



BACKGROUND NOTE FOR THE XLIX COSAC MEETING

23-25 June 2013, Dublin, Ireland

Future European Integration

Introduction

The Lisbon Treaty entered into force on 1 December 2009, following a protracted period of negotiation and ratification by the Member States of the European Union. In the short period of time since then, economic integration in the EU and in the euro area in particular, has proceeded at a relatively rapid pace, albeit in a piecemeal fashion, largely driven by the need to secure stability in the wake of the financial and sovereign debt crises.

Economic policy coordination in the EU has been overhauled with the introduction of the European Semester. New fiscal rules and a financial backstop for the euro area have been agreed through the conclusion of intergovernmental treaties outside the framework put in place by the Lisbon Treaty. In addition, a single supervisory mechanism for banks and greater budgetary surveillance in the euro area have both been approved.

As the immediate risk to financial stability has receded and a degree of confidence has returned, discourse has shifted somewhat towards the imperative of tackling the jobs crisis in Europe, and for the EU to regain the trust of citizens. Against this backdrop, a broad, forward-looking, and high level debate on future integration in the European Union, both economic and political, is beginning to take place.

Debating the Future EU

In his State of the Union Address in September 2012, European Commission President Barroso called for a “Decisive Deal for Europe”, involving the completion of a deep and genuine economic and monetary union with greater democratic legitimacy and



accountability and ultimately a political union, a blueprint for which was subsequently published by the Commission in November 2012. In his reasoning, President Barroso stressed that the credibility and sustainability of the Economic and Monetary Union depends on the institutions, the political construct, and the European democracy underpinning it.

Significantly, in his remarks on political union as a horizon, President Barroso specifically set out a vision for the development of a federation of nation states, which would ultimately require treaty change, following a broad debate all over Europe. He committed that before the next European Parliament elections in 2014, the Commission would present its outline for the shape of the future European Union and put forward explicit ideas for treaty change in time for a debate, raising the prospect of some such change during the lifetime of the next session of the European Parliament from 2014-2019.

President Barroso's address expanded on contributions made by Commission Vice-President Reding earlier in 2012 in which she had called for an open debate on the future shape of the European Union in the run up to the 2014 elections, and set out a possible path to political union by 2020.

A report by a group of 11 EU Foreign Ministers published in September 2012 called for a political debate about the future of the European project to begin all across Europe, and for it to engage citizens. In the report, the Ministers focused on the need to strengthen the economic and monetary union as an absolute priority, and for attention to then turn to improving the overall functioning of the EU.

In January 2013, UK Prime Minister David Cameron set out his vision for a new European Union and a renegotiated settlement for the UK in it, built on five principles: competitiveness, flexibility, the possibility for power to flow back to member states, democratic accountability, and fairness.

Completing the Economic and Monetary Union

Outline plans for the phased completion of the economic and monetary union through the creation of more integrated frameworks for financial, budgetary and economic policy matters, as well as the strengthening of democratic legitimacy and accountability, received the high level backing of the European Council in December



2012. This followed the comprehensive report on the subject by President Van Rompuy, in close collaboration with the Presidents of the Commission, the ECB and the Eurogroup.

In advance of the European Council in June 2013 and the expected endorsement of a time-bound roadmap for the completion of EMU, France and Germany have put forward a joint contribution on reforms to strengthen the euro area, which includes a reference to a full-time president of the Eurogroup, amongst other suggestions.

Democratic legitimacy and accountability

As regards the strengthening of democratic legitimacy and accountability, the European Commission and the European Council have both clearly acknowledged the necessity for stronger democratic legitimacy and accountability in the economic governance of the EU - particularly the economic and monetary union - and the need for a greater role for parliaments. The European Council of December 2012 stated that: “Throughout the process [completion of EMU], the general objective remains to ensure democratic legitimacy and accountability at the level at which decisions are taken and implemented.”

In a bid to improve the European elections in 2014, the Commission has put forward the suggestions that voters should be informed of the affiliation between national parties and European political parties before and during the elections, that Member States should agree on a common day for the elections with polling stations closing at the same time, that each European political party should nominate its candidate for President of the European Commission, and that political broadcasts by national parties should clearly inform citizens about the candidate they support. Further proposals in relation to greater democratic legitimacy and accountability have yet to emerge, but may be proposed over the course of the next year.



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Uachtaránacht na hÉireann ar
Chomhairle an Aontais Eorpaigh
An Ghné Pharlaiminteach

Irish Presidency of the
Council of the European Union
Parliamentary Dimension

Issues for consideration

- To what end, and at what pace should the completion of economic and monetary union be pursued?
- In what practical ways can democratic accountability and legitimacy be enhanced ?
- To what extent might limited treaty change in the medium term be desirable?
- Do Europe and its citizens have the appetite and capacity for any such change?
- How can the EU comfortably accommodate those Member States that wish to integrate further, and those that do not?
- Is some form of political union really necessary for greater economic union to succeed?