

# Steps Towards a Federal European Parliament

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The aim of what follows is to show that the history of the European Parliament can reasonably be seen as part of a process of development towards a federal parliament. This is demonstrated by examination of six episodes in that history. It is not suggested that completion of such a process is inevitable, but that it has advanced far enough for this to be a useful form of analysis for political scientists.

## **A parliamentary assembly for the European Coal and Steel Community**

Jean Monnet, who had personal experience of the ineffectiveness of intergovernmental institutions, was convinced that an authority independent of national governments should be created to ensure Europe's security and prosperity after World War Two. By 1950, he had identified coal and steel as a key sector with respect to which such an authority could be established and launched the proposal that resulted in the European Coal and Steel Community (ECSC).

Monnet's own experience had related to the executive, not the parliamentary branch of government, so his focus was on the establishment of the independent High Authority of the ECSC. But following the proposal of André Philip, a federalist deputy of the French Assemblée Nationale, that parliamentarians should be associated with a Community which was to be responsible for governing important sectors of the economies of democratic states, a parliamentary assembly was included among the Community's institutions.<sup>2</sup> Monnet, in his inaugural address as the first president of the High Authority, which he had requested the leading federalist Altiero Spinielli to draft for him, emphasised the federal characteristics of the Community and said that the High Authority was "responsible,

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2 E. Hirsch, *Ainsi va la vie* (Lausanne: Fondation Jean Monnet pour l'Europe and Centre de Recherches Européennes) p. 107.

not to the states, but to the European Assembly...the first European Assembly to be endowed with sovereign powers".<sup>3</sup>

The right to dismiss the Community's executive was, however, the only significant power given by that treaty to the Assembly and this status was retained by the Rome Treaty which established the European Economic Community. But although the Assembly remained relatively powerless until the 1970s, Monnet and other founding fathers had intended that it, like the Community itself, should by stages be provided with additional powers. The following five episodes show how far this intention has been realised in the event.

### Parliamentary power over public expenditure

In 1965, following agreement on the form of the common agricultural policy which was to be financed by the Community, the Commission put forward its proposals for the method of financing. In February of that year, the Second Chamber of the Dutch parliament, in view of the impending decision on this first major item of public expenditure by the Community, had resolved that the Assembly must be given power over such expenditure.<sup>4</sup>

The principle that public expenditure must be subject to parliamentary control had deep roots in the history of Dutch political institutions and, in deed, of parliamentary democracy. Already by the seventeenth century, the approval of Dutch burghers had been required for expenditure by the princes who had responsibility for the defence of the United Provinces of the Netherlands.<sup>5</sup> The Dutch now argued that European expenditure could not be properly controlled by six separate parliaments, and therefore had to be controlled by the Assembly of the Community. The Rome Treaty stipulated that decisions on the Community's own financial resources be ratified by all the member states. Given the profound commitment of the Dutch to the principle of parliamentary control, bolstered by their federalist view of the development of the Community, there was no question of their abandoning it in this case; and they were supported not only by the Dutch government but also by parliaments of other member states. The conflict between this principle and President de Gaulle's insistence on national sovereignty resulted in the Community's crisis of the mid-1960s and the shelving of the decision on "own resources" until after his demise.

By 1970, De Gaulle had gone but the Dutch parliament had not; and in that year an amending treaty gave the Assembly some power over the Community budget, which was strengthened by a second amending treaty in 1975. The Assembly now had approximately equal power with the Council over budgetary expenditure, with one very big exception: the French government ensured that the amending treaties gave the Assembly little power over the agricultural expenditure (together with some other items, rather obscurely called "obligatory"), which then amounted to over two-thirds of the total and was of particular importance to France.

3 J. Monnet, *Les Etats-Unis d'Europe ont commencé: Discours et allocutions 1952-1954* (Paris: Robert Laffont, 1955). p. 57; A. Spinelli, *Diario europeo: 1948-1969* in Paoletti, E. (ed.) (Bologna: il Mulino, 1989) p. 142.

4 See M. Camps, *European Unification in the Sixties: From the Veto to the Crisis* (New York: McGraw-Hill, 1966) p. 59.

5 See E. Kossmann, "Republican Freedom against Monarchical Absolutism: The Dutch Experience in the Seventeenth Century", in Pinder, J. (ed.), *Foundations of Democracy in the European Union: From the Genesis of Parliamentary Democracy to the European Parliament* (Basingstoke: Macmillan Press, 1999). The chapter by Jonathan I. Israel in the same volume shows how that Dutch tradition became one of the bases for British constitutional monarchy and parliamentary democracy.

Through the 1980s and 1990s, however, expenditure on other programmes, in particular the structural funds, rose much faster than that on agriculture, which now accounts for less than half the total; and the Maas tricht Treaty gave the European Parliament (as the treaties now named it) some additional supervisory powers. Thus the Parliament has become at least the equal of the Council in controlling half the budget – and much more effective, as the events of March 1999 were forcefully to demonstrate.

### Direct elections

The founding treaties foresaw elections by “direct universal suffrage”.<sup>6</sup> But the Council was to “act unanimately” to bring this into effect, which resulted in its failure to act until the mid-1970s. In 1974, however, fifteen years of gaullist government in France were ended by the election of President Valéry Giscard d’Estaing, who wanted to mark his presidency with European initiatives. After consulting Monnet, he decided to launch two: conversion of the *ad hoc* summit meetings of the heads of state and government into the European Council; and a decision on direct elections to the European Parliament.<sup>7</sup> The initiative for direct elections was supported by many of the political forces in the six founding member states; the decision to hold them was taken in Rome in December 1975 by the European Council under Italian presidency; and the first direct elections were held in June 1979.<sup>8</sup>

Following the direct elections, the European Parliament, according to the highly realistic diplomat who was Britain’s Permanent Representative to the Community at the time, “increased its influence dramatically”.<sup>9</sup> Another result was to give the Parliament the self-confidence to accept Spinelli’s initiative to draft a Treaty of European Union on federal lines, which it approved by a large majority in February 1984. While the draft as a whole was to remain a statement of federalist intentions, it was one of the two main sources that led to the negotiation of the Single European Act (SEA) and many of its elements have been incorporated in the SEA and the Treaties of Maas tricht and Amsterdam.

### The Single European Act and the Parliament’s legislative role

France held the presidency of the Community’s Council during the first half of 1984. Soon after the Parliament’s vote on the Draft Treaty, Spinelli together with the presidents of the Parliament and of its Institutions Committee visited President Mitterrand and gave him a paper on the Draft Treaty and its significance. In his presidential address to the Parliament in May, Mitterrand expressed his support for the “inspiration behind” the Draft Treaty<sup>10</sup> and, at the following meeting of the European Council, initiated the setting up of a committee (known after its Irish chairman as the Dooge Committee) of personal representatives of the heads of state and government to put forward institutional proposals to a subsequent meeting of the European Council. The committee’s report, proposing a new treaty to establish a European Union, “guided by the spirit and method” of the Parliament’s draft, was

6 Art. 21 ECSC, Art.138 EEC, Art. 108 Euratom.

7 J. Monnet, *Memoirs* (London: William Collins Sons & Co., 1979) p. 513.

8 See L. V. Majocchi and F. Rosolillo, *Il Parlamento europeo: Significato storico di un’elezione* (Napoli: Guida editori, 1979) pp. 101-4.

9 M. Butler, *Europe: More than a Continent* (London: Heinemann, 1986) p. 158.

10 *Debates of the European Parliament*, 24 May 1984.

presented to the European Council under Italian presidency in Milan in June 1985, along with the Commission's White Paper proposing the programme to complete the single market by 1992.<sup>11</sup>

Every time that treaty amendments have enhanced the Parliament's powers, this has accompanied decisions to increase the powers of the Community; and this time was no exception. In January 1985, in his first speech to the Parliament after becoming president of the Commission, Jacques Delors explained how he had visited the capital of each member state to find out whether its government would accept the single market programme, the single currency or institutional reform, and how he found that only the single market programme was unanimously acceptable.<sup>12</sup> It was also strongly supported by industrial and financial interests. Delors, with his federalist perspective, had chosen as his priorities three main elements required to complete the process of building the Community into a federal union; and it was not surprising that the British and Danish governments favoured the single market but not the other two. The single market programme was the crucial element when the European Council decided in Milan to convene the Intergovernmental Conference (IGC) that was to produce the Single European Act. But given the momentum generated for institutional reform by the Parliament's Draft Treaty and the general consensus that the procedure of qualified majority voting would have to be accepted by the Council if the vast programme of single market legislation was indeed to be enacted, even the British and Danes came to accept the Single Act's provision for treaty amendments giving new scope for majority voting and some enhancement of the Parliament's legislative role. The resulting "co-operation procedure" in fact gave the Parliament substantial influence over legislation relating to the single market and some other fields; and the success of the single market programme, which would not have been possible without the recourse to majority voting in the Council, was to lead to the achievement of Delors's second objective, the single currency, again accompanied by a significant extension of majority voting and substantial enhancement of the Parliament's powers.

### Maas tricht, Amsterdam: co- decision and power over the Commission

Riding on the success of the single market programme, Delors was able to build support for the single currency. Business organisations were strong supporters. As a former French finance minister, Delors knew that France would back the project, seeing the single currency and European Central Bank as the means to recover a share in the control of monetary policy which had long since been gravitating towards the German Bundesbank, a trend that, in the context of a single financial market, seemed otherwise irreversible. Chancellor Kohl was persuaded that the single currency would set the seal on the integration project, which he judged essential for both Germany and Europe.

11 "Report of the Ad Hoc Committee on Institutional Affairs (Dooge Committee)", *Bulletin of the European Communities* 3- 1985, p. 102; and Commission of the European Communities, *Completing the Internal Market*, White Paper from the Commission to the Council (Luxembourg: Commission, 1985). The Parliament's own part in promoting institutional reforms that were incorporated in the Single Act and subsequently in the Maas tricht and Amsterdam Treaties is recounted in Richard Corbett's "The European Parliament and the Idea of European Representative Government", in Pinder, *Foundations of Democracy in European Union*.

12 J. Delors, "Introduction of the New Commission", *Debates of the European Parliament 1984-1985*, report of proceedings from 14- 18 January 1985, Annex to *Official Journal of the European Communities* 2- 1985, pp. 3-11.

Meanwhile the European Parliament, following the Single Act, had been promoting proposals for increasing its powers, including legislative co-decision and power over the appointment of the Commission; and had secured the support of the Italian Parliament, the Belgian government and a range of political forces in the Community.<sup>13</sup> But it remained far from certain that such proposals would be converted into treaty amendments or that the single currency project would come to fruition, let alone that the two would be combined. The event which brought them both about was the seismic shock of German unification.

German unification breathed new life into the original motive for the foundation and development of the Community: the vital interest of France, Germany and their neighbours in a political framework that would ensure their peaceful and constructive cohabitation. So Kohl and Mitterrand proposed that the Intergovernmental Conference, already planned for treaty amendment relating to the single currency, be accompanied by an IGC on "political union", vaguely defined to include both common foreign policy and institutional reform.

As regards institutional reform, there was little opposition to stronger powers for the Parliament. British and Danes were reluctant, but more concerned to ensure that they could opt out from the single currency. The French were not enthusiastic, but intent on maintaining the partnership with the Germans who saw powers for the Parliament as an essential aspect of a democratic structure for Europe. So the Maas tricht Treaty introduced the two reforms that were most important for the Parliament: co-decision, giving the Parliament approximately equal power to that of the Council in a number of fields of legislation; and power to approve, or not, the appointment of the Commission.

Since a number of member states were not satisfied with the Maas tricht Treaty in several areas, including institutional reform, the Treaty provided for the convening of the IGC that led to the Amsterdam Treaty. Six weeks before the Amsterdam meeting of the European Council at which the new treaty was finally negotiated, Tony Blair's New Labour replaced John Major's Conservative government. The new British government did not resist enhancement of the Parliament's powers. The Treaty extended the scope for co-decision, which is now expected to apply to over half of future legislation. It also gave the Parliament power to approve the appointment of the Commission's president, in advance of its approval of the Commission as a whole. The significance of this is enhanced by the president's new right to approve the governments' nominations of the other Commissioners, which the Parliament can therefore influence in the course of its proceedings to approve the president.

The importance of all this gradual accumulation of the Parliament's powers was to be illustrated with dramatic force in March 1999.

### March 1999: Parliament gets the Commission to go

The power to dismiss the Commission, given to the parliamentary assembly by the ECSC Treaty, had long been seen as a deterrent too extreme to be usable. In fact it was not used because the Parliament was too weak to use it. The treaties provided that, until the governments had unanimously agreed on the membership of a new Commission, the old one would remain in place; and the governments would probably have humiliated the Parliament by leaving it there. With few other powers, the

<sup>13</sup> See R. Corbett, *The European Parliament's Role in Closer Integration* (Basingstoke: Macmillan Press, 1998), chap. 11, and his "European Parliament and Idea of European Representative Government", in Pinder, *Foundations of Democracy in European Union*, pp. 100-101.

Parliament lacked the weapons with which to fight back.

But the Parliament now has, as we have seen, a wide range of powers, including equivalent power to that of the Council over half the legislation and half the budget, together with the right to approve the Commission and its president and various forms of supervision over the Commission once it is in office.

The legislative powers are highly significant but have little impact on public opinion and hence on the Parliament's legitimacy in the eyes of the public. Control over the executive and the budget is different; and in March 1999 this proved, as it has done on other occasions in the history of parliamentary democracy, a potent combination.

The Parliament will probably be seen, with hindsight, to have played its hand skilfully. It waited to strike until the committee of auditors that it appointed had presented a case that shocked public opinion and was hard for governments to refute. Then it played an important part in the appointment of the new Commission. As the *Financial Times* put it, the European Parliament "is coming into its own as the principal organ of democratic control over the other institutions of the European Union."<sup>14</sup> This episode may come to be seen as a watershed over which the Parliament crossed to become generally accepted as the key stone in building a democratic Europe.

## Conclusion

A federal legislature comprises two chambers, a house of the people and a house of the states, which together exercise the two main functions of representative government: enactment of laws and control of the executive. In the European Union, the people's house is the European Parliament, directly elected by the citizens, while the Council contains the representatives of the member states. With respect to around half of the legislation and the budget, they co-decide in a way similar to that of a federal legislature and the citizens' representatives are therefore acting much as they would in such a legislature. The power of assent over treaties of accession and association, which was another product of the Single Act, also gives the Parliament what may be called a federal power in the field of external relations. In appointing the Commission, the Parliament likewise has powers similar to those of the people's house of a parliamentary federal system, with the right of approval over the appointment of the executive; and the part that the Parliament played in securing the resignation of the Commission in March 1999 showed it to be far more effective than the Council in acting against maladministration.

The comparison with the people's house in a federal legislature may not be regarded as useful if there is no more than a remote chance that the Parliament will gain the remaining powers which such a chamber would normally possess or that the Union itself will have sufficient powers to justify the use of the term.

With the coming of economic and monetary union, however, in addition to the single market and common policies such as those for agriculture, transport, the budget and external economic relations, the Union already has most of the powers required by a federal system to deal with the interdependence among member states in the economic field, to which can be added its powers with respect to the environment. It lacks powers over defence, let alone integrated armed forces, without which it

<sup>14</sup> "A new power", *Financial Times*, 19 November 1999.

can not be called a federal state. But if the Union's economic and environmental powers are those required by a federal system, it is surely useful to ask how its institutions compare with those of such a system and what reforms would convert them into the institutions of a federal representative government.

As far as its legislative and budgetary powers are concerned, the European Parliament's power of co-decision over some half of the legislation and the budget would have to be extended to virtually the whole of them, including the revenue as well as the expenditure side of the budget. As regards control of the executive, the Parliament will have to show that it can use its power of approval and control as effectively as the equivalent house of a federal legislature. Its performance in securing the resignation of the Commission in March 1999 showed promise in this respect.

Thus the question whether the Parliament will become the equivalent of a federal house of the people depends mainly on whether it can acquire the power of co-decision over the remainder of the legislation and the budget. With the more open attitude of Britain's present government, the main source of opposition to increasing the Parliament's powers has been much attenuated if not removed. The present Inter-governmental Conference may well decide to extend the scope for co-decision to all legislation to which qualified majority voting applies in the Council, which already in 1996 comprised 80 per cent of all legislative decisions.

Academics have generally been sceptical about the relevance of this federalist line of thought. Neo-realist historians and scholars of the Harvard school of international relations in particular, who have included some of the most influential writers on the European Community and Union, have found no room for it within the confines of their intellectual framework. Nor have neo-functionalists, with their lack of concern for constitutional questions, been ready to confront it. But with integration at its present advanced stage, control of the power involved in integration, together with its effective use, has become a crucial political question. Integrated power has been a necessary response to the interdependence of European states whose separate powers are unable to cope with its consequences. Use of the integrated power is an act of government. So the question is whether we should be governed at the European level by various groups of ministers and of officials or by the methods of representative government. That is the question which the federal analogy poses.