



JIM'S READING CORNER

This is a seminal book for students of European integration. Despite Brexit, British researchers continue to provide some of the best works on the EU. The first edition dates to 1977. "Policy-making in the EU" has explained the EU to successive generations; it has also been a running commentary on history in the making. Including Brexit, which led to a delay in the publication of this 8th edition because the editors wanted to wrap their minds around this major and unexpected development in European history. They could not anticipate the latest twist of history that is unfolding in front of our eyes at this moment in Ukraine. But their exhaustive and competent analysis of the gradual development of the EU bears many lessons and ideas for the further evolution of the EU against the background of a world that is changing fast and radically.

The book is structured in three parts. Part I looks at *Institutions, Process and Analytical Arguments*; Part II consists of 15 *case studies* covering the whole range of EU policies; and part III reflects on the *Stability of EU Policymaking in a Turbulent world*. It thus mixes theoretical thought, practical application and a look towards the future.

The first thing the book tells us is that the EU has undergone major transformations since 1977, while preserving its underlying system. It has done so via several treaty changes between 1985 and 2009, developing the institutional framework and democratic functioning of this system, pushing ahead with economic integration via the Single market project and the creation of the euro, and extending its action towards new areas like foreign policy and security as well as justice and home affairs (JHA). The measures taken in reaction to the crises hitting Europe after 2008, have further transformed the EU in ways that outside observers do not always understand. In all the crises, the response has been to strengthen integration. The book bears testimony to the adaptability of the EU and its multi-faceted nature.

This latter point is important. When you read part I of the book you understand why. Depending on where you put the cursor or what area you are looking at, you tend to see a very different animal: hence the controversies about the nature of the EU and the opposition between the Community method and intergovernmentalism. And a proliferation of labels that create more confusion than light: *intergovernmentalism, liberal intergovernmentalism, new intergovernmentalism, neo-functionalism, post-functionalism, constructivism...*

POLICY-MAKING IN THE EUROPEAN UNION 8TH EDITION

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The authors of this part are not to blame for this; they just describe the reality of research on the EU and a debate that is often artificial and sterile. The reason for this is simple: it is often based on false premises and the *either-or* distinction between a federalist EU and an intergovernmental one. Both views proceed from a Westphalian-type understanding of the world where there is nothing between a state and an international organisation. But the EU is neither the one nor the other; you can also say that it is both at the same time. That is why, as the authors rightly point out, it is near-by impossible to stick one label to the EU and look at it only through that prism.

It would have been good if they had taken this as incitement to attempt a positive description of what the EU is, namely a Union of States and peoples, a new legal order that cannot be comprehended by a Westphalian type of approach (for a good analysis of this development, see the works of Jaap Hoeksma, and the *Report of the High-Level Group on Democracy* set up by the Committee of the Regions in the context of the conference on the Future of Europe). I plead for a *back-to-basics* approach to better understand the nature of the EU.

When reading some of the arguments about a “new intergovernmentalism” and other such things you may get the impression that the use of Community or the intergovernmental method is somehow a matter of choice for the policy-makers. It is not. It is a matter of applying the treaties. What do the treaties do? They allow sovereign states to transfer competences to the EU; this is called the *principle of conferral* of competencies. They do this to varying degrees: *in toto* (rarely, like Common Agricultural Policy, trade, single currency), partly (mixed competencies (most cases), to complement national policies (no legislation), or not at all. In areas like the Common Foreign and Security Policy, the competencies are not transferred but they are exercised together, via the coordination of policies in an intergovernmental fashion. And those varying degrees dictate different modes of functioning, as is so well explained in the book.

Once you have established this very basic understanding, the detailed scientific examination of the various policy fields and modes becomes less baffling and esoteric and more useful. The very nature of the EU means that you need the Community method but also the intergovernmental one. I would add that you also need the use of purely national resources and competencies as we have seen in the subprime crisis, the Covid-19 crisis, or the handling of migration.

In this context, a word on the European Council. Its role is often misunderstood and underestimated, at

least in past debates. The prominent role it has taken in managing the recent crises has to some extent rectified the conception; in a crisis, the EUCO takes the front stage because it is the closest you get to some form of EU government. But there is nothing structurally new here. The fact is that the EUCO, since its creation in 1973, has played the key role in EU policy. There is no major development in the EU without a strong involvement of the EUCO. It came into being because the Heads of state or government wanted to take a leading role in the EU; they just did. The presence and key role of the President of the Commission within the EUCO lends it additional clout and influence. It acts by consensus as a kind of *Über-Vater* to the Council, but also as a club of national leaders. The Lisbon treaty recognised this reality and formalised it, without changing it.

To illustrate how things function in practice, take the adoption of the EUR 750 billion *Recovery and Resilience Facility* (RRF) agreed upon in 2020. The idea arose in some Member States, whose leaders talked to their colleagues. The President of the EUCO then put it on the agenda of one of the videoconferences among members of the EUCO that discussed the reaction to the health crisis. They tasked the Euro group with looking into the socio-economic effects of the crisis and propose solutions. A few weeks later, it endorsed the provisional agreement reached by the Finance Ministers on three elements of a package: the launching of a program called SURE to help the unemployed, the creation of a mechanism at the European Investment Bank to help enterprises, and the possible use of the European Stability Mechanism to assist sovereigns. On the fourth part of the package, the possible creation of a RRF, where Finance Ministers had not found agreement, they tasked the Commission to make a comprehensive proposal on both 2021-27 Multiannual Financial Framework and a new RRF. Which the Commission did towards the end of May, and did so excellently. In July, at a meeting lasting five days and four nights, the EUCO reached agreement on the whole package, which was then formally adopted in line with the treaty rules. It is the interplay between political direction given by the EUCO (Article 15 TEU) and the full use of the Community method that made the deal possible. Without the former, nothing would have happened to start with; without the latter, nothing would have been achieved. They feed on each other. During the subprime crisis, the Member States decided to create a Fiscal compact treaty outside of the EU framework (because the UK blocked a change of the treaties), which in fact increased the powers of the Commission in economic supervision, because it led to the adoption of the famous Two-Pack and Six-Pack on economic governance within the euro area.



The EU has created a remarkable new legal and constitutional order. I do not share at all the view often expressed that there is a structural democratic deficit in the system (which is not to say that the functioning of democracy in the system is always perfect!). The term arose in the context of the European Parliament's struggle for more powers: if the directly elected EP does not have all the powers, there is a deficit, went the saying. This battle cry was gleefully taken up by the euro-sceptics, with a very different argument: there can only be democratic legitimacy within a state. My view is that we have democracy in Europe (all our Member States are democracies, albeit sometimes with flaws). We also have democracy of Europe. Why? Because we have a cleverly drafted system of checks and balances, with the Council and EUCO representing the collective views of the states, a directly elected EP that can speak for the European citizens, and a Commission with the key role of defending the common interest; it is legitimised by its designation mode involving the Member States, the Council and the EUCO (for the President), and the EP.

That is why I reject what I call false good solutions like the *Spitzenkandidaten* model or the merger of the Presidents of the EUCO and the Commission. They would break the balance because they are based on how national democracies in the EU function as states and would thus fundamentally change our system. One can of course have a debate about whether Europeans want to move towards a federal Europe in the sense of a United States of Europe. What one should not do is constantly criticise the EU for not being what it is not meant to be. What one cannot do is introduce such major changes without any serious debate about what they mean in practice and by the backdoor. Or by pretending that the EU is already a federal entity as such. It may in the end become one, even though personally I doubt it, but it clearly is not that today.

What we have is a system of dual legitimacy, and policy modes that range from the so-called Community method to purely intergovernmental ones. This system is not frozen. The description of the various policy fields in this outstanding book shows this very clearly. Over the years, the EU has added new Community competencies via treaty changes. It has also introduced new intergovernmental pillars with the Maastricht treaty; in the case of JHA, most of the elements have since been included into what we used to call the first pillar (Community). Nothing prevents us from further strengthening the more centralising powers of the EU in an area like health, drawing the lessons from the Covid-19 crisis. To do, in other words, what we have always done, as the book so eloquently

describes when it analyses the various policy modes. The dramatic Ukraine crisis that is unfolding in front of our eyes may well accelerate the transformation of the EU in a more fundamental fashion. Since 2016, with Brexit and Trump, people in the EU have become more aware that history has not ended. That the EU, while preserving its DNA, must add to its instruments a crisis management capacity, strategic autonomy, and the capacity to be a global player, with power. The last few days have been extraordinary in accelerating these trends. If the political will is there, the EU will find the way to mobilise all its resources, be they community-based, intergovernmental, or even purely national.

A final remark: I have here focused on the macro level and on the key principles underlying European integration. This does not do justice to a work that provides detailed descriptions and a profound analysis of all EU policy areas by top class experts. It is a must read for any student of the EU and indeed for anybody who wants to understand where we come from and what we have collectively achieved over the past decades. At the same time, it opens avenues for the future development of the EU. It is thus also an indispensable tool for the politicians and the practitioners shaping our Union.