

# INSTITUTIONAL REFORM OF THE EUROPEAN UNION

Gediminas Vitkus

## 1. Reasons for and Goals of EU Institutional Reform

Already in 1996-1997 the Intergovernmental Conference (IGC) was given the task of preparing and implementing the institutional reform of the European Union (EU), which would create the conditions, without changing the effectiveness of the Union, to accept new candidate countries. This conference, despite the quite frequently occurring critical evaluations, was not infertile. One essential decision is fixed in article 189 of the new version of the Treaty on European Union which states that the maximum number of members of the European Parliament is 700.<sup>1</sup> This means that after new states are accepted into the EU, the quotas for the distribution of the parliamentary seats will be appropriately changed. A second important institutional decision was established in the seventh protocol of the Treaty of Amsterdam on institutions in future EU expansion, which provides that the number of European Commission members will not exceed 20, and the addition of new members will mean that the great states will give up their second commissioner. However, a condition for this decision is the future commitment to review the number of votes in the Council so that they would be compensated for the loss of the commissioner.<sup>2</sup>

Of course, one cannot consider these changes, legalized by the Treaty of Amsterdam, as essential institutional reform. The question of the distribution of the quotas for members of the European Parliament remains open. The decided reform of the Commission so far can allow the EU to expand to no more than 20 states. And the effort to reach an agreement on the restructuring of the Council was not successful. It did not succeed not only because the problem is sufficiently complicated, but also, probably, because it was attempted too early. In fact, the very IGC was also too early because it seems that it would not have even been called if the EU Member States had not been obligated to do that by a special article of the Maastricht Treaty.<sup>3</sup> In 1996 the IGC should have evaluated how successfully the articles of the Maastricht Treaty were being implemented and made necessary corrections, but these evaluations created problems because the coming into force of the Maastricht Treaty was delayed 10 months.

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<sup>1</sup> *European Union. Consolidated Versions of the Treaty on European Union and the Treaty Establishing the European Community* (Luxembourg: Office for Official Publications of the European Communities, 1997), p. 122.

<sup>2</sup> Rytis Martikonis, "Amsterdamo sutartis: institucijos ir Europos Sąjungos plėtimasis" ["Amsterdam Treaty: Institutions and the Expansion of the European Union"], *Amsterdamo sutartis ir Lietuvos pasirengimas narystei Europos Sąjungoje. Konferencijos medžiaga [Amsterdam Treaty and Lithuania's Preparation for Membership in the European Union, Conference Material]* (Vilnius: Eugrimas, 1997), 34-37.

<sup>3</sup> Article N paragraph 2 of the European Union (Maastricht) Treaty states that "A conference of representatives of the governments of the Member States shall be convened in 1996 to examine those provisions of this Treaty <...>." See: *Europos Sąjunga. Steigimo dokumentų rinktinė European Union. Selected Instruments Taken from the Treaties* (Vilnius: Eugrimas, 1998), p. 50-51.

Thus, even before the Amsterdam Treaty came into force, it was already clear that the system of institutions it contained would have to be reformed in the immediate future. And when the treaty after ratification by all the EU Member States went legally into force on May 1, 1999, the very first European Council meeting in Cologne (June 3-4, 1999) declared that in the year 2000 a new IGC of the EU states will be called which would additionally settle the questions of institutional reform “remaining” from Amsterdam, i.e. the so-called Cologne Topics:

- the size and composition of the Commission;
- the weighting of votes in the Council (reweighting of votes; introducing a so-called dual majority system);
- possible extension of qualified majority voting (QMV).<sup>4</sup>

The approaching unprecedented expansion of the EU to Central and Eastern Europe was without a doubt among the most important reasons, promoting such quick changes. Negotiations are now taking place with candidates from 12 new states, and that means that after the end of the acceptance process the number of Union members would almost double. There would 27 members in the new Union. And this figure is also not final. At the end of 1999 Turkey also received the status of an official candidate.<sup>5</sup> Sooner or later the other Balkan states will also become potential candidates. Thus it is understandable the EU governing institutions will have to be reformed in such a way as to guarantee an appropriate representation of the Member States (“old timers” and “rookies”), and the smooth and effective functioning of the whole EU.

However, it would be unjust to say that the EU governing structure had to be reformed only because new states would be entering the Union. New states were admitted to the European Union, or even earlier the European Community, and each time required the implementation of corresponding institutional reform. Even though the initial structure of the institutions was formed and adapted to the needs of six countries without greater discussions, it was frequently restructured and was able to function further.<sup>6</sup> One could behave in an analogous manner also now. In fact, this would have

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<sup>4</sup> *Presidency Conclusions. Cologne European Council, June 3 and 4, 1999.* Available at: [http://www.europa.eu.int/council/off/conclu/june99/june99\\_en.htm](http://www.europa.eu.int/council/off/conclu/june99/june99_en.htm) - December 7, 1999.

<sup>5</sup> *Presidency Conclusions. Helsinki European Council, December 10 and 11, 1999.* Available at: [http://www.europa.eu.int/council/off/conclu/dec99/dec99\\_en.htm](http://www.europa.eu.int/council/off/conclu/dec99/dec99_en.htm) - January 31, 2000.

<sup>6</sup> The only exception and together a sign of the necessity for developing reforms one could consider the dispute, arising in 1995 about the acceptance into the EU of the EFTA countries - Austria, Norway, Finland, and Sweden. The crisis arose because the UK and Spain opposed the new project for dividing the votes in the Council that foresaw that after the acceptance of Austria, Norway, Finland, and Sweden into the EU, the number of votes which is sufficient to block a decision was increased from 23 to 27, which as in the earlier time comprised about 30 percent of all the votes. The UK and Spain thought that after the realization of the project the influence of the major countries would decrease because two large and one small country could no longer block a decision while at the same time several small countries were able to do that. Thus, the tie between the size of the populations of the countries and their influence in the Council would have been violated even more. Moreover, Spain was afraid that the influence in the EU of the South European states would decrease and that of the North Europe increase. Therefore, the countries demanded that the previously in force minority, i.e. 23 votes, remain. However, in Ioaninna a temporary settlement was reached that 27 votes would be needed to block a decision in the Council, however, if the number of opposing votes were between 23 and 26, its realization would be postponed “for an appropriate period,” during which time it was required to further search for a adjudicated decision. From January 1, 1995, reflecting that Norway, nevertheless, did not become an EU member, the number of the minority blocking

been done if that were possible. But this is impossible this time because the foreseen expansion means not only a mechanical increase in the number of members, but in essence a new quality for the EU. The expanded EU will not only become larger, but also more heterogeneous than it was up to now. Not only will the level of economic development of the states differ much more, but also their interests. It will be much more difficult to find a common denominator of interests between the rich and poor states. The proportional number of small states will increase significantly and that will noticeably sharpen their controversies with the large states etc. Therefore this time the reforms of the EU will have to respond not only to an increase in the number of Member States but also with a full complex of problems arising from the acceptance of new members.

This paper will discuss in more detail the essential aspects of the foreseen reforms. First of all, it will present the proposed advantages and disadvantages in the current debate over the so-called Cologne Topics decisions. Later it will look at the ongoing debates and from a theoretical perspective present the proposed EU institutional reforms and the evaluation of the possibilities of closer cooperation of EU states already affirmed in the Treaty of Amsterdam.

## **2. European Commission: An Assembly or a College?**

Probably not incidentally the reorganization of the Commission was the first task foreseen in the schedule of the new IGC in Cologne. One can expect that in the expanded EU with a greater number of Member States than up to now and their greater spectra of interests the importance of supranational EU institutions would especially increase. Namely, the European Parliament, the European Court of Justice, and most importantly the European Commission will have the responsibility to guarantee that the larger EU would also remain united and able to further develop the integration process.

Although the Commission does not consist of political figures having the support of the parliament majority, but rather of officials delegated by the EU Member States with clearly defined tasks to perform, it is, nevertheless, popularly called the “European Government.” This is first of all because the Commission is granted the extraordinary right to initiate new EU policies and the appropriate legal acts. Namely, the Commission, which has a proportionally large, compared with other EU institutions, personnel of officials, is capable of carrying out an analysis of the existing situation in the whole Union and, as provided in article 211 of the Treaty Establishing the European Community, to ensure that the single market works and develops appropriately.

So, in essence the European Commission, in preparing proposals for the single market and the regulation of other measures, acted as the generator of the common interests of the EU states. Already in the initial stage of the preparation of proposed measures the quite different interests of states had to be coordinated. After the expansion of the Union, the suitable coordination of interests and the ability to find a common denominator for different national provisions will become even more important than it

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a decision as established in the Ioannina compromise was decreased to 26 votes, while the realization was temporarily halted if the number of the opposing votes is between 23 and 25. For more information, see: Rimantas Griekienis, “Janinos kompromisas” [“The Ioannina Compromise”], *Europos Sąjunga. Enciklopedinis žinynas [European Union. Encyclopedic Reference Book]* [Ed. by Gediminas Vitkus] (Vilnius: Eugrimas, 1999), p. 139.

was previously. Therefore the primary purpose of the Commission's reform should be not to preserve, but to increase even more the effectiveness of its activities. However, of course, the question of how the current principles of its formation and activities should be changed so far remains open.

Until now the European Commission was being constructed so that every EU Member State would have a citizen in it. Only the five largest states had two commissioners. While the EU had 12 states, the Commission was composed of 17 commissioners. In 1995 after the entry of Austria, Finland, and Sweden, the number of commissioners increased to 20. If Norway would have entered the EU, the Commission would now have 21 members. As was previously mentioned, the IGC in 1996-1997 did not change the principle of the formation of this Commission. Therefore, according to the current rules when the Union grows, the number of Commission members increases automatically, but, of course, only after the reserve of the five "vacancies" which the great states can hand over would be used up. This is the fundamental dilemma which the new IGC will have to answer - will the number of members in the Commission depend on the number of member-states?

In the current debate two provisions stand out. One asserts that in the future the current principle in forming the Commission "one state - one commissioner" should be retained. Meanwhile, the other provision proposes to end connecting the size of the Commission with the number of Member States and to determine the number of commissioners depending on the functions they carry out and the demands of rational control. In the latter case, the aim of reforming the Commission would be not only the selection of a new principle of its formation, but also the determination of the optimal number of members in the Commission.

In the opinion of the latter position, the automatic mechanical increase in the number of Commission members can effect in a negative manner its ability to carry out properly its assigned functions.<sup>7</sup> It may become complicated for an overly expanded Commission to act as a collective institution responsible for all EU interests. Placing stress on the direct link of every commissioner with his country would mean the actual political dependency of the commissioners on their governments. That, in turn, can determine the excessive orientation of every commissioner not to common European, but national interests. In this case, the whole Commission could become more similar not to an executive, but a representative institution, a peculiar kind of small assembly which would find it very difficult to make decisions on the basis of common agreement and even more to guarantee harmonious collective action. Disputes and discussions are the norm in representative institutions, but disagreements in the institutions of executive power mean a crisis of power.

The advocates of the "denationalization" of the Commission provision also argue that if the number of Commission members depends on the number of states each commissioner will have to "acquire" responsibility for his area of responsibility. This would result in the sectors of European Commission's activities becoming smaller. It would even be possible that several commissioners would have to hold negotiations on

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<sup>7</sup> The so-called Florence Club, uniting famous experts of European law and political science, has formulated such a provision. See: *Europe: The Impossible Status Quo* [Ed. by Renaud Dehousse] (Macmillan, 1997), p. 55-58.

the common political leadership in a sector. In that case, one would also have to think about the appropriate coordination of their activities, the distribution of work, and even an hierarchy as well as to find ways to halt unnecessary and unproductive competition.

On the other hand, it is not easy to answer the question: “what is the optimal size of the Commission?” One opinion is such that the current 20 member Commission is already too large. If we would look to the former Commission led by Jacques Santer, it would not be difficult to notice that the fields of responsibility of certain commissioners are not defined sufficiently precisely, and duplication is not completely avoided. For example, in that Commission even four commissioners were responsible for EU foreign relations. In the current Commission of Romano Prodi the fields of responsibility of the commissioners are divided in a more logical manner, but, nevertheless, one should notice that industrial affairs are separated from the problems of energy and internal markets.

Still in 1994 one of the members of the Commission Sir Leon Brittan proposed that the Commission’s functions be divided into ten areas.

According to former Commission Vice-President Sir Leon Brittan, it would suffice to delegate the Commission’s responsibility to ten areas:

- President handling coordination of entire Commission;
- External relations including development;
- Economic affairs including Economic and Monetary Union;
- Environment;
- Transport and regional policy;
- Agriculture and fisheries;
- Industry, the internal market and energy;
- Competitiveness including social policy, education and research;
- Competition policy;

Budget, financial control, personnel and administration<sup>8</sup>

In the opinion of others, according to the currently carried out functions the optimal size of the Commission would be between 12 and 15 members, taking into account that the Commission President and two Vice-Presidents have the additional functions of coordinating all the Commission’s work and representation.<sup>9</sup>

I have not found any literature essentially criticizing or refuting these arguments for decreasing the size of the Commission. However, they are opposed by arguments of a totally different manner. The small EU states are the most sensitive to the possibility of the decrease and denationalization of the number of Commission members because it would appear that in the case of this reform they would have to give up “their own” commissioners. There is a fear that a Commission composed only of citizens from the largest and middle sized states “would generate” somewhat different common EU interests than would a more broad Commission. In this case the primary argument for preserving the “old” system (a commissioner for every state) is the assertion that the stability of the Union can only be maintained by preserving the equality and equality of rights of the representation of Member States in EU institutions.

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<sup>8</sup> Sir Leon Brittan, *Europe...The Europe We Need* (London: Hamish Hamilton, 1994), p. 242.

<sup>9</sup> *Europe: The Impossible Status Quo*, p. 56.

Thus, taking into account the opinions expressed in debates, the future reform of the Commission can be developed in one of two directions:

- The Commission could be composed of one citizen from each Member State. This is the best way to ensure the Commission's legitimacy;
- The Commission could be composed of a limited and fixed number of members, and there would be fewer members than Member States in the Commission. This would make it easier to achieve effective activities and ensure that the Commission would function as a collegiate institution.

In a report in the second half of 1999 on the preparation for the upcoming IGC Helsinki European Council, then EU President Finland mentioned such alternatives. The Finnish statement declared that during the consultations it became clear that of the two possibilities the first, nevertheless, had more supporters.<sup>10</sup>

Or perhaps it would be possible to find, as is customary in Europe, a compromise solution, which would succeed in coordinating the requirements of the equal rights of states and the effectiveness of institutions? Without a doubt yes. The fundamental version of such a compromise decision was fixed in the January 2000 declared opinion of the European Commission about the foreseen institutional reform. The Commission, nevertheless, in order to preserve collective responsibility, recommends that the number of Commissioners be kept at 20, whatever the future of Member States, with a rotation system laid down in the Treaty and based on the principle of equality of the Member States.<sup>11</sup>

Having become familiar with the various variations of the Commission's reform, the temptation inevitably arises to offer one's own "recipe", which could also be judged as a compromise and uniting the problems of both the equal rights of states and the guarantee of the collegiality of the Commission's work. For example, one could "borrow" the outlines of such a compromise solution from the principles of the formation of the United Nations "executive", the Security Council. The Security Council has 15 members, 5 of whom are permanent and the remaining 10 are elected by the General Assembly for two years according to a regional principle.

Let us say that the Commission has 20 members and the number of Member States is larger, then the larger and more important states should "reserve" a permanent commissioner place and the remaining places would be divided according to a rotation principle. For example, imagine that the EU consists of 27 countries, i.e. the current EU members and the 12 with whom negotiations have been started. Then, the European Commission could be constructed based on the population of the states and of the sameness of interests.

Eight places could be assigned to the largest states, e.g. whose population exceeds 12 million. Then Germany, the United Kingdom, France, Italy, Spain, Poland, Romania, and the Netherlands would have the "permanent places" in the Commission.

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<sup>10</sup> *Efficient Institutions after Enlargement: Options for the Intergovernmental Conference, December 7, 1999*, p. 4. Available at: <http://www.presidentcy.finland.fi/doc/liite/hvk0712.rtf> - December 8, 1999.

<sup>11</sup> European Commission, *Adapting the Institutions. To Make a Success of Enlargement. Commission Opinion in accordance with Article 48 of the Treaty on European Union on the calling of a Conference of Representatives of the Governments of the Member States to amend the Treaties*, (COM (2000), 34, 12-13). Available at: [http://www.europa.eu.int/igc2000/opin\\_igc\\_en.pdf](http://www.europa.eu.int/igc2000/opin_igc_en.pdf) - February 2, 2000.

Meanwhile, the remaining twelve places could be divided among the remaining 19 states in such a way that the states would be divided into pairs according to a probable similarity of interests and a geographic closeness to ease communications. After the end of the Commission's term, the representative of one state in the Commission would hand over the place to the representative of his "partner". Hypothetically, one could make up eight such pairs of smaller states (from 1 to 12 million population):

1 version

- (1) Ireland and Belgium
- (2) Austria and Hungary
- (3) Denmark and Sweden
- (4) Portugal and Greece
- (5) Czech Republic and Slovakia
- (6) Bulgaria and Slovenia
- (7) Estonia and Finland
- (8) Latvia and Lithuania

Taking into account the past of the states only the second and seventh pair might be problematic. Therefore a second version is also possible by pairing states of "a similar past":

2 version

- (1) Ireland and Belgium
- (2) Austria and Finland
- (3) Denmark and Sweden
- (4) Portugal and Greece
- (5) Czech Republic and Slovakia
- (6) Bulgaria and Slovenia
- (7) Estonia and Hungary
- (8) Latvia and Lithuania

In this way, eight additional places in the Commission would be taken. And the remaining four could be divided in the following way. One place could be given to the trio of micro states (less than 1 million population) Luxembourg, Cyprus, and Malta which would rotate their representative. The other places would remain a "reserve" which in the future could be taken by a subsequently entering state such as Turkey or Ukraine or some other "pair" of smaller Balkan states. It could meanwhile remain unfilled or temporarily "given" to representatives of the three most important EU states - Germany, France, and the UK. In any case a new expansion of the EU would not require fundamental reforms and would allow the preservation of a sufficiently effective and legitimate Commission.

### **3. Council of the European Union: Reform of Composition and System of Making Decisions**

The discussed reform of the European Commission is a complicated and difficult to implement assignment, but compared with the foreseen reform of the Council of the European Union it, nevertheless, seems quite easy to solve. Unlike the Commission which takes care of the common affairs of the EU, the Council is the very institution which already directly represents the Member States. Therefore, as the EU expands the number of full-fledged Council members will automatically increase, and the scenario of the “denationalization” could not in principle be applied here. Thus, with the increase in the number of Member States the effectiveness of the activities of institutions would become ever more complicated, and the already complicated procedure for making decisions would become even more entangled. Therefore, the main task of reforming the Council is to find the “golden center,” i.e. such a version of the Council’s organization in which the Member States would be represented appropriately and at the same time the multitude of members would not hinder the legislative and other functions of the Council.

As the earlier efforts revealed, achieving this is very difficult; the 1996-1997 IGC preparing the Treaty of Amsterdam did not succeed in making any decision. Therefore, as was already mentioned, the European Council, which met in June 1999 in Cologne, nevertheless, delegated the future IGC to make a decision on the two main questions connected with the reform of the Council, i.e. on the distribution of votes in the Council and the application of the qualified majority.

The second of these two assignments appears to be easier. Of course, up to now, disregarding the already existing possibilities in distinct cases of the Council to make decisions by applying qualified majority voting, nevertheless the effort was made to find a common agreement for all the Member States. However, a significant increase in the number of Member States will make more difficult this already complicated process and the making of decisions based on universal agreement will become a practically unattainable matter. Therefore, the perfection of the existing present situation is imaginable only as an expansion of applying the principle of the qualified majority.<sup>12</sup>

On the other hand, the question about the limits of applying the qualified majority remains open. In this respect, it is most likely that the expansion of the areas for applying the regulations of the qualified majority will nevertheless not cross certain limits because the states will not be willing to agree with a majority decision on fundamental constitutional questions. This is reflected in the already mentioned December 1999 report of Finland to the Helsinki European Council. The report mentioned four separate groups of questions in which after the EU reforms decisions could be taken based on a qualified majority:

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<sup>12</sup> Almost all experts and institutions: the Florence club (see: *Europe: The Impossible Status Quo*, p. 45-47), the Center for European Policy Studies in Brussels headed by Peter Ludlow (see: “Crisis ignites debate on treaty reform,” *European Voice*, March 25-31 (1999), 12), the so-called Dehaene committee, which last year at the request of European Commission Chairman Romano Prodi prepared a report on EU institutional reform (see: Jean-Luc Dehaene, Richard von Weizsäcker, David Simon, *The Institutional Implications of Enlargement. Report to the European Commission, Brussels*, October 18 (1999), p. 8. Available at: [http://www.europa.eu.int/igc2000/repoct99\\_en.pdf](http://www.europa.eu.int/igc2000/repoct99_en.pdf) - February 10, 2000) support the application of a qualified majority vote in making decisions.



- Provisions in closely related areas of Community policy where QMV already applies, such as the single market, the Community budget or external economic relations.
- Provisions contained in articles which, as such, cannot be subject in their totality to QMV, although it might be possible to envisage QMV for certain matters within these articles if they are specified in greater detail.
- Provisions on visas, asylum and other policies related to free movement of persons for which the Treaty of Amsterdam envisages passage to QMV (see Article 67).
- Provisions regarding certain appointments to the institutions so that they can proceed more smoothly after enlargement.
- Provisions which constitute so-called institutional “anomalies”, such as those where co-decision is coupled with unanimity in the Council.<sup>13</sup>

The separation of these groups of questions and their specific naming demonstrates that even in the expanded EU, voting by the qualified majority will, nevertheless, have a limited and clearly defined field. Such a provision determines the conclusion that on all other questions the EU states in the Council will have to accept decisions unanimously.

If while executing Presidency of the EU Finland tried to mention those areas where it would be possible to apply voting by a qualified majority, then the opinion of the European Commission on this question is more radical and also more rational because instead of trying to mention the areas where the qualified majority could be applied it acted in the opposite manner listing those areas in which the qualified majority should not be applied and proposed that an unanimous decision remain. They are:

- decisions which have to be ratified by each Member State;
- decisions relating to the operation and balance of the European institutions;
- decisions in the fields of taxation and social security not related to the operation of the single market;
- conclusions of international agreements on matters on which the Council still acts unanimously;
- derogations from the common rules of the Treaty.<sup>14</sup>

Thus, in such a case the essence of the Commission’s proposal should probably be understood that in all remaining questions of EU competence in the reformed Council the vote by qualified majority becomes a rule.

Of course, the opinions of both Finland and the Commission reflect certain provisions being dominant in the debates. However, if one were to ignore political considerations and decide solely by rational choice, then one would probably find ever less convincing arguments for preserving unanimity in the EU Council when the number of EU states is increased. The retention of such possibilities would also mean a danger that the whole Union could easily become a hostage of the whims of a single state (regardless of its size or degree of wealth). And this in essence is not compatible with democracy which together with the guarantee of minority rights is, nevertheless, majority

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<sup>13</sup> *Efficient Institutions after Enlargement: Options for the Intergovernmental Conference*, December 7 (1999), p. 5.

<sup>14</sup> European Commission, *Adapting the Institutions. To Make a Success of Enlargement*, p. 22-25.

rule. In this context, the suggestions raised in the Dehaen committee report (with whose opinion the European Commission concurred) to reorganize the European Treaties in such a way that the areas of Europe's primary and secondary laws be clearly separated and in essence the areas of the secondary laws (that is also together with institutional authorization) be expanded seem especially rational.<sup>15</sup> In such circumstances primary law, which in essence is international law, would continue to remain an object of interstate negotiations, while all questions of secondary law could be resolved by applying the principle of qualified majority voting.

However, regardless of what kind of relation for qualified majority and unanimous voting would be chosen or even if the need of unanimity is totally abandoned, the most complicated and also the most interesting questions of institutional reform are the number of votes assigned to each state and the qualified majority. From the very first expansion of the EC in 1973, the votes of the EC/EU states were not reweighted and the number of votes belonging to the newly entering states were more or less determined maintaining the same ratios.<sup>16</sup> But in every case, the number of votes necessary to gather the qualified majority was recalculated. The effort was made to ensure that the qualified majority would comprise about 70 percent of the votes in the Council and that it would at the same time reflect the opinion of the majority of at least more than half of the citizens of the EC/EU Member States.

#### Evolution of the Qualified Majority in Terms of the Number of Votes and of Representativeness of the Population: 1958-1995<sup>17</sup>

Year	Number of Member States of the Community or Union	Total votes	Qualified majority (votes)	Qualified majority (percentage)	Minimum number of Member States required for a qualified majority	Minimum population required for a qualified majority	Minimum number of Member States required for a blocking minority	Minimum population represented by a combination of votes constituting the smallest blocking minority
1958	6	17	12	(70,59%)	3	67,70%	2	34,83%
1973	9	58	42	(72,41%)	5	70,62%	2	12,31%
1981	10	63	45	(71,43%)	5	70,13%	2	13,85%
1986	12	76	54	(71,05%)	7	63,29%	3	12,12%
1995	15	87	62	(71,26%)	8	58,16%	3	12,05%

The current system of qualified majority voting determines that 71 percent of the votes of the Council members are needed to adopt a decision. Every state has an assigned number of votes depending on its size. The larger states have more votes, e.g. Germany, France, the UK, and Italy have 10, and the smaller states fewer, e.g. Belgium and

<sup>15</sup> Dehaene, Weizsäcker, Simon, *The Institutional Implications*, p.12

<sup>16</sup> The only exception is Germany which disregarding the reunification occurring in 1990 the number of votes in the Council was not increased.

<sup>17</sup> European Commission, *Adapting the Institutions...*, p. 29.

Denmark have 5 and 3, respectively. However, the votes are not assigned to the states in a direct proportion to the size of their population. One can say that a principle softening “in a regressive proportion” the power of the major states is applied. States with smaller populations have a proportionally greater number of votes than the larger states. For example, the small states, Denmark and Belgium in which 1.4 and 2.8 percent of the EU population live, have in the Council 3.45 and 5.75 percent of the votes. Meanwhile, the largest state, Germany, in which 21.5 percent of the population lives has only 11.5 percent of the votes in the Council. The votes in the Council are distributed so that the five largest states with almost 80 percent of the Union’s population have only 55 percent of the votes. The remaining 45 percent of the votes are “divided out” to the ten states with 20 percent of the EU citizens.

In this way by diminishing the power of the larger states, the joint votes of the five largest states are not sufficient to adopt any decision needing a qualified majority. The support of smaller states is also needed because the necessary qualified majority is 71 percent of the Council’s votes or 62 of the 87 votes).

**Article 205 (ex Article 148) of the Treaty Establishing the European Community<sup>18</sup>**

1. Save as otherwise provided in this Treaty, the Council shall act by a majority of its members.
2. Where the Council is required to act by a qualified majority, the votes of its members shall be weighted as follows:

Belgium 5  
Denmark 3  
Germany 10  
Greece 5  
Spain 8  
France 10  
Ireland 3  
Italy 10  
Luxembourg 2  
Netherlands 5  
Austria 4  
Portugal 5  
Finland 3  
Sweden 4  
United Kingdom 10

For their adoption acts of the Council shall require at least:

- 62 votes in favor where the Treaty requires them to be adopted on a proposal from the Commission,
- 62 votes in favor, cast by at least 10 Member States, in other cases.

Unfortunately, this delicate system of EU qualified voting with the mechanism softening the power of the larger states will not work after the future expansion and will have to be reformed. Already in 1994 when EU expansion seemed to be only in the far future, Richard Baldwin in a study, comprehensively analyzing the consequences of

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<sup>18</sup> *European Union. Consolidated Versions of the Treaty on European Union and the Treaty Establishing the European Community* (Luxembourg: Office for Official Publications of the European Communities, 1997), p. 126-127.

possible EU expansion, affirmed in a quite convincing manner that the preservation of the existing system of adopting decisions and EU expansion are irreconcilable matters. According to his calculations without reforming the system, the new small EU Member States from Central and East Europe would acquire unproportionally large power, which, in principle, would allow them to block any undesirable decision by their own votes alone. It would be naive to believe that they would not use these new possibilities and in seeking to attain their own interests “would not pressure” the states to adopt the act. Also it is essential to note that most of the candidate states are not only small states but also relatively poor in relation to the EU old-timers. This means that their coalition would not only be sufficiently capable, but also sufficiently probable, judging from the commonality of their interests.<sup>19</sup>

Thus, the existing voting system and the distribution of votes in the Council have to be reweighted so that adopted decisions would not only be democratic and reflect the opinion of the majority of the states and their populations, but also prevent the firm establishment of constant conflicts between the interests of large and small, rich and poor states.

Finland while holding the EU Presidency in the second half of 1999, generalized the on-going discussion on the distribution of votes in the reform of the Council in this way: “there is a widespread support for finding an acceptable outcome on this issue on the basis of a system, which is simple, transparent and does not give rights to further adjustments in the course of the process of enlargement.”<sup>20</sup>

This report points out two possibilities of resolving the problems:

- reweighting of the votes;
- introducing a so-called dual majority system (i.e. an agreed majority of both states and population).

and stated that “in the consultations, very broad support has emerged in favor of the option of reweighting of votes. In addition, the need for any change in the QMV threshold in relation to enlargement will need to be examined.”<sup>21</sup>

A new reform of the distribution of the votes to the Member States in the Council would inevitably change the existing system. However, this is a quite delicate and complicated task, the projects of whose resolution I have not yet seen. Of course, the European Community implemented at one time a reweighting of the votes in the Council when in 1973 three more countries joined the six Community founders:

<b>Member State</b>	<b>EC6</b>	<b>EC9</b>
Ireland	-	3
Belgium	2	5
Denmark	-	3
United Kingdom	-	10
Italy	4	10

<sup>19</sup> Richard Baldwin, *Towards Integrated Europe* (London: Center for Economic Policy Research, 1994), p. 180-190.

<sup>20</sup> *Efficient Institutions after Enlargement: Options for the Intergovernmental Conference*, December 7 (1999), p. 4.

<sup>21</sup> *Ibid.*

Luxembourg	1	3
Netherlands	2	5
France	4	10
Germany	4	10

At that time, the acceptance of the smaller states, Denmark and Belgium, resulted in the proportional increase in the power of the larger states although at the same time the beneficial to the small states disproportion between votes in the Council and the populations remained.

Today, one can also easily imagine such reform. Because the debates are only beginning, we will offer our own proposal for reforming the vote counting. Let us say that in the expanded European Union the number of votes of the Member States in the Council would be redistributed relying on these two previously mentioned criteria:

- every member state has at least one vote
- every member state obtains supplementary votes depending on its size.

For the sake of illustration imagine the following formula for the distribution of votes:

- all EU Member States, except those, whose population is less than 1 million, are granted two votes. Micro-nations (i.e. with less than 1 million population) are given one vote.
- all EU states obtain an additional vote for 5 million inhabitants. Fractions are rounded up so that 2.5 million or more inhabitants result in an additional vote in the Council.

In this case the votes of the 27 Member States would be distributed in this manner:

State	Main votes	Additional	Population votes(in mln.) <sup>22</sup>	Total votes
1. Germany	2	16	82.06	18
2. Great Britain	2	12	59.00	14
3. France	2	12	58.61	14
4. Italy	2	12	57.52	14
5. Spain	2	8	39.32	10
6. Poland	2	8	38.65	10
7. Romania	2	5	22.57	7
8. Netherlands	2	3	15.60	5
9. Greece	2	2	10.51	4
10. Czech Republic	2	2	10.30	4
11. Belgium	2	2	10.19	4
12. Hungary	2	2	10.15	4

<sup>22</sup> *Statistics from the European Economic Commission of the United Nations.* Available at: [http://www.unece.org/stats/trend/trend\\_h.htm](http://www.unece.org/stats/trend/trend_h.htm) - January 20, 2000.

13. Portugal	2	2	9.95	4
14. Sweden	2	2	8.85	4
15. Bulgaria	2	2	8.31	4
16. Austria	2	2	8.07	4
17. Slovakia	2	1	5.38	3
18. Denmark	2	1	5.28	3
19. Finland	2	1	5.14	3
20. Lithuania	2	1	3.70	3
21. Ireland	2	1	3.66	3
22. Latvia	2	0	2.47	2
23. Slovenia	2	0	1.99	2
24. Estonia	2	0	1.46	2
25. Cyprus	1	0	0.74	1
26. Luxembourg	1	0	0.42	1
27. Malta	1	0	0.38	1
<b>Total</b>			428.28	148
<b>Qualified majority - 72 percent</b>				106
<b>Blocking minority</b>				43

The provided plan for the distribution of votes in the Council undoubtedly has its pluses and minuses. One can consider as an advantage the sufficiently clear formula for its construction. However, its most important advantage is that the designated distribution of votes with the need to have 72 percent for a qualified majority blocks the probably least desired and most discriminatory division of the EU into the “rich West” and the “poor East” blocs. Some 106 votes are needed to adopt a decision, while the current 15 EU states would only have 105 votes. Thus, it would be impossible to adopt a decision without the support of at least one “rookie.” At the same time, the ten former “East bloc” countries alone could not block any proposed decision without the support of at least one “westerner.”

On the other hand, this subtle balance can also be interpreted as a deficiency of the proposed plan because it would have to be reviewed when some new country (for example, Turkey) joined the EU or the size of the population would increase (for example, Latvia needs very little to acquire an additional vote). One can respond to this by noting that such changes would probably not occur very quickly and that during that time the split into “west” and “east” would lose its particular importance. Then, perhaps the necessity to change the very formula for the distribution of votes would decrease and it would be sufficient to grant an appropriate number of votes to the new member or to give a “growing” member an additional vote.

However, the European Commission in its opinion issued in January 2000, nevertheless, supported a simpler version of the Council’s reform.

<b>Commission proposals to the Intergovernmental Conference<sup>23</sup></b>
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<sup>23</sup> European Commission. *Adapting the Institutions ...*, p. 32.

Whilst recognizing the merits of the system of reweighting of votes, which would ensure that the qualified majority represents about two thirds of the Union's population, with no possibility for a decision to be taken by a minority of Member States, the Commission recommends to foresee in the Treaty that a decision taken by qualified majority requires the simple majority of Member States representing a majority of the Union's total population.

The Commission believes that if it was decided to reweight the number of votes of the Member States then, taking into account the foreseen enlargement, one would have to increase the comparative weight (what would be done in the provided illustration) of the larger states. But in such a case the danger arises which was avoided up to now, i.e. by agreeing among themselves the minority of the larger states could adopt decisions. This is true. In the proposed plan one can clearly see that it could suffice to have as little as twelve of the twenty seven states to gather the 106 votes. In that case, one would still have to search for some kind of solution, e.g. write an additional condition to the Treaty that decisions come into force when they are also supported by a majority of the states, which in practice would nevertheless mean the requirement of the dual majority. Therefore, the Commission believes that in the name of transparency and democracy one should altogether reject the idea of reweighing the vote, and introduce the easily understood and democratic system of the double simple majority, which would be based on two principles. In order to adopt a decision, it is necessary to:

- have the support of the majority of the Member States
- this majority has to represent the opinion of more than half the population of the Union.

This would be an offer of radical reform, essentially changing the established system of adopting decisions. In addition to simplicity and clarity it would also permit the coordination of the interests of the larger and smaller states. The smaller states would not have to fear that the largest states after coming to a common viewpoint could adopt decisions while the latter would not have to fear that the greatly increased number of small states could override the opinion of states having several or many times greater populations. This proposal is also valuable because it would not require the reweighting of votes in the Council, depending on the number and size of the new members, every time the Union expanded.

On the other hand, the Commission itself admits that its proposal not only has advantages but also deficiencies. The fundamental problem is that difficulties could arise "every time the concrete expression of the majority was counted."<sup>24</sup> In the course of time the population of the states change so that one would theoretically have "to check" the population for each vote. In fact, if one were to carry out this proposal to its logical conclusion, then every inhabitant of every state becomes a "golden value" vote. Perhaps this is practically impossible, but theoretically even a legal dispute could arise about the legality of an adopted decision. Here one would have to be precise and clearly answer the question how is the population of a state calculated. Does one count only the citizens of the state, or perhaps all EU citizens living in the country, or perhaps also all the legally

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<sup>24</sup> Ibid.

residing foreigners in the country? It is not so easy to answer this. But the answer to this question would be made easier if, nevertheless, one could succeed in connecting more clearly the state's population with the number of votes in the Council. It is, nevertheless, easier to count votes that have been determined. Therefore, there is a great probability that the Commission's proposed dual majority will not be adopted but some version of distributing the votes in the Council.

#### **4. Institutional reform and theoretical models**

As was already mentioned earlier, this study will primarily deal with only the most pressing institutional reform questions and those directly connected with the expansion of the Union. However, even these, the so-called Cologne Topics, without a doubt have to be understood in the context of broader EU evolution and changes.

From one side, the EU from an institutional point of view appears to have obtained a consistent structure of rule, which is in part similar to the structure of a state. The EU has a parliament composed of directly elected representatives, a council composed of ministers, and a court composed of judges. It would, therefore, appear that the EU duplicates the structure of a state with institutions fulfilling the traditional legislative, executive, and judicial functions.

On the other hand, an analysis of articles 189-267 of the Treaty Establishing the European Community, defining the structure and functions of EU institutions, can convince one that in fact the situation is different. Only the functions of the European Court of Justice are quite clearly distinct, and this court is the most similar to the functioning courts in individual states. Meanwhile, in all other aspects it appears that the dominant institution in the EU is the Council, composed of ministers delegated by the governments of the Member States, which fulfills the legislative and executive functions. Not the European Parliament but the Council makes decisions for EU "laws." The European Parliament, on the other hand, is an institution primarily providing suggestions to the Council. Only in distinct previously determined instances and according to a settled procedure can the European Parliament make decisions together with the Council. At the same time the Council is also the highest institution of the executive. It can carry out these functions either directly or by delegating it to the especially created institution - the Commission.

Thus, after a deeper analysis one can easily notice that the EU ruling institutions are a kind of unique hybrid, coordinating in itself the characteristics of traditional state rule institutions and of traditional international organizations. And this is not surprising because European integration was always a process without a clear vision of the final goal. The EU was reconstructed gradually, a "little piece at a time" with long recesses, seeking to realize distinct political goals, among which probably the most important (although not always stressed) is the preservation of the peaceful coexistence of European countries. All this determined that the Treaty Establishing the European Community and the Treaty on European Union did not rely on a unified and finished conception of public rule, but was a kind of common denominator, allowing the union of different state interests and the sufficiently different visions of the prospects of European integration.



Up to now this has been successful. The number of EU member-states increased by steps, and the new countries and the EU institutional structure quite easily adapted to new conditions. However, this time when the number of EU Member States will almost double comparatively quickly, not only technical procedure problems of organization arise. Wanting to resolve the arising problems in a successful and appropriate manner, one should have a clearer answer to the question about the purpose of the whole EU institutional structure. Technical procedural questions could be (or in fact are) secondary if a decision would be made on the most important common matters, i.e. what is the fundamental goal of EU institutional reform.

In fact, quite a number of theoretical models about the nature of the EU, its final development phase have been formulated, but nevertheless they could all be contained within the already become classic conflict of two fundamental paradigms - federalism and functionalism.

When integration began, two different viewpoints, which gained their expression in both the academic plane and the behavior of political figures in different European states, immediately diverged. Some thought that European integration was a process, which would finally lead to the formation of a new federal European superstate. Others, however, viewed the integration process only as a new way of satisfying state national interests, a kind of “functional helper,” supplementing the efforts of the national administrations. Of course, depending on how one understands the purpose of integration, in a correspondingly different way will the institutional structure of international intrastate organizations be formed.

In the first case, European institutions have to be formed immediately or be reformed in stages as the institutions of a future state. This means that in the European plane in the long term all the control structures typical of a traditional state and necessary for ruling institutions - passage of laws, the executive, and judicial powers - have to be expanded. In such a case the progress (or lack) of institutional reform can be evaluated depending on how closely this approaches the model of a federal state, on how properly and appropriately the Member States and their citizens are represented, on how the democratic legitimacy of decisions adopted at the European level is guaranteed.

In the second case, European institutions should in essence not try to reproduce accurately and to a maximum degree the full traditional structure of state control, but to be a kind of an “extension” of the institutions of the executive control of national states. In other words, the EU Member States on the European level should make a project of not the full system of public control, but only the part carrying out the separate and concrete functions of the executive, or in more simple words its own executive. In this case, it would not be the level of democracy and representation, but the effectiveness of fulfilling its individual functions that would guarantee the legitimacy of the operating institutions at the European level. Thus, institutional reform, its (in)ability to obtain results will also be evaluated depending not on the degree of representation of the reformed institutions, but from the growth of the effectiveness of its work.

Of course, these two institutional structure models are only ideal models. Meanwhile, the positions of the state politicians on EU reform are not totally consistent. Nevertheless, the mentioned theoretical prospects provide, even if incidental and chaotic, evaluation criteria for the on-going reforms. One can determine what steps encourage the EU to become more like a union federal state and which, on the contrary, strengthen the

functional nature of the EU. Finally, while analyzing the debates on EU institutional reforms we can also attempt to answer the question whether it is desired that the EU develop further as a superstate political system or as a functional structure serving the interests of the Member States.

#### **“Parliamentary” and “regulatory” models**

Law professor at Pisa University and the Institute of the University of Europe in Florence Renaud Dehousse, in trying to evaluate the changes of EU institutions which were brought by the Treaty of Amsterdam, utilized these two paradigms.<sup>25</sup> He calls the first the parliamentary model, the second - the regulatory. In Dehousse’s opinion, the European Union in essence before and after the Treaty of Amsterdam remained a hybrid structure in which it is possible to find elements of both models. For example, the growth in the empowering of the European Parliament can be considered an expression of the strengthening process of the parliamentary model. Meanwhile, the strengthening of the empowering of the European Commission or the European Central Bank could be interpreted as elements of the consolidation of the regulatory model.

The reforms brought by the Treaty of Amsterdam, from Dehousse’s point of view, are also essentially ambivalent. On the one hand, they strengthened the expressions of the parliamentary model. The opportunities of the European Parliament to participate in the process of adopting legal acts were expanded one more time. The Parliament also obtained the right to participate more actively in the process of forming the Commission. All this allows one to assert that the EU institutional structure became more similar to the ruling structure of a federal state. although, of course, this evolution is not yet completed and it is unknown whether it will ever be completed.

On the other hand, the Treaty of Amsterdam at the same time brought changes of a different manner which not the parliamentary but the regulatory model can better explain. These are the expansion of the Commission’s competence in the field of social policies, the new provisions for the transparency of the activities of the institution or the subsidiarity protocol. Although, as Dehousse declares, these changes from first glance also appear neutral from the point of view of institutional structure, they, however, expand and improve the possibilities of the EU as an functional organization with a special purpose to begin to settle problems, which it can resolve more easily and effectively than the Member States acting individually. The EU and its institutions do not have to change states, but on the contrary, to supplement and strengthen their opportunities.

If we were to attempt to evaluate the institutional reforms being discussed now by utilizing these two theoretical models, we would easily notice which of the proposals strengthen the federal model, and which relying more on the vision of the EU as a functional organization would be changed to conform more with the functional model. In the case of the European Commission’s reform this is particularly easy to see. The proposal to expand the Commission so that there would be at least one citizen of each member state in it, clearly flows from the “parliamentary” model. Meanwhile, the criticism of this proposal is based namely by arguments gathered from the “regulatory model” declaring that too many commissioners would hinder the Commission from carrying out its functions properly. Instead of being the fundamental organization which would oversee the proper functioning of the common market and other fields, the Commission would become a small assembly composed of competing representatives.

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<sup>25</sup> Renaud Dehousse, “European Institutional Architecture after Amsterdam: Parliamentary System or Regulatory Structure?,” *RSC Working Paper*, 11 (1998). Available at: [http://www.iue.it/RSC/WP-Texts/98\\_11.html](http://www.iue.it/RSC/WP-Texts/98_11.html) - August 12, 1999.

If the foreseen reforms of the Council are adopted, the difficult to resolve problem of appropriate state representation and the legitimacy of the Council's activities becomes clearer. The logic of suitable representation demands that the number of votes in the Council should conform with the size of the states, but due to the variety of the size of European states as well as the large number of small states one has to search for some kind of formula of "regressive proportionality," which would increase the opportunities of the smaller states at the expense of the larger states. One could also consider as a kind of expression of such regressive proportionality the radical proposal in the January 2000 opinion of the Commission to introduce a dual majority (state and population) requirement. Regardless of what kind of decision will be made, it inevitably will increase the dose of "parliamentarianism" in the EU and perhaps in the long term could be the basis of the evolution of the EU Council into the upper chambers of a European parliament.

However, looking from the other (i.e. functional or regulatory model) side, not a smaller but probably even a larger concern of the institution reformers is raised by the question of how to limit to the maximum degree the possibility in the expanded Union that the fault of several individual states could hinder or even all together ruin the achieved goals of European integration and proposals for new projects. In this context it would appear that one should consider as the more important part of the reform not the distribution of votes and the qualified majority, but the expansion of the fields to which the very principle of the qualified (or dual) majority could be applied as well as the guarantee of providing opportunities for the closer cooperation of individual (i.e. not all) Member States. Namely, this possibility affirmed in the Treaty of Amsterdam seems to create the preconditions that the EU at least as a functional (or regulatory) system could continue to work successfully and effectively.

### **Conclusions: Are the EU Reforms Already Completed?**

Often various experts, evaluating the IGC of 1996-1997 and the Treaty of Amsterdam, stress that the institutional reforms did not justify the expectations. The EU states did not succeed in properly preparing for EU expansion and the completed changes allow the current EU to expand to only 20 members.<sup>26</sup> However, that most likely is a too radical conclusion. The mentioned IGC did not resolve the questions, which are now called the Cologne Topics, but in the Treaty of Amsterdam there was fixed a totally new and never before reflected anywhere in the EU or EC treaties and so far not yet properly evaluated principle of "closer cooperation."

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<sup>26</sup> Such an opinion was expressed at the conference "The Treaty of Amsterdam and Lithuania's Preparation for Membership in the European Union" occurring in Vilnius on November 7, 1997. See: Klaudijus Maniokas, "Pagrindiniai Amsterdamo sutarties ypatumai" ["Main Characteristics of the Treaty of Amsterdam"], *Amsterdamo sutartis ir Lietuvos pasirengimas narystei Europos Sąjungoje. Konferencijos medžiaga, Vilnius, 1997 m. lapkričio 7 d.* [The Treaty of Amsterdam and Lithuania's Preparation for Membership in the European Union. Conference Material, Vilnius, November 7, 1997], (Vilnius: Eugrimas, 1997), p. 28; Martikonis, *Amsterdamo sutartis ...*, p. 38-40.

### **Provisions on Closer Cooperation in the Article 43 of the Treaty on European Union<sup>27</sup>**

1. Member States which intend to establish closer cooperation between themselves may make use of institutions, procedures and mechanisms laid down in the Treaty and the Treaty establishing the European Community provided that the cooperation:

- (a) is aimed at furthering the objectives of the Union and at protecting and serving its interests;
  - (b) respects the principles of the said Treaties and the single institutional framework of the Union;
  - (c) is only used as a last resort, where the objectives of the said Treaties could not be attained by applying the relevant procedures laid down therein;
  - (d) concerns at least a majority of Member States;
  - (e) does not affect the “acquis communautaire” and the measures adopted under the other provisions of the said Treaties;
  - (f) does not affect the competencies, rights, obligations and interests of those Member States which do not participate therein;
  - (g) is open to all Member States and allows them to become parties to the cooperation at any time, provided that they comply with the basic decision and with the decisions taken within that framework;
- <...>

The possibility of closer cooperation (hence CC) only from the first glance may appear weakly connected with EU institutional reform, however, in essence the start of any kind of CC means that the institutional structure and the mechanism for adopting decisions in the Council will have to be modified regardless of how many and which states participate in it.

The Treaty of Amsterdam provides that CC can occur only between the majority of the Member States. Thus, in the current Union of fifteen states no less than eight states have to join it. In any case the usual EU institutions in the CC field will, in fact, work not as an institution of fifteen, but as of eight or more member EU states. Thus the CC mechanism creates excellent preconditions for the main EU states, disregarding the insufficient preparation of other members or perhaps the predicted lack of desire in the future to expand the achieved level of integration, to progress even further independently disregarding the hindrances arising from institutional structures. In this sense one could say that the Treaty of Amsterdam is a total success because until then any possibility of a “different speed” Europe was categorically rejected even though proposals had already been presented much earlier (a clear example - the fate of the Tindemans report). This was true because some states feared becoming “second-rate” while others were then not inclined to deepen integration too much.

### **Tindemans Report**

Already in 1976 then Belgian Prime Minister Leo Tindemans at the request of the European Council had prepared a report in which he analyzed the possibilities of creating an European Union. The possibility of a “two speed” Europe was also foreseen in the report, in which states could participate in various projects for deepening integration, independent of their level of preparation. However, at that time the ideas of the report was drowned “in the bureaucratic swamp.” When the report was presented to the European Council, the heads of the states and governments assigned an analysis of the report to the foreign ministers; the foreign ministers in turn assigned it to officials responsible to them. After becoming familiar with the Tindemans report, the appropriate officials prepared reports to the ministers and the ministers on the basis

<sup>27</sup> *European Union. Consolidated Versions of the Treaty on European Union and the Treaty Establishing the European Community*, p. 29.

of these reports provided their accounts to the council of state and government heads. The European Council, after listening to the reports of the ministers, thanked Leo Tindemans for his efforts and ordered the European Commission to prepare every year a report in which the possibilities of creating the European Union would be discussed further.<sup>28</sup>

In one respect, the Treaty of Amsterdam fixed and legalized what is essence had already become everyday matters in the EU. For example, only eleven states are participating in the monetary union of the fifteen states. And the 1985 Schengen Treaty which provides for the abolition of border controls between EU states, could have become part of the EU *acquis*, even though all of the EU states are not participants of the treaty. In another respect, one can assert that despite all the reservations and restrictions which can be raised for the CC, the EU states which approved the Treaty of Amsterdam are already essentially prepared to accept a practically unlimited number of new members because the entry of new or less prepared states into the EU can not stop ongoing projects or new initiatives. The undesired or simply incapable would simply remain “overboard.”

The January 2000 opinion of the Commission about institutional reform proposed to proceed further and to make much easier the conditions of closer cooperation. The Treaty of Amsterdam, even though it foresaw the possibility of CC, however introduces it quite carefully. One of the most difficult conditions, which in theory may even be impossible to overcome is the requirement that not only the states desiring to develop it, but all EU members in the Council, adopting the decision by a qualified majority, would approve the CC. Article 11 of the Treaty Establishing the EC provides that if the effort to obtain a qualified majority is unsuccessful, then the final deciding instance becomes the European Council in which decisions have to be adopted by a common agreement.<sup>29</sup> In fact this establishes the possibility of a one state “veto” and theoretically cuts the path for closer cooperation.

Meanwhile in the mentioned European Commission document two such basic proposals for CC reorganization are formulated.<sup>30</sup> The first is the possibility that the willingness of only a third of the Member States is sufficient for the initiation and development of the CC. Then, for example, in the 27 state Union nine states would be sufficient! By the second, the Commission proposes to abolish “the final instance,” the requirement that the CC would be determined unanimously in the European Council. Also the possibility of a state to veto, which in an enlarged Union could bring in too great destruction, would be finally eliminated.

Thus, only from the first glance do the unresolved technical-procedural questions of institutional reform seem extraordinarily complicated, and the decisions on them are very important for the future of the EU and new Member States. However, one should not exaggerate their importance because the Treaty of Amsterdam has already opened possibilities for closer cooperation. The already foreseen procedural conveniences, without a doubt, will permit one to guarantee that even if the best decision for resolving questions of institutional reform is not chosen or their blocking should not ruin the whole Union and cut the path to the further process of European integration.

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<sup>28</sup> Desmond Dinan, *Ever Closer Union. An Introduction to European Integration*, (Macmillan, 1999), 2nd ed., p. 77-78.

<sup>29</sup> *European Union. Consolidated Versions...*, p. 46.

<sup>30</sup> European Commission, *Adapting the Institutions...*, p. 33-34.