



## **A NEW EU TREATY: “A POLITICAL SCIENCE FICTION?”**

The ongoing crisis conditions in the EU have reincarnated the debate on a new treaty, especially in the context of governance and for more deepening. The Lisbon Treaty that entered into force at the end of 2009 could not be an exact cure to the Union's problems. The Euro crisis that has hit the EU almost concurrently, has further exposed its institutional problems and accentuated the need for economic governance which was not the main preoccupation of the Lisbon Treaty.

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<sup>1</sup> <http://www.tepav.org.tr/en/ekibimiz/s/1139/Nilgun+Arisan+Eralp>

There are two main standpoints regarding a treaty change in the EU: necessity and feasibility.

I- **Necessity**

When we look from the "necessity" point of view, there seem to be two approaches:

- federalist approach;
- interest driven approach.

**Federalist Approach** shares the vision of the founding fathers regarding the political union. The immediate concern of the federalists seems to establish a genuine Economic and Monetary Union (EMU). They demand \_a proper federal constitution focused mainly on building a genuine EMU, which would replace the ad-hoc arrangements by permanent institutions like a treasury and most important than all, a strong economic government<sup>2</sup>.

In order to reach these ends, they strongly resist the temptation of an intergovernmental treaty outside the EU-framework and demand a large scale treaty reform which would strike a balance between stability and growth on the one hand, and (fiscal) solidarity and (fiscal) discipline, on the other.

Federalists agree that future of the EU is dependent on the success of the Euro. However they regard that eurozone crisis as a unique chance to push for a deeper fiscal and political union. They have a strong conviction that EU, throughout its history of integration, has leapt to further stages of integration (has deepened) via the measures it has taken to surmount the various crises it had confronted and hence executed a type of improvisation rather than moving ahead in line of an integration strategy.

There are a number of stances in the **interest-driven approach**:

- The basic aim of the first interest-driven approach is to tackle the Euro crisis when it becomes impossible to do so within the limits of the existing treaties.

Germany's approach is a perfect example for this approach. Germany put the focus on "banking union" that would entrust bank supervision and crisis management competences to European Central Bank (ECB). Here the problem is common banking resolution scheme. Claiming that the existing treaties envisage giving ECB supervisory powers but no explicit provisions to deal with ailing banks, the country argues that a common banking resolution scheme as a part of the envisaged banking union is impossible without a new treaty<sup>3</sup>.

- Conversely, treaty change seems to be needed for new guarantees for the states that have not adopted the euro, so that their interests will be protected from potential spillover effects of deeper macroeconomic integration in the Eurozone.

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<sup>2</sup> Andrew Duff, On Governing Europe, Policy Network 2012.

<sup>3</sup> European Commission asserts that it is possible.

- There is also the approach of Great Britain which expects a treaty change to renegotiate the terms of its membership and repatriate some competences, especially in the area of 'Justice, Freedom and Security' ahead of an envisaged referendum by 2017.
- Although it seems to have slipped off the radar of the EU –with the exception of Iceland- some people still refer to prospective enlargement as one of the reasons of a treaty change, particularly for an efficient decision making mechanism.
- Transformation of multi-speed / multi-tier/ multi-group Europe from by default to by legal design is also indicated as a reason for a treaty change.

## **II- Feasibility**

Feasibility aspect of a treaty change is closely related with the political limits of further integration or deepening of the EU. We observe that, even before the crisis, the endless renegotiation of EU's treaties had reached its limits, principally after the referenda results of the Constitutional Treaty in France and Netherlands in 2005.

A few months ago, the Germans, alongside the European Commission and the European Parliament, were calling for negotiations on a 'political union' to start soon after the 2014 European elections. However, now there is a considerable amount of pessimism regarding a treaty change. The president of the European Commission Barroso stated that "it now seems a political science fiction" that will eventually become reality. <sup>4</sup>

Although Germany still insists that a treaty change is sine qua non for a common bank resolution scheme, even it reflects its pessimism regarding the possibility of such a change by proposing a network between national bank resolution schemes at the moment. Regarding the other aspects of the "Banking Union", Germany claims that the banking union is urgent and should be created within the current EU treaties.

Most EU governments do not want a significant new treaty, partly for fear of the difficulties of ratification. The difficulties of ratification mainly stem from the popular discontent with the EU and EU institutions existing in many but especially in the Member States hit hard by the crisis. "Since the beginning of the euro crisis, trust in the European Union has fallen from +10 to -22 percent in France, from +20 to -29 percent in Germany, from +30 to -22 percent in Italy, from +42 to -52 percent in Spain, from +50 to +6 percent in Poland, and from -13 to -49 percent in the United Kingdom" <sup>5</sup>. Currently, the EU

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<sup>4</sup> EUObserver, " 'Political Science Fiction ' to Become Reality, Barroso says "7.5.2013

<sup>5</sup> Jose Ignacio Torreblanca and Mark Leonard, The Continent- Wide Rise of Euroscepticism ; European Council on Foreign Relations, May 2013.

citizens feel even further excluded from the decision making process in the EU because of the rapid policy making that has become necessary to stay ahead of the euro crisis.

This situation strengthens highly Eurosceptic and even anti-EU populist parties like Five Star Movement in Italy, Golden Dawn in Greece and United Kingdom Independence Party (UKIP) in Great Britain. This makes the ratification of a prospective new EU treaty even more difficult.

Consequently, a large scale treaty reform seems to be impossible at the moment. For the moment the main preoccupation seems to be "to get out of the crisis" and the motto of the decision makers towards this end is "perfect seems to be the enemy of the good" or in other words "we need to work with what we have". Solutions can be and are found to the problems of the Eurocrisis via enhanced co-operation. Like in the case of Fiscal Compact, European Stability Mechanism and its rescue activities, the decision makers want to move within the limits of existing treaties.

The crucial question to be asked is "what sort of EU do we really want?", where the answer would provide a basis for a new narrative for the EU. This time, it does not seem to be possible to move forward "without making the EU citizens aware of and let them approve the changes being made for democracy and legitimacy"<sup>6</sup>.

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<sup>6</sup> EUObserver, 7.5.2013