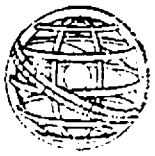

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EUROPE 2000: A FEDERAL COMMUNITY IN AN INTERDEPENDENT WORLD

by John Pinder

Democracy, technology, political integration

European institutions must respect two forces: democracy and technology.

European citizens have shown that they do not want governments with absolute power. They demand government whose power is limited by citizens' rights secured by the rule of law, with the laws enacted by people's representatives and the governments dependent on the results of free elections: in short, democratic and constitutional government, in the sense of "government limited by regular legal and political restraints and accountable to the citizens". (1) Not only have Europeans rejected the Soviet political system, with its power monopoly otherwise known as the leading role of the party, but they have also shown their distaste for the state monopoly of economic power. For the 1990s at least, the acceptable form of economic policy in almost all European countries will lie within the range between neo-liberal and social democratic; and socialist movements will seek not the state monopoly or hegemony of a command-administrative system, but a return to decentralist and cooperative principles.

The move in Central and Eastern Europe towards constitutional government and the competitive market economy is deeply in the interest of West Europeans: not just because market economies will be better economic partners, or even because constitutional governments are more pacific and less inclined, for example, to harbour terrorist groups that attack their democratic neighbors. Such democratic polities and market economies are also potential partners for the political and economic integration that is necessary if contemporary Europe is to be properly governed so as to deal with the consequences of modern technology.

The need for the small and medium-sized European states to integrate their economies to give space for the specialization and scale that modern technology demands is now widely accepted; and the need for a firm framework of law to govern the integrated economic space has been clearly established. (2) Polluted air and water respect no frontier controls. With the escalation of dangers to life and its environment, joint control over them has become a matter, not just of the quality of life, but of survival. Technology applied to weapons has become so destructive that alliance to deter those who might use them has developed its own form of integration; and such integration can at the same time be seen as the firmest of guarantees against any possibility of hostilities between any of the thus integrated states.

To meet the need for common government of the economy, ecology and security is of course easier said than done. The existing sovereignty of states is powerfully

defended. Even in Western Europe, where the damage done by frontiers to the development of new technology has been most strongly felt, the single market, four decades after the launching of the European Community, is still not complete. In Central and Eastern Europe, the attempt to promote economic development through integration in Comecon has been a failure. For those who hold a monopoly of political power, the political integration required for real economic integration with other states is virtually impossible. (3) Thus in addition to the dead hand of the command-administrative system, the small and medium states of Comecon were deprived of the economic space necessary for their development. For democracies with constitutional government, the sharing of political power is not alien to the system. The Community has shown that political integration is not impossible, just very difficult. But the establishment of common government is an essential element in the European architecture if the building is to stand: first in and around the Community core where much has already been built; then over wider areas as the need come to be more widely felt.

As technology carries the need for government beyond the confines of existing states, the other force that institutions in Europe must respect will determine the form of the multi-state government. It will have to be a democratic and constitutional government, with laws enacted by elected representatives, an executive responsible either to them or directly to the people, and a court to secure the rule of law and the rights of the citizens. Because of the diversity of European peoples, the government will have to be federal, respecting the principle of subsidiarity, with the powers of the central institutions restricted to those economic, environmental and security matters that require common government, leaving the rest to be handled within the member states.

Because the European Community has gone much farther in this direction than any other group of states, it will be the centerpiece of the new European architecture. But the experience of the Community indicates that the creation of a federal system can be seen as a dynamic process, approached by a number of steps over a period of years. (4) The powers have been increased, the institutions made more democratic, the membership enlarged. Since this process meets the needs of technology and democracy, it may be expected to continue, both in the development of the existing Community and in its further enlargement to include other democratic countries; and for those states that do not qualify or do not wish for membership, institutions of intergovernmental cooperation will have to make their necessarily more limited contribution.

The European architecture in the 1990s is, then, likely to be based on the Community, moving further in the direction of a federation, linked with the other countries in intergovernmental institutions. But in a world in which technology continues to make existing states increasingly anachronistic, such institutions will be less and less able to meet the need for government of common affairs. Those who wish

to build for the future should, therefore, consider how democracies, of which the Community may be expected to be one of the greatest, can take steps to unite more closely, as the Community itself has one during the past four decades; and the development of wider institutions should be seen in this perspective.

A deeper Community

How far can the Community be expected to move towards federation in the 1990s?

Much depends on the policies of member states.

Italy and Britain stand at the two ends of the spectrum between a federalist and a nationalist policy. The stance of the Italian parliament and government and the choice of the voters in the referendum in June 1989 have supported the European Union as defined in the European Parliament's Draft Treaty, that is a Union of federal form but limited, in the first instance, to intergovernmental cooperation as far as security is concerned. The Italians also support the constituent role of the European Parliament. The British government and Parliament, on the contrary, oppose the project for a single currency and federal bank, and resist the grant of legislative powers to the European Parliament, which is a central feature of proposals for political union. Among other member states, the Spaniards and Belgians are closest to the Italian position and the Danes have been closest to the British, although since the German unification they have become more inclined to accept proposals for monetary and political union.

France launched the Community in 1950, determined to integrate Germany as a partner in a European political system; and forty years later, after an interlude of gaullist resistance to federal elements into Community, the French motive is the same. Control over the coal and steel industries was the initial instrument; now it is monetary integration. Monetary union is a principal objective of French policy; and while reform of the Community institutions is not such a priority for the French government, nor is it likely to be refused if the Germans want it.

Germany is the crux. The strongest state is always tempted to go it alone, feeling that the others are a burden which it does not have to carry. Britain succumbed to this temptation in the 1950s and France, in a different way, in the 1960s. It is normal that some Germans should now feel that their currency can only be weakened by monetary integration and that political integration could impede the pursuit of German interests in Central and Eastern Europe. Yet the policy of the Federal Republic has given high priority to the stability of its relationships in the western system, and in the Community in particular. This policy has been reinforced during the process of German unification and the commitment to further integration in the Community has been strengthened. The Bundestag has been among the strongest proponents of the principle of democracy in Community affairs, in particular

of legislative powers for the European Parliament; and this has been supported by the German government. In short, the Federal Republic is prepared to accept major steps towards federation if its partners are ready; Alleingang will be a serious temptation only if they are not. All do now seem to be ready, perhaps even the Danes, with the exception of the British. How tough an obstacle is Britain likely to be?

Mrs Thatcher's revulsion against monetary union and the European Parliament should not be underestimated. The House of Commons is also stubbornly resistant to the idea of strengthening the European Parliament, even if the vote of both Conservatives and Labour MPs against stage 3 of the Delors proposals for completing economic and monetary union need not be taken to reflect such a settled opposition to the single currency and federal ban. The Liberal Democrats are explicitly federalist and public support for economic and monetary union and for a stronger European Parliament has been growing. But among the wider public, inertia is more common than strong feelings either for or against. The strongest feeling among those who shape opinion is, perhaps, the desire not to be excluded from the chance of having a central position in the Community; and this is especially pronounced among business people, many of whom would regard a peripheral position in relation to monetary integration as a serious threat. The outcome is likely to depend, then, on who has the greater capacity in addition to will: Mrs Thatcher to prevent monetary integration and institutional reform or the Continentals to achieve them.

Thatcher may hope that the Germans, having secured their unification, will renounce their commitment to a successful result for the Intergovernmental Conferences on economic and monetary union and on political union. This is possible but not likely. She may hope that the French resolve will be weakened by fear of German domination within a more tightly integrated Community. But the French Government is not likely to abandon the view that a strong Germany is more likely to dominate as a "proud and independent sovereign state", to use Mrs Thatcher's own words to describe the "Europe des états" that she prefers, than as primus inter pares within an integrated Community, in which Germans will comprise less than a quarter of the population, with less than eighty million compared with 50-60 million each of British, French and Italians. As Winston Churchill put it in his celebrated speech at Zurich University in September 1946, "The structure of the United States of Europe, if well and truly built, will be such as to make the material strength of a single state less important".

Stronger than the arguments from the repertoire of classical diplomacy is the widespread preference for the Community to move forward together, rather than leaving some member states behind in important matters and thus risking a permanent division. But that depends on the judgement of the majority about the reasonableness of the minority's dissent and the likelihood of its permanence. On neither count are the Continentals likely to be impressed by Thatcher's stance. The experience of the exchange rate mechanism (ERM) of the European Monetary System must, moreover,

diminish any fears that the decision in favor of a single currency and federal bank would lead to a permanent split; for the British government has finally decided to follow the lead of the core member states that set it up. It is likely, therefore, most or all of the member states will commit themselves to a treaty establishing the economic and monetary union over a transitional period. If the British Government persists in refusing this commitment, the founder members of the Community, with some others, could adopt it, while providing for dissenters to do so at a later date.

The politics of institutional reform are more complex. The core members of the Community seem less unitedly determined about it and the difficulty of making one arrangement for them and another for the reluctant members is greater. Here, then, the British government has stronger ground on which to resist the transfer of powers now held by the Council to a two-chamber legislature comprising Council and European Parliament together, and to prevent the Intergovernmental Conference on political union from reaching agreement on a reform of institutions as far-reaching as that in the monetary field. On the other aspect of political union, that is cooperation in foreign policy and security, the British government is less negative, although it is not likely to favor reforms with much federal content.

Failure of the Intergovernmental Conferences would jeopardize the completion of the single market. Germany in particular would be less inclined to accept the compromises necessary for agreement on some of the important measures that remain to be enacted. But if the Conferences are sufficiently successful, the legal framework for the single market is likely to be virtually complete in the early 1990s. The single currency and federal bank are also likely to be put in place during the decade, with the hard ecu proposed by the British government as a possible element in the transitional period.

The reform of Community institutions required to make them efficient and democratic is also likely to be achieved during the 1990s, because it is hard to envisage an economic and monetary union, with an adequate capacity for handling a range of external relationships, that does not have such institutions; and the time when the single currency is established is the point at which this issue should come to a head. If the Intergovernmental Conference that opens in December 1990 decides only on some increase in the European Parliament's powers and in the practice of majority voting in the Council, it will be necessary to move on later, and at latest when the single currency is introduced, to full co-legislation by Council and Parliament, a general rule of majority voting in the Council, and full executive competences for the Commission. The relationship between the Community's institutions would thereupon become those normal in a federal democracy; and it would be normal at the same time to entrench the principle of subsidiarity, by defining the division of powers between Community and member states.

The powers assigned to the Community are by then likely to include those needed to conduct a common foreign policy. The Single European Act commits the

member states to the aim of a "European foreign policy" (art. 30.2), but is weak regarding the instruments and institutions with which this is to be achieved. Proposals have included a role for the Commission similar to that which it plays with respect to economic policy, joint diplomatic facilities, and at least a start with majority voting in the Council, together with an extension of the European Parliament's powers. (5)

Cooperation among member states in security policy is also likely to be strengthened. The European response to the Iraqi invasion of Kuwait showed a sharp divergence between the sanctions, which were immediately decided by the Community, and the security measures which were taken by member states in dispersed order during the critical early days. Although the Single European Act provide for cooperation on the "political and economic aspects of security" (art. 30.6.a), it does not allow cooperation on the other aspects in the Community context; the Western European Union was slow off the mark, although it then began to play a more effective post; and Nato, which was also not very quick to meet, is not appropriate for coordination of their own positions by the Europeans. Yet Iraq is far from being the only likely cause of a need for a common position on security among Community members. The Soviet Union is still very powerful and its future most uncertain. The United States will certainly reduce its contribution to European security in the 1990s, perhaps severely. Community member states will feel the need to strengthen their cooperation, whether as the Community as a whole, or as a core group within the Community, or through Western European Union in parallel with it. For relations among the Community's members themselves, the integration of security policy, and eventually of armed forces, is the most solid guarantee of the stability of a political union. Even if hostilities between member states are now out of the question, the relations between them have at times been s everely strained by differences in their security policies. Nato, with its benign American hegemony, brought de facto integration among the armed forces of a number of member states, including Britain and the Federal Republic; and this certainly contributed to the establishment of the unprecedented assurance of peace within postwar Western Europe. One cannot be sure that a deep cut in the American presence would not allow tensions to rise again, particularly in Central and Eastern Europe, where some states may become members in the 1990s, and others will not. The need to underpin political union with security integration is not well understood, so member states may well confine themselves to looser cooperation; and that would remain a source of potential instability in the European architecture. But the integration of member states' economies and the political integration associated with it will, provided that the two Intergovernmental Conferences succeed, themselves be a powerful stabilizer at the center of the European system.

A wider Community

The member states of the European Free Trade Association (Efta) have not accepted the sharing of sovereignty required for membership of the Community, for a variety of reasons; policies or traditions of neutrality; fear of diluting old-established democratic practices; reluctance to admit such close involvement in the wider world. The growing need for common legislation to secure a single market, reflected in the Community's 1992 programme, has however confronted them with a choice between accepting the Community's laws or exclusion from aspects of the Community's market. Hence the negotiations about the European Economic Area, in which they are exploring how far they can influence Community legislation and the Community, for its part, is concerned about how far they can be relied upon to implement it. There is probably no really satisfactory solution except membership, which at least some of them may seek. But these are stable countries, and their position at the periphery of the Community is not likely to present a problem for the rest of Europe, even if they remain outside it.

The Austrian application to join the Community poses the question of its possible competence in the field of security, already raised by the Irish accession. Time may remove the principal basis for Austrian's objection to participating in a Community security policy, if the Soviet attitude towards the concept of such a policy changes sufficiently. But unless and until this happens, the renunciation of the Community's right to pursue a policy of integration in this field would seem too high a price to pay for Austrian membership alone, since this could, as already suggested, in certain circumstances jeopardize the stability of the Community's political integration as a whole; and a two-tier solution, or the pursuit of security integration in the Western European Union instead, could also weaken the Community. Whether any such risk is worth taking just in order to enable Austria to transfer from a reasonably comfortable position in a European Economic Area to a somewhat better one inside the Community is doubtful. But the issue has to be seen in a wider context: that of the possible future membership of the Central European countries, Czechoslovakia, Hungary and Poland.

The stability of these emergent democracies and a safe anchorage for them in the democratic and market system established in Western Europe are vital for the stability and security of Europe as a whole. Much the same goes for Yugoslavia, or at least those parts of it that achieve constitutional government if the whole of the federation does not. The Central Europeans will have association agreements with the Community while they are making progress towards competitive market economies in the context of constitutional governments. But when such economies and polities are solidly established, they will qualify for membership of the Community. That is likely to happen within this decade, and it would be a serious error if the Community were to discourage them. If their security position in relation to the Soviet Union

makes participation in security integration within the Community inadvisable, while not precluding membership in other respects, then the risk of allowing two speeds in the Community would be worth taking: not preventing permanently their full participation in the security as well as other aspects, but enabling them to forgo the security integration until the time is ripe. In this perspective, it would be difficult not to accord the same facility to the Austrians. But there is no good case for going slow with economic and monetary union and institutional reform on the grounds that these might make membership more difficult for the Central Europeans. There are few things that would be more useful for them than to be securely locked into a sound money and a stable federal democracy.

In principle the same applies to Romania and Bulgaria, but the prospect of constitutional government and competitive market economies is more distant. With maltreatment of minorities on top of their other problems, these countries are likely to remain among Europe's danger points; but the Community cannot alter that by accepting them as members before they fulfil the essential conditions. Until then, they may be helped towards stability through bilateral relations with the Community and other partners and through wider European and international institutions.

The Soviet Union has not qualified for membership of the Community, not only because of its political and economic system, but also because it is so much larger than each of the other member states would be. While fears that 78 million Germans might unbalance the Community should be resisted, the same could not be said of over a quarter of a billion Soviet citizens, or even of 150 million Russians. The question may, however, arise whether any republics that are now part of the Soviet Union but may choose independence from it could qualify for Community membership.

The three Baltic republics are cases in point. If Central Europeans as well as Scandinavians qualify, there seems to be no reason of principle why they should be excluded, although they would start with a handicap after half a century within the Soviet planned economy. Moldavia, Armenia and Georgia, should they leave the Soviet Union, could present problems more like those of Romania and Bulgaria. Even if the Soviet Union does lose republics in this way, Byelorussia and the Ukraine are more likely to stay with the Russians. Any feasible application from them are anyway not for this century.

From Southern Europe, the Maltese present no special problem, provided that they do not make difficulties about their non-aligned posture. The Cypriot application will remain a problem so long as the island is divided; and this raises the question of Turkey's relationship with the Community: Turkey's fragile democracy and less-developed economy are still barriers to membership; and behind these lie doubts about whether the Turkish political culture will become sufficiently compatible with that of the European mainstream. Nor is Turkey a small country whose problems the Community might easily absorb. It is widely believed that an honorable partnership, such as the Community may develop with a democratic Soviet Union in the future,

would be more suitable, and could suffice to maintain the stability of the relationship with Turkey in the field of security, as well as strengthening the economic links. But if Turkey is eventually to join, the Community is likely to ensure that this occurs only after it has itself established a solid federal system of government, with integration in the field of security and foreign policy as well as the economy and ecology; for only a Community with that degree of strength would be confident of containing such a substantial and, in many ways, different power.

The Community may have some twenty members by the end of this century or soon after, with more potential applicants in the following decade. But contrary to Mrs Thatcher's belief that this will be possible only if the Community stops short of monetary and political union, such further integration will be a condition for enlargement on such a scale. For without that deeper integration, the centrifugal forces could prove too strong. Instability in monetary and financial relations could threaten the single market; and unless the Council votes generally by majority and the Parliament and Commission secure more authority in relation to it, the intergovernmental system of Council and Permanent Representatives, increasingly burdened by the number of governments, could prove unacceptably inefficient as well as undemocratic. This will be well enough understood by some of the existing member governments, as well as by the European Parliament, which, since the Single Act, has the power of Assent and hence the right to insist on conditions under which new members can be admitted. Deepening will therefore accompany enlargement, in so far as it has not already been accomplished following the Intergovernmental Conferences.

Thus deepened and widened, the Community would provide a framework strong enough to accommodate not only the united Germany but also Central Europe. It would be better placed to meet the challenges of competition with America, Japan and the newly industrializing countries, of dangers to the environment, and of any new problems that may arise. It would also offer a solid center to which European states that are not members could relate, and a really substantial partner for the United States and partner or counterweight for the Soviet Union.

If on the contrary the efforts to deepen the Community fail, it is likely to lose its dynamism and to return to a more stagnant period such as that from 1965 to 1985. In such circumstances, the arrangements for the single market could begin to unravel, the Community could become uncompetitive again and react by retreating into protectionism, it could lose its capacity to prevent balkanisation in Eastern Europe and to respond to potential dangers in relations with the Soviet Union, and it could cease to be a useful partner for the United States. It could, in short, leave a gaping hole at the center of the European architecture.

EC,US,SU

Relations between the European Community and the United States are

fundamental. They are the world's biggest market economies and will be, if the Community reforms its institution so as to make them democratic, the world's most powerful democracies. As such they will have the greatest responsibility for the promotion of international integration to meet the economic, ecological and security needs of the future; and they themselves will have the capacity for mutual integration when this is politically desirable.

This depends on the Community endowing its institutions with greater powers and federal structures. Otherwise American hegemony will continue, probably still seeking, at least for a time, security in Europe and a liberal trading order, but surely reacting unfavorably to growing disunity and disorder in Europe. It is doubtful how long a sovereign Germany would accept the stationing of American troops on its territory, and with their departure the principal element of integration among armed forces would disappear. American commitment to European security would be less clearly evident. Central as well as Eastern Europe could become unstable. The United States might abandon the idea of a liberal international economy, replacing it by a Realpolitik based on regional blocs.

Antagonism between EC and US is also a possible result of a more federal Community. The conflicts over agriculture, from the "chicken war" of 1962-63 (6) to the quarrel during the Uruguay round of Gatt negotiations, illustrated the dangers; and American suggestions that the US should be able to participate in the Community's foreign policy cooperation procedure (the "European Political Cooperation") showed that political integration in the Community could be resented. But the grounds for a constructive partnership are so solid that this old idea of Jean Monnet's has lost none of its validity. Both economies need a liberal world trading order and monetary system; and this is understood by the dynamic industries and the multinational companies on both sides. Both need security and stability in Europe. A world in which democracy is in the ascendant is in the interest of both. It is surely not too much to expect that they will continue to build on the cooperation that has brought such benefits in the past, including, most recently, the moves to adopt their system in Central and Eastern Europe.

It seems likely that in the 1990s EC-US relations will be institutionalized by a treaty that could follow the example of the Franco-German treaty in certain respects, including regular meeting at the levels of Presidents (of the Council and the Commission on the Community side) and of ministers as well as of officials, as well as of members of the US Congress and the European Parliament. Economic relations could be developed with a free trade area and, when the EC has its single currency, an exchange rate mechanism, open to participation by other advanced market economies. Student and youth exchanges could be further encouraged. Such measures may be seen as steps towards political integration in which the EC and US could play the leading part, as France and Germany have done in relation to others in the European Community. But who, in this wider integration in the future, might the

others be?

Is it too much to hope that they might include the Soviet Union or, if it comes to that, the Russian republic? Relations with the Soviet Union are crucial for security. If the transition to a market economy is successful, the potential for trade and other mutual economic benefits is large. The gains in human well being if Russians can achieve the democracy that would enable them to contemplate political integration with other democracies would be enormous. But we cannot be too optimistic about such an outcome, at least in the short or medium term. National and social conflicts may provoke a dangerous disintegration which outsiders, however united their efforts, could do little to prevent; and these in turn could lead to a restoration of the sterile marxist-leninist regime or, more likely, to an authoritarian nationalism. Here a federally united Community could do much to maintain equilibrium and stability in Europe. Its economic power could help in this. But an integrated security policy would make an essential contribution, both in itself and in its capacity to encourage Americans not to weaken in their basic commitment. Such a Community could also help to deter any temptation to restore Soviet domination in Central Europe.

An authoritarian nationalist government would not necessarily retain the command-administrative system of economic management. Such regimes, provided that they are not totalitarian, have shown themselves capable, in various countries, of supporting market economies -- at least over the medium term, before the contradictions between free economy and political dictatorship can no longer be sustained. Economic cooperation with such a regime could be more fruitful for market economies than it was with the old Soviet system. Relations between the Community and Spain before Franco's demise offer an example: trade flourished under a preferential agreement, although a formal association was, for political reasons, out of the question.

Whether by this indirect route or more directly, it is quite possible that the Russians will at last achieve a market economy and constitutional government. A fully united Community could do much to ease the transition, with the help also of the United States and other democracies. Soviet exports of manufactures could benefit from preferences, whether under the generalized scheme of preferences or otherwise. Training and education for management and applied technology would be important. Various forms of "Marshall aid" have been suggested, which could be productive when the Soviet Union embarks on serious and credible economic reform. Massive youth exchanges could do much to remove suspicions and prejudice, as they have in the Franco-German relationship. Training will be needed in the techniques of constitutional government and the skills required to support a pluralist democracy. The Community and others could ease the way for the Soviet Union to enter international economic organizations such as the Gatt, the International Monetary Fund and the World Bank, and to be associated with meetings of the Group of seven major advanced industrial countries.

If such a process does succeed, and the Soviet Union become a market economy with a constitutional government and an open policy towards the other democracies, it will be possible to consider a treaty-based partnership between the EC and the Soviet Union similar to that which should by then already be well established between the EC and the US -- indeed a triangle of such a partnerships among what would be three very great democracies. This would be the best possible foundation for relationships within Europe, and for any institutions that may emerge from the Conference on Security and Cooperation in Europe (CSCE).

The CSCE

Europe is not, in general, short of international institutions. If Williams of Ockham were alive,, he might well adapt his razor to the proposition that institutions should not be needlessly multiplied. New institutions should be created only if there is a significant need which cannot be met by the existing ones.

The Council of Europe has two priorities: human rights, with its European Convention, Commission and Court of Human Rights; and cultural relations. Its responsibilities in the field of human rights, which it has extended to encompass democracy, are highly relevant to the Central and East European states engaged in the transition to constitutional government. These states already send representatives as observers to the Council's Parliamentary Assembly, and official representatives have increasingly been present at intergovernmental meetings. Hungary, Czechoslovakia and Poland are in the process of becoming full members; and others may follow as they make similar progress to democracy. In accepting such members, the Council takes the risk that they may relapse into undemocratic regimes, thus burdening it with members that do not fulfil the conditions of membership. But the experience of Greece and Turkey shows that lapses from democracy can be dealt with by methods such as suspension of at least some aspects of membership.

The same principle should apply to the Soviet Union. It should qualify for membership when it is far enough advanced in the establishment of democracy. But its size, or even that of its Russian core, is such as to present a greater danger to the Council of Europe if it reverts to an authoritarian regime. Europeans might well be wise to invite the United States to become a member if the Soviet Union does, thus making membership broadly similar to that of the CSCE. It would be anomalous not to invite Canada at the same time; and the question of other members of OECD -- Australia, Japan, New Zealand -- might also be posed. Then it might be asked why other democracies in Asia, Latin American or Africa would not qualify if they were interested in membership. These questions are raised here as a foretaste of a more general problem about the limits to membership of organizations based on a criterion of democracy, which will be considered later.

Lacking the means of enforcement, the Council of Europe cannot of course

guarantee human rights and democracy in any substantial sense. That can be done only by the juridical and political processes of the member states, or those of a suitably reformed Community for those countries that are or become EC members. But the provisions of the Convention, the procedures in the Commission and the judgement of the court can set standards for member states which should help the emergent democracies to find their way to solidly established constitutional government.

The Economic Commission for Europe, based, as a United Nations body, in Geneva, has the merit of a membership congruent with that of the CSCE, but the disadvantage of a very low profile, engendered by the conflicts among its principal members during the cold war. Its functions of organizing statistics and discussions could be merged with those of the more substantial OECD, if the memberships of the two become similar following the acceptance of enough of the Central and East Europeans into the OECD if and when they qualify as market economies.

The OECD is more dynamic in collecting and analyzing economic information and laying a basis for wide-ranging cooperation among the member states. These are the advanced industrial democracies, including the whole of Western Europe, North America, Australia, Japan and New Zealand; and Yugoslavia was admitted as an observer after it had taken steps towards a market economy, following its adoption of a policy of non-alignment in the cold war. Central and East European countries proceeding to establish market economies should be equally welcome as observers; and full membership could be offered when a country's transition to a market economy has passed the point of no return -- which should be rather soon for Central Europeans. Comecon, deprived by these developments of its functions relating to plan coordination and bilateral trade, is left with some activities similar to those of OECD. It could, like the Economic Commission for Europe, be absorbed into the OECD, when most of its members, including the Soviet Union, have become associated with the wider and more successful organization.

As central and East Europeans join the Council of Europe and the OECD, then, the membership of those organizations will become similar to that of the CSCE, if not exactly the same. Thus institutions of the CSCE itself, to carry on the work of its economics and human rights baskets, will not then be required. It will be important to keep those CSCE functions in being so long as the Soviet Union in particular remains outside the Council of Europe and the OECD, or some opportunities to help the Russians with their difficult transition could be lost. But that should not imply the creation of any heavy institutional apparatus which would later become redundant.

The CSCE's other basket, on security, is different. It is not so easy to extend the membership of Nato as it is those of the Council of Europe and OECD. Yet arrangements for future security in Europe have to be made; the Soviet Union is a principal actor; and there is no institution, other than the CSCE, that brings the essential actors together -- apart, that is, from the United Nations, which would involve many external interests that could stand in the way of essential agreements.

There is a danger that the words "European security system" may cover up some hard realities. "Guarantees" of security or of frontiers are not irrevocable until the armed forces of the states concerned have been integrated with each other; and short of that, an equilibrium of strength as between the principal powers in a security system is the best assurance available, when combined with a high probability, such as Nato has provided, that an attack on a smaller country will bring into action one of the system's big powers. The term "collective security", which was intended to reassure members of the League of Nations about their safety, proved illusory when major powers failed to commit their forces in any such collective action. The conclusion must be that Nato, with its integrated forces and American presence in Europe, should be kept in being until there is an equally solid alternative. As the poet Hilaire Belloc put it, in his sardonic advice to children, "always keep hold of nurse for fear of finding something worse"; or, in the more prosaic words of Nato's Supreme Allied Commander, "don't let go of one support until you have a firm grip of another". (7)

What would constitute another support as firm as Nato has been? Arms control agreements leading to low force levels can certainly help. But even after forces are reduced and the Soviet Union, economically and politically weakened, may appear a less formidable power, there is no assurance against the rise of a strong nationalist authoritarian regime; and the reduction of forces can always be reversed. Agreements to reduce them are important steps; any movement in the Soviet Union towards constitutional government is likely to be associated with an accommodating external stance; and this can be encouraged by international institutions. But even if those institutions are called a European Security system, the only really firm support for the European members of Nato, unless Europe-wide security and political integration were really to reach a point where an equilibrium of military forces becomes irrelevant, is either Nato as it stands, or a fully integrated European defence pillar, based on the Community or Western European Union, firly backed by American deterrent power. Mr. Genscher's prognosis that in the CSCE process "the alliances will increasingly become elements of cooperative security structures in which they can ultimately be absorbed" (8) should be seen in this light. Any such ultimate absorption of Nato should not precede a political and security integration of the European Community as a federal stated, which would itself be a participant in such structures along with the United States and the Soviet Union; and even them, the US as well as the Soviet Union would have to be very firmly locked into the structure. If that is accepted, then nothing but good can come of the building of structures which can encourage the Soviet Union to cooperate peacefully and constructively with its neighbors.

The initial growth point for such a European security system could be an agency for verification and compliance with respect to arms reduction and control. (9) Monitoring effectively the carrying out of agreements on conventional forces and of the outcomes of future negotiations on shorter-range nuclear arms, the agency could become "the core of a future management system for European military forces". (10)

There have also been proposals for a collective security system, in which each European country would have forces available for collective action against an aggressor. But the history of the League of Nations warns that such a system can be a paper tiger, at least in the absence of a framework of institutions with federal characteristics.

Any institutions based on the CSCE will fall far short of that, at least for a long time. Bearing in mind the need to keep any new institutions to a necessary minimum, the participating states might set up a small secretariat to service meetings of a ministerial council and to liaise with the other relevant organizations such as the Council of Europe, the OECD and an arms control agency. The CSCE, thus strengthened, could be given a firmer legal basis by converting the Final Act into a treaty, amended to entrench non-proliferation of nuclear weapons and to establish relations with the appropriate other organizations, which, it has been suggested, could be done by adding a clause recognizing "the legitimacy of all treaties, bilateral accords, and organizations in Europe that contribute to the goals articulated in the Final Act". (11) Whether the CSCE should go on to build stronger institutions depends partly on how fare the participants, and in particular the EC, the US and the Soviet Union, may aim to promote wider international cooperation or integration.

Wider integration and the Community interest

Interdependence is not confined to Europe. Global warming and the depletion of the ozone layer involve all mankind, as do the cutting of forests and the spread of deserts. Wars in the world's South can endanger the North and vice versa. International trade, investment, currency and debt play a large and growing part in national economies. Just as interdependence has required integration within Europe, it will be pointing in the same direction in the wider world. The logic of the argument leads to global integration, even if the history of the United Nations until 1990 invited pessimism about the prospects for it.

With the bridging of the divides between East and West in Europe and between North and South in the world, the United Nation has begun to work better. The Security Council's immediate reaction to Iraq's invasion of Kuwait belied the pessimists. There is a chance, particularly if the new Soviet attitude is encouraged by measures such as the revival of the Military Staff Committee in which the Soviet Union can play an important part, that the UN could become the essential focus of global cooperation that it was originally intended to be. It is not likely to take over the security functions envisaged for the CSCE. Europeans will continue to follow the injunction of article 52.2 of the UN Charter, requiring members to try to settle disputes through regional organizations before referring them to the Security Council, by dealing regionally with arms reduction and control and other aspects of European security, in order to avoid the risk that extraneous interest could disturb the process of controlling this enormous concentration of military power. Nor will United Nations cooperation in fields other

than security approach the closeness that European organizations have been able to attain. Differences of economic level and political culture, national antagonisms, such as those involving Israel, and attachment to national sovereignty stand in the way. Global political integration is more remote, having to wait on the universal adoption of constitutional government as well as the removal of other barriers. Since the need to manage interdependence presses, it must be asked whether closer cooperation than is yet possible in the UN should be sought by groups without universal membership, and, to approach the problem from the other end, whether economic and political integration may be possible for groups that reach not only beyond the European Community, but also beyond Europe.

Two criteria help to determine how much cooperation or integration will be possible: the market economy and constitutional government. All the advanced market economies, that is the members of OECD, are also democracies. Economic and political integration among them should be possible if they fell sufficient need. This they may do if, as seems likely, the economic interdependence among the, continues to intensify, and if their heavy responsibility for global ecology that follows from their heavy responsibility for global ecology that follows from their economic and technological power forces a great deal more joint action upon them in the interest of survival. Central and Eastern Europe, including the Russians, would be eligible to participate provided that they have established market economies and constitutional government. But what about countries such as Brazil, Mexico, South Korea or Taiwan, if they too become advanced market economies and solid democracies? If their eventual admission to such integration would be contemplated, then what, further down the road, about less-developed industrializing democracies such as India? The presence of Japan in OECD makes it difficult to limit eligibility for any such integration to participants in CSCE; and what good reason could be found for excluding other countries that come to qualify by the criteria of economic and political systems?

If such developments are deemed possible and desirable over the longer term, then both the question of institutions for CSCE and that of cooperation in international bodies such as the IMF, the World Bank and the Gatt should be seen in that perspective. CSCE institutions should not preclude the participation of the EC, the US, the Soviet Union and other European countries in wider integration; and the international cooperation in the IMF, World Bank and Gatt can be seen as preparing the ground for closer cooperation and eventually integration among a growing number of the participants. Because economic integration implies a parallel process of political integration, it is for consideration whether those countries that are not yet advanced market economies but nevertheless have constitutional government or are endeavouring to establish it should benefit from special support to help their economic and political development. Those countries in a position to offer such support would gain enormously from the creation of a world order in which global problems can be dealt with in an effective an democratic way, which will be possible only to the extent that

constitutional government comes to predominate in the world. Such a prospect may be a condition of the survival of mankind.

This takes us in time and space beyond Europe in the nineties. But if Europe's architects are to build well for the future, they must do so in ways that will meet the needs of the global village as well as of their own part of it. Europe as a whole , and the Community in particular, cannot escape involvement in the world. It needs a well-managed world economy, a sound ecology and an assurance of security. These will not be available unless the world follows the path of integration that the Community has pioneered. With its own experience of integration, provided that this is pursued to the logical consequence of European Union, the Community should be able to act as an integrative force not only in Europe but also in the wider world, both through its policies and as the source of a political culture that applies federal principles to meet the needs of technology and democracy in the European and the world architecture of the coming century.

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8) In Nordsee Zeitung, 3 March 1990, cited in ibid., p. 502.

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10) Ibid., p. 506.

11) Loc. cit.