



Unions in the Making: Political Union

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Project of **European Political Community** (EPC) as early as 1952

- It was to become a legal entity, not just a set of treaties
- It presupposed establishment of a bicameral parliament - a Chamber of the Peoples elected by direct universal suffrage, and a European Senate appointed by the national parliaments
- Structure of other planned EPC institutions similar to today's EU institutions
- European Defence Community (EDC) proposed already in 1950, rejected in 1954 by the French Assembly due to fears of loss of sovereignty
- Without EDC, the project of political community was abandoned, economic and trade questions were laid in the foundation of integration process instead

Jean-Claude Juncker (2012):“...we should devote all of our efforts to supplementing the monetary union with a political union.”

Jose Manuel Barroso (2013): “A fully fledged federal Europe may seem like political science fiction today but will soon become reality for all European Union countries whether inside or outside the euro”

BUT: What does the notion “political union” really mean?

“Political union”

- Not clearly defined
- It should be a legal entity
- Must have its own institutions
- Fully fledged is acknowledged by other countries as their counterpart
- It is not a “binary variable”, it has many degrees in multiple dimensions

Today’s EU is a kind of political union already, calls for political union are therefore calls for a different **degree** of political union (both legal entity and own institutions are already set)

Does the degree of “political union” lag behind the degree of economic integration?

- **Single market** – low level of political union necessary (rules based union/co-operation, common institutions necessary only for the solution of trade disputes, compare with NAFTA, MERCOSUR, ASEAN etc.)
- **Single currency** – relatively low level of political union, common central bank (compare with golden standard, West African monetary union...)
- **Fiscal union** – high level of political union (following the principle “*no taxation without representation*”)

Choices of the degree of political union in several dimensions:

- i) Intergovernmentalism **vs** strong EU institutions
- ii) Limited economic federation **vs** fully fledged economic federation (including fiscal union and transfer federation)
- iii) Rules based **vs** ample discretionary powers for the supranational institutions

- Today's EU is already a kind of political union
- Political union is not a clearly defined concept, it is more useful to speak about degrees of political union

- (1) Are we witnessing a turning point in the history of the EMU and the EU? Is the EU heading toward a federal superpower or is it on a drift toward insignificance?
- (2) How to ensure more legitimacy to European integration?
- (3) How to secure a similar social model and living standards in the Eurozone despite regional disparities?