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MASTER THESIS

**Assessing Future of the European Council**

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## Statement of Authenticity

"I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains nothing which is the outcome of work done in collaboration with others, except as specified in the text and where due acknowledgment has been made".

Kucejova

Signature

21.5.2007

Date

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## ABSTRACT

Jean Monnet once expressed: 'Nothing is possible without men; nothing is lasting without institutions'. Beginning in early 1970s, the European Union developed an effective system of collective leadership in and through the **European Council**, which facilitated the integration process despite radical changes in the size and character of the EU and the emergence of a generation of leaders who are only hardly comparable with their predecessors. Yet, in the European Union that now includes 27 Member States, reaching consensus in the European Council is beginning to be difficult like never before, which may possibly handicap or partially hinder progress in the EU project.

Consequently, the principal aim of my research is to succinctly analyze the aspects of the EU leadership. I will assess the future of the highest authority of the European Union (in EU 27), which is the **European Council**- often regarded as the mover and shaper of the EU integration. To be consistent with my assessment, I discuss:

- The central managerial role of the office of Presidency
- The pre EU Council institutional arrangement of the EEC
- How, where, and why the EU Council emerged and what role it played in the process of the European integration
- What reforms the EU Council went through, and which in particular made it into successful executive body that shaped the EU
- What was the EU Council before the major enlargement on May 2004 took place

Further, French and Dutch referenda expressed peoples' lack of confidence in the way Europe has been led, which sent signal that the European Council ought to become more accountable to those in a position to scrutinize its members (national parliamentarians and citizens rather than the EU Parliament). The **Constitutional Treaty**

is dead by now, though, it had little to say on these matters (e.g. accountability of the EU Council), as it failed to acknowledge the EU Council status as the highest authority in the Union. However, I briefly discussed some of the proposed reforms in respect to the EU Council.

The overall discussion in the work is conducted in a way as to conclude that even the EU happens to be 'in crisis' at the moment, the future of this remarkable institution is not desperate, nor lost. Quite opposite, one of the positive features of the current crisis is that it poses another challenge for **EU Council** to further develop and deepen its existing structures and therefore prove its unique and undeniably significant role in fostering the EU integration. And that the 'crisis' offers fresh opportunities for **new EU leaders** to find pragmatic and at the same time optimistic solutions for the future of the European Union. So, the EU continues to stand out as a unique example that mastered unprecedented successes in contemporary political-economic history. The successes are peace, stability, solidarity and single market supplemented with common currency.

## 1. Introduction

### 50<sup>th</sup> anniversary of the European Union

Quite recently (March 25, 2007), the European Union reached significant milestone in its lifetime; it celebrated its 50<sup>th</sup> birthday. And as good birthdays go, they are complemented with unforgettable celebrations and lovely gifts. While the celebrations were grandeur and went above the expectations, the same cannot be concluded about the presents, or one present in particular. The EU was given an exquisite exhibition in the Hall of the Horatii and Curiatii, the famous room in the Campidoglio Palace in Rome, capturing the most important treaties in the history of the European Union. Though, the EU also received the so-called Berlin Declaration- document drafted to revitalize the process of the institutional reforms.

The commemoration of the 50<sup>th</sup> anniversary since the European Union came into being, was organized and at most held in Germany as Chancellor Merkel assumed status of the EU President for the period. Media of all kind did great in promoting the occasion what's important given the large European audience. The audience, as usual, was composed of those excited about the anniversary, of those who took little notice, and of those who knew rather little about the significance of the European project. The audience, so to speak, mirrored European diversity. Yet, given current developments one would suggest that the third category is enlarging and may soon become the biggest.

The celebrations were big. On the informal side, ordinary Berliners and all of the visitors were offered delicacies from the current EU 27 Member States in the city center. And at night they could enjoy clubbing with variety of leading European DJ's. The formal leaders, on the other hand, attended philharmonic concert where Beethoven was heard. For those not present in Germany, there was live broadcasting of the events. The celebrations were truly unforgettable.

Getting to the gifts EU received on the occasion of its birthday. The first one was remarkable. It was an exhibition of the most important treaties in the EU lifespan. There were displayed extracts from the Treaty of Rome, the Treaty of Maastricht, and the EU Constitution. What's more, there were television monitors playing film footage from the signing of the Treaty of Rome, and footage showing aspects of Europe's cultural and political history<sup>1</sup>. The choice of the room was not random. It was here, in the Hall of Horatii and Curiatii where in 1957 the Treaty of Rome gave birth to the EU, and where in 2004 the then representatives of 25 EU states signed the EU Constitution. As of, the room ought to be remembered not only as the place historically important to Italians, but also as politically important to all Europeans.

The second gift for the EU was Berlin Declaration and it was much less appealing than the exhibition - at least for those who believe in the European project. Civil servants in the German Federal Ministry carefully drafted the text of the document so it becomes minimalist. In other words, the German Presidency intended to produce low profile document, which would be easily acceptable by all 27-Member States. The Declaration's main goal was to address the necessity to relaunch process regarding EU institutional reforms after the draft establishing Constitution for Europe failed to be ratified in mid 2005. To the structure, Berlin Declaration consists of five sections; the first is retrospective and concludes upon the Union's achievements, the second celebrates upon the democratic features that play significant part in the European cooperation; the third one underlines the values as human dignity, solidarity, diversity, and tolerance; fourth section talks about the future challenges- specifically energy, climate change, justice and home affairs and foreign policy. Finally, the last fifth section is on the "shared commitments", which implies that "EU governments are committed to renewing the

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<sup>1</sup> Judith Crosbie, 'Where History Was Made', *European Voice*, 13, 2007, p.13

foundations of the European Union<sup>2</sup>. The Declaration was signed on the eve of the celebrations, though only by the heads of the European institutions. Angela Merkel represented the executive body of the European Council, Jose Manuel Barroso represented the European Commission and Hans-Gert Pottering was in charge of the European Parliament.

## 1.2 Time to reinvent European ambitions

Building idea of Berlin Declaration was to celebrate political, economic, and social achievements of the EU in the past fifty years, and to restart institutional talks. The commemoration of EU successes was well put together. As to the second objective, the minimalist character of the document only highlighted pending deficit in the European leadership. The declaration was drafted so carefully that it would not upset any member of the highest authority (or the executive body) of the EU- the European Council<sup>3</sup>.

The French and Dutch rejection of the draft establishing Constitution for Europe in 2005 set dark clouds above the EU. It sent the signal that people are becoming increasingly disconnected from the process of European integration, and that they are unable to grasp upon the leading purpose of the existence of the very institution that brought peace to its members and prosperity to its citizens. The referenda expressed peoples' lack of confidence in the way Europe has been led, therefore reflected upon the deficiencies in the EU Council. Since this very occasion, the EU suffered another setback, namely the lack of compromise among the EU leaders when passing the EU budget for 2007-13. In spite of these rather unpleasant developments, the EU further integrated Bulgaria and Romania in January 2007. Now, the Union of 27 is trying to slowly

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<sup>2</sup> Simon Taylor, 'Only Heads of EU Institutions to Sign the Berlin Declaration', *European Voice*, 13, 2007, p. 2

<sup>3</sup>EU Council is regarded as the highest authority due to its composition of heads of state and government, and also for its role of providing impetus and political guidelines for Europe. Thus, if document as Berlin declaration lacks high-set ambitions, it tends to reveal crisis in the system of collective leadership (Berlin Declaration will be discussed in **Section 2.2**)

pave the way for the reforms that will eventually make EU institutions more effective, flexible, and accountable. Yet breaking away from what Barroso<sup>4</sup> calls 'Europessimism' and making EU institutions more effective, flexible, and accountable is currently not only crucial but increasingly pressing. And there is hardly too much time available for EU leaders to carefully impose the changes through the EU Council Conclusions. Quite opposite, it is time for them to collectively and decisively assume leading role and give the EU direction, assign the EU 27 realistically attainable goals backed up by necessary institutional modifications<sup>5</sup>. Such ideas are not without cause.

In the light of the world developments, where global capitalist system rules, we are witnessing the rise of India and China as the next influential world players. Even Joschka Fisher, ex-German foreign minister and EU optimist, said that: "The rest of the world will not wait for Europe while it bickers over institutional reform and external policy issues, warning that the risk of it (EU) becoming a playground for upcoming superpowers (India, China) grows by the day<sup>6</sup>". His sober view of the European Union's position in the world stems from his practical experiences; he presently works as a professor at the Princeton University. Hence, he stated: "Here in the United States, I hear 'who is Europe, where is Europe?' They are looking for China and India. Europe is increasingly fading away beyond the horizon in the Atlantic.<sup>7</sup>" In spite of such realistic statements, Fisher is a proponent of the institutional reforms, as he believes that they would give the EU more flexibility in the globalized world and eventually would bring people closer together. In the

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<sup>4</sup> Barroso is currently the president of the European Commission.

<sup>5</sup> Addressing EU Council in the first place is of utmost significance. It is the EU Council on which Conclusions (that are politically binding) the EU Commission initiates legislative proposals and send them to the Council of Ministers and to the European Parliament.

<sup>6</sup> Honor Mahony, *Europe is increasingly fading away*, euobserver.com, p. 1  
<<http://euobserver.com/9/23803/?print=1>>, accessed 2 April 2007

<sup>7</sup> *Ibid*, p.1

interview he concludes that the EU is “strong enough, especially in economic terms...but it is not transparent enough, it is not legitimate enough that people understand the importance of the European project<sup>8</sup>”.

Undeniably, the EU seems that it lost its appeal, especially to current generation of Europeans due to its outdated narrative and due to its unbalanced empowerment of the EU in the 1990s. Narrative of a type that the EU symbolizes the cooperative commitment to postwar European economic growth and geopolitical stability is not out of place, but it does not catch upon peoples’ imagination anymore. We are not living in a fear that war can break out on the European continent any soon, nor are we worried about geopolitical instability<sup>9</sup>. To the second point outlined above, through the Maastricht Treaty, the member states delegated whole new responsibilities to the EU (EU Citizenship, common currency platform, etc.), yet they retained partial governance within the areas. Thus, an action towards these areas ought to be taken collectively on the level of the European Council, for the EU to move forward, to resume further integration. Yet, all of the members of the EU Council must realize how important their inputs in these matters are.

Moreover, at present, EU faces numerous global and domestic challenges. None of this is happening in vacuum, but within the interdependent globalized community. Thus, EU’s new ambitions should be to promote economic reform to make member states’ economies stronger so they can compete on the global market with rising powers as China and India. Europe must assume supreme responsibility over governance of the common currency, and it ought to encourage reform of European equitable societies so it equips its citizens to cope with change. Also, Europe ought to help

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<sup>8</sup> Honor Mahony, *Europe Is Increasingly Fading Away*, euobserver.com, p. 2  
<<http://euobserver.com/9/23803/?print=1>>, accessed 2 April 2007

<sup>9</sup> Current controversy in regards to stationing of US anti-nuclear radars on the territory of the Czech Republic may slightly modify this statement.

poor nations develop and provide aid where it is needed the most. It must resolve future supplies of energy, motivate world to fight global warming and protect environment. Lastly, the EU has to start coping with ageing problem. No doubt, Berlin Declaration formulated most of these points and established strategy how to put up with the challenges. However, the document was drafted to become minimalist, which means that it was drafted to upset nobody and satisfy everybody. Hence, it implies that the document was not an act of great leadership on the side of temporary EU president Angela Merkel; the document was rather a pragmatic move. Also, in spite that the document was issued by one of the core EU states-Germany, it lacks the kind of authority it would otherwise had if issued by the European Council. This lack of initiative on the side of the EU Council only confirms current leadership crisis.

This leads us to assume that strong leadership is being missed in nowadays European Union. This is hardly surprising. Taking into consideration enlarged Europe, failed Constitutional Treaty, and the emergence of new generation of leaders across Europe, it takes a while till the EU Council copes with these changes. And while it does so, the Europe proved to have rather little appetite for big deeds. That is the reason why low-key document as the Berlin declaration came into being.

Yet, it is when one least expects it the biggest change occurs. As of, the 50<sup>th</sup> EU birthday should have been the perfect opportunity for the EU leaders to surprise us- to step out and collectively assign new vision for Europe, vision that would reflect upon today's realities, vision that would bridge the gap between those who believe we have too much Europe and those who believe we need more Europe, vision that would make Europe more coherent, strong. At least, that is what outstanding leaders would do. However, this time, the EU was given such vague, unidentifiable and low appealing document that makes us consider current EU leaders conspicuously not

noteworthy. Confidently speaking, Berlin Declaration was not among the lovely gifts EU received on the occasion of its 50<sup>th</sup> birthday.

Jean Monnet once expressed: 'Nothing is possible without men; nothing is lasting without institutions'. Beginning in early 1970s, the European Union developed an effective system of collective leadership in and through the **European Council**, which facilitated the integration process despite radical changes in the size and character of the EU and the emergence of a generation of leaders who are only hardly comparable with their predecessors. Yet, in the European Union that now includes 27 Member States, reaching consensus in the European Council is beginning to be difficult like never before, which may possibly handicap or partially hinder progress in the EU project.

Consequently, the principal aim of my research is to succinctly analyze the aspects of the EU leadership. I will assess the future of the highest authority of the European Union (in EU 27), which is the **European Council**- often regarded as the mover and shaper of the EU integration. To be consistent with my assessment, I discuss:

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Hence, I decided, that before developing the core argument in respect to the European Council, I would guide the reader through the practical part. The practical part will be about the German Presidency of the European Union. I opted for this approach for numerous reasons. First, the Presidency<sup>9</sup> of the Council was established as early as 1958 and it gradually took on more responsibilities. Consequently, with the establishment of the European Council in 1974, it became an important component to the good functioning of the EU Council. Next, the importance of the six months rotating presidency is that it is (in cooperation with other EU institutions) the main agenda-setter of the European Council. Thus, from the agenda, we get familiar what the top priorities at the EU

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<sup>9</sup> Originally, in the beginning, the major role of the office of rotating presidency was to chair the Council's meetings. Here we are talking about the Council of Ministers (not the European Council), which emerged as the counterweight to supranational High Authority.

summits will be. Also, it will prove essential that reader obtains in depth background information of current happenings in the EU<sup>10</sup>, and it will be interesting to conclude upon Germany's representative and leadership skills. The extensive practical part will be complemented with theoretical background to the office of the rotating presidency, which will put it into required perspective.

## 2. Germany presides over the European Council (January- June 2007)

After long consideration about the structure of the work, it became appropriate to begin with practical example of the contemporary German Presidency of the EU to bring into attention current happenings in the EU and to examine Germany's leadership skills. Also, the institution of rotating presidency is important to good functioning of the European Council. Hence, I will discuss its institutional evolvement and relevance in the theoretical section right after the practical part.

To conduct practical and theoretical chapters in utmost coherence, the upcoming subsections will include a discussion evaluating on Angela Merkel's presidential term and its priorities, and also the product of the presidency- namely the Berlin Declaration will be analyzed. The presidency is in great part directed by the specific guidelines, or program, which was collectively approved by the EU Council. Accordingly, there will be inserted a section defining these priorities.

Yet, before evaluating on Merkel's term, defining the program Germany must comply with, and before getting to the Berlin declaration, I want to portray how young Europeans view the European project.

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<sup>10</sup> It is also important to highlight the new trend in regards to system of rotating presidencies- the imposition of trio or group

## 2.1 Reflections from the Youth Rome Summit (24/25 March 2007)

On the occasion of celebrations of EU's 50th anniversary, there had been held a youth summit in Rome, which predominant objective was to discuss pros and cons of the European project. The summit was held on 24/25 March 2007 and it was first EU youth summit organized in cooperation with the European Commission<sup>11</sup>. Just as Berlin summit, the Rome youth summit put together declaration that was handed over to representatives of the Union's three main institutions- the Parliament, Commission and German presidency (representing the European Council). The final text of the declaration was reflection of the debates on local, regional, and national level with around two hundred summit participants who held 2-day discussions. Unlike German declaration, which was drafted in utmost secrecy, the youth declaration demonstrated that young Europeans prefer utmost transparency.

Getting into the content, one of the key messages of the declaration was rather surprising. Young Europeans stated that... „the European project needs to take a step back<sup>12</sup>“. They suggested that EU needed to work on „legitimacy of European institutions<sup>13</sup>“. Further, on failed draft establishing Constitution for Europe, the youth happened to be divided, though they firmly agreed that the "core" of the draft should be preserved, the third part concerning EU policies dropped and then the draft put to vote in EU-wide referendum<sup>14</sup>. Other areas young Europeans believe deserve attention on the EU level are: EU strategy for public transportation- meaning more railways; zero greenhouse emissions vehicles; reduced flights over the European continent; increased EU funds for NGO's, and to lower voting age to 16.

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presidencies.

<sup>11</sup> Lucia Kubosova, *EU Needs More Legitimacy, Say Young Europeans*, euobserver.com, p. 1  
<<http://euobserver.com/876/23773>> accessed 10 April 2007

<sup>12</sup> *Ibid*, p. 2

<sup>13</sup> *Ibid*, p. 2

<sup>14</sup> *Ibid*, p.2

For a start, holding of the youth summit was very valuable for EU institutions and European public since both received feedback from the generation that matters. To the key message of the youth summit, it is quite surprising. Young Europeans suggested that Europe takes one step back, works on the legitimacy of its institutions, and lets national parliamentarians to be involved in the EU matters. No question, EU with 27 Member States, ought to work on the institutional reforms, though the assertion on the side of young Europeans that national parliamentarians should be involved in the EU matters, strongly favors intergovernmentalism. True enough, it was the leaning towards the intergovernmentalism that led to the establishment of the European Council in 1974. However, on the other side, the intergovernmentalism often impeded Union's effectiveness and coherence<sup>15</sup>. Judging from this, the optimism is being lost among the generation that is usually optimistic about everything. On the Constitutional draft, the youth was grossly divided, which also indicates that young Europeans are unable to define the EU's vision and goals at the moment. The other proposals reflect upon the youth imagination and increased interest to preserve environment.

All in all, young generation seems to be more skeptical than enthusiastic about the EU, which is quite alarming given that they are the critical mass, the generation that will decide about the future of the European Union. They will be the ones electing their national leaders. And if they chose candidate who is reserved or skeptical about the EU, he will pursue alike politics at the European summits (where important decisions are taken). This can create additional obstacles in reaching consensus. Could it be that young generation is unconsciously longing for national leaders that will be capable of converging national and European interests, the ones that will be

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<sup>15</sup> Luxembourg compromise is the most notable example.

able to explain Europe, and then supply greater leadership for the Europe as a whole? So far, this remains publicly unanswered.

In the subsequent units, after reviewing the 18-month program agreed by the EU leaders, I will investigate upon German leadership skills during its presidential term and the outcome of the presidency—the Berlin declaration.

## **2.2 Merkel's ambitious term**

On 1 January 2007, Romania and Bulgaria got integrated into the EU, Slovenia adopted Euro and much ambitious German leader—Angela Merkel assumed six months presidency of the European Union. From the beginning, German Presidency stood out as exceptional due to three factors. First, Germany was launching new system of rotating presidency called the trio presidency, it was scheduled to organize fiftieth anniversary of the EU, and it set as its main goal to revive Constitutional talks. The upcoming section will include comprehensive overview of German priorities during its presidential term, in the one after it, Berlin declaration will be analyzed. Scrutinizing this will be essential in concluding what sort of leadership Germany (core EU state) provided for the Union of 27 Member States. Also, the section will highlight the issues that have been framed (collectively at Council meetings) important for the future of the EU.

Yet, the German presidency works according to guidelines set in the 18-month program. Next, reader will get familiar what those guidelines are, what is the content of the program.

### **2.1.1. Complying with 18-month program of the German, Portuguese, and Slovenian presidencies**

In an enlarged EU, it was decided on previous EU summits that starting with Germany the three consecutive presidencies would closely cooperate so to ensure greater continuity between the presidencies and coherence of the agenda. This slight innovation

was further backed up by 18-month program, which set out very ambitious and also far-reaching goals for the EU. And given that the 18-month program influences the agenda of German Presidency, brief look at it is vital.

The 18-month program is divided into three parts. The first part contains strategic framework or the long term objectives for the EU, the second section contains a list of specific priorities for the three Presidencies in each policy area, and the third part is a comprehensive program setting out the issues that are expected to be covered during the 18 month program<sup>16</sup>. In fact, the second and the third part talk about the same things; they define what in particular ought to be done within year and a half. The sections deal with the future of the Union (institutional and economic reforms); the updated Lisbon strategy and its comprehensive implementation in its economic, social and environmental dimensions; strengthening of the area of freedom, security and justice; and lastly the sections deal with enhancing the external role of the EU in the areas of security, development and economic relations<sup>17</sup>. Now it is known what Germany in cooperation with Portugal and Slovenian Presidencies ought to work on. And since priorities and ambitions of German presidency alone will be discussed below, we now turn our attention to long-term goals of the EU.

There are two reasons to this. First, the long-term objectives are derived from meetings of the EU formal leaders, from the EU summits. Thus, they reflect upon the ambitions European leaders assign to EU and upon the collective decisions EU leaders reach. Second, although some points are well formulated, some points are contradictory, and therefore EU as a whole will face difficulties while fulfilling them.

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<sup>16</sup> 'Council of the European Union', Brussels, 21 December 2006, p. 2

<[http://www.eu2007.de/includes/Download\\_Dokumente/Trio-Programm/trioenglish.pdf](http://www.eu2007.de/includes/Download_Dokumente/Trio-Programm/trioenglish.pdf)> accessed 12 April 2007

<sup>17</sup> *Ibid*, p. 2

Beginning in June 2006 summit, the EU leaders identified existing challenges facing Europe over the next few years and formulated strategies how to cope with them. What concerns enlargement, EU leaders concluded that it brought considerable benefits through "its contribution to peace, stability and prosperity for Europe"<sup>18</sup>. Hence, they suggested that the next few years should be dedicated to consolidation of the existing 27 Member States, to gradually integrate the countries into the Schengen area and to extend Euro zone to those who meet the convergence criteria. Regarding further enlargements, the Presidencies (not only German, Portuguese and Slovenian, but also others) will continue with negotiations already underway.

Enlargement is significant within the EU. Even *The Economist* concluded that it is "the EU's most effective foreign-policy instrument"<sup>19</sup>. John Peet, the author of the article- 'The Ins and Outs', suggested that it is the prospect of joining the EU that motivates countries to consolidate their economic and political systems. He wrote: "In the 1980s the prospect of joining played a critical part in ensuring a smooth transition from dictatorship to democracy in Greece, Spain and Portugal"<sup>20</sup>. More to this, the last wave of integration "transformed the east European countries as they moved from communist central planning to liberal democracy"<sup>21</sup>. However, the situation at the moment is that EU voters decline to support further EU enlargement. So to say, they put one of the EU's most successful policies in doubt. Also EU governments lost their enthusiasm for enlargement. Simply put and straight to the point, EU voters and EU leaders are divided on whether Turkey should become another member of the EU.

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<sup>18</sup> 'Council of the European Union', Brussels, 21 December 2006, p. 7

[http://www.eu2007.de/includes/Download\\_Dokumente/Trio-Programm/trioenglish.pdf](http://www.eu2007.de/includes/Download_Dokumente/Trio-Programm/trioenglish.pdf) > accessed 12 April 2007

<sup>19</sup> John Peet, 'The Ins and Outs', *The Economist: A special report on the European Union*, 79, 2007, p. 12

<sup>20</sup> *Ibid*, p. 14

<sup>21</sup> John Peet, 'The ins and outs', *The Economist: A special report on the European Union*, 79, 2007, p. 14

Among other long-term goals, there is stressed importance that EU remains economically powerful so it can face the globalization process already underway. Though while EU leaders agreed that the economies must reform as soon as possible (at least the core EU states with Euro currency), they were also in favor of preserving “the social dimension of Europe<sup>22</sup>”. This point is controversial. Thinking in economic terms, if country has to reform its economy it must either cut on its expenditures or reallocate the financial resources to the sectors that would imminently stimulate economic growth. While conducting such changes, it is most likely that inflow of money into social programs will decrease. No doubt, this is necessary to boost the growth, and when the growth is ensured, government can again return to redistributive policies. However, people are very sensitive when they are to receive less money. Reforms make economic sense, though they are difficult to impose, as leaders like to get re-elected. Here political dilemma comes to play its game. Just as prime minister of Luxembourg Mr. Junker, expressed (in respect to reforms): “we all know what to do, we just don’t know how to get re-elected after we’ve done it<sup>23</sup>”.

The remaining long-term goals are implementation of updated Lisbon strategy for growth and jobs, strategy for sustainable development, to reconsider use of Union’s financial resources (reform of CAP and British rebate), energy policy, external EU representation; also demographic challenges and migration are addressed.

It would be interesting to consider some of the points as reform in CAP and British rebate, but that would divert our attention from the topic too much. For that fact, only two points were developed in this quite lengthy section. The first point regarded EU enlargement, on which EU leaders seem to find consensus given

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<sup>22</sup> ‘Council of the European Union’, Brussels, 21 December 2006, p. 2

<[http://www.eu2007.de/includes/Download\\_Dokumente/Trio-Programm/trioenglish.pdf](http://www.eu2007.de/includes/Download_Dokumente/Trio-Programm/trioenglish.pdf)> accessed 12 April 2007

<sup>23</sup> John Peet, ‘The Quest For Prosperity’, *The Economist: A special report on the European Union*, 79, 2007, p. 8

current situation. The second point, on the other hand, proved that EU leaders retain loyal to their national constituencies, although they are aware that EU as a whole would greatly benefit if some of the core EU states reformed their sluggish economies.

### 2.1.2. German presidential agenda

Strong, pragmatic, rational, avoiding personalizing political relationships, preferring businesslike and interest-based approach in policy-making, but lacking a big and unifying vision- these all describes fairly well current president of the EU- Angela Merkel. She is one of a new generation of leaders emerging in Europe whom *The Economist* called the "world star"<sup>24</sup>. Now, Merkel happens to be in a unique position. She emerged as the first one from the new generation of European leaders<sup>25</sup>. She is popular abroad thanks to her pragmatic approach to international matters. She is very ambitious and at the moment president of the European Union. The EU as we know it now is at the significant point in its existence. Given configuration of these realities, how does the 'world star' cope with her job?

The program for the trio presidency (or the 18-month program) was already introduced and celebrations of the EU's anniversary succinctly described in the beginning of this work. Thus, in the following text the priorities of German Presidency will be highlighted. To start with, German slogan that is seen everywhere says it all: "Europe-succeeding together"<sup>26</sup>.

To the official agenda, world and domestic challenges were rightly identified and the policies to cope with them were well framed. Foremost, German priorities included continuation of the

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<sup>24</sup> Jackson Janes and Stephen Szabo, 'Angela Merkel's Germany', *Current History*, 698, 2007, p. 106

<sup>25</sup> Recently, France underwent the presidential elections, where Nicolas Sarkozy, the right wing politician won. He will assume the presidential office in mid May 2007. It means that he will attend the European summit in June 2007, which will be still under German presidency. Further, Tony Blair is stepping down from his position, and most likely he will be replaced by Gordon Brown

<sup>26</sup> 'Europe- succeeding together-Presidency Program 1 January- 30 June 2007', [www.eu2007.de](http://www.eu2007.de), p.4

<[http://www.eu2007.de/includes/Downloads/Praesidentschaftsprogramm/EU\\_Presidency\\_Programme.final.pdf](http://www.eu2007.de/includes/Downloads/Praesidentschaftsprogramm/EU_Presidency_Programme.final.pdf)> accessed 12 April 2007

constitutional process, the viability of the European economic and social model, the area of freedom, security and justice and the expansion of the European area of security and stability<sup>27</sup>. During the European Council meetings (summits), Germany said it would mainly focus on the first two points- economic and social future of Europe, and on the draft establishing Constitution for Europe.

Visibly, Germany under Merkel set as its main goal to revive European Constitution and to bring to attention economic reforms. In the agenda, there is stated that the "European Constitutional Treaty provides for the internal reforms needed to ensure the viability of the enlarged European Union<sup>28</sup>. As of, Germany promised to hold in-depth consultations with all EU partners and institutions to make the most suitable reform. No doubt, Constitutional draft contains provisions that would make the functioning of the EU 27 more effective<sup>29</sup>. However, the Constitutional draft is also the document that causes confusion among some Europeans. The failed referenda in France and Netherlands in mid 2005 brought into the spotlight that people are becoming increasingly disconnected with the European Union. For this sole reason, Angela Merkel, the leader of one of the founding members of the EU should have exploited her powerful position. She should have come together with leaders of the EU institutions and address the European audience. They together on March 25<sup>th</sup> 2007 should have explained the document in plain language and motivate people to be more involved with the EU. All of this could have happened, if current EU leaders had cared about and believed in the document to such extent that they would be willing to push for it at any cost.



Yet, this time, after we witnessed the commemoration of the 50th anniversary of the EU and German European summit, we know that Angela Merkel chose different path. New within the European

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<sup>27</sup> *Ibid*, p. 4

<sup>28</sup> *Ibid*, p. 4

Council, she secretly held negotiations with EU leaders and heads of EU institutions, and later, with an ambition to revive Constitution, drafted the Berlin declaration. Essentially, Berlin Declaration became the tangible product of German Presidency and subject to discussion in the next part of this work.

Second big priority of German Presidency was economically strong and dynamic Europe. To be specific, Germany set in its agenda "an economic order which is competitive while also upholding social and environmental responsibility<sup>30</sup>". It set to "appeal for the adoption of a balanced package of measures to promote competitiveness, growth and employment as well as social cohesion and a clean environment<sup>31</sup>". It set to foster Internal Market and achieve better regulation with the aim of "boosting the competitiveness of European enterprises<sup>32</sup>". To wrap this up, Germany set to emphasize social dimension of European policy and advance the role of research, innovation and knowledge to stimulate growth and employment.

Now, this provision on economic strength and dynamism of Europe is not only weak, though, it tries to combine two variables that naturally do not go together. They are: stimulated economic growth and advanced social dimension of Europe.

In brief, other priorities of German Presidency include combating climate change, formulation of a development-oriented energy policy, fighting international terrorism and cross border crime. To the external relations, German big priority is to stabilize Western Balkans, extend relations with Russia and Central Asia, and strengthen cooperation with the countries of the Middle East<sup>33</sup>.

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<sup>29</sup> The provisions of the Constitutional draft concerning reform of the European Council will be analyzed in one of the last chapters of the work.

<sup>30</sup> 'Europe- Succeeding together-Presidency Program 1 January- 30 June 2007', [www.eu2007.de](http://www.eu2007.de), p. 4  
<[http://www.eu2007.de/includes/Downloads/Praesidentschaftsprogramm/EU\\_Presidency\\_Programme.final.pdf](http://www.eu2007.de/includes/Downloads/Praesidentschaftsprogramm/EU_Presidency_Programme.final.pdf)> accessed 12 April 2007

<sup>31</sup> *Ibid*, p. 4

<sup>32</sup> *Ibid*, p. 5

<sup>33</sup> *Ibid*, p. 6

Concluding on German presidential agenda, it does address domestic and world challenges, but the document is rather vague and informative (especially in respect to institutional and economic reforms). Then, strong leadership is only hardly derived from weak agenda- widely held practice suggests: 90% of success stems from great preparation. In this respect, lack of proficient preparation was mirrored in the agenda- hence the level of successful leadership of German presidency is in question. It is questionable with given agenda, how well will Germany lead and chair the summit towards the end of its term in June 2007<sup>34</sup>.

*add here 2*

Many critical views were provided in this section in respect to German presidential agenda; consequently, it is time to make comprehensive analysis of the actual product of German Presidency - of the Berlin Declaration.

### 2.3 Comprehensive analysis of Berlin Declaration

In the introduction it was stated that the building idea of Berlin Declaration was to celebrate political, economic, and social achievements of the EU in the last half-century, and to restart institutional talks. Yet, this very document, which was drafted with an ambition to revive Constitution, lacks any great ambitions and in places it sounds less appealing than German presidential agenda.

The Berlin Declaration or officially called Declaration on the occasion of the 50th anniversary of the signature of the Treaty of Rome is a non-binding EU text signed on March 25th 2007 in Berlin, Germany. At the very beginning, the declaration has been strongly criticized by Pope Benedict XVI for "not mentioning Christianity in it", which outraged Poland in particular<sup>35</sup>. However, despite this minor incidence, it is hoped that this very Declaration will provide the

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<sup>34</sup> Also, Germany is supposed to turn in the report (in June 2007) summarizing the prospects of returning the Constitution back on the negotiating table. It will be interesting to see how

<sup>35</sup> 'Berlin Declaration (2007)', [www.wikipedia.org](http://www.wikipedia.org), p. 1

<[http://en.wikipedia.org/wiki/Berlin\\_Declaration\\_%282007%29](http://en.wikipedia.org/wiki/Berlin_Declaration_%282007%29)> accessed 20 April 2007

impetus for reaching a consensus on the European Constitution and that it will bind the EU leaders to action.

The Declaration opens up with the catch phrase: "We, the citizens of the European Union, have united for better<sup>36</sup>". And so the text continues, which makes it somewhat puzzling. On the one side it addresses people of Europe, yet only the EU leaders signed the document. Also in the document, the definition of Europe is bit confusing- once Europe is referred to as the geographical entity, the other time Europe is portrayed as borderless idea unifying people on the basis of common values.

Further, another line in the introductory section is worth mentioning. It states: "For centuries Europe has been an idea, holding out for peace and understanding<sup>37</sup>". Thinking about what Europe mastered in last fifty years, this is not a statement celebrating the EU, it is an understatement.

The remaining text continues in such fashion. It concludes upon the Union's achievements, celebrates upon the democratic features that play significant part in the European cooperation. Also, the Declaration underlines the values as human dignity, solidarity, diversity, and tolerance. Further it talks about the future challenges as energy and climate changes; it addresses areas as justice and home affairs and foreign policy. Though, the most important section is the one where the heads of EU institutions signed that they are committed to renew the foundations of the European Union, which set the hope for adopting modified Constitution for Europe.

Concluding on German Presidency, the 18 month programme that shaped it, on the agenda itself and on the Berlin declaration, it has to be stressed that Angela Merkel assumed the office with too great of ambition. However, it has been proved Germany's agenda was not too powerful and Merkel predominantly fought for the revival

<sup>36</sup> 'Declaration On the Occasion of the Fiftieth Anniversary of the Signature of the Treaties of Rome', www.eu2007.de, p. 1  
<[http://www.eu2007.de/de/News/download\\_docs/Maerz/0324-RAA/English.pdf](http://www.eu2007.de/de/News/download_docs/Maerz/0324-RAA/English.pdf)> accessed 12 April 2007

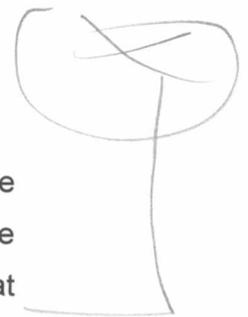
<sup>37</sup> *Ibid*, p. 1

of the Constitution. She initiated the process of writing the Declaration, which is quite unprecedented in the EU history. The Declaration was not as ambitious as it should have been given that the EU is experiencing the 'crisis'. Merkel had no other alternative how to push for the institutional reforms- she merely tried to revive the failed Constitutional draft. And even despite this, she proved that she is a strong leader as no one before her was so persistent to push the EU further, no one called failed Constitutional draft into attention as intensively as Merkel did. True enough, she is new within the EU Council and she may have used ineffective means to revive the Constitution, yet she showed a lot of initiative, which will hopefully motivate future EU presidents to stand up for the EU, to opt for more not less Europe.

Concluding on the whole chapter, its main goal was to depict on the current European priorities and on German presidential skills. The major EU priorities at the moment are institutional and economic reforms, imposition of updated Lisbon strategy, strengthening of the area of freedom, security, and justice, enhancing EU's external role, energy policy, and many others. To the German leadership skills, it must be recognized that Angela Merkel started to call into attention the need to progress with the European project, which is to be marked in positive terms. Now it is clear what is currently happening in Europe, thus, in the next chapter we turn our attention to the institutional evolvement of the office of rotating presidency, and therefore support the practical part with the theoretical background.

### **3. The Presidency**

It may be a bit confusing why Presidency was developed into such an extensive length when the main focus of the work is analysis and assessment of the future of the European Council. Yet, the



office of the Presidency, which roots are traced to year 1957, played a significant and leading role in fostering effective system of collective leadership in and through the **European Council**. Predominantly, it was the combination of Wise Men Report and its successful implementation by Niels Ersboel during the 1980s that enhanced central and strong management role of the Presidency and thus transformed European Council into body providing solid leadership for Europe through series of resolute Conclusions. Consequently, the forthcoming chapters will devolve around the institutional development of the office of rotating presidency before the establishment of the European Council (1974) and after that. In great detail, the 'Neils Ersboel' era will be analyzed.

### **Early tasks and institutional evolvement of the Presidency**

The Presidency is not an institution, neither a body; it is a function and an office that became essential for good functioning of the Council. To begin with, the office of Presidency originated in 1957, and according to the second paragraph of EC article 146: "the office of President shall be held in turn by each Member State in the Council for a term of six months"<sup>38</sup>. In late 1950s, this had two major implications for the EC. First, the Council- (counterforce to supranational Commission) was going to be represented by the Member States rather than through a collective representative<sup>39</sup>. Second, each of the six Member States, regardless of its size, economic power, or political weight would occupy the office. This way, not only EC recognizably differed from other institutions in late 1950s, yet it organizationally ensured equality among its members.

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<sup>38</sup> The function of rotating presidency of the Council was embedded in the Rome Treaties (1957) establishing European Communities.  
Helen Wallace, 'The Presidency: Tasks and Evolution, *The Presidency of the European Council of Ministers*, 2, 1985, p.2

<sup>39</sup> For example, already existing NATO (intergovernmental organization) had collective representative- the Secretary General. However, the EC intended to differ from intergovernmental organizations of the day, and that's why it opted for different organizational arrangements.

The principal role of the Presidency in its first decade was to chair the Council meetings, and to represent the composite body of the Council of Ministers vis-a vis the other institutions, the press and media, or the wider world<sup>40</sup>. In the beginning it was not crucial to strengthen managerial and organizational role of the Presidency, to institutionalize political leadership through this office. This is not striking in any way as back then, the leadership for the EC was provided by personalities as Monnet, Spaak, or Robert Schuman. It was later, after their departure from the political life, after experiencing period of Luxembourg compromise, and after the emergence of the European Council, when the need to strengthen central management role of the Presidency came to the fore.

Thus, during the late 1960s and 1970s a number of trends and developments combined to equip the office of the Presidency with enhanced organizational and managerial tasks. Right to follow, the trends and developments will be reviewed. They were:

- Death or withdrawal from the political life of the founding fathers and personalities as Spaak, Monnet, Schuman and Adenauer, who had previously provided leadership and direction for the EC
- The simultaneous rise of de Gaulle and the Gaullist patrician view of the role of the state and of its head
- The shift in the institutional balance in favor of the Member State governments caused by imposition of the Luxembourg Compromise in mid 1960s
- The intergovernmental character of the 1969 Hague Summit and the growth in the Council's activity
- The decline of US's authority and the subsequent declined role of the dollar
- The rise of international monetary turbulence and the need for concerted initiative, and thus the emergence of a decision to aim for economic and monetary union

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<sup>40</sup> Helen Wallace, 'The Presidency: Tasks and Evolution, *The Presidency of the European Council of Ministers*, 2, 1985, p.2

- The growth of summitry and the creation of the European Council in 1974
- The establishment (in 1970) of the European Political Cooperation (EPC) and the decision to devolve onto the Presidency executive and representative functions
- And the successive waves of enlargement, each wave making consensus in the Council more difficult to achieve<sup>41</sup>

The developments listed above did not happen all at once though they were gradual and the Member States responded to them on the *ad hoc* basis<sup>42</sup>. There was no manual of procedure for an incoming Presidency; each Presidency was free to take on tasks as it thought were appropriate, which resulted in lack of coherence and continuity between the Presidencies.

To summarize, the office of the Presidency had modest origins, it chaired Council meetings and also represented it. Later, after European Council was established in 1974, Presidency started to play more central role. Next, it will be portrayed how Presidency, thanks to Niels Ersboell, became proficient in planning and organizing the EU Council meetings, thus ensuring an effective system of collective leadership in and through the EU Council, thus driving the EC forward. Before getting into 'Niels Ersboell era', Tindemans and Three Wise Men reports will be considered.

### **3.2 The Tindemans Report (1974) and Three Wise Men (1979)**

Although differing in scope and timing, the Tindemans and Three Wise Men reports had two elements in common- French president Valery Giscard d'Estaing initiated both of them and they both proposed institutional reforms to make the EC more effective.

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<sup>41</sup> Peter Ludlow, *Preparing for 1996 and a Larger European Union: Principles and Priorities*, CEPS Special Report No.6, CEPS, Brussels, 1995, p. 145

<sup>42</sup> The world and domestic developments that shaped the EU Council and the whole of the EC will be analyzed in the relevant chapters.

Let's look at their respective contents and henceforth-practical implications.

In 1974, at a summit in Paris, the EC leaders- motivated by a "sense of obligation rather than enthusiasm" asked Leo Tindemans, Belgium prime minister and committed Eurofederalist, to prepare a report on EC<sup>43</sup>. Tindemans toured EC capitals, interviewed numerous EC and member state officials, and presented his conclusions in January 1976. Mainly, the report focused on an urgent need to reform existing EC institutions and extend Community competences in the field of foreign policy and security<sup>44</sup>. The report's most controversial aspect was an endorsement of a "two-speed Europe", with differing rates of integration in the EC depending on the will and ability of each member state<sup>45</sup>. Quite naturally, smaller states disliked the prospect of a first and second class EC, and the larger states (except for Germany and Italy) worried about the further loss of sovereignty. At first, the Tindemans recommendations were noted, yet shortly afterwards largely forgotten, which resulted that at the European Council in The Hague on November 1976, the report was in its entirety dropped.

While Tindemans report was forgotten at the time of its inception, some of its provisions later served as a basis for drafting of the Maastricht Treaty in early 1990s. And although, at the beginning it seemed that the report from the Three Wise Men would also be dropped and laid aside, the major shift in its destiny occurred when Niels Ersboel picked it up and implemented most of its provisions. And just like that, Niels Ersboell reformed the office of the Presidency and made the European Council into successful mover and shaper of the European Community.

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<sup>43</sup> Desmond Dinan, *Encyclopedia of the European Union*, London, 1995, p. 455

<sup>44</sup> As to the reforms of the EU institutions, Tindemans proposed to reduce the number of commissioners, replace unanimity with qualified majority voting, and lengthen the six-month Council presidency

Desmond Dinan, *Ibid*, p. 455

<sup>45</sup> *Ibid*, p. 455

Barend Bushevel, a former Dutch prime minister; Edmund Dell, a former British government minister; and Robert Marjolin, a former vice president of the Commission, were the “three wise men”<sup>46</sup>. They were asked by Giscard d’Estaing (with the EU Council approval) in December 1978 to draft a report on reform of the EC’s institutions. The Wise Men stuck to their mandate, tight timetable, and limited budget and presented their report on time, a month before the Dublin summit in November 1979.

To the content of the report, of the 31 pages devoted to the Council, ten concentrated on the Presidency. Three Wise Men made three major implications to improve the role of the Presidency. First, they argued that there had to be recognition that “the State holding the Chair has certain fixed responsibilities for the management of Council business and the good working of the Community as a whole”<sup>47</sup>. Second, they suggested that Presidency had to have the authority to “impose good order and discipline”<sup>48</sup>. In the third place, a Presidency had to have the organizational and personnel resources it needed to carry out its tasks. In short, Three Wise Men provided a practical not legal definition of the Presidency’s principal tasks. Presidency was responsible for:

- Advance preparation of the agenda
- The circulation of the necessary documents
- For the allocation of time at the meeting and the conduct of debate
- For the formulation and implementation of decisions

Simply, Presidency’s major duty was to get results. It had to select for the agenda the items that were most urgent, it had to prevent time wasting and confusion at the meetings, and it had to urge the debate towards conclusions. And most of this, thanks to Niels

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<sup>46</sup> ‘The Three Wise Men’, *Report on European Institutions*, European Council, Brussels, 1979, p. 35

<sup>47</sup> *Ibid*, p. 35

<sup>48</sup> *Ibid*, p. 35

Ersboell, is as valid today as it was in 1980s. Consequently, we turn our attention to depict on the 'Niels Ersboell era'.

### 3.3 'Niels Ersboell era'

By the beginning of 1979, the year in which the EMS (European Monetary System) became operational, the European Council had already given proof of its capacity to lead European Community in a general strategic sense and supervise the work of sectoral councils and committees. The quality and significance of its work was nevertheless transformed by two developments over the following eighteen months. The first was the publication of a report on European institutions or the Three Wise Men report, which proposed a series of far-reaching reforms of the way in which the Council worked<sup>49</sup>. The second, which followed shortly afterwards, was the appointment of Niels Ersboell, a senior Danish diplomat, as secretary general of the Council of Ministers, with a mandate to implement most if not quite all the wise men's ideas. Hence, it will be evaluated how Niels Ersboell enhanced leadership in and through the European Council by upgrading managerial role of the Presidency.

The Council Decision in September 1980 appointing Ersboell transformed the perceptions of the wise men into a concrete mandate. Noting that the Council required "greater continuity between presidencies, better coordination, both horizontally and vertically, more sustained preparatory diplomacy aimed at engineering compromises before the Council itself met and, more generally, better preparatory work which would lighten the load of ministers themselves", the Decision charged the new secretary general to implement the necessary reforms, working in close collaboration with the Presidency and the Council<sup>50</sup>.

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<sup>49</sup> Mainly, the reforms concerned the upgrading of the managerial role of the office of the Presidency.

<sup>50</sup> Peter Ludlow, *A View From Brussels: Leadership in an Enlarged European Union*, EuroComment, Briefing Note, 3, Brussels, 2005, p. 8

The EU Council was priority from the start. The Wise Men suggested that EU Council would exercise more effective leadership role if “its Conclusions were recorded in proper terms and follow-up organized through the proper channels<sup>51</sup>”. Consequently, in the twelve months following his appointment, Ersboell set about changing the way in which the Conclusions of the EU Council were drafted, through which he transformed both their nature and their authority.

Yet, to understand the importance of the changes he introduced, a little background information on pre-Ersboell procedures is required in here. The EU Councils of the mid to late 1970s, though on occasions remarkably effective, were in many respects similar to other intergovernmental summits<sup>52</sup>. No question, decisions were taken, but they were recorded in communiqués rather than Conclusions<sup>53</sup>.

Ersboell experimented with a new system at the Luxembourg EU Council in the end of 1980. The sherpas were dispensed with and the Secretariat’s note-takers made their entry. However, the main breakthrough occurred after a disastrous meeting in London year later<sup>54</sup>. In the weeks before the EU Council meeting Thatcher delegated Mr. Hannay to draft the Conclusions with the help of an *ad hoc* group of officials drawn from the other member states. The result was a document that the Secretariat called the “monster” as it was too long and “disfigured by numerous square brackets around sentences and phrases on which Hannay and his colleagues could

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<sup>51</sup> Peter Ludlow, *A View From Brussels: Leadership in an Enlarged European Union*, EuroComment, Briefing Note, 3, Brussels, 2005, p. 8

<sup>52</sup> For an instance, the Hague summit of 1969 was very productive and it is discussed in the **Section 6.2** Official Journal No.L261, October 1980, p.16

<sup>53</sup> As with every other summit, senior officials worked hard and long in the preparatory phase. The draft communiqué was produced by the government holding the Presidency and only shown to sherpas (permanent representatives and other senior officials), while the principals were at their working dinner. It was duly presented to the EU leaders on the following morning, but discussion was usually perfunctory. Therefore, it was not in any sense of the word their document. Official Journal No.L261, October 1980, p.16

<sup>54</sup> The principal items on the agenda were the CAP and the EC’s budget. Against the background of an increasingly lengthy war of attrition between the UK and its partners about Britain’s contribution, agreement was always improbable

not agree<sup>55</sup>". Hence, the EU leaders debated issues framed in the 'monster', yet the session generated almost no concrete decisions, which left the sherpas later in the evening with a daunting task. Agreement on the 'monster' was out of question, thus the Presidency put together the "mini-monster"<sup>56</sup>. However, the 'mini-monster' soon ran into trouble as in this new Presidency draft almost every word ended up in square brackets. This left Mrs. Thatcher as well as other EU leaders upset. As Helmut Schmidt observed, "he did not recognize any connection between the latest document and the discussion that the heads of state and government had had on the previous day"<sup>57</sup>.

This visible failure was Niels Ersboell's opportunity. Thus, he installed three significant modifications to the working of the Presidency, which changed the character and status of the EU Council. His reforms were based on the Three Wise Report. The first was linked with the drafting process. The Presidency retained the overall lead, but it was obliged to work from the very beginning of the preparatory phase with senior officials from the Council Secretariat and the Commission. The second concerned the way in which the Conclusions were approved (by now sherpas were excluded from the process altogether). Thirdly, the production process was redesigned to ensure that the Conclusions reflected the actual intentions of the EU leaders around the table. Given the number of topics that they covered, most of the Conclusions were pre-cooked by the Presidency-Secretariat- Commission team. The EU leaders, however, were not shown a draft until after they had discussed the items on the agenda that required their particular input and the draft text had been modified to reflect what they had

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<sup>55</sup> Peter Ludlow, *A View From Brussels: Leadership in an Enlarged European Union*, EuroComment, Briefing Note, 3, Brussels, 2005, p. 8

<sup>56</sup> *Ibid*, p. 9

<sup>57</sup> *Ibid*, p. 9

said. Furthermore, they alone were responsible for approving the draft, line by line, in their last and often the liveliest session<sup>58</sup>.

Concluding on Niels Ersboell era, the changes he introduced had major impact on the transformation of the EU Council. EU Council was transformed from a debating club that occasionally decided, into an executive body whose principal function was to decide. Its Conclusions became in fact the single most important instrument of leadership in the European Community. Decisions were taken after much confrontation of viewpoints, but they were collective and in a political if not legal sense they had priority over the decisions of all lesser Councils. This in turn, reinforced the restraints on the larger states and bolstered the importance of Presidency and the Commission.



#### **4. Pre-EU Council institutional evolvement**

The previous combined practical and theoretical chapter analyzed the importance of strong and central management role of the office of the Presidency, which together with Secretariat and Commission worked to foster effective leadership in and through the European Council. Yet, the EU Council has not come into existence before the 1970s. Therefore, before scrutinizing the EU Council itself, the upcoming chapters will evolve around the origins of the institutional structure of the early European Communities. The pre-EU Council institutional arrangement is significant to review, as it will put the emergence of the EU Council into required perspective. And it will answer the principal question why it emerged in the first place.

#### **4.1 European priorities in early 1950s**

As oil has been to Europe since 1960s, so was coal to Europe before then. It was the main source of energy; it provided warmth for

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<sup>58</sup> Peter Ludlow, *A View From Brussels: Leadership in an Enlarged European Union*, EuroComment, Briefing Note, 3, Brussels, 2005, p. 9

the homes and it fuelled the industries. Coal together with steel was the foundation of then European economies. However, after the WW II, much of Europe's coal rich areas laid beneath the battle-scarred plain of Alsace, on the political fault line between France and Germany, and in the river valleys of the Saar, the Moselle, and the Rhine<sup>59</sup>. The same can be concluded in respect to locations where steel was to be found. These areas were greatly devastated and thus required large-scale reconstructions. It was these realities together with the desire to end political fragmentation on the European continent that prompted Jean Monnet, French diplomat and economist, to formulate optimistic declaration regarding reconstruction of Europe, which later became the building block for the European integration. The declaration became to be known as the Schuman Declaration<sup>60</sup>.

#### 4.1.1 International environment of 1940-1950s

Before proceeding with Schuman declaration, it is requested here, to take into consideration the international atmosphere in the 1940-50s. Beginning in the early 1940's the tensions of the Cold War intensified. Not only the battle of capitalist and socialist ideologies divided the world into the two camps, it also divided the tiny European continent to east and to the west. Europe, after the WW II, was significantly weakened both in political and economic terms. Therefore, the states of the Western Europe sought advanced forms of cooperation to avoid future conflicts. Foremost, they intended to impose peace, stability, and work towards economic prosperity. As a result, in 1948, Belgium, Netherlands, and Luxembourg established their own, rather small union, which they named Benelux<sup>61</sup>. In 1949, the military alliance of the US, Canada,

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<sup>59</sup> Martin Westlake, *The Council of the European Union*, London, 1995, p. 1

<sup>60</sup> Robert Schuman was the French Foreign Minister in the 1950s and he together with Charles de Gaulle delegated Jean Monnet to work out plan to revive French postwar economy.

<sup>61</sup> The name was derived from the beginning of each country's name and the main objective of Benelux was advanced economic cooperation of its members.

and major European states was established. The institution became to be known as NATO and its existence is relevant in the process of the European integration as it provided security to Western European states, and thus it allowed them to focus on their political and economic situation. More precisely, the formal rivals- France and Germany could focus on their political and economic reconciliation.

#### 4.2 Schuman Declaration

Returning to Schuman Declaration, the document was drafted by Jean Monnet, who was in charge of reconstruction of France since 1950s<sup>62</sup>. Jean Monnet suggested that France and Germany „should relinquish all national sovereignty over their countries coal and steel production and pool it in a supranational and entirely independent organization, a High Authority<sup>63</sup>”. This plan, which did not envisage any roles for the national governments in the High Authority<sup>64</sup>, was a first step to united Europe.

Hence, the declaration that proposed a federal-style Community of France and Germany and which also opened up for membership of Italy and the Benelux countries were presented by Robert Schuman on May 9, 1950. Robert Schuman, often regarded as the EU's patron saint, had been one of the leading Frenchmen in the movement for European political integration. Interesting to note aside, Robert Schuman was Luxembourg- born German French politician, which may imply why he took on the European cause. He, at the time, during the postwar period and as a first president of the High Authority, featured all the characteristics of strong and credible leader- he had a strong vision of a united Federal Europe and, most importantly, he used proper means to work towards realizing it.

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<sup>62</sup> Francois Duchene, *Jean Monnet: The First Statesman of Interdependence*, New York, 1994, p. 56

<sup>63</sup> *Ibid*, p. 56

<sup>64</sup> The High Authority was established as the supranational institution responsible for formulating a common market in coal and steel and for such related issues as pricing, wages, investment, and competition.

Consequently, on the basis of Schuman Plan, on June 20, 1950 France convened an intergovernmental conference. The IGC was held in Paris; it was chaired by Jean Monnet and attended by the representatives of six sovereign European nations, who became the founding members of the EU. The principal aim of the conference was to implement the Schuman Plan and organize the proposed European Coal and Steel Community.

#### 4.3 ECSC and the role of the small states (Benelux countries)

However, right from the beginning, the small states were very persistent to push for institutional structure, where their interests would not be dominated by the two core states of the EU integration-France and Germany. Starting with Netherlands, Dutch have a reputation for being champions of the European integration, or so they think<sup>65</sup>. Yet, quite opposite is reality. From the 1950s, Dutch who were more Atlanticist in instinct wondered whether their interest would not be better served by intergovernmental method of the Organization for European Economic Co-operation, the Council of Europe, and the Western European Union<sup>66</sup>. Thus, from the very launch of the European project Dutch enthusiasm for Europe has been „the result of a pragmatic assessment of national interests rather than of an unmitigated commitment to federalism<sup>67</sup>“. At every point, when federalism intervened with Dutch interests, they quickly dismissed it. An exemplary situation was that in 1950, when Dutch insisted to add the Council of Ministers to the ECSC to counter High Authority. Another, very recent example, is their rejection of the draft establishing Constitution for Europe in mid 2005. This all leads us to conclude that Dutch opposed political integration since the

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<sup>65</sup> Menno Wolters, and Peter Coffey, *The Netherlands and EC Membership Evaluated*, London, 1990, p. 112

<sup>66</sup> *Ibid*, p. 112

<sup>67</sup> Desmond Dinan, *Encyclopedia of the European Union*, London, 2000, p. 505

<sup>68</sup> Martin, Westlake, *The Council of the European Union*, London, 1995, p. 2

beginning, as that would mean more Federal Europe. Yet, they stayed dedicated to the economic integration.

Belgians, major coal and steel producers and the second European country (after Britain) to industrialize, were at the beginning concerned by the possible consequences of „ceding an important part of their economic sovereignty<sup>68</sup>“. However, these were just minor anxieties and Belgians unlike Dutch became actively involved in the European integration. What's more, they often played a key role in fostering ever-closer Europe. For an instance, Belgian foreign minister, Paul Henri Spaak drafted the treaties establishing EEC and EURATOM in 1956 (1974 Tindemans report was discussed in the previous unit). In addition, Belgians until present days, support Monnet's supranational community method (Commission to have exclusive right to initiative, and decisions ought to be adopted in the Council of Ministers with the use of QMV). However, they always opposed intergovernmentalism, as they were convinced that the Community would be dominated by strong Franco-German axis.

Two meetings of Belgium, Luxembourg, and the Netherlands on June 7 and on June 14, 1950 thus preceded the major intergovernmental conference on June 20, 1950, where the ECSC was established. At these meetings, the representatives of the Benelux countries considered the institutional arrangement of the ECSC. At the second meeting, it was the Dutch delegation that proposed that Council of Ministers should be created to control the political decisions of the High Authority, and that a Court of Appeal should be able to annul decisions taken in breach of the treaty<sup>69</sup>. These two meetings are crucial in the institutional history of the EU as, most probably; here lie the origins of the Council of Ministers.

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<sup>69</sup> *Ibid*, p. 2

#### 4.3.1 Monnet's response to small states' worries

Jean Monnet was very pragmatic, and his response to the fears of the smaller states was to try and fix the status of the High Authority and to establish appeal mechanisms at the same time<sup>70</sup>. At the 20 June 1950 conference, he faced criticism from the Dutch representative, Dirk Spierenburg, for not including in the draft treaty of any role for the state governments. Dirk underlined that there should be a „Committee of Ministers” or committee of permanent representatives of the Member States<sup>71</sup>. Similarly, Belgium proposed an intergovernmental body, which would take decisions either unanimously or by a simple majority depending on the significance of the matter<sup>72</sup>. All three, Belgium, Dutch and also German delegations (led by Walter Hallstein who later became powerful president of the EU Commission) sought to impose limitations on the power of the High Authority and a more important role for the state governments<sup>73</sup>. Here, one ought to realize that Schuman Declaration (proposed establishment of Coal and Steel Community supervised by supranational High Authority) emerged and was drafted by the Frenchman. And even though, it was beneficial for Germany (in terms of gaining credibility back) and Benelux countries to be active part of the project, they feared (after centuries of European politico-economic instability) that bigger countries would dominate their national interests. Hence, their initiative to have High Authority under control was to ensure proper guidance when dealing with important commodities of the day- coal and steel. The only country that abstained from any recommendations of the institutional arrangement of the ECSC was Italy.

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<sup>70</sup> Desmond Dinan, *Encyclopedia of the European Union*, London, 2000, p. 347

<sup>71</sup> Martin, Westlake, *The Council of the European Union*, London, 1995, p. 2

<sup>72</sup> Timothy, Bainbridge, and Anthony Teasdale, *Penguin Companion to European Union*, Harmondsworth, 1995, p. 42

<sup>73</sup> *Ibid*, p. 42

#### 4.4 Paris Treaty of 1951

On April 18, 1951, the representatives of France, Germany, Italy, and Benelux countries met in Paris to sign the Treaty establishing European Coal and Steel Community (ECSC). The treaty laid down the following institutional provisions to the guidance of a common market in coal and steel. High Authority was established as a novel supranational executive. It received the „exclusive decision-making powers where coal and steel matters were concerned, but questions that split over into other policy areas could only be decided with the assent of the Council of Ministers<sup>74</sup>“. Thus, the High Authority could issue, either on its own initiative or with the assent of the Member States: binding decisions, recommendations, or non-binding opinions. Crucial to add, Jean Monnet became the first president of the High Authority. The second institution that came into being was the Council of Ministers, where the interests of Member States were mitigated on the ministerial level. The ministers of the Six, unlike the High Authority, did not constitute permanent establishment (later COREPER, COREPER II were created).

Also, Common Assembly (the future European Parliament) and a Court of Justice were created. The ECSC began operating in August 1952 with its headquarters in Luxembourg. The first sitting of the ECSC Common Assembly was on September 10, 1952<sup>75</sup>.

From the beginning, Jean Monnet intended to create special, other than intergovernmental organization. He wanted to avoid intergovernmental method of cooperation between the member states. At that time intergovernmental institutions already existed (Organization for European Cooperation, the Council of Europe or the Western European Union). It was their existence and functioning that fostered Monnet's beliefs that he had to create different

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<sup>74</sup> Martin, Westlake, *The Council of the European Union*, London, 1995, p. 2

<sup>75</sup> Desmond Dinan, *Encyclopedia of the European Union*, London, 2000, p. 515

community, more supranational in the nature. This is the sole reason why in the case of 1951 treaty of Paris, the **European Council** was not provided for.

Further, Monnet's conception of the organizational structure of the ECSC was that he, as the president of the High Authority, wanted to deal directly with the governments through the ministers. He avoided establishment of permanent representatives or delegations of the Member States<sup>76</sup>. Rather, Monnet proposed that he would deal directly with the ministers of ECSC members. However, it was noted on several occasions that Monnet frequently mistreated the Ministers. Often, he provided little information to the Council of Ministers, which left them quite excluded from the actual happenings within the European Community<sup>77</sup>.

Monnet's practices had their consequences. The Benelux countries in cooperation with Germany began to spend their initiative to extend the political influence of the Council. They, more than before, wanted to move towards more intergovernmental structure. It was not too hard to push for intergovernmental features given that after 1954, when French National Assembly refused to ratify the European Defense Community (EDC), the ambitions of federal Europe weakened<sup>78</sup>. By the time ambitious Messina Conference was launched, it was prevalent that governments of the Member States would have to play a more central role in decision- making of the European Communities.

#### **4.4.1 Messina Conference of 1955**

To the Messina Conference of 1955, the foreign ministers of the six Member States of the ECSC met to discuss the ECSC's future in view of Jean Monnet's decision to resign as a president of the High Authority, and the future of European integration in view of

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<sup>76</sup> Francois, Duchene, *Jean Monnet: The First Statesman of Interdependence*, New York, 1994, p. 56

<sup>77</sup> *Ibid*, p. 56

<sup>78</sup> Desmond Dinan, *Encyclopedia of the European Union*, London, 2000, p. 340

the rejection of the EDC treaty<sup>79</sup>. Paul-Henri Spaak, Belgian foreign minister, had prepared plan on behalf of the Benelux countries, suggesting further integration, which implies the success brought by the ECSC. His idea of integration was to take part in the sector of Atomic energy. Also, Dutch foreign minister, Johan Willem Beyen, suggested that the countries should establish common market. Hence, Paul Henri Spaak was delegated to write a report as regarding the feasibility of integration within the atomic energy sector, and to the feasibility of establishing common market.

Subsequently, his conclusions led to the establishment of the European Economic Community (EEC) and the European Atomic Energy Community (EURATOM) in Rome exactly fifty years ago (on March 25, 1957).

#### **4.5 Merger Treaty of 1965**

By 1957, three European Communities were established: the first one was European Coal and Steel Community (ECSC), the second was European Economic Community (EEC), and the third one was European Atomic Energy Community (EURATOM). From their inception, all three communities shared a Common Assembly (which started to be called European Parliament in 1962). Though, there were separate ministerial Councils and Commissions (in case of ECSC there was High Authority). In 1965, in the Merger Treaty, the executives of the EEC, the ECSC, and EURATOM fused in order to establish a single Council and Commission of the European Communities<sup>80</sup>. The Merger Treaty came into effect on July 1, 1967. What concerns the official institutional arrangement, the Council of Ministers became the Communities' legislature and a specialized executive, the Commission remained supranational and driving force of integration. Despite Council of Ministers' increasing involvement in

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<sup>79</sup> *Ibid*, p. 340

<sup>80</sup> Desmond Dinan, *Encyclopedia of the European Union*, London, 2000, p. 340

the European Communities, the body, on many acts, had to consult the European Parliament. Also, all of its acts were subjected to the jurisdiction of the European Court of Justice. By 1957 the innocence of the original vision had already been compromised as the Council of Ministers was assigned a central role within the EEC system. It was nevertheless still envisaged as a forum for foreign ministers and their ministerial peers rather than **heads of government**.

The aim of this section was to provide background on the institutional origins of the EC before the European Council came into being in 1974. From what was discussed, the EU had institutional structure, yet it lacked institutionalized leadership and clearly defined hierarchy. However, in 1950-60s there were strong personalities as Jean Monnet, Paul Henri Spaak, or Walter Hallstein who advanced the development of the European integration even without clearly defined hierarchy. In addition, the countries of the Economic Community were experiencing period of economic prosperity. Thus, it was not pressing to establish leadership through another institution. It was different and much complicated mix of realities that contributed to the establishment of what became the highest organ in the EU- the EU Council. Let's reflect upon these realities.

## **5. Realities leading to the establishment of the European Council**

When a student comes across the name **European Council**, s/he may stay for a little while puzzled. Is it being referred to the executive of the EU or to the Council of Europe (the Convention on Human Rights)? This insecurity may well come from the fact that unlike the EU Parliament, EU Commission, or the Council of Ministers, the European Council does not constitute permanent establishment seated in one of the European buildings, in one of the European cities. Rather, the European Council is defined as the Heads of State and Government of the Member States of the European Union, meeting together with the President of the

Commission and assisted by the Ministers for Foreign Affairs and the other member of the Commission<sup>81</sup>. Thus, the **EU Council** remains the EU body most difficult to grasp in legal and political science terms, which in turn makes it an **ever-interesting body** to study.

Since its birth up until the entry into the force of the Maastricht Treaty in November 1993, the European Council acted outside the European Community institutional framework (first pillar), it had ambiguous legal status and no clearly defined role<sup>82</sup>. With the Treaty on the European Union, the European Council was assigned proper status and role within the European affairs. Accordingly, the European Council is not an institution within the European Community, or the first pillar, though its role is to provide “the necessary impetus” and to define “general political guidelines” of the European Union<sup>83</sup>. These are very high-set objectives for the institution of the EU Council. Other articles in the Maastricht Treaty give the European Council specific tasks in the emerging “economic government” of the Union and in relation to the European Parliament. One specific article strongly implies that the European Council is higher emanation of the Council of Ministers and therefore the extension from it.

All in all and very simply, the European Council is the highest authority in the Union. It is obliged by the Maastricht Treaty to give the EU direction and to define its political guidelines. Hence, it is the body that provides **institutionalized leadership** for the European Union. Also, study of the European Council is essential in order to understand the evolution of the European integration, and the progress in the EU as a whole.

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<sup>81</sup> Simon Bulmer and Wolfgang Wessels, *The European Council: Decision-Making in European Politics*, Basingstoke, 1987

<sup>82</sup> Richard, Corbett, *The Treaty of Maastricht, From Conception to Ratification: A Comprehensive Reference Guide*, London, 1993, p. 21

<sup>83</sup> *Ibid*, p. 21

More to the technical sphere, the European Council does not occupy any of the European buildings, which means that it does not have any permanent seat. Where does it meet then? The meeting place of the European Council is not embedded in any of the Treaties. By practice and convention, the European Council meeting held towards the end of each Presidency takes place in a city within the Member State holding the office of the Presidency (which does not necessarily have to be the capital city). The choice of the location is up the Presidency in the office. Most commonly, the state holding Presidency of the Council chooses some unknown location to promote it worldwide<sup>84</sup>. In a situation where the EU Council meetings collide with the intergovernmental conference, the city can lend its name to a treaty. Above, we talked about the Maastricht Treaty, which got its name from the small Dutch city.

When talking about the origins of the names of the treaties, it is an established tradition within the EU that their names are derived from the locations where crucial decisions are taken. Yet, recent German Presidency introduced a new trend. The Presidency produced a declaration, which was named Berlin Declaration, yet its ambition is still in question.

Next, in a situation where a Presidency is obliged to organize second, extraordinary European Council, this should be held in Brussels since Brussels is a neutral location with available infrastructure, particularly in the form of the Council's buildings. Putting this into practical frame, the 1994 June Corfu European Council under Greek Presidency was unable to agree a candidate for the Presidency of the European Commission. Therefore, the following German presidency held extraordinary European Council in Brussels in July 1994<sup>85</sup>.

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<sup>84</sup> European summits receive a lot of worldwide media coverage.

<sup>85</sup> Martin, Westlake, *The Council of the European Union*, London, 1995, p. 10

It has been briefly acquired what the role, status and the meeting place of the European Council is. Yet, the comprehensive assessment of the future of the European Council will be analyzed after the scrutiny of its evolvement. In the upcoming chapters, I will reflect upon the reality that given the nature of the European politics, the emergence of the European Council was essential.

### 5.1 The de-Gaulle reign (1958-1969)

General Charles de Gaulle assumed the presidency of France in 1958, and since the beginning he was challenged on numerous accounts. He was distracted by the revolts in French colonies- in Indochina and in Algeria, Northern Africa. And he inherited Treaties of Rome, which pushed for more European integration. Given de Gaulle's politics of championing the nation state and therefore preserving the state sovereignty, he spent great amount of his efforts to model the European Communities in more intergovernmental fashion, which influenced the EC in a unique and unprecedented way.

It is often referred to de Gaulle that he destroyed EC's development during his reign (1958-1969) and impeded institutional growth until the Single European Act (1986) and the Treaty on the European Union (1992). He is known for keeping Britain out of the EC twice, for curtailing the powers of the European Parliament and Commission, and for implementing of the Common Agricultural Policy (CAP) that remains one of the contentious issues up until recent days. However, thanks to de Gaulle's rational pragmatism supported by realist thinking, he brought into light a plan of alternative cooperation between the European states, which in 1970s became the basis for creation of the highest authority of the European Union- the European Council.

→ Not hard with de Gaulle?

### 5.1.1 Reconciliation of Franco-German relations

As Charles de Gaulle assumed the Presidential office, he soon realized that financial and monetary reforms were essential for the successful functioning of the European Community. Thus, eventually, he devalued the franc and cut on the governmental expenditures and taxes respectively<sup>86</sup>. Without these steps, the fragile French economy would have hardly survived the “intra-EC tariff reductions<sup>87</sup>”. The EC membership may have provided for the financial and monetary measures that would otherwise have proved politically difficult to impose (and which would be at this moment welcomed for the benefit of EU 27). Yet de Gaulle perceived the EC in much advanced strategic and foremost beneficial terms. Despite EC’s threat to French sovereignty, EC membership offered de Gaulle the opportunity to promote two objectives. The first one was economic modernization greatly based on upgrading poor agricultural sector. The second and more significant objective was to reconcile Franco-German relations.

#### 5.1.1.1 Emergence of CAP/Trade off to Germany’s ECSC

To the agriculture, de Gaulle saw in the European Community a unique opportunity to modernize the large and cumbersome French agricultural sector<sup>88</sup>. He wondered: “How could we maintain on our territory more than two million farms, three-quarters of which were too small and too poor to be profitable, but on which, nonetheless, nearly one-fifth of the French population live? How, in this day and age, could we leave the agricultural profession to stumble along, without the benefit of technical training, organized markets, and the support of a rational credit system required for it to be competitive<sup>89</sup>?” Solution to de Gaulle’s rhetoric and ambitions was

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<sup>86</sup> Desmond Dinan, *Ever Closer union*, 2<sup>nd</sup> edition, London, 1994, p. 40

<sup>87</sup> *Ibid*, p. 40

<sup>88</sup> Charles de Gaulle, *Memoirs of Hope: Renewal and Endeavor*, New York, Simon & Schuster, 1971, p. 143

<sup>89</sup> *Ibid*, p. 143

but CAP was negotiated before de Gaulle

the proposed Common Agricultural Policy (CAP). And the CAP served as the main trade off to Germany's expected profit from the lowering and ultimate abandonment of intra- EC industrial tariffs. More important, without the CAP, there would not have been a Community of any kind as without implementation of CAP, France, under Charles de Gaulle, would have not ratified and implemented Rome Treaties<sup>90</sup>.

In the beginning of this part it was asserted that Charles de Gaulle reformed the French economy so it becomes more compatible with the EC, yet the reform was mastered on the basis of greater and hidden ambitions on the French side. These ambitions later materialized in the form of the Common Agricultural Policy (CAP). Thus, Germany managed to remove the intra-EC industrial tariffs that sparked economic growth across the six Member States and which made the EC very attractive institution to join. Also, France implemented Rome Treaties. Seemingly win-win situation, yet the policy of guaranteeing subsidies to French farmers was set to have wider implications on the European Union, which last until today.

Just when the Common Agricultural Policy (CAP) came into being, British came up with the proposal that actually set higher pace for the European integration. Great Britain that decided not to join the European Community in early 1950s, proposed to establish European Free Trade Area, so they too could enjoy the benefits of free trade within the borders of Western European countries. Some EC officials, Robert Marjolin<sup>91</sup> in particular expressed that such initiatives on British side intended to undermine European integration by "diluting the nascent EC in a wider free trade area<sup>92</sup>". Also De

<sup>90</sup> Desmond Dinan, *Ever Closer union*, 2<sup>nd</sup> edition, London, 1994, p. 40

<sup>91</sup> Robert Marjolin was the in 1960s vice president of the EU Commission. Also, he was mentioned in the chapter analyzing the office of the Presidency, as he was one of the Three Wise Men in late 1970s.

<sup>92</sup> Desmond Dinan, *Ever Closer Union*, 2<sup>nd</sup> edition, London, 1994, p. 40

Gaulle feared that such proposal would have some impacts on CAP, as agriculture was excluded from the free trade zone.

Despite all, British went ahead and in November 1959 they formed with Austria, Denmark, Norway, Portugal, Sweden and Switzerland the EFTA (European Free Trade Area). EC member states rejected an early EFTA for some kind of economic association, instead they pressed with closer integration that proved to be so successful that by early 1960s Britain applied for EC membership<sup>93</sup>.

#### **5.1.1.2 Franco-German or De Gaulle- Adenauer friendship**

To the Franco-German reconciliation, in September 1958 Konrad Adenauer (German chancellor of the day) first time visited Charles de Gaulle. Immediately, remarkably warm relationship blossomed between the Chancellor and the president, which resulted in never-before experienced cooperation between France and Germany<sup>94</sup>. The emergence of the cooperation stemmed from the two countries' belief that future of their states and the future of Europe depended on close Franco-German alliance. Also, the politics of the Cold War contributed to formal rivals' friendship.

Already in November 1958, at their second meeting, de Gaulle assured Adenauer of French commitment to the two significant treaties being ratified- the Rome Treaties. De Gaulle disliked the federal features in the Rome Treaties, however on pragmatic basis, he showed commitment, which won him support on the side of German Chancellor. This was crucial for France since thanks to this pragmatism, German chancellor easily allowed and supported the creation of CAP.

Further, their political alliance and friendship strengthened due to unfavorable external developments. When Nikita Khrushchev

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<sup>93</sup> *Ibid*, p. 40

<sup>94</sup> Desmond Dinan, *Encyclopedia of the European Union*, London, 2000, p. 123

threatened unspecified action unless the Western powers revised the status of Berlin, the divided former capital of Germany, de Gaulle immediately offered Adenauer his full support, a position from which France never wavered during the protracted Berlin crises of the coming years<sup>95</sup>. Hans von Groeben, Commissioner in 1960s, identified that Khrushchev ultimatum regarding the status of Berlin served for further political development in the EC and motivated the existing members to pursue more integration<sup>96</sup>.

One can already read between the lines, that for every support France provided Germany, Adenauer was more and more committed. Adenauer supported controversial policy of CAP; he supported de Gaulle in keeping Britain out of the Community and chiefly, he supported de Gaulle's plan for a new European security/political community, known as the Fouchet Plan.

### **5.1.2 Failure of the Fouchet Plan (1962) /basis for the EU Council**

It has been repeatedly stressed that Charles de Gaulle was advocate of state sovereignty and therefore opponent to supranational structures. As a result, he emphasized that European integration should be strictly limited to the aspects of the Rome Treaties and that the integration could only succeed if it was supervised on the basis of intergovernmental cooperation on the political and security matters among the member states of the EC. He suggested that such cooperation was "an essential prerequisite for the emergence of an economically strong, politically assertive, and militarily independent Europe<sup>97</sup>". The plan that formulated these ambitions was named the Fouchet Plan, according to Christian Fouchet, French ambassador to Denmark, who chaired the committee that drafted this "design for a confederation of European

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<sup>95</sup> Hans von der Groeben, *The European Community: The Formative Years: The Struggle to Establish the Common Market and the Political Union (1958-66)*, European perspectives Series, Luxembourg, 1985, p. 32

<sup>96</sup> *Ibid*, p. 32

<sup>97</sup> Desmond Dinan, *Ever Closer union*, 2<sup>nd</sup> edition, London, 1994, p. 43

states<sup>98</sup>". The goals of the proposal were (for the Western European states) to become militarily independent from the United States, and to avoid federalist leanings of the European Economic Community.

With the plan in his hands, Charles de Gaulle convoked on 10 and 11 February 1962 a summit of heads of government of other five EC Member States in Paris. Historically, based on de Gaulle initiatives, this was the first time that the leaders of the Six met. What's more, they met outside the Community framework as this meeting was designed exclusively to be the meeting between the leaders of the sovereign states. At the meeting, de Gaulle introduced the idea of Political Union or the Fouchet Plan, and the small (Benelux) states agreed that they would study the idea. Though, after reading through the plan, the small states decided that they did not want to be detached from the United States and they feared that (as in the beginning of the EC) the whole framework would be dominated by strong Franco-German dominance<sup>99</sup>. Given the strong Franco-German alliance of the day, their fears were logical. Consequently, on 17 April 1962 the Fouchet Plan collapsed at the meeting of foreign ministers, primarily over disagreement about Britain's role.

Thus, it was Charles de Gaulle, who first launched the summitry- meetings of the leaders of sovereign European countries. It is pressing to highlight that Charles de Gaulle held strong executive presidency, and that he had great deal of legitimacy (he was directly elected). As of, he felt that only leaders had the legitimacy to commit the states in regards to further EC integration through the practice of intergovernmental co-operation. The meeting in Paris in February 1962 was the first ever meeting of the heads of

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<sup>98</sup> Desmond Dinan, *Ever Closer union*, 2<sup>nd</sup> edition, London, 1994, p. 43

<sup>99</sup> Martin, Westlake, *The Council of the European Union*, London, 1995, p. 19

<sup>100</sup> The meetings of heads of state/government at the inception of the EU are not considered as summitry. Summitry, all through the paper is highlighted as a way of providing the EU with leadership.

state in contemplating the future of the EC<sup>100</sup>. From this point on, given complex international political and economic happenings and the change of the first generation of leaders as Monnet or Hallstein, the idea of summitry started to be more often considered. Subsequently, it will be portrayed how the idea of establishing summitry was advanced through the Pompidou presidency.

## **6. Reign of George Pompidou (1969-1979)**

After Charles de Gaulle resigned in April 1969 and therefore ended the so-called Gaullist period, Charles Pompidou was elected next French President. And while the 1960s (under de Gaulle) were the years of economic prosperity for France and relative political stagnation for the European Community (due to imposition of Luxembourg Compromise in 1965), the 1970s, under Pompidou, signified to be much turbulent years.

As the European Community transited from the 1960s to 1970s, it was already assessed that the integration process in sectors as steel, coal, atomic energy, and removing direct internal tariffs, brought great economic benefits to EC Members States. However, beginning in the 1970s, the EC member states started to notice that European economy was slowing down, thus it was becoming much weaker than that of the United States. To this, unfavorable international developments hit the European Community. More precisely, the international monetary and political order was disturbed by 1973 oil crises. Yet at this very time, Western German economy was growing in strength and the differences in terms of economic power between France and Germany started to be more pronounced. Insecurity as to what powerful Western Germany could do began to cause tensions inside the EC.

Summing the facts up (in the light of the EC), de Gaulle left French politics, General Affairs Council was overworked, and the European Commission's visionary role<sup>101</sup> in fostering European integration was undermined. Consequently, Georges Pompidou in early 1970s was perceived as the light in the end of the tunnel. Much was expected from the new French President, mostly it was expected that Pompidou would not continue in the Gaullist approach. And indeed, Pompidou during his reign (1969-1979) restored some order within the European Community. Though, most importantly, he repeatedly initiated the establishment of institutionalized summitry<sup>102</sup>. Consequently, though not in Pompidou's reign, the institution of the European Council became the EC's highest authority (in 1974).

### 6.1 1969 Hague Summit

Unlike the summit organized by de Gaulle in Paris in 1962 where the Fouchet Plan was discussed, the 1969 Hague summit was organized by Georges Pompidou and its purpose was to discuss "completing, widening, and deepening" of the European Community<sup>103</sup>. And unlike 1962 Paris summit, the Hague summit of 1969 under Dutch presidency was deemed great success<sup>104</sup>.

It was indicated that in the early 1970s, the European Community's economy was shading away<sup>105</sup>. Yet, Germany created an exception, as the country under the leadership of Willy Brandt, grew both in economic and political strength. As a result, the new

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<sup>101</sup> The powers of the EU Commission were restricted due to strong anti-supranational politics that were pursued by de Gaulle. More specifically, the most impeding policy was the imposition of the Luxembourg Compromise in 1965, which obliged Council of Ministers to take decisions unanimously.

<sup>102</sup> Summitry is an expression mostly used in the beginnings of the European Council. Hence, the term refers to the meetings of the heads of state and government.

<sup>103</sup> Martin Westlake, *The Council of the European Union*, London, 1995, p. 19

<sup>104</sup> It was the only summit before the Niels Ersboell reforms, where the decisions were successfully taken and later implemented. And this in spite that communiqué instead of Conclusions was issued.

<sup>105</sup> Especially France started to experience economic slowdown due to some of the highly redistributive policies enacted by Charles de Gaulle. The worsening of the economic situation contributed to Pompidou's increased interest to pursue high politics on the EC level. Hence, his initiatives to resolve difficult matters on the level of heads of state/government started to gain momentum.

German government was about to launch an "ambitious initiative towards eastern Europe and the Soviet Union"<sup>106</sup>. The policy of rapprochement towards the Soviet bloc was also known as the Ostpolitik.

By then, the times of great de Gaulle- Adenauer friendship were long gone, and the new Pompidou- Brandt alliance could not be compared to the former. Therefore, the Western countries, especially France, were concerned about the possible impact of Germany's Ostpolitik. One ought not to forget the presence of the Cold War and divided status of Germany<sup>107</sup>. What's more, in France, domestic pressure for a French initiative in the EC to curtail Germany's Ostpolitik intensified. Hence, President Pompidou responded to all of the happenings by organizing a special meeting on 1, 2 December 1969.

The Hague summit, under the Dutch presidency, was the first meeting of EC leaders since the tenth-anniversary celebration of the Treaty of Rome in 1967. Now, with de Gaulle gone, the enlargement became once again the center of attention within the EC. Mainly, if not exclusively, the accession of Great Britain began to be attractive as it would counterweight Germany and thus reassure geopolitical stability. The slogan of the summit was "completion, deepening, and enlargement" of the European Community<sup>108</sup>. Not too surprisingly, the enlargement was listed as being the third priority on the agenda.

As to the 'completion', in the French view, it meant finalizing the financing of the CAP<sup>109</sup>. 'Deepening' meant extending EC competences. Specifically, Pompidou proposed a system of "foreign

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<sup>106</sup> Desmond Dinan, *Ever Closer Union: An Introduction to European Integration*, 2<sup>nd</sup> edition, London, 1994, p. 60

<sup>107</sup> Divided Germany represented a big threat to the geopolitical stability of the European Community due to the Cold War politics of the day and bipolar world.

<sup>108</sup> Desmond Dinan, *Ever Closer Union: An Introduction to European Integration*, 2<sup>nd</sup> edition, London, 1994, p. 61

<sup>109</sup> Primarily, the EC leaders were to negotiate a financial regulation for the CAP and funding the EC by its own resources. Yet also Pompidou realized that since Germany's economy became the driving force within the EC, he proposed deepening the EC by coordinating the member states' monetary policies. Hence, Pierre Wierner prime minister of Luxembourg agreed to draft a report on EMU.

policy cooperation through regular meetings of foreign ministers and possibly, the establishment of a secretariat in Paris<sup>110</sup>. Although, at first instinct EC states resembled the Fouchet Plan, after brief consideration they agreed to it. Key role in their decision played Germany's Ostpolitik<sup>111</sup>.

To the 'enlargement', President Pompidou and Chancellor Willy Brandt were able to reach agreement, which was crucial for the overall success of the summit. The agreement was a classic EC Compromise: "In return for a commitment from the Five to resolve the CAP's funding by the end of the year, France assured the others that enlargement negotiations would begin by June 1970<sup>112</sup>".

All of the three matters on the agenda- completion, deepening, and enlargement were successfully concluded at the 1969 Hague summit, which encouraged Georges Pompidou to propose that summits should be institutionalized. Nevertheless, the Six seemed not prepared for this particular step as there were prejudices against the old Gaullist approach. Thus, it took another five years when they realized that institutionalization of summitry was essential for further progress of the European Community.

## 6.2 Paris and Copenhagen summits

It was not until 19, 20 October 1972 that Pompidou convened next summit in Paris to resolve deteriorating international monetary and political situation. And while the subsequent summit in Copenhagen on 14, 15 December 1973 was conducted in the same spirit, both, in terms of results, were judged failure. It was mainly due to lack of organizational structure, lack of coherence between the priorities, and the decisions taken were limited and not

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<sup>110</sup> Desmond Dinan, *Ever Closer Union: An Introduction to European Integration*, 2<sup>nd</sup> edition, London, 1994, p. 62

<sup>111</sup> Davignon's report, submitted to the Council in May 1970 and adopted in October, suggested that European Political Cooperation consist of biannual meetings of foreign ministers and more frequent meetings of their political directors, with the country in the Council presidency presiding also over EPC and providing the necessary support (Luxembourg Report, 7, Dinan source). Therefore the attempt to coordinate member states' foreign policies fared best.

<sup>112</sup> Desmond Dinan, *Ever Closer Union: An Introduction to European Integration*, 2<sup>nd</sup> edition, London, 1994, p. 62

implemented<sup>113</sup>. Also the lack of mutual sympathy and political understanding between Pompidou and Willy Brandt (core EU states) played its role.

Taking a brief look at the Paris summit of 1972, it was convoked to decide EC's agenda in the post enlargement period, and to conclude upon the coordination of monetary policies of the member states given the collapse of the international monetary system. Communiqué<sup>114</sup> that was produced in the end of the summit made references to EMU, EPC, and also there was mentioned regional policy, industrial policy, energy and the environment<sup>115</sup>.

First, at the summit, the controversy sparked over the regional policy<sup>116</sup>. Pompidou, in search to offset Germany's growing influence in the EC and the policy of Ostpolitik, supported the ERDF, as that would help the British Prime minister Heath to face criticism regarding high cost of EC membership at home<sup>117</sup>. Naturally, Willy Brandt opposed this policy, and he also directed criticism towards the ineffective policy of CAP. All of this distanced two of the most important leaders within the EC, which did not contribute to cohesion, yet it caused frictions between the two. Another cause of tense relations between the Paris and Bonn was economic and monetary policy<sup>118</sup>. Though, in the communiqué, it was stated that the heads of state/government were committed to completion of EMU by no later than December 31, 1980, the date was too ambitious given the economic conditions of the day<sup>119</sup>.

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<sup>113</sup> The summits were failures as their decisions were ineffectively recorded in communiqués. It was the Ersboell reforms in 1980s that established system of Conclusions, which made the meetings of heads of state and government productive (see **Chapter 3**)

<sup>114</sup> The summit is famous for the last sentence of a solemn declaration that prefixed the concluding communiqué: "The member states of the Community, the driving force of European construction, affirm their intention before the end of the present decade to transform the whole complex of their relations into a European Union. This created confusion as nobody understood what the term implied (Commission, 1972 General Report, point 5.16)

<sup>115</sup> Desmond Dinan, *Ever Closer Union: An Introduction to European Integration*, 2<sup>nd</sup> edition, London, 1994, p. 67

<sup>116</sup> The controversy began over the establishment of the ERDF- European Regional and Development Fund, which would upgrade poor regions in Great Britain.

<sup>117</sup> Dinan, *Ever Closer Union: An Introduction to European Integration*, 2<sup>nd</sup> edition, London, 1994, p. 68

<sup>118</sup> Brant was a proponent of the floating monetary system and anti-inflationary measures, Pompidou advocated fixed exchange rate regime.

<sup>119</sup> Commission, 1972 General Report, point 5.1

Concluding on the Paris summit, the lack of organization and structure, therefore inefficient management skills in organizing summits on the side of the foreign ministers, and the communiqué that avoided many of the real political issues of the day, were the primary reasons for the failure of the meeting. Also, the unfriendly relationship between Pompidou and Brandt contributed to the lack of compromise. Based on this, the French president, once again, unsuccessfully proposed the institutionalization of summitry<sup>120</sup>. Few realized that the institutionalization of summitry would set for better management, thus for the concrete results in the end of the summits. This would be helpful in maintaining the overall EC integrity and push its development further.

By the time the next summit was called for, in the city of Copenhagen on 14, 15 December 1973, the international economic conditions deteriorated even further, and the European Community was enlarged to include three new members, namely Great Britain, Denmark, and Ireland<sup>121</sup>. Unlike the Paris summit of 1972, the Copenhagen summit was conducted through more difficult times. The international economic conditions were worsening at high speed, Western European relations with the United States had soured, and the October war in the Middle East led to the oil crisis<sup>122</sup>. This all caused increased recession, “exacerbating economic tendencies in the Member States” and “blowing the Economic and Monetary Union project of the Werner Plan<sup>123</sup> off course<sup>124</sup>”. Short note aside, the friction between Pompidou and Brandt remained and contributed to lack of agreement in respect to EPC during the summit<sup>125</sup>. Like the Paris summit, this one was also poorly

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<sup>120</sup> Martin Westlake, *The Council of the European Union*, London, 1995, p. 20

<sup>121</sup> Britain, Denmark and Ireland (all three members of EFTA) joined the European Community on January 1, 1973.

<sup>122</sup> *Ibid*, p. 20

<sup>123</sup> Given difficult world monetary situation in 1970s, it was not feasible to complete EMU (as drafted by Pierre Wierner, prime minister of Luxembourg) by December 31, 1980. As of, the monetary system kept developing

<sup>124</sup> *Ibid*, p. 20

<sup>125</sup> The significance of having common EPC would prove helpful during the 1973 oil crises, when Arab foreign ministers turned to Europe as a negotiating partner. However, the frictions between the Member States and their priorities threw the common position off the table (check it in Dinan-p-70-72)

managed, yet, most importantly, there was lack of coherence regarding the issues discussed, which resulted in vague communiqué issued in the end.

Once again, Pompidou proposed the establishment of institutionalized summitry, and this time he was partially successful. The heads of state/ government agreed that the summits "would be held whenever justified by circumstances and when it appears necessary to provide a stimulus or lay down further guidelines for the construction of a united Europe<sup>126</sup>". From the previous three summits, they all were organized in *ad hoc* fashion, yet they were not managed to the degree, where resolute decisions would be taken. This is not to conclude that all of them were failure. The Hague summit of 1969, for example, was markedly a success. Yet, it must be recognized that situation in 1969 was much calmer and optimistic than during the oil crises. It was during the Paris and Copenhagen summit when the lack of preparation and management, discontinuity of the objectives and almost no follow-up procedures contributed to disarray in the EC.

What's more, the repeated calls of Georges Pompidou to institutionalize summitry have sparked off debate (within the EC circles) about the desirability of such a move. Without a consideration, some of the pro-integrationists warned against the system of summitry as they saw summits as intergovernmental structures designed to counter integration. And since the summits were always organized by French, there was a fear that summitry would ensure French influence. Having CAP and ERDF in mind there is little to wonder why some countries/Germany could have been hostile to the idea of summits. Also, there was a fear that the establishment of meetings on the level of heads of state/government would undermine Commission's role as the Community's driving force. However, on the other hand, some pro-integrationists saw

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<sup>126</sup> Martin Westlake, *The Council of the European Union*, London, 1995, p. 20

summits as “an obvious response to the Community’s post Luxembourg Compromise lack of direction<sup>127</sup>”. In essence, the summit represented a move towards more intergovernmental structure, though at that time it was perceived as the only option to sustain the integrity of Europe and ensure certain progress.

Even Altiero Spinelli, vital advocate of federal Europe and ever Constitutionalist, suggested summits to be institutionalized as a supreme council<sup>128</sup>. Given that Altiero Spinelli was pro summit creation, it indicates that EC in early 1970s and with existing institutional framework was not providing firm decisions that would drive the EC forward and that the EC was not given vision and direction during the crises.

Next and finally, the actual establishment of the European Council by Giscard d’Estaing and Schmidt will be analyzed.

## **7. Giscard and Schmidt and the birth of the European Council (1974)**

While Georges Pompidou tried excessively hard to institutionalize summitry, he was quite unsuccessful. It was his successor Valery Giscard d’Estaing in close collaboration with German Chancellor- Helmut Schmidt that laid down the foundations of the European Council in mid 1970s.

Beginning in 1970s, young finance ministers, Valery Giscard d’Estaing and Helmut Schmidt together with their British and American counterparts launched series of informal secret sessions to discuss economic and monetary problems. The first of these took place in the Library of the White House, and hence the meetings became known as the “Library Group”<sup>129</sup>. Both Giscard and Schmidt had been impressed by Library Group type of meetings as there were no officials present and thus ministers could speak freely and completely off the record. Yet, already in 1974 Giscard became the

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<sup>127</sup> Martin Westlake, *The Council of the European Union*, London, 1995, p. 20

<sup>128</sup> Altiero Spinelli, *The European Adventure: Tasks for the Enlarged Community*, London, 1972, p. 176

<sup>129</sup> Simon Bulmer and Wolfgang Wessels, *The European Council: Decision-Making in European Politics*, London, p. 43

French President and Schmidt German Chancellor. When Giscard, “acting in the tradition of his predecessor, urged the holding of a summit in 1974 under the French Presidency”, him and Schmidt had their “Library Group experience in mind<sup>130</sup>”. In fact, there were organized two summits, both held in Paris. The first summit, also known as the “picnic summit” took place in September 1974 and its primary purpose was to prepare the main themes for a major summit later in the year; the second summit was organized in December 1974 and its major purpose was the creation of a regional fund<sup>131</sup>. Both of the summits were deemed great success- especially the one held in December as officially the summitry was institutionalized.

Although major achievement was reached on December 1974 EU summit, the Paris summit went on uneasily. The pro-integrationist (the Benelux countries) strongly opposed the idea of summitry, yet the concession was made on the side of the bigger EC states. They promised (as a trade off to the creation of summitry) direct elections to the European Parliament and the commissioning of a report on European Union<sup>132</sup>. Also British in return for their support of creating the EU Council were promised by Schmidt “corrective mechanism” in regards to their contribution to the EU budget<sup>133</sup>. Lastly, French got away with any reforms of CAP.

Undeniably, progress was made on numerous accounts, though; the most important development was the agreement to institutionalize summitry through the establishment of the European Council<sup>134</sup>. Hence, the communiqué issued after the meeting of heads of state and government declared that “they had decided to meet, accompanied by the Ministers of Foreign Affairs, three times a year and, whenever necessary, in the Council of the Communities

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<sup>130</sup> Simon Bulmer and Wolfgang Wessels, *The European Council: Decision-Making in European Politics*, London, p. 43

<sup>131</sup> *Ibid*, p. 43

<sup>132</sup> The report on the European Union was the Tindemans report, which was previously discussed.

Martin Westlake, *The Council of the European Union*, London, 1995, p. 21

<sup>133</sup> *Ibid*, p. 21

<sup>134</sup> Interesting to note aside, Jean Monnet (architect of the Community method) warmly endorsed creation of the European Council.

and in the context of political cooperation. The European Council had been born<sup>135</sup>. The European Council met for the first time in Dublin in March 1975.

It must be stressed that the creation of the EU Council owes a lot to the unique relationship and political vision of two outstanding leaders of the day- Giscard and Schmidt. They shared common political vision and both were pragmatic Europeanist. Further, they were skeptical about the Commission's role in the European integration and believed that, political leadership in the Community had to be exercised by the heads of state and government<sup>136</sup>.

## 8. Defining status of the EU Council

As soon as the European Council came into being, it was obvious that it would become the most important organ within the institutional hierarchy of the European Community<sup>137</sup>. And as the European Council began functioning, it started to acquire more responsibilities. Therefore EU Council as well as remaining EC institutions went through several modifications, which aim was to make working of the EU Council more effective. Having EU Council effective was of crucial importance as it set the direction for the future of Europe<sup>138</sup>. However, in the following and very brief sections, I will list four of the acts that institutionally defined status and role of the EU Council. They are:

- 1977 London Declaration
- 1983 Stuttgart Solemn Declaration
- 1986 Single European Act
- 1991 Maastricht Treaty

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<sup>135</sup> *Ibid*, p. 22

<sup>136</sup> Martin Westlake, *The Council of the European Union*, London, 1995, p. 23

<sup>137</sup> The importance of the EU Council was derived from its composition; its prime members were the heads of state and government of the EC Member States and their respective governments entrusted them the right to commit their states in European matters.

<sup>138</sup> Already the Niels Ersboell reforms were analyzed in Section 3. In the context of this work Ersboell reforms were one of the most significant.

Moreover, later in the work, I will provide a complete overview of the articles in the draft establishing Constitution for Europe, which proposed reform of the European Council in Europe of 27 Member States. It will prove helpful when assessing the future of the European Council.

### 8.1 1977 London Declaration

At 1977 London European Council, at the initiative of Valery Giscard d'Estaing, there was adopted a declaration that set out the role and practical arrangements for the European Council. To the role, the EU Council was to occasionally take role of the "star chamber" and "court of last resort" in disputes referred to it from the Council<sup>139</sup>. This way the EU Council could act within the Community Framework (the first pillar). Otherwise, the EU Council always worked outside of that framework- on *ad hoc* intergovernmental basis.

To the practical arrangements, the document set out three kinds of discussions: confidential, informal discussions in Library Group style, and discussions leading to specific actions<sup>140</sup>. The goal of the discussions was to lead to the concrete conclusions (that were prepared in advance). Also there was to be no record of the participants' exchanges, but written record of conclusions, which was issued by the Presidency in the office. Importantly, on Giscard's initiative, there were to be as few officials as possible<sup>141</sup>. Yet, these were minor modifications and therefore they had only minor impact on upgrading of the procedures during the EU Council meetings. Bigger and more significant changes happened with the appointment of Niels Ersboell as secretary general of the Council of Ministers in 1980s (see Section 3.2).

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<sup>139</sup> William Nicoll and Salmon Trevor, *Understanding the European Communities*, London, 1990, p.45

<sup>140</sup> *Ibid*, p. 45

<sup>141</sup> Yet still sherpas were present at the EU meetings.

## 8.2 1983 Stuttgart Solemn Declaration

On June 19, 1983 the Foreign Ministers reported to the Stuttgart European Council on the 'draft European Act'<sup>142</sup>, which subsequently adopted a Solemn Declaration on European Union. The Solemn Declaration was very ambitious document, not comparable to the 2007 Berlin Declaration (see section 2.2), which devoted several paragraphs to the European Council.

The composition of the EU Council was defined as before, yet now it expressly included the President of the Commission and one other member of the Commission<sup>143</sup>. Also, beginning in 1983, the EU Council was assigned five specific tasks: **a.** providing general impetus, **b.** defining approaches and issuing general political guidelines, **c.** deliberating with a view to consistency, **d.** initiating cooperation in new areas of activity, **e.** and expressing common positions on external relations questions<sup>144</sup>. Hence, these specifications of the role of the EU Council were clearly cut for the first time; therefore they can be taken as progressive modifications.

Moreover, in the Stuttgart Solemn Declaration, there were three significant innovations. First (as designed in the London Declaration) was that when the EU Council acted in matters within the scope of the European Communities, it did so in its capacity as the extension of a Council<sup>145</sup>. This provided for dual status of the EU Council- on one side it was authorized to act within the Community framework, yet mostly, it functioned on an ad hoc intergovernmental basis.

The second innovation concerned the EU Council's relationship with the EU Parliament. The EU Parliament suffered the most from the creation of the EU Council as it deprived the EU

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<sup>142</sup> On November 1981, the German and Italian governments submitted to the other member states, to the European Parliament, and to the Commission a Draft European Act (the Genscher-Colombo Act) designed to further European integration. The 1981 London EU Council charged the Foreign ministers to study the act with a view to further action.

<sup>143</sup> Since the Athens EU Council in 1983/4, the Secretary-General of the Commission attends the EU Council meetings

<sup>144</sup> Martin Westlake, *The Council of the European Union*, London, 1995, p. 24

<sup>145</sup> *Ibid*, p. 24

Parliament legitimacy, which would otherwise be obtained from the direct elections. Now, under the Solemn Declaration, the EU Council was obliged to report to the European Parliament after each of its meetings. In the same perspective, the third innovation was designed. It touched upon the institution of Presidency, which was expected to present a report to the EU Parliament after each EU Council meeting.

### **8.3 1986 Single European Act**

Although the Stuttgart Solemn Declaration modified the European Council to a great extent, the Single European Act, which became effective on February 15, 1987, also brought one important change. Quite naturally, the SEA confirmed the composition of the EU Council, yet it reduced the frequency of the meetings from three times to twice a year. However, the most important innovation was that for the first time, the European Council had the basis in the Treaties. As of, its status was collectively recognized, and its role clearly highlighted.

### **8.4 1991 Maastricht Treaty**

Not only the EU Council, but also the whole of the European Union was greatly driven forward when the Maastricht Treaty got ratified in early 1990s. Referring to the EU Council, much of the articles adopted were taken from the ambitious and above-mentioned 1983 Solemn Declaration.

The most significant development in the Maastricht Treaty was that the EU Council started to play "Treaty based role in providing the European Union with the necessary impetus for its development, defining the Union's general political guidelines and, in the context of economic government, defining the Union's broad economic guidelines"<sup>146</sup>. From this Treaty-based role of the

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<sup>146</sup> Martin Westlake, *The Council of the European Union*, London, 1995, p. 25

European Council it is visible that the EU Council took on some functions that in 1960s belonged to the Commission, which was often called the motor of integration. Was this a decisive shift towards intergovernmentalism?

Unluckily, the situation in 1990s was much different than that in the 1960s. In 1960s, it was predominantly the supranational Commission that championed federal Europe. However, when the Luxembourg Compromise came into force, it postponed the integration process until The Hague summit of 1969. It was then, under Georges Pompidou, when pragmatism entered the interstate negotiations. And it was clear that member states would have to start being integrated even more in the process of the European integration. Thus since late 1960s it was more than obvious that if progress was to take place, it would have to be initiated from the top. Hence, the establishment of the intergovernmental European Council, under Giscard and Schmidt leadership, was a step forward even despite the fact that it was a step towards more intergovernmental institutional arrangement of the EC.

To summarize, in this section there were listed four of the institutional acts that clearly defined the status and role of the EU Council, therefore they are the type of modifications that helped to shape the EU Council into successful executive body. Nevertheless, the next chapter will devolve around the four principal functions of the EU Council, and thus it will underline the significance of this institution even further. The chapter will be more interactive as it will include theory mixed with practical examples.

## **9. Four main functions of the EU Council**

As the effectiveness of the European Council increased in the 1980s and 1990s, the role of this body started to extend respectively. In this section, there will be discussed four of the EU Council functions, which were acquired over time, and which made the EU Council noteworthy leader.

Its first and most basic leadership role remained as it had always been- EU Council as an institution that brought together the leaders of every member state was better placed than any other to act as the “arbiter of systemic change”<sup>147</sup>. The circumstances and the manner in which this function was exercised changed significantly from one decade to the next.

In early 1970s both the competences and the membership of the EC were expanded without a treaty change and following political decisions rather than legal agreement (given the absence of the EU Council). In 1980s, by contrast, it was no longer possible to conduct changes in the same fashion. Thus, under the EC Council leadership it was eventually decided at Milan in June 1985 to convene an IGC<sup>148</sup>. However, the IGC’s are not the only example of the EU leaders changing the system. Others include the enlargements of the EC/EU that began in the early 1970s and continued in every decade that followed<sup>149</sup>.

Second importance of the EU Council is derived from the impact of Council’s powerful Conclusions that became the single most important “agenda-setting instrument in the EC/EU armory”<sup>150</sup>. Also, backed by politically binding Conclusions of the EU Council, the Commission could make rapid progress, and indeed Commission under Delors exploited this to the maximum<sup>151</sup>.

Thirdly, the EU Council became the ultimate negotiating body in the EU. To put this into perspective, the EU Council had the last say in numerous important areas- for example in budgetary matters, EU enlargement, or on the location of EU institutions and agencies.

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<sup>147</sup> Peter Ludlow, *A View from Brussels: Leadership in an Enlarged European Union*, EuroComment, Briefing Note, 3, Brussels, 2005, p. 18

<sup>148</sup> Decision to convene an IGC was an important step in the life of the EC. IGC served as a forum for all the EC leaders to negotiate major changes in respect to the EC developments. Maastricht Treaty, or Amsterdam Treaty, or Constitutional treaty- all were decided at the respective IGC’s.

<sup>149</sup> It was a signal from the top that gave the green light to negotiations with all the countries that joined the EC.

<sup>150</sup> *Ibid*, p.16

<sup>151</sup> Also thanks to EU Commission involvement, progress was made in regards to monetary union.

Finally and most importantly, the EU Council is the core of the EU's executive. Its accumulation of executive responsibilities was a striking feature of the 1980s and 1990s. They included nominations to all the key posts, including in particular the president of the Commission and his colleagues. And most of whom the European Council appointed became responsible to it.

Accordingly, the EU Council took on more roles and became an important leader in both terms- externally and internally. And it was also thanks to parallel internal reforms that the EU Council could operate its leadership function. Though, beginning in 1990s, the EU Council was put under a lot of stress, which burdened the institution into such an extent that it soon caused an unprecedented crisis. Consequently, the mix of circumstances that led to the 'crisis' is hence to be brought into reader's attention.

## **10. EU Council and the confused years 1995-2005**

The 1990s did not only bring grandeur Maastricht Treaty that changed the EC forever, though, the new decade brought to the fore four realities that changed the European Council up until very recent days. To be exact they were: a new political and economic environment; new generation of leaders; the exacerbation of small state-large state relations, and historically the biggest enlargement.

### **10.1 New political and economic environment**

The Maastricht treaty spanned every aspect of public policy, from monetary and macroeconomic policy to foreign policy and defense, via the single market and all that it entailed agriculture and environment, justice and home affairs, education, culture and tourism. Creating a Union on this scale is one thing, running it is quite another. Thus, it was obvious that all the EU's institutions, including the EU Council, were threatened by severe work overload.

However, the difficulties facing the European Council from 1995 onwards were the consequence of new and unfamiliar

challenges. The EU leaders of 1980s and early 1990s were successful but also lucky. Peter Ludlow suggested that: "They presided over a transformation of the integrationist agenda against the background of an economic recovery that began slowly, but went on and on and on<sup>152</sup>". By the mid 1990s, both the political and economic environment changed for the worse. Having become used to catching up on the American economy, Europeans watched while the US surged ahead on the basis of a new economy that made their own post-1992, pre- EMU system appear sclerotic and hidebound. To this, also other realities mixed in. Starting with German unification- it was a political triumph that turned into an economic nightmare. It was obvious, long before Schroeder replaced Kohl, that Germany's role in the EU in general and the EU Council in particular was likely to be different from the days when Federal Republic could pick up the bill<sup>153</sup>.

Further, the Danish rejection of the Maastricht treaty in 1992 set forth a period in which every fresh advance was much more difficult to achieve than in the 1980s when the integration process appeared unstoppable. What disturbed the EU in 1990s even more was the debate about EU's lack of legitimacy. In respect to this Ludlow reacted quite strongly: "Instead of offering citizens a rational explanation of the European Council centered system that the Maastricht treaty enshrined, leading members of the European Council itself acquiesced in the myth of a democratic deficit symbolized by a relatively weak Parliament<sup>154</sup>". To clear this point, it is important to realize that EU Council embodies dual legitimacy- it reflects upon the will of the member states and citizens

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<sup>152</sup> Peter Ludlow, *A View from Brussels: Leadership in an Enlarged European Union*, EuroComment, Briefing Note, 3, Brussels, 2005, p. 18

<sup>153</sup> Practice had it that Germany's economy drove the Union's economy and the mark was the rock on which the European Monetary System was founded. As of, when Germany in early 1990s poured money into its 'eastern part', this had major impact on the EMS; so to say it slowed its development.

<sup>154</sup> *Ibid*, p. 18

accordingly<sup>155</sup>. Lastly, another aspect that contributed to the internal weakness of EU was of external character. It was the arrival of George Bush junior in the White House and the events of 11 September 2001, which put an end to the phony peace and exposed divisions in the EU Council itself that were- and are more profound than any in its thirty year history.

All in all, the world was a much more difficult place that it had appeared to be in the 1980s and early 1990s when the European Council carried all before it.

## 10.2 A new generation of leaders

As portrayed earlier, the European Council centered system was built in need for collective rather than individual leadership. Though, it was also a product of particular personalities, who were remarkable not only for their statesmanship, but also for their political endurance. To put this into frame, Helmut Kohl was a member of the EU Council for fifteen years, Niels Ersboell- successful reformer was secretary- general for fourteen years, and other leaders who were at the top table for a decade or more included Jacques Delors (president of the EU Commission), Felipe Gonzales (Spanish premier), or Giulio Andreotti. The political longevity of the members of the EU Council led to the creation of collective culture, which kept the personal animosities in check. It was the departure of some of the outstanding personalities that influenced the way in which the EU Council worked.

First to the Ersboell's and his cabinet de chef Christoffersen's departures, this had major consequences. Ersboell had built up "a unique authority with his constituency, which it would have been difficult for any senior official to match and which, for all of his considerable personal and professional qualities, Trumpf certainly

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<sup>155</sup> First, the leaders who represent the individual Member States are eligibly elected and further they are delegated by the their own governments to decide on the EU level through the institution of the European Council.

could not aspire to<sup>156</sup>. After 1999, Javier Solana replaced Trunpf and the task to continue in Ersboell legacy became even more difficult. Solana became both high representative and secretary general. He was successful in the former, which left him little time to proficiently pursue the latter. Thus, this significantly weakened an important role of the secretary- general in drafting Conclusions on which the agenda for EU summits is based.

Furthermore, Delors' departure in 1994 was also a major blow as he had grasped the potential of the EU Council early in his term and used it to his advantage; he provided EU Council with such kind of leadership that only the Commission president can. Looking at current Commission president- Mr. Barosso, he clearly lacks leadership qualities required for his position.

Both Chirac and Schroder are like their predecessors the most significant members of the EU Council whom no Presidency can possibly ignore. Yet the two men were not able to provide the EU Council with the quality of leadership that was given by previous generations of French and German leaders. Today, situation changed- Germany has a new Chancellor- Angela Merkel, who is trying to provide the EU with relevant leadership; and France just voted in Sarkozy, who can refresh the EU politics. Also, friendship on personal basis may emerge, which could once again re-establish collective culture in and through the EU Council and may lead to progress. It is even possible that Barosso will find his way in the new EC Council as the new members are of his generation.

The other significant newcomer to the EU Council in 1990s was British Prime Minister Tony Blair. At first even those members of the EU Council that did not belong to his political family warmly welcomed his election<sup>157</sup>, and for a while relationship with Chirac



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<sup>156</sup> Peter Ludlow, *A View from Brussels: Leadership in an Enlarged European Union*, EuroComment, Briefing Note, 3, Brussels, 2005, p. 20

<sup>157</sup> Progressive socialists as Antonio Guterres in Portugal, or Wim Kok in Netherlands or Lipponen in Finland were on the same length, so too was Aznar who cooperated with Blair in putting together the Lisbon agenda.

also worked<sup>158</sup>. Yet, these early happenings have not translated into consistent leadership in the European Council. Looking back at Blair years it is difficult to recall what he and the European Council were like before war in Iraq. Although the war and its persistence have done huge damage to Blair's standing in the EU Council as elsewhere, his difficulties in and with it were obvious long before the Iraq crisis<sup>159</sup>. Nevertheless, Britain as well is undergoing change in leadership. Tony Blair had recently stepped down and will be soon replaced. One of the most probable candidates is Gordon Brown who served in Blair's cabinet as finance minister.

Now, given Sarkozy, Merkel and Brown as the new and significant EU Council members, changes may be brought sooner than anybody anticipates. Let's have ourselves surprised.

### 10.3 Small states versus large states

As the European Council became the victim of a deepening leadership crisis from the mid 1990s on, this poisoned the overall atmosphere. Fears flourished, mutual trust was weakened and collective morale declined. The most noticeable example of the EU Council's melancholy was a dramatic deterioration in relations between large and small states.

As have been analyzed in the previous chapters, small state/large state relations have often been problematic in the history of the European Union<sup>160</sup>. Even during the best times of the EU Council in the 1980s, small state leaders could and did "vent their anger against an overt show of Franco- German leadership of the kind that they were exposed to before and at the first Dublin

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<sup>158</sup> For a while French and British were able to cosponsor the EU's new commitment to building up an independent military capacity.

<sup>159</sup> Also, one ought not to forget that it was during Blair's presidency in the 1<sup>st</sup> half of the 2005, when the EU leaders were not able to agree on financial perspective for 2007-13. Blair until June was not able to steer the debate that would lead to rational conclusions, yet this is always difficult when UK's rebate and French CAP are on the negotiating table. Moreover, this time the EU Council increased in membership as the EU consisted of 27 Member states.

<sup>160</sup> One may recall the 1950s and the Benelux initiative to include Council of Ministers into ECSC.

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European Council in 1990<sup>161</sup>". However, there was no precedent for the explosion of bad manners and mutual abuse that occurred during the working dinner at the Biarritz Council of October 2000<sup>162</sup>. Tempers were subsequently kept under better control. Small state mistrust of large state motives was however to be a conspicuous feature of almost every European Council discussion of EU reform in the months and years that followed the Biarritz episode: at Nice<sup>163</sup>, at Laeken<sup>164</sup>, at Seville<sup>165</sup> and of course in the IGC related meetings of 2003 and 2004.

However, and most notably, the small states' worries were grossly exaggerated as the EU system as a whole and not just the EU Council has always been and still is heavily biased in their favor.

#### 10.4 2004 Enlargement

The impact of the May 2004 enlargement on the functioning of the EU Council has been fundamental. Already the fourth enlargement including Austria, Finland and Sweden was a development of major importance, which changed the culture of the EU. It altered the Council's arithmetic and affected the way in which decisions were arrived at. Now, the consequences of fifth enlargement have been of an even more dramatic character.

The adjustment process is far from over. Few practical examples are needy in here. In an EU 27, a full time prime minister and part time president of the EU Council does not have the time to make the "tour de capitales", which used to be an essential ingredient of the Presidency's preparations for Council meetings<sup>166</sup>.

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<sup>161</sup> Peter Ludlow, *A View from Brussels: Leadership in an Enlarged European Union*, EuroComment, Briefing Note, 3, Brussels, 2005, p. 23

<sup>162</sup> Peter Ludlow, *A View from Brussels*, CEPS, 9, Brussels, 2000, p. 13

<sup>163</sup> Peter Ludlow, *The Nice European Council: A View from Brussels: The Nice European Council: Neither a Triumph nor Disaster*, CEPS, 10, Brussels, 2001, p. 21

<sup>164</sup> Peter Ludlow, *The Laeken Council*, Brussels, 2002, p. 56

<sup>165</sup> Peter Ludlow, *The Seville Council*, Brussels, 2002, p. 48

<sup>166</sup> Presidencies still take to the road, but only to the countries that have a particular problem.

As far as the EC Council meetings are concerned, the changes have been even more far reaching. As of now, there are 54 principals at the negotiating table, which means that the Council is in many respects more like an assembly than a board of directors. Thus, most of the important discussions and negotiations happen out of the Council chamber<sup>167</sup>.

Also another striking development is that since May 2004, most of the negotiations leading up to the final agreement have taken place, "either in the corridors, or still more, in the Presidency's suite of offices on the fifth floor of the Justus Lipsius building<sup>168</sup>". This is a logical change in working of the EU Council given large format of nowadays European Union. Also, it puts a lot of pressure to EU Council presidents to find the way to effectively negotiate with the Member States, given that plenary sessions are losing on their significance.

## 11. EU Council retains its high status and authority

Despite all of the challenges EU Council started to face in early 1990s, it nevertheless survived it quite well. There are at least three mutually reinforcing explanations for the Council's success.

First, by 1990s the EU Council has become so central to the conduct of EU business that "its authority could only be questioned at risk to the EU system as a whole<sup>169</sup>". Every Council and almost every commissioner has to reckon in one way or another with guidelines laid down by the European Council, as too in quite different way does the European Parliament. Thus, whether one likes it or not, the EU Council's Conclusions are the most important instrument holding the whole of the Union's output together.



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<sup>167</sup> After May 2004, in June and December meetings, the liveliest debates took place over dinner, without either foreign ministers inside of the room, or Antici officials.

<sup>168</sup> Peter Ludlow, *A View from Brussels: Leadership in an Enlarged European Union*, EuroComment, Briefing Note, 3, Brussels, 2005, p. 23

<sup>169</sup> *Ibid*, p. 27

The second explanation for the success of most EU Councils since 1990s is to be found in the robustness of the six months presidency. The effectiveness of most if not quite all the member states that have held the office in the past decade is nevertheless striking, given the significant extension of the Presidency's workload in the wake of the EU's much expanded agenda and greatly enlarged membership. For this reason too, the German presidential term has been portrayed in the beginning of the work.

The third factor accounting for the continuing success of the EU Council is that the character of the EU Council changed radically. Some of the most important adjustments have been the result of more or less spontaneous improvisations in different circumstances. One concrete example is from the June- December 2005 EU Council meetings, where the respective EU presidents started to conduct bilateral and small group meetings in order to forge the agreement in EU 27<sup>170</sup>. This is very significant element as the leaders themselves identified obstacles in reaching agreement behind the negotiating table, which is quite large by now, and they initiated new approach that is proving to be very helpful.

## **12. The European Council in the Constitutional treaty**

Before concluding upon the future of the EU Council, let's look at the provisions in the draft establishing Constitution for Europe.

As far as the EU Council is concerned, the constitutional treaty was undoubtedly a major step forwards. Both its status as an institution and many of the functions that it has been performing for the past twenty-five years were explicitly acknowledged for the first time. The introduction of a full time president also had much to be said for it, because even successful presidents of the EU Council

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<sup>170</sup> In addition top these 'informal' changes in respect to the EU Council, the Seville EU summit set for reforms, which result is that by now 90% Conclusions are approved by COREPER.

have found the workload almost impossible to combine with their prime-ministerial duties<sup>171</sup>.

Yet, the provisions concerning the European Council would probably even so have caused some significant difficulties if and when it came into force, because they were the result of "clumsy compromises introduced without adequate reflection in response to seemingly entrenched opposition. The clauses concerning the new president and his or her relations with other EU actors are a case point<sup>172</sup>. Under, the relations of permanent president with other institutions will be depicted upon.

### **The President of the EU Council**

Article 1-22 defines the role of the president of the European Council in the following terms. Elected by a qualified majority in the EU Council for a period of two and a half years, renewable once, s/he will:

- Chair the EU Council and drive forward its work
- Ensure the preparation and continuity of the EU Council
- Facilitate cohesion and consensus
- Present a report to the EU Parliament after each meeting
- Ensure the external representation of the Union on issues concerning its common foreign and security policy at his or her level

The job description is unexceptionable. It is more modest than some of the schemes touted by the UK and other large member state governments during the Convention, but the new position should have been interesting enough to attract high caliber applicants<sup>173</sup>.

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<sup>171</sup> Peter Norman, *The Accidental Constitution: The Making of Europe's Constitutional Treaty*, Brussels, 2005, p. 24

<sup>172</sup> Norman, *The Accidental Constitution: The Making of Europe's Constitutional Treaty*, Brussels, 2005, p. 24

<sup>173</sup> *Ibid*, p. 25

## **The President and the Presidency**

The new President, unlike the office of the rotating presidency, would not have a government at disposal. Rather he would be able to draw on the resources of the Council Secretariat. Responsibility for every other Council formation was to lie with the three governments holding the new style, 18-month team presidencies<sup>174</sup>. It is an arrangement that bristles with difficulties. A 30-month president was expected to cooperate with two 18-month presidencies, if s/he held the post for two and a half years, and four if his/her term was renewed. However, the team presidencies would control COREPER and the General Affairs Council, who post-Seville determine 90% of the EU Council's Conclusions.

## **President and the foreign minister**

Relations between the president of the EU Council and the new foreign minister should in principle resemble relations between a head of government and a foreign minister in a national government. According to the constitution, the president of the EU Council was to ensure the external representation of the Union on issues concerning its common foreign and security policy at his or her level, which should have left the foreign minister a lot of space at his or her level. As in addition the president of the EU Council was to preside over the body that both appoints and dismisses the foreign minister, his authority might appear intact.

## **The president and the president of the Commission**

Presidency-Commission cooperation has been a vital ingredient of the EU council's success even in the latter years. The relationship has though changed significantly in the last years. Whereas in Delors day, the president of the Commission behaved as, and indeed was, the equal of all but the grandest presidents of the EU Council, EU Council presidents nowadays are indisputably

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<sup>174</sup> The team presidencies were introduced with Germany at the beginning of 2007 as analyzed in the second chapter of the work.

the top officials. As of, the constitution set for quite powerful permanent EU president.

### 13. Conclusion

In conclusion, even the EU happens to be 'in crisis' at the moment, the future of this remarkable institution is not desperate, nor lost. Quite opposite, one of the positive features of the current crisis is that it poses another challenge for **EU Council** to further develop and deepen its existing structures and therefore prove its unique and undeniably significant role in fostering the EU integration and in bringing great benefits for its members. Also, the 'crisis' offers fresh opportunities for **new EU leaders** to find pragmatic and at the same time optimistic solutions for the future of the European Union. So, the EU continues to stand out as a unique example that mastered unprecedented successes in contemporary political-economic history. The successes are peace, stability, solidarity and single market supplemented with common currency.

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