

Hrbek, Rudolf

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will in the medium term develop into an organization in which the member states will gradually merge; it is more likely that the EC will play the role of an instrument which the members will use to safeguard and strengthen their individual influence if and when it seems expedient to do so.

It is precisely because the EPC is so loosely organized that the Common Market, founded on Community law, increases its stature and efficiency.

In consequence it is in the own interest of the member states to preserve the Community law and the Common Market and even to extend these in part if it could be done without great difficulties. This does not mean that the Common Market in the sense of a system of untrammelled competition will again become a focal point of the EC but rather that its coordinative activities will assume greater importance also in the economic sphere.

EUROPEAN COMMUNITIES

A False Image of the Community

by Rudolf Hrbek, Tübingen*

The question: "Where is the EC drifting?" suggests that the EC is in a severe crisis. To stay with the nautical simile: it is implied that the Community is no longer on course, either because of adverse framework conditions (which would presumably be of a transient nature) or else – and that would be much worse – because the end of the voyage has been lost sight of or is being contested and there is nobody to hold the rudder. Those who take this view usually presuppose that there is no doubt about the aim towards which the Community should develop, the aim of what is called "integration", that the route and method have been clearly marked out, and that responsibility for the execution of the requisite work has been assigned to specific agencies.

Ralf Dahrendorf¹ presented recently an entirely different version of the EC's crisis. He mentions a series of major tasks which could not be successfully accomplished except through European cooperation. He sees in the institutions and procedures which have devolved upon the EC the principal obstacle to initiatives for such European interests, to their purposeful pursuit and to a successful break-through.

And this threatened the Community with (self-) Balkanization.

Both versions of the purported EC crisis give a wrong picture of the Community and the processes operating within it or one that does not cover everything. They leave quite essential elements out of account. For an adequate consideration of the question which has been asked we must therefore first describe and interpret the Community and the processes which are proceeding in it.

The Community's tasks (its functional scope) emerge as a first aspect. The Common Market is always mentioned first; for many it is still the cardinal element of the EC because it stimulates and preserves a wide range of integrative moves. Very few policy areas are in fact – like, for instance, the agricultural policy – the concern of the Community; in regard to the general economic policy the EC is not intended to do more than coordinate national measures. In individual sectors the EC is gradually taking on specific tasks without however replacing the member states as responsible actors; such sectors include development policy (Lomé convention), monetary policy (EMS) and

*Prof. Dr. Rudolf Hrbek occupies the chair of political science at the University of Tübingen.

¹ Cf. Die Zeit, April 25, 1980.

regional policy (establishment of an appropriate fund). In regard to their external relations the EC states are making efforts to concert their actions in the framework of the European Political Cooperation (EPC), an endeavour far beyond the tasks of a customs union.

A second aspect concerns the decision-making mechanisms of the Community which encompasses, first, the whole set-up of institutions and procedures envisaged by the EC treaties and, second, the – increasingly important – intergovernmental component. Some people regard this interminglement – or to be more precise, the strengthening of the intergovernmental element – as a danger to the development of the Community (on the ground that it impedes its supranationality) while others welcome the chance provided thereby of operating several levers for the performance of Community tasks and a third group would like the states, represented by their governments, to be the sole actors.

A third and final aspect, which is usually overlooked although extremely important for an adequate understanding of the Community, is the gradual evolvement of a transnational infrastructure of political and social forces such as, in particular, political parties and interest groups. This applies by no means exclusively to the establishment of roof organizations covering the whole of the EC although these are significant examples of such processes, but relates to the whole process of mutual infiltration and penetration of such forces across national frontiers. This kind of interpenetration and interlocking can also be observed in a number of legal and administrative processes and in a few policy sectors. There is evidence of at least incipient moves in the EC towards what in the federative system of the Federal Republic of Germany is known as “Politikverflechtung” – partial interpenetration at the level of Federal, “Länder” and local authorities: the national and Community levels are encroaching on each other, which means, put differently, that the Community is gaining in importance for many political actors because its activities are exerting an ever growing influence on cardinal areas of national policy. To sum up: the Community constitutes an important framework and reference point for the member states and their policies and thus also for the political forces at work in these countries. The states must in this context be looked upon as constituent parts of the EC system.

In the light of this attempt to draw an adequate picture of the Community the question: “Where is the EC drifting?” certainly looks different. That such a

complex machine sometimes “rattles”, that there are strains, controversies and problems, goes without saying. But if the EC is seen as depicted here, these side-effects of its operation are not a reflection of a great crisis but, all in all, essential ingredients of an integration which is here understood as an attempt for problem solving in the Community framework. Let us call some of the problems and their causes to mind.

A Qualitatively New Phase

Reference should be made first to the qualitatively new phase of the EC since 1969/70. It is often given the label “positive integration” which is intended to indicate that the dismantlement of trade barriers for the purpose of setting up a Common Market is no longer the sole object but that the Community is playing an increasingly active part – side by side with the member states – in steering the economic processes and evolving policies in particular sectors. The plan to establish an Economic and Monetary Union makes this qualitative enhancement of the Community particularly clear. The states and the political forces operating in them inferred from it that the EC would participate in fixing central direction and distribution data and that decisions at Community level would have immediate effects within the national frameworks.

This explains why the states made – as it turned out, successful – efforts to exercise more influence on the decision-making apparatus of the Community. It also explains why political parties and interest groups began to pay more attention to Community affairs. And it finally explains why the decision-making process in the EC, which is dominated by the governments, became such a tedious affair: the governments have to heed various domestic interests and make sure that the Brussels trade-offs are accepted at home.

Diverging Basic Positions

While the Common Market and the customs union were set up in the political calm of the sixties so that basic political positions were not at stake, such positions have been adopted with increasing effect since 1969/70. Ideas about the political order – above all, about the role of the state in the direction of the economic process – are now coming into collision also in the Community; they often prevent or impede an understanding. Opposite points of view may be taken of matters of foreign policy. There are also wide differences between the basic positions on the so-called coalition issue: the relationship with the communist parties. The attitudes to integration, which involves the development of a regional community with

autonomous powers and responsibilities for the solution of problems, also diverge. There is thus a wide range of different basic positions with a bearing on the negotiations by which decisions are reached. Such positional differences were reflected by the programmes and election platforms of the three transnational party federations for the first direct elections to the European Parliament.

Structural Divergences

The decision-making capabilities of the Community are also affected by structural divergences which show up in the central structural economic data: unemployment, monetary stability, growth and productivity, public expenditure, balance of payments, and currency reserves. Divergences of this kind prompt the states to take different economic measures which in turn give rise to divergences. The starting position has changed in the seventies in the described sense so that there is only limited scope for a coordination of national policies.

Changes in the framework conditions as a result of developments in the international sphere present an additional obstacle to successful coordination. Instances of such changes are the collapse of the international monetary system and, even more important, the rapidly growing problems of raw material and energy supply including those of abrupt price increases; and mention must also be made of the challenges of North-South relations. The term structural divergences also applies to the differences in regional development the lessening of which is one of the Community's proclaimed objectives. But striking a balance, one finds that the differences of this kind have widened further as the EC developed – in part undoubtedly as a result of the repercussions of the Common Market which has led to asymmetrical migratory movements favouring the regions which were already enjoying special advantages.

The southward enlargement of the EC will have the effect of extending the range of basic political positions and magnifying the structural divergences.

Such positional divergences and conflicting interests due to structural differentials arise of course also in the individual EC member states but these find it much easier to solve the problem because there is no legitimacy problem. Of the Community on the other hand it is said that it lacks adequate legitimacy; that it has hardly any legitimacy of its own but relies on that of the member states. Some observers look on the directly elected European Parliament as a first step of

the Community towards gaining legitimacy of its own; Dahrendorf is also showing himself cautiously optimistic on this point.

If one follows US researchers into European politics, the EC is to be viewed as a so-called "concordance system" in which, according to Donald J. Puchala, the various actors endeavour to settle differences, harmonize interests and derive "rewards" from their cooperation. Conflict is part of this system; negotiating and bargaining are the means of reaching solutions. With the picture of the EC, its procedures and functioning as presented here in mind it is impossible to accept that the EC is undergoing a great crisis. And the question where the EC is drifting will have to be answered by noting, with Ulrich Everling, "that the EC will for the foreseeable future continue essentially in its present form and undergo only limited further development"². Put differently: attempts for problem solving at Community level will be of the manner of a

² Ulrich Everling: Überlegungen zum Fortgang der Integration (Reflections on the progress of integration), in: Europa-Archiv 24/1979, p.737-746.

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concordance system, which means that they will involve strenuous negotiating processes. Those who see the Community in a different light, those who, besides, postulate a clear cut target for the development of the EC will call this a "crisis".

Future Trends

Our interpretation of the Community (the EC system) and the processes taking place in it leads to a number of conclusions with which we shall continue and conclude the reflections on the original question:

□ It is not to be expected that the EC will take a "big leap forward" in the sense of becoming a more or less fully-fledged federal state. So much is clear from the response which is given to all moves towards this aim. Major steps, for instance to make the European Parliament the central decision-making authority in the Community, are for the time being doomed to fail; no consensus agreement is in sight for them. For many "fellow players" any initiatives in this direction go too far; they merely provoke opposition.

□ There is as little reason to expect the disintegration of the EC or its regression to a mere free trade area. The Common Market has had such far-reaching effects, the consequent ramifications between the national states and between them and the Community have become so close, the interpenetration in the political sphere has gone so far, and the legal junctures created by Community law and the jurisdiction of the European Court of Justice are so strong that such regression (disintegration) is most certainly ruled out.

□ The states will for the time being continue to play the dominant role which characterizes the present EC system. This intergovernmental component will if anything have even more marked effects in the future. The governments' actions depend however increasingly on the constellations of domestic political forces. The negotiating processes will therefore be as arduous as ever, and the solutions reached by them will still be compromises. The European Parliament may become a common crystallization point for open discussion of different basic viewpoints and to that extent work a change in the potency of the intergovernmental component within the Community, especially if it succeeds in providing broad and effective majorities for important tasks and problems with which the governments have hitherto been unable to cope. In this case the EC could gradually acquire a legitimacy of its own. Strategies that are realistic – and hence do not envisage major steps or even big leaps forward – were developed before the first direct

elections. Small steps of this kind have already been taken in the first year of the European Parliament's existence.

□ The basic structure of the Community will not be altered by reform proposals or initiatives concerning its decision-making apparatus which are of the nature of such small steps – even if they are realized. In particular, they cannot modify the effect of the mentioned factors (structural divergences and positional differences). Two tier integration on the other hand, being a more far-reaching measure, would in the final analysis be conceptually incompatible with the EC's character as a concordance system.

□ As for Community policies and developments, it is not to be expected that a wealth of new and additional policies will be brought under Community direction. The EC has in any case to deal with a very large range of tasks, seeing what wide implications its activities have on the various areas of public concern. A list of EC tasks would have to include the following points in particular on which a consensus would have to be sought:

In the first place, continuation of the harmonization efforts, especially in the legal field, for the further development and protection of the Common Market. Secondly, grappling with the challenges at home and from outside. At home the structural divergences should be moderated, and the consequences of previous Community measures (for instance in regard to free movement of labour) have to be counterbalanced or at least mitigated; there are also problems with a high priority at national level which should be taken up in the EC framework because they cannot be solved by individual states alone (for example, environmental questions, nuclear energy). External challenges arise in East-West and North-South relations and also in regional epicentres of conflict (for instance in the Middle East and Southern Africa) and in regard to problems concerning the world economy.

Third parties use to look at the EC as a unitary actor, able to work efficiently, and it is only logical in the circumstances that they address to it demands which the Community is not always able or willing to meet. At home the EC should not be regarded as an artefact drifting along without purpose, direction or orientation but as a Community which offers to the member states an additional, but by no means the only, framework for the solution of problems, an organisation in which the states, and the political forces at work inside the states, can act under the rules of a concordance system.