enough to accommodate; but this coupled with the "difficult" foreign policy positions of Austria, Sweden and Turkey has determined that a consensus-only rule for EPC could not realistically work in an enlarged Community. Additionally, as an



international actor, the EC has increasingly had to use economic instruments to promote its policy (be this as trade sanctions, aid or development policy). Traditional nation-state diplomatic activity has declined in importance. However, within the existing EPC formula, such 'economic' activities fall, largely, under the auspices of the Commission, not the Council of Foreign Ministers or European Council, who still remain confined to 'political' or 'diplomatic' activity in the execution of foreign policy decisions. Clearly, some unity of instruments and competences between different actors in the EC was needed. Lastly, and almost *ex post facto* of the IGC, has been the experience of the Gulf crisis. Whether one supports the British criticism of EC action as being indicative of the immaturity of EPC, or support the majority line that the crisis exemplified the absolute need for a common foreign policy, clearly the current procedures and lack of rigour could no longer be condoned as an appropriate or adequate mechanism. Even Commission President Delors has commented on record that "The Gulf war has provided an abject lesson - if one were needed - on the limitations of the European Community", although he chose to "interpret this as yet another argument for moving towards a form of political union embracing a common foreign and security policy" (1991, 1-2). Either the pantomime of EPC had to end, or a more competent under-study introduced into the arena.

#### What's in a Name? Getting from EPC to CFSP.

There is some debate as to whether EPC as a descriptive term

will survive the IGC. The desire for a Common Foreign and Security Policy (CFSP) goes far beyond the inherent characteristics associated with EPC. So what then, is in a name?

The Political Union agenda has been closer to an *à la carte* menu than a stricter more organized *table d'Hôte* approach of the IGC on EMU. Vagueness, inclusivity and non-specific alternatives shaped, or rather failed to shape, the initial debate. The Twelve helped to produce an eclectic response to the definition of the purpose of Community foreign policy, the scope of its activities, the procedures for decision-making as well as how implementation of policies is to be enacted. As the debate developed a clearer focus has begun to emerge. In March 1991 a joint Franco-German communiqué released by Dumas and Genscher described the objectives of the IGC in the following terms:

to precisely define the principles and procedures of a common foreign and security policy leading in time to a common defence policy ...

[to] obtain the best content and institutional formulas for the implementation of a common foreign and security policy that will allow Europe to act effectively in the world's important affairs. (Agence Europe, 23 March 1991).

In response to this initiative, the Luxembourg Presidency drew together the diverse areas of discussion that had emerged during the opening three months of Ministerial and Political Director meetings and on 12 April issued a Presidency "non-paper" entitled Draft Treaty Articles with a View to Achieving Political Union. This text had the virtue

of defining the probable contours of the EPC/CFSP debate, and while it contained a number of Luxembourg initiatives it was a typical example of the agenda role of the presidency; its function was to "help to provide the conditions which foster consensus", not to impose a view upon the Community deliberations (Wallace, 1985, 10). Indeed, for contentious points alternatives in parentheses were proposed. Most significantly, the text tended to favour the input of specific member states over the contributions offered by the Community institutions, in particular those of the Commission. The important aspects of the non-paper are summarized in the appendix.

The Presidency issued a draft "consolidated" treaty after considering the issues raised at the fourth IGC meeting of Foreign Ministers on 15 April. While it was agreed that the "non-paper" was an adequate basis for further IGC negotiations, the responses brought into focus the inter-governmentalist and integrationist tensions that differentiated member states. Three specific areas of disagreement were isolated: the question of defence in the Union; qualified majority voting; and, the role of the Commission. Broadly speaking, reservations on these three issues were raised by Ireland, Denmark and Portugal with the fiercest opposition coming from UK; of the remaining member states, Germany, Italy, the Netherlands and Belgium were the most supportive, particularly in relation to protecting the role of the Commission (Agence Europe, 17 April 1991).

In their "Gymnich" meeting over the week-end of 29/30 April, the importance of agreeing on the fundamental principles of a Common Foreign and Security Policy before developing mechanisms to implement it was commonly accepted, although what these principles should be remained contentious, particularly in relation to defence. Currently, the UK, Portugal and the Netherlands are concerned with maintaining the existing Atlantic links, while the remaining states favour full integration and the eventual assimilation of the WEU (Agence Europe, 29/30 April 1991).

While this debate is continuing and it is premature to predict the actual IGC outcome scheduled for the end of 1991, in the first four months it is possible to distill two basic issues that the IGC has begun to focus on: the content or fundamental principles of Community foreign policy; and, the mechanisms, procedures and institutional structures applicable to such a Common Foreign and Security Policy.

Content:

Two basic alternatives on the scope of EPC confront the IGC delegates - whether to be guided by general principle or by incrementalism. Thus the debate has been between those who advocate establishing general principles that will define Community foreign policy, and between those who want to continue the existing incremental approach and only seek to enumerate a specific list of EPC/CFSP topics. The former option is expansive in its implications, the latter

restrictive: it is easier to expand competences based on principle than on a case-by-case basis. The outcome of this debate may well reflect a compromise position. Thus while a *côutumier* of EC foreign policy positions may emerge, new formalized rules may be devised which will allow for the transfer of foreign policy areas to the Community level. An early Commission position paper supports this approach and argues for the European Council to be given expanded powers to enlarge the area of foreign policy on an *ad hoc* basis. Here, the principle of subsidiarity widely used in the EMU discussions could be utilized to great advantage. Those areas not specifically assigned to the EC level (determined by a definition of principles) remain in the domain of the member states. The resultant Common Foreign and Security Policy would initially cover the Community's external relations, existing EPC areas of competence as well as provide for the expansion of foreign policy concerns including security and possibly at some stage defence.

While division on this topic is clear, there is a broad consensus on the need to include security within the ambit of Community foreign policy. The SEA took the first tentative steps in this direction by legitimating the discussion of "economic aspects of security" within the EPC framework. However, while the inadequacy of existing arrangements is agreed in principle, as noted above the IGC has yet to formulate a consensus on what would be a more appropriate framework. Extending EPC, creating a separate extra-Community parallel organization, or reorienting the WEU are the current

options.

Within this context, those aspects of security that can fall within the Community ambit are being delineated. The scope of security policy may include industrial and technical military cooperation; the transfer of military technology to third countries; disarmament negotiations and the Conference on Security and Cooperation in Europe process; and military initiatives and coordination pursuant of a UN mandate (General Secretariat, 1990, 17).

In contrast, opposition from a number of member states excluded initial discussion of defence from the IGC, although after the Presidency "non-paper" the topic may be included on future agendas. The most radical view has come not from the IGC delegates but, surprisingly perhaps, from President Delors. In March 1991 he publicly advocated that

A common defence policy will be meaningless unless it reflects two types of solidarity: unity of analysis and action in foreign policy and a reciprocal commitment to come to the aid of any member state whose integrity is threatened. (1991, 18)

and further, that

If any of the member states should be the object of an armed attack in Europe, the other member states will, in accordance with the provisions of Article 51 of the Charter of the United Nations, afford that party so attacked all the military and other assistance in their power. (21)

Despite Delors personal advocacy for a full Community defence agreement, the IGC seems unlikely in the short-term to go

beyond enhanced security policy, the development of the WEU and a stronger European "pillar" in NATO (The Times, 8 March 1991, 10).

Borrowing from the prescient Tindemans Report of 1975, the IGC is also concerned with removing any of the remaining barriers between EC and EPC competences. A reformulated EPC has to be fully drawn into the treaties legal basis: a second class foreign policy mechanism is seen as incompatible with integration towards Political Union. Thus, for example, the current limitation to "economic and political" aspects of security within EPC will have to be addressed.

It is important to note that the IGC is concerned with developing a common foreign policy: the idea of a single foreign policy for the Community has been rejected. This distinction is of paramount importance. As noted in a report by the General Secretariat of the Council, "Member States could, in certain areas where they had essential interests for historical or geographical reasons, follow a national policy provided that it did not contradict the aims of the common policy and that there had been prior consultation" (1990, 16). Such a common policy implies a progressive evolution in the scope and implementation of collective Community foreign policy, while providing the possibility within the Community's legal framework for states to be excluded from a common policy because of specific obligations. Article K.4 of the "non-paper" draft treaty could be interpreted in this light.

Should there be any difficulties in implementing a joint line of action, a Member State shall refer them to the Council which shall discuss them and seek appropriate solutions. Such solutions shall not run counter to the objectives of the joint line of action nor impair its effectiveness.

Although ardent federalists may be critical of this characteristic Community compromise, an expanding "common" foreign policy can clearly be seen to be a necessary prerequisite to a single European foreign, security and ultimately defence policy. However, it has to be conceded that the current situation of common and bilateral foreign policy existing in tandem will continue for the foreseeable future, a position in contradiction to a purist interpretation of Political Union.

Procedures:

While the content of Community foreign policy would seem the more substantive element of the Political Union development process, procedural reform can also act as a significant catalyst. The key issues under scrutiny are: the consensus rule; the centralization of decision-making; the role of the presidency; the future of the Secretariat; other institutional inputs into EPC; and the legal basis of any Treaty revision.

It has been argued at length by numerous EPC scholars that the consensus principle - the defining characteristic of the first two decades of EPC - has promoted policy sclerosis and typically lead to decisions based on the lowest common



denominator (see, for example, Nicol and Salmon, 1990; Wallace, 1990; Hill, 1988; Holland, 1991; Pijpers, 1988; Ifestos, 1987; and, Regelsberger and Wessels, 1990). The abandonment of this principle is the most important and difficult procedural issue facing the IGC. The progression towards majority decision-making will require a number of safety-clauses or trigger mechanisms. A distinction can be made between issues of principle and issues of implementation. The consensus rule could be maintained for defining the scope or content of Community common foreign policy; but once an issue had been unanimously accepted as under Community competence, majority voting could be used for the implementation of this agreed consensus policy. In this way a more effective use of Community instruments could be achieved without imposing a collective decision on a member state without its prior approval. It is also possible to reform the consensus principle whereby abstention is used as a means of not preventing unanimity.

The question of what constitutes a majority decision is neither new or unique to the IGC reform process. Monnet, commenting on the Schuman Treaty signatories of 1952, noted that the member states were entering "an unknown world where the veto would be the exception and the rule of the majority would be law. But what majority?" (my italics) (1978, 353). It is far from certain that the normal Community qualified majority procedure as stipulated in Article 148 will be adopted (whereby 54 votes out of 76 are required). The alternatives are using the qualified majority provisions of

Article 103 or to give each state equal representation. There is certainly a feeling that decision-making for foreign policy should become more "communautaire" by drawing on existing Treaty procedures (such as Article 103), rather than accentuate inter-governmental extra-Treaty decision-making procedures. An inter-governmental concession, however, may necessitate an exception clause within majority voting procedures which could provide for a veto power for "vital national interests". This would not necessarily be the Luxembourg Compromise revisited, but would stipulate formal objective criteria of "vital" interests as well as provide the possibility of opting out of collective decisions (as is the case with respect to Treaty Article 100). Of course, any such inter-governmental concession can provide an opportunity to stymie effective progress towards Political Union via majority decisions as was so forcefully demonstrated from 1966-86 by the unaptly named Luxembourg Compromise.

There was general consensus at the start of the IGC process that the existing dispersed nature of EPC competences should be consolidated to create a single decision-making centre for the conduct of Community foreign relations (i.e., a single Council competent for all aspects of foreign policy). To facilitate this, a greater role for the Presidency through the European Council has been advocated in the Presidency's draft treaty (Art.C.1): this would require the European Council to assert its original role as policy initiator and down-grade the Council of Foreign Ministers to a more

operational role. As former EPC official Nuttall (1989) has noted, only rarely in the past has the European Council actively discussed EPC matters. In addition, the draft treaty envisages enhancing the external role of the presidency in third countries and international fora.

In matters covered by the common foreign and security policy, the Presidency shall be responsible for the external representation of the Union ... (Art.F)

At International conferences and in international organisations, the Union's position shall, as a rule, be put by the Presidency (Art.K.1).

A variety of options face the IGC for reforming the current limited formal Presidency arrangements. Following in the footsteps of Tindemans, the presidency term could be extended from six months to one year: such a twelve year cycle is not particularly attractive to the more dominant international actors among the Community member states. In addition, there seems no logical necessity that by doubling the term of incumbency EPC will be extended or made more effective. Six months of a weak and poorly organized Presidency can be quickly compensated: the problems if left for one year could prove somewhat more intransigent.

One alternative is to elect the Presidency responsible for EPC/CFSP (and by extension, the European Council) for either a two or three year term. Opposition to this reform argues that such an innovation would lead to the new EPC/CFSP President being a direct competitor with the Commission President as well as with the authority of the individual

Prime Ministers and Heads of Government. Rather than consolidating a single decision-making centre, the reform could arguably create another fracture in the existing diversified Community structure. Furthermore, yet another elite "election" from within the Community hierarchy would do little to address the democratic deficiency that already exists within the Community institutions. The second alternative is based on the principle of the division of labour: specific countries would be assigned areas or foreign policy topics as their responsibility for a limited period (two to three years). This would have the virtue of lightening the administrative load on the presidency and add to consistency in personnel and expertise. While the allocation of specific portfolios could be sensitive, there are clear areas where national bilateral interests could be usefully contained within EPC/CFSP (as is currently the case).

A separate but closely linked issue facing the IGC is the future of the EPC Secretariat. Initiated in 1987 under the auspices of the SEA, the Secretariat has had an extremely constrained function limited essentially to secretarial duties. The different proposals suggested for the Secretariat embody the central debate within the IGC: whether reforms can be used to extend the "communautaire" or the inter-governmental nature of EPC. Amongst the various options is the notion that the Secretariat's responsibilities could be substantially up-graded including the right of policy initiative (corresponding to the Commission's right

within the Treaty framework). In order for the Secretariat to fulfill these new functions its staff would need to be significantly increased from the existing level of six national diplomats. A probable outcome is that the EPC Secretariat will be incorporated into the General Affairs Secretariat of the Council (although retaining a distinct role). The draft treaty also envisages a new role for the Permanent Representatives Committee (COREPER) and for the Political Committee whose task is "to formulate opinions, either at the request of the Council or on its own initiative for the attention of Council (Art.D.2). Other reforms may include the Secretariat taking over regional dialogues, responsibility for liaising with the European Parliament and for maintaining the diplomatic dialogues between the Community and embassies in third countries, all of which are the current duties of the Presidency.

Institutional involvement in Community foreign policy is also on the IGC agenda. Irrespective of whether the EPC Secretariat is incorporated into the General Affairs Secretariat or not, the Commission is seeking a shared right of initiative with the presidency and member states. Thus foreign policy would differ from other areas of Community activity where the Commission possess the exclusive right of initiative, but this new procedure extends the current position whereby the Commission is "fully associated" but not a policy initiator. As noted above, however, even the existing role of the Commission in foreign policy has been questioned by a number of states, despite - or possibly

because of - protestations from President Delors and Commissioner Andriessen.

The question of involving the Parliament (and thereby reducing the perceived democratic deficit) is more contentious. The Parliament's position is, in contrast to its ambitious proposals for the IGC on EMU, somewhat restrained and is set-out in the 1990 Martin Report of the Committee on Institutional Affairs. In addition to calling for better information being made available to the Parliament, two specific reforms are identified: the right to request that the Commission instigate specific foreign policy proposals; and that the existing assent procedure conferred on the Parliament by the SEA be extended to cover all treaties entered into by the Community. The draft treaty is similarly conservative: it requires that the Parliament be "regularly informed", consulted and that "the views of the European Parliament are duly taken into consideration" (Art. E).

The final procedural issue concerning the IGC and foreign policy concerns the legal basis that any agreed reforms should take. The alternatives encapsulate the key to the integrationist debate: an enhanced intergovernmental basis or the communautarisation of foreign policy. The former option would require the outcome of the IGC to mirror, in a legal sense, the SEA; that is, an inter-governmental treaty appended to the Community treaties maintaining the current legal distinction between EPC and EC affairs. The

communautaire option would see EPC or its remodeled CFSP equivalent drawn into the legal competences of the treaties and subject to normal Community decision-making procedures. Such an extension of the Community's legal framework will demand a "saut qualitatif" comparable to that evident in the development of EMU. Of course, within the Community often what appear to be distinct alternatives are not necessarily mutually exclusive: the possibility exists that even if the inter-governmental route is preferable, this does not preclude progressive communautarisation.

#### The Outcome: crystal ball gazing

It has been argued elsewhere that while the SEA was an EPC codification debate, the IGC is a conceptual debate about the principles and content of a common foreign and security policy. There is a consensus on the need for reform, but not on its direction. It has to be acknowledged that the effect of personality and the power of political elites is an important aspect of the IGC process, despite the difficulties of trying to analyze these phenomena. The replacement of Thatcher by Major as the British Prime Minister, and the new Anglo-German understanding on a range of IGC topics which challenges the French and former Franco-German agenda are crucial to the outcome of the Political Union discussions.

Despite the precarious nature of predicting the behaviour of the Community, there are clearly a number of signs that can be identified which will help commentators to determine

whether the IGC debate is adopting an inter-governmental or a communautaire approach to a common foreign and security policy for the 1990s. The following characteristics would be indicative of a more effective form of inter-governmentalism. The continued existence of:

foreign policy *domaines réservés* for individual countries;

a separate EPC Secretariat outside the General Affairs Secretariat of the Council; or COREPER replacing the Secretariat as the central actor;

diffuse decision-making centres;

reactive foreign policy making rather than a proactive process determined by common principles; and,

the consensus principle as the basis for common foreign policy positions.

Conversely, if a "saut qualitatif" leading to the full communautarisation of EPC and the emergence of a Common Foreign and Security Policy is to eventuate, then the following characteristics could be indicative:

the acceptance of a legal obligation to produce a Common Foreign and Security Policy replacing the voluntary nature of EPC;

the incorporation of the EPC Secretariat within the General Affairs Secretariat;

an enhanced role for the Presidency and the development of a single decision-making centre;

an enlarged scope for common policies and an effective use of the subsidiarity principle; and, most importantly,

the introduction of some form of majority voting for the execution of foreign and security policy.



Integration, the IGC and the Role of Theory

The range of theoretical approaches used to understand EPC is diverse and somewhat daunting: International Relations (Realist, Political Economy or World System approaches); Comparative Politics; Public Policy Analysis, not to mention the more traditional federalist, regionalism, functionalist and neo-functionalist theories of integration have all been legitimately used and with a degree of success. While Christopher Hill may well be right in his analysis that "EPC cannot bear the weight of a large theoretical construction built on its foundations" (1988, 212) it may be helpful to provide a theoretical context within which to evaluate the IGC process. As William Wallace has recently argued in an edited volume, "the greater the complexity of the processes of European integration, the more important it becomes to rebuild acceptable conceptual frameworks with which to order the mass of information" (1990, x). Two of the contributors to the Wallace volume, Robert Keohane and Stanley Hoffmann, attempt to rehabilitate one of the earliest, and most discredited, integration theories - neo-functionalism - and it is this conceptual approach that forms the focus of this analysis.

Early neo-functionalist theory was dependent on the notion of spillover, both functional and political (George, 1985, 21). This idea that gradual integration by sector would lead towards a political union through the process of interdependence echoed quite accurately Monnet's own

prescription for a united Europe. Monnet believed that successive functionalist forms of integration would inevitably lead to a type of federalism: this process would be gradual, but cumulative as economic sectors were transferred from national to a Community level of competence (Burgess, 1989, 52). Central to neo-functional theory, as well as to Monnet's assumptions, was the automatic effect of the spillover process.

Keohane and Hoffmann argue that the Community is "an experiment in pooling sovereignty, not in transferring it" that exhibits (at least since the SEA) a supranational style of decision-making (based on compromise and common interests) (1990, 277). This latter idea is directly drawn from Ernst Haas who they quote as defining a supranational decision-making style as "a cumulative pattern of accommodation in which the participants refrained from unconditionally vetoing proposals and instead seek to attain agreement by means of compromises upgrading common interest" (280). The importance of their reformulation of neo-functionalism is the recognition that a prerequisite to any form of spillover (economic or political) is a successful inter-governmental bargaining process. Thus spillover *per se*, is not an automatic procedure as commonly argued by neo-functional theorists. Once the inevitability of spillover is denied and the limitations on the process acknowledged, the disappointments of the 1960s and 1970s and the resulting theoretical disillusion can be overcome.

Keohane and Hoffmann argue that the appropriate initial focus of analysis should, therefore, be at the inter-governmental level. Contemporary experience supports this approach: the deeper integration promoted by the SEA had its origins in an inter-governmental conference. What is then achieved is a synthesis between inter-governmentalism and integration theory, replacing the antagonistic tension that has typified the debate since the 1960s. The expectation that spillover could be a sufficient explanation or stimulus for integration was unrealistic: the missing catalyst, it is contended, is the bargaining process characteristic of inter-governmentalism. To guide research, Keohane and Hoffmann provide a working hypothesis "that successful spillover requires prior programmatic agreement among governments, expressed in an inter-governmental bargain" (287). Thus the process they outline specifies external catalysts leading to an inter-governmental bargain, which in turn will result in task expansion for the Community and sectoral (political or economic) spillover internal to the EC. Spillover is stripped of its previously implied causal role and becomes a secondary, conditional consequence.

This view is supported by Bulmer who has advocated a two-tier bargaining approach for understanding Community policy making (in general as well as specifically for EPC). Here, the member state "domestic politics" role is given priority in explaining the process of intra-Community negotiations and common decisions. As Bulmer comments "The key advantage of looking at EPC (or the EC) as a two-tiered system of

government is that it facilitates analysis of the national foreign and European policies which come into conflict at the European level" (1991, 87). Such an approach is not dissimilar to the emphasis on inter-governmentalism demanded by Keohane and Hoffmann: inter-governmentalism is dependent on the agreements between the different domestic politics contexts.

What insights does this approach provide for understanding the IGC? The question for EPC is whether the inter-governmental bargaining will produce spillover, and if so how far will its effect spread? The fact that the process commenced at an inter-governmental level should be a positive rather than anti-integrative omen. Certainly, spillover into Political Union cannot be predicted, but at least at a theoretical level the possibility exists. History has shown that it is wise to be cautionary with regard to the development of EPC and a less than "common" outcome should not be taken as indicative of failure or the absence of spillover. The process of spillover is a gradual one, but perceptible. For the first time since the heady days of Euro-optimism the mid-1970s key qualitative issues central to the integration of foreign policy are on the agenda - majority voting, extensive "common" policies, practical aspects of security and the EC's role within the context of NATO and the WEU. Like the agreement on the SEA in 1986, these issues "resulted less from a coherent burst of idealism than from a convergence of national interests" (Keohane and Hoffmann, 1990, 288). The theory of a supranational-style of

decision-making where compromises enhancing common interests have superseded the veto principle of national protection, appears to be of utility once again. The IGC may prove inadequate ultimately, but in support of Keohane and Hoffmann, it is the most useful avenue that can lead to fuller integration and Political Union.

In conclusion, the case for the re-evaluation of neo-functionalism is strong: with the reported demise of the Luxembourg Compromise and the "Saut qualitatif" of the SEA, "European decision-making has quite suddenly become more decisive, expeditious and effective" (284). After an absence of some two decades the reality of Community politics has once again begun to resemble the predictive elements of neo-functional theory. However, while spillover ought to be rehabilitated, its role has to be clearly delimited and "the conditions under which spillover can be expected to operate must be kept in mind" (289).

It is appropriate to close by turning once again to Jean Monnet.

The unification of Europe, like all peaceful revolutions, takes time - time to persuade people, time to change men's (sic) minds, time to adjust to the need for major transformations. But sometimes circumstances hasten the process, and new opportunities suddenly arise. Must they be missed simply because they were not expected so soon? (1978, 432).

The IGC offers the Community such a new opportunity. It remains to be seen whether the member states are sufficiently prepared for the implied "saut qualitatif", or whether, like the Tindemans Report some sixteen years previously, the IGC discussions will prove too radical to be implemented, and inter-governmentalism (if enhanced) will remain the *modus operandi* for the execution of the Community's foreign and security policy.

### Bibliography

- Bulmer, S. "Analysing EPC: the Case for a Two-Tier Analysis" in Holland (ed) (1991).
- Delors, J. European Integration and Security, Alastair Buchan Memorial Lecture, International Institute for Strategic Studies, 7 March 1991.
- General Secretariat of the Council "Note: Political Union - outcome of the proceedings of the personal representatives of the Ministers for Foreign Affairs" General Affairs Council of the European Communities, document 10356/90, 30 November 1990.
- George, S., Politics and Policy in the European Community (Oxford, Clarendon Press, 1985).
- Haas, E. The Uniting of Europe: Political, Economic and Social Forces 1950-57 (Stanford, Stanford University Press, 1964).
- Hill, C. "Research into EPC: tasks for the future" in Pijpers et.al. (1988).
- Holland, M. (ed), The Future of European Political Cooperation: essays on theory and practice (London, Macmillan, 1991).
- Ifestos, P. European Political Cooperation: towards a framework of supranational diplomacy (Aldershot, Avebury, 1987).
- Keohane, R.O. and S. Hoffmann "Conclusions: Community politics and institutional change" in Wallace (1990).
- Monnet, J. Memoirs (translated by R. Mayne) (New York Doubleday and Company, 1978).
- Nicoll, W. & T.C. Salmon Understanding the European Communities (Savage, Barnes and Noble, 1990).
- Nuttall, S. "The Scope and the Adequacy of the Institutional Interaction of EC and EPC", conference paper, Colloquium: the Collaboration of EC and EPC, Brussels, 16 February 1989.
- Pijpers, A., R. Regelsberger, W. Wessels and G. Edwards (eds) European Political Cooperation in the 1980s: a common foreign policy for Western Europe? (Dordrecht, Martinus Nijhoff/TEPSA, 1988.)
- Regelsberger, E. "Von der Politischen Zusammen arbeit zur Vergemein schaftung: Reformvorschläge für die EPZ" Integration 13-4, 1990.
- Regelsberger, E. and W. Wessels, "Towards a Common Foreign and Security Policy - Options for the Reform of European Political Cooperation" Institut für Europäische Politik draft working paper, November 1990.

Rhein, E. "European Foreign Policy as seen from the Community Perspective" conference paper, Colloquium (1989).

Wallace, H. "The Presidency: tasks and evolution" in C. O'Nuallain (ed) The Presidency of the European Council of Ministers (London, Croom Helm, 1985).

Wallace, W. (ed), The Dynamics of European Integration (London, Pinter/RIIA, 1990).

Wessels, W. "Institutionelle Strategien für die Politische Union: Eine Neuauflage der EEA?" integration 13-4, 1990.

Wessels, W. "The Institutional Strategies Towards Political Union", Institut für Europäische Politik draft working paper, January 1991.

\* The initial research for this paper was begun in January 1991 while on a DAAD sponsored fellowship based at the Institut für Europäische Politik in Bonn. The structure of this analysis is indebted to the work in progress of Wolfgang Wessels and Elfriede Regelsberger: I would like to acknowledge their theoretical contribution to this paper and thank them for allowing access to information on contemporary Community positions as well as providing research facilities in Bonn.



Appendix: Summary of the Luxembourg Presidency's  
"Non-Paper"-Draft Treaty Articles with a View to Achieving  
Political Union: Common Foreign and Security Policy

Objectives and Means

"The Union and its Member States shall define and implement a common foreign and security policy ... The policy of the Union may extend to all areas of foreign and security policy." (Art. A.1) "The Union shall pursue its common foreign and security policy objectives within a single institutional framework ... and by introducing joint action in all areas where the Member States have essential interests in common." (Art. B.1)

Institutional Framework

"The European Council shall define the principles of, and general guidelines for, the common foreign and security policy..." (Art. C.1)

"The Council shall be responsible for the conduct of common foreign and security policy ..." (Art. C.2) "Any Member State or the Commission ... may submit proposals to the Council." (Art. C.3)

"The Permanent Representatives Committee shall be responsible for preparing Council meetings ..." (Art. D.1)

"The Council and the Presidency shall be assisted by the General Secretariat of the Council in the preparation and implementation of the Union's common foreign and security policy." (Art. D.3)

"The European parliament shall be regularly informed by the Presidency and the Commission." (Art. E)

Co-operation

"Member States shall support the Union's foreign and security policy actively and unreservedly ... They shall ensure that their national policies are in line with the common positions agreed on." (Art. H)

Joint Action

"Whenever the Council decides on the principle of joint action, it shall lay down the Union's general and specific objectives in carrying out such action and the conditions, means and procedures for its implementation ... arrangements for carrying out joint action shall be adopted [by qualified majority] [by a majority to be defined]." (Art. J.2)

"Once the objectives and the means of a joint line of action have been defined, each Member State shall be bound by the joint line of action ..." (Art. K.1)

"Should there be any major difficulties in implementing a joint line of action, a Member State shall refer them to the Council which shall discuss them and seek appropriate solutions. Such solutions shall not run counter to the objectives of the joint line of action nor impair its effectiveness." (Art. K.4)

Security

"Decisions by the Union on security matters which have defence implications may be wholly or partly implemented in the framework of the Western European Union ..." (Art. L.1)

General Provisions

"Should action by the Union prove necessary, either in order to honour commitments entered into by the Community or the Member States for the purpose of maintaining peace and international security or in order to safeguard important Union interests, the Council, acting [by a qualified majority] [unanimously] ... shall ... take appropriate measures to break off, partially or entirely, economic relations with one or more third countries." (Art. N).

(Agence Europe, Europe Documents, no. 1709/1710, 3 May 1991).