CHAPTER 7

Conclusion

The foregoing analysis shows that during the past fifty years Community Building and the preservation of national interests went hand in hand in Europe. At most times, calculations of safeguarding national interests seemed to outweigh the Community interests. This phenomenon is reminiscent of the conflicting aspirations Europeans had entertained since the fall of the Roman Empire — to build a political entity encompassing the whole of Europe while, at the same time, ensuring separate development of nation states. The first set of unifiers were the conquerors: Charlemagne, Otto I, Napoleon, and Hitler, but their empires collapsed. Then there were the Empire builders: the Holy Roman Empire, the Habsburg Empire, etc., but they too disintegrated. It was hoped that religion could do what conquest could not. Christianity, a common factor across Europe, a highly emotional religion and strong enough to inspire constructive action, could have brought Europe together. But Christianity also failed in its role as unifier.

Many factors came in the way of a unified Europe. For instance, feudalism which limited man's outlook to the provincial and parochial interests; the schisms which shattered Christian unity; the industrial revolutions which introduced fierce competition and intense rivalries among the nations; class struggles which led to revolutions; but the most destructive force, the only one capable of mobilising masses and hurling them against each other, was nationalism.

Nationalism found expression in various ways. Firstly, it demanded separate political existence on the basis of common language, common traditions of mores and cultures,
common religion, common ethnic background and common shared history.
Subsequently, it entered the aggressive phase. For instance, England was the first to
unify in the above-mentioned manner and organise itself as a nation state. One of its
first acts subsequently was a series of attempts to impose English dominion over
neighbouring peoples: the Welsh, Irish and the French. Similarly, the Germans and
Italians were among the last ones in Western Europe to unify and organise as nation
states but when they did, the impact was a change in the entire power structure of
Europe. They too wanted to claim their “rightful place” in the scheme of things. At
the same time, as the nations started to interact with each other in terms of trade and
other economic aspects, competition for raw materials and markets increased and so
did protectionism. Imperialism was the result of the former and economic nationalism
of the latter. The combined effect of all the above was that wars and internecine
quarrels became normal in the relationship among nation states of Europe.

Though nationalism ensured the separate political development and existence of
nations, “Europe” continued to exist as a state of mind.¹ In spite of the differences
among the people, there was something common to Europe, which bound them
uniquely. Till Europe broke up into nation states, Europe had a common culture
arising out of an interlinked history; of the process of civilization; the experience of
living under Roman law; the Christian religion and a secular culture that developed in
the Age of Enlightenment. Nationality held little meaning even for the monarchs.
Wars were fought with the aim of capturing strategic positions rather than the
conquest of nations. At the same time, the monarchs were truly cosmopolitan –
speaking other European languages with great flair and being comfortable in any part

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of Europe. Similarly, Europe was unified by one official language – first Latin and later French.

Despite such strong European consciousness, national consciousness got an upper hand in Europe. The official European language was limited among diplomatic circles, but the vernacular languages bound the nationalities. The invention of the printing press, especially in the vernacular, played a crucial role in mobilising the groups of people and unifying them on national lines. Moreover, the states seemed to subscribe to Machiavelli’s teachings that the Prince was the wielder of all power and was exempt from the restraints of all morality when it came to protecting the sovereignty of his nation. In Europe, nation states recognised no superior and no moral code other than what their conscience allowed them. On the economic side, protectionism fragmented Europe’s economy and caused economic malaise and political antagonism.

All attempts to unify Europe were based on inequality among nations. There was invariably one Power trying to establish centralised rule by either conquering or bringing under its dominion the other nations. The ruling power was almost always driven by the need to further its own glory rather than unify Europe based on equality of nations. For instance, Napoleon managed to bring a great part of Europe under his control. Though his supporters claim that Napoleon wanted first to replace the irrational political structure in existence with a rational division of states on national lines and then combine all the nation states into a great federation under the leadership of France; by his own admission his wars were only for his glory and the glory of France. Another feature of Europe was the shifting coalitions that successfully opposed control by a single power. Continuing with the example of Napoleon, he was brought down by the combined efforts of the other nation states.
Europe is a classic example of national ambitions pursued both openly and clandestinely. The lust for power and eagerness to dominate made Europe the mightiest portion on earth. For more than three centuries the European states dominated the world, directly or indirectly, due to their superior military power, economic prowess and intellectual development. From 1870 to 1914, the world saw unprecedented change under European leadership and in the wake of the industrial revolution. The quest for new colonies, markets and sources of raw materials led to such tensions that resulted in four years of mutual destruction in the First World War.

The extreme expression of glorification of the nation state was fascism and its most monstrous form found expression in Hitler’s Germany. Nazism worked on the belief that the German race was the most superior race and that they were destined to rule over the world. They devised policies such as Mitteleuropa, Weltpolitik, and Lebensraum to justify their expansionism. However, Hitler’s march towards yet another forced unification of Europe was brought to a halt by the rest of Europe with the help of the United States. Germany was defeated and stripped off all its glory in the Second World War.

Two World Wars in the space of two decades completely ruined the economies of both vanquished and victors alike. But most importantly, the World Wars almost completely destroyed the basic element of the existing international order, i.e. the sovereign nation state. Another war of similar magnitude would have spelt the end of the nation state. As a result, a new thinking, one of interdependence and regionalism found shape in Europe. The reasoning was that on their own nation states were always engaged in war against each other, which would destroy the nation state completely. The new approach – the Community Building – approach would foster co-operation among the warring nation states.
The basis of the Community Building approach was the equality of the member states. There was no hegemone. The Member States would surrender sovereignty in certain select areas to supranational institutions, which in turn would bring the people closer and usher in peace and unity. This probably was the only way to "rescue" the nation state.

The first step in this direction was the European Coal and Steel Community (ECSC). But, why coal and steel? This was because coal and steel were engines of growth at the time. Besides, Germany had rich reserves of both resources, which it could use for yet another resurgence. Therefore, coal and steel were brought under supranational control. The success of the ECSC and also the decline in significance of coal and steel in relation to oil and natural gas prompted the member states to take a more ambitious step in the direction of Community Building by way of the European Defence Community (EDC). However, this endeavour collapsed even before it took off when France refused to ratify the Treaty. Defence policy along with foreign policy and also monetary and social policies are defining functions of the nation state. As a result, member countries were by no means ready to surrender sovereignty in these areas.

The defeat of EDC prompted the Member States to concentrate on "low politics" rather than "high politics". The result was the establishment of the European Economic Community (EEC). The EEC was established with the objective of promoting free trade between member states and to progressively establish a broadly synchronised economic system. Subsequently a broader approach was adopted to include removal of all internal barriers in the Community and the harmonisation of political, economic, monetary and social policies of the member states. In this

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endeavour, how much national interest and how much Community spirit prevailed from the signing of the Treaty of Rome to the Maastricht Treaty? The very establishment of the EC was driven by national interest. The long-term interest being to ensure the secure existence of the nation state and the short-term interests were varied and numerous. How could the survival of nation states be ensured within the integrationist Community Building approach? Even though the Member States had to transfer limited sovereignty to supranational institutions, they ensured that power remained with the member governments. The Commission and the European Parliament have only limited competence. The real power rests with the Council of Ministers, a new institution based on confederal lines. Furthermore, the Member States keenly pursued intergovernmentalism over supranationalism. President Charles de Gaulle of France was the front-runner in undermining the supranationalism inherent in the EC. The most glaring example is the Franco-German bilateral treaty of 1963, which was consciously seen in Paris if not in Bonn as a means of undermining the EC supranationalism. Though the Franco-German Treaty did not set a precedent it did contribute to a general acceptance of intergovernmentalism among the member states. The establishment of the European Council in 1974 and its subsequent inclusion in the EC was another step towards intergovernmentalism; and, so was the establishment of the European Political Cooperation (EPC). The Ministers of Foreign Affairs met regularly in the Council of Ministers, which could have taken up the role of harmonisation of foreign policies but it did not find favour with the member states. This was mainly because the decisions taken in the Council of Ministers were binding, whereas the ones taken in EPC and the European Council were not. But the most crushing blow to supranationalism was the Luxembourg Compromise wherein it was agreed that on any matter of vital interest to any member state, decision would be
taken on the basis of unanimity. In order to reach such a compromise, France had kept the entire Community on a stand still for almost six months when there was a suggestion of transferring limited powers to the European Parliament regarding the Community budget.

Therefore, the functioning of the EC can best be called intergovernmental institutionalism\(^3\), which is based on intergovernmentalism, lowest common denominator and strict limits on future transfers of sovereignty.

The main tenet of the EC is free movement of all goods – industrial and agricultural. The underlying implication is that all barriers to trade within the Community would be abolished. It does not imply the development of institutions to foster expanded and integrated markets. In the initial years trade increased manifold in relation to the growth of output. Though overall trade grew, the increase in intra-Community trade was more significant. It signified the increased dependence of member states on each other. Further, it meant that trade barriers within the Community had been dismantled considerably. By 1968 the Community had abolished all internal tariffs.

This was a major step forward in the Community Building process. At the same time, another trend noticed, during the same period was a significant increase in the role of the state. For instance, increase in the total outlay of the government, use of fiscal and monetary policies to influence aggregate demand and promoting national champions. This is significant because up to the early 1970s the international economic environment was favourable. The EC's overall trade increased, both intra-EC trade and with the rest of the world on a cost plus basis. Under such circumstances, latitude


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for States to influence the economic scene should have decreased. That it happened otherwise implies that Member States did not want to give up national control and ensured their own interests first.

With the first oil crisis the favourable economic conditions gave way to economic recession, which simply meant that the role of the State became paramount and protectionism ruled in the intra-Community trade. As seen in the three case studies of cars, broadcasting and wine, Member States employ innovative and sophisticated means to keep products from other Community countries out of their national markets. For example, France would tax higher excise tax on cars over 12 CV. On the face of it this sounds innocent. But in reality France did not produce cars over 12 CV at the time. As a result, effectively the higher tax was on all imported cars, which rendered them expensive and hence uneconomical. Similarly, Italy had introduced numerous administrative requirements for registration of imported cars, which were cumbersome and hence a disincentive to import. In case of broadcasting a Community Directive was passed that broadcasting should not be merely a national concern for nationals alone but should be an activity to promote the European spirit. It was truly a noble idea. It was decided that at least 30 percent of the programmes aired should be reserved for Community works. But national broadcasters defied this requirement. In spite of the Directive and general enthusiasm over “cultural inter-penetration” Member States reverted to national programmes on the ground that cultural diversity of the Community should be preserved.

The main component of the Common Agricultural Policy (CAP) is the system of common pricing, which means that apart from transportation costs a product must cost the same throughout the Community as it has been commonly fixed. But this is never the case. The national governments have a choice to fix national support prices
at their desired levels. This is mainly because of the existence of monetary compensatory amounts (MCA) and the extensive use of non-tariff barriers. Since the common prices were fixed at a level much lower than the high German level but much higher than the low French price level, Germany had been unhappy about the low support prices for its farmers. But positive MCA allowed Germany to fix its support prices at a desired higher level. Whenever there were proposals to dismantle MCAs Germany opposed the idea.

Similarly, in the 1970s and early 1980s the Community was rocked by the “lamb wars” between France and the UK. France, a surplus producer of lamb – goat and sheep meat – found its markets flooded with cheap lamb imported from Britain. As a result, its National Cattle and Meat Trades Board administered a threshold price for import of lamb i.e. only when the reference price quotation reached or exceeded the threshold price could lamb be imported into France. This was a gross violation of all Community rules. The European Court of Justice (ECJ) found France guilty of protectionism and asked it to stop the practise. But, instead France simply changed tactics. All imports of lamb were to be subject to a license. This rendered imports highly uneconomical and hence was an effective barrier. Even though the Commission, the Agricultural Commissioner and other Member States condemned France, it blatantly continued with its practise. In fact it extended cuts on lamb imports from Belgium, Holland, Germany and Ireland too. Subsequently, France claimed that British meat was not fit for consumption as they were infected and hence a health hazard. Years later Britain behaved in no different a manner when its beef was detected to be infected with mad cow disease. Britain viewed the problem purely through economic terms and hence went to great lengths to convince its own citizens as well as its Community partners that BSE had no effect on human health. When
humans too started to die, Germany and France unilaterally imposed a complete ban on British beef. Soon the Community also followed. Britain reacted badly to the ban and in return began to bloc all Community decisions in other policy areas.

These examples convey that in the Community, Member States' short term national interests rule. The 1985 White Paper on Completion of the Internal Market exposed the failure of the Common Market. Even though all tariff barriers were dismantled in 1968, the Community effectively functioned as twelve different markets. The White Paper identified 300 measures that needed to be taken to establish a truly single market. This simply showed how divided the EC market was. The Community endeavoured to establish a single market by 1992 when all the existing barriers would be dismantled. Is there a change? Does a truly Single Market exist? It has been found that even after 1992 physical barriers exist. Though the customs formalities have been removed at the frontier, they have simply shifted inland to the business itself. 1992 introduced the concept of mutual recognition of national regulations and standards. But it has resulted merely in Member States adopting more sophisticated measures and national governments enacting new technical regulations to protect national interests. Similarly, the fact that Member States no longer talk about tax coordination, fiscal measures continue to be used as an effective barrier.

Along with free movement of goods the Common Market also entailed free movement of labour. In fact the EC social policy deals with creating an area within which labour can move freely. Like in free movement of goods, free movement of labour is also marred with national regulations, protectionism and discrimination against non-nationals. Even at the height of shortage of labour in Europe in 1966, though 1.2 million Italians obtained labour permits to work in other EC countries, only half that number remained outside Italy. This is mainly because Member States
preferred non-Community workers as they were cheaper and did not demand equal treatment as nationals. As a result, Member States would resort to non-recognition of qualifications and degrees or not advertise job availability. Further non-nationals would be discriminated against by not allowing them to vote or stand for elections in the workers council, no proper housing facilities, etc. In fact Member States have resorted to questioning the moral integrity of individuals to keep them out of their countries.

The original Mansholt Plan for agriculture was oriented towards making European agriculture self-sustaining. The emphasis of the Plan was structural reforms, which required consolidation of small farms, more farmers giving up farming, land set-aside, etc. Such reforms however, affected the core of European agriculture, especially that of France. As a result, France orchestrated a change in emphasis of the CAP from structural reforms to common pricing policy.

The common pricing system meant that the Community determined the support prices for different agricultural products. The farmers were guaranteed a minimum price for all their produce. Moreover, if there were surpluses then the Community paid export subsidy to dispose them off. The result was that the guarantee section of the European Agricultural Guidance and Guarantee Fund (EAGGF) consumed the major portion of the Community budget. This caused a lot of imbalance in the Community especially when Britain acceded to the EC. Soon it was realised that Britain was a net contributor to the budget. Britain demanded that the imbalance be corrected but France would not allow any reform of the CAP as it was the major beneficiary of the CAP in its existing form. The 1970s and 1980s were marked with the British demand for their money back and France resisting it. The end result was Britain linked all major Community issues to its budgetary problem and vetoed them on the ground that
its vital national interest was being undermined. In the end, Britain was granted annual refunds according to a formula adopted at the Fontainebleau Summit in 1984. Throughout this tussle Britain was condemned for its lack of Community spirit. But by late 1980s as more Member States became net contributors to the budget, notable among them being France, Italy and the Netherlands, they made the same arguments made by Britain earlier. Increasingly contribution to the Community budget was viewed as national contribution. Similarly, at the height of unemployment in Europe when demands on the Social Fund were maximum, Member States were reluctant to allocate more to the Social Fund. The inference from the above is that Member States strive to maximise benefits from the Community. If it worked otherwise they either impede Community activities or adopt national measures.

This does not, however, mean that there was no development of Community spirit during the period. Though the Treaty of Rome hardly mentions common monetary, foreign or social policies, over the years, Member States have succeeded in cooperating in all three areas and they find mention in the Maastricht Treaty in some form or the other. Monetary, foreign and social policies are bulwarks of national policy. Surrender of sovereignty in these areas means giving up crucial functions of the nation state. Community action in all three areas began mainly because circumstances demanded it and because nation states could not deal with them on their own. For instance, in the 1970s two oil shocks, collapse of the Bretton Woods system and the apparent constraint on US as the anchor currency forced the EC Member States to think of a Community answer.

Germany had an overriding interest in having a Community monetary arrangement. The appreciation of the German D-Mark with respect to the dollar left Germany with a loss in competitiveness. The way out was joint floating of currencies and
elimination of balance of payments constraints. The other Member States, except for the Netherlands, were not so keen as linking with Germany meant following strict German rules. Normally in the face of German competitiveness the others devalued their currencies so that their aggregate demand was not affected. Following strict policies would have robbed them of such expansionist policies. But the others agreed to a Community arrangement because confidence in the dollar fell to an all time low and every country was converting their dollar reserves into gold. France especially wanted to use this opportunity to break off with the US. At the same time, the Community Member States were suddenly worried about Germany's new assertiveness. There seemed a new confidence whereby Germans followed their own agenda and did not feel the need to consult or seek permission from anyone. As a result, a monetary arrangement was seen as the best means to bind Germany with Europe in such a way that it could not cut loose. Subsequently the “Snake” was launched. Soon enough the “Snake” collapsed mainly because of lack of political will among Member States to coordinate economic and monetary policies.

The negotiations for the European Monetary System (EMS) openly displayed the Member States’ calculations of preservation of national interests. The EMS was entirely a German initiative. It was important for Germany, as it was the best way to counter the loss of competitiveness it faced due to the appreciation of the D-Mark vis-à-vis the dollar. France agreed to the German initiative as it considered EMS as an effective way to break away from the US. At the same time it wanted to share the leadership of Europe with Germany, partly from national pride and partly from fear of German dominance. The immediate interest however was to import some of the economic stability that would accompany the EMS. The Benelux chose to agree with France and Germany. But Italy, Ireland and Britain were opposed to it. Italy wanted a
looser arrangement, one that would allow wider margins of fluctuations than 2.25 percent. Ireland, like France, was keen about the strict discipline and stability accompanying EMS but wanted side payments from the richer countries in return for its agreement. Britain, on the other hand, was opposed to EMS as it excluded the US entirely and also because it did not find favour with any aspect of EMS. The bargaining and negotiations that ensued resulted in Germany and France buying off Italy and Ireland while Britain chose to stay out of the arrangement.

Britain is viewed as the Member State with the least Community spirit. But as Jonathan Collet of the Bruges Group says: if Britain agrees to any Community decision then it follows it in letter and spirit. But if Britain does not feel it can implement a decision entirely, then it prefers to stay out rather than engage in "cheap talk". France, along with Germany, had spearheaded the EMS but a few days before the EMS was to become operational France refused to give it the green signal as it linked this with the issue of dismantling of MCAs. France wanted the MCAs to be dismantled completely as then German high prices would be lowered and British food prices would increase. This, in turn, would mean a cash flow from food importing countries to food exporting countries, i.e. France. Similarly, Britain had opted to stay out of the Social Chapter as well. With Britain no longer there to veto, the other Member States could easily implement all the provisions they had eagerly pursued. But when there was a move to bring most social issues under qualified majority vote, it was Spain, a frontrunner regarding the Social Chapter, who kept stalling and demanded special budgetary funds to be created for the poorer Member States.

4 In an interview in London, on 25 October 2000
Similarly, Britain had been opposed to the payment on a pro-rata basis of social benefits to atypical workers. With Britain out, the other eleven Member States could have easily executed it. But it was opposed by Germany, Spain, Luxembourg, Ireland and Denmark.

The EMS experience did introduce a culture of coordination of economic and monetary policies and paved the way for Economic and Monetary Union (EMU). The raison d'être behind EMU can be appreciated when viewed with respect to German unification. A powerful, unified Germany at the heart of Europe was very unsettling for all of Europe. EMU would bind Germany with Europe and leave no scope for resurgence.

Foreign Policy too has been the exclusive domain of national governments. The Commission has exclusive representational competence only in matters of trade. Thus, it could conclude international agreements on trade like the GATT Rounds. But as seen in examples of the Kennedy Round and the Uruguay Round the Member States grant the Commission only limited competence. During the Uruguay Round, Member States claimed that the Commission had no competence to deal with issues such as trade in services or trade related intellectual property rights. As a result, along with the Commission, individual Member States participated and also signed the final agreement. At the same time when the Commission reached an agreement with the US regarding agriculture (The Blair House Accord), France opposed it and used the threat of veto to force the Commission to renegotiate in France’s favour.

Regarding political issues, the Commission had no competence. However, a parallel process was established in 1969 in order to give the EC a voice in international affairs. The European Political Cooperation (EPC) was to be a forum where important
international issues would be discussed and the Community could develop one voice. But the EPC was deliberately kept as a loose arrangement, with Member States not being bound to cooperate or coordinate their foreign policies. Even then EPC did play an important role. At least a culture of discussing foreign policy issues had begun. But whenever there was a crisis, Member States were driven by the need to protect their own interests even to the detriment of other Member States' or the Community interest. During the 1973 Energy Crisis. Holland was left to deal with the Arab oil embargo alone, while Britain and France scrambled to be in the good books of the Arabs in order to ensure that they got their supplies. When Britain was faced with the Falkland Island Crisis, the Community was quick to condemn Argentina and express support to Britain. They imposed an embargo on all trade with Argentina for a month. But for all practical purposes, Britain acted unilaterally with the support of the US. Moreover, very soon the EC solidarity also fell apart when Italy and Ireland withdrew from the embargo invoking Article 224. At the same time, The EC Member States expected Britain to agree on the agricultural support price in return for their support over Falklands. When Britain refused, they too refused to extend the economic sanctions against Argentina.

The Gulf War also saw Member States working on their own with not even a slight effort to coordinate their actions. Britain extended full support to the US, France took essentially unilateral actions, Germany hid behind its Basic Law and refused to take part in the war, while Italy, Spain, Holland, Denmark, Greece and Portugal extended support to the US. Only Belgium spoke of European action. The hostage crisis, during the war, further revealed that Member States thought of themselves first as French, Germans or Spanish rather than as Europeans. In spite of the fact that the EC issued a Joint Statement saying they would work for the safe return of the “EC citizens”, every
Member State rushed to send its own envoy to ensure the safe release of its own nationals. The Yugoslav Crisis saw Germany asserting its power. In defiance of the Community agreement the Germans went ahead and recognised Croatia and Slovenia.

The Common Foreign and Security Policy (CFSP) was devised to correct these drawbacks inherent in the EPC but here again the Member States have ensured that the federal characteristics of the Community were not extended to the sensitive area of foreign policy and especially security policy. The ECJ is kept entirely out of the CFSP pillar. Further, the European Council and the Council of Ministers are the main actors. Decisions have to be unanimous and most importantly, a common position does not stop Member States from pursuing independent action.

In the final analysis, interdependence among Member States has increased significantly – be it in trade, monetary policy, common currency, cooperation in foreign policy or coordination of social policy. The Member States have started a culture of cooperation/coordination in areas hitherto exclusively under national domain. A common currency, the euro, came into circulation in January 2002; Community nationals have the right to vote and stand as candidates in municipal elections and to the European Parliament in any part of the EC irrespective of nationality; citizens can move freely, without requirements of visa or frontier checks anywhere within the Community, except the UK; the EC has a Social Chapter which calls for coordination of social welfare; and so on. It is an accepted fact that Member States cannot do without the Community. Since the Second World War there has been no war in Western Europe, the EC has made Western Europe a major trading bloc, the smaller Member States have the guaranteed protection against aggressiveness and expansionism of the larger countries; every Member State benefits from being a part
of the Community. But, what does this signify? Does it mean that the Community spirit would eventually lead to a united Europe?

Though Member States cannot do without the Community, there seems little motivation to move towards a unified Europe. In fact, more than ever before, there seems to be a more overt move towards national considerations now. For instance, when the euro was introduced there was general chaos, bank strikes and a great deal of rumblings in Italy, which has been an avid supporter of the Community Building process until now. While the Italian Minister for Reform, Umberto Bossi claimed, "I do not care a damn for the euro", the Italian Prime Minister, Silvio Berlusconi warned, "No one, I repeat no one, should think they can put us under surveillance, or worse still, treat us as though we had limited sovereignty". Berlusconi is a very popular Prime Minister at home. Hence his views reflect the views of the people.

Regarding political rights to non-nationals, Denmark was seen to make a unilateral declaration that it would not participate in any such development. Belgium and Luxembourg demanded and got "20 percent derogation" on the ground that a large part of their population consists of non-nationals. France insisted that the office of Mayor could be held only by nationals and the final Directive allowed Member States to reserve the office of Mayor or its equivalent to nationals alone. Political citizenship beyond nationality questions the very future of the nation state. Member States have ensured that such rights are extended only with respect to the European Parliament and not municipal elections. Furthermore, Member States resist any increase in powers to the supranational institutions – the Commission and the European Parliament. The fact that the Final Act of the Uruguay Round was signed by

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representatives of every Member State separately along with the Commissioners and Council President is just an example of nation states regaining sovereignty previously surrendered. At the same time, increasingly decisions are taken under the aegis of intergovernmental conferences. Clearly the trend is to move away from supranationalism to a loose intergovernmental arrangement. Member States are willing to allow the ECJ jurisprudence in economic matters but in no way to foreign or security policies. Similarly, the entire debate about “deepening” and “widening” is a manifestation of the tussle between national interest and Community spirit. Deepening would mean nation states give up more sovereignty to the Community institutions and the EC becomes more and more unified. On the other hand, widening implies a loose arrangement; no binding rules and allows more European countries to accede to the EC. The fact that the EC has opted for widening proves that national interest drives the EC today. At the same time, across Europe, increasingly right wing and centre-right parties, which are opposed to Community agenda, are either coming to power or coming up as a major force. This is an expression supportive of the resurgence of the nation state.