Democratic Deficit – the Community Model vs. the Open Method of Cooperation

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Abstract

Democracy is a concept whose definition has evolved somewhat constantly with the concept of *sovereignty*. The democratic deficit concept was invented by David Marquand in 1979 in a context in which the European Parliament was formed after a direct and universal suffrage. The European Union and the European Community were created by a permanent transfer of competences from the national to the community level. Politically, this is a sensitive issue because it is closely linked to the the sovereignty of Member States. In March 2000 the European Council set out a series of principles that are considered necessary for the effectiveness of the community law. Open Method of Coordination was created to enhance the efficiency of European decision making process. When this method was created it was intended to reduce the democratic deficit by including as many players in European governance as possible. The transfer of authority and sovereignty does not involve necessarily the transfer of classical democracy mechanisms.

Keywords: democracy, sovereignty, competencies, subsidiarity, proportionality, Open Method of Coordination

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THE DEMOCRATIC DEFICIT is one of the main topics brought into discussion when it comes to debating the European construction. Invoked whenever comes the need to reform the European project, this subject has become almost axiomatic in European scientific and public debate.

I consider that the discussion concerning the democratic deficit is a false one in the current European discourse. In this paper I will try to demonstrate some relevant assumptions that I believe will show that the democratic deficit cannot be considered a feature of the European construction. My demonstration will be based on some principles and competences stated in the Treaties.

The first hypothesis states that specificities of national democracies cannot be applied to an intergovernmental and regional organization.

The second hypothesis states that the European Union is built on a transfer of powers from the national to the community level, which does not necessarily include an extension of democratic principles.

A third hypothesis argues that the open method of coordination can be interpreted as an extension of the principle of subsidiarity, giving Member States the guarantee of their sovereignty, and facilitating the European integration process and its dynamics.

Democratic deficit vs. communitarian democracy?

In a study from 2010, I conclude that the dilemma of defining the European Union and the role of its Member States remains (Alexandrescu, 2010: 48-49). If we were to assume the definition given by P. Kirchhof, then the EU is an association of states (Kirchkof, 1999: 230). Or, according to Donald Puchala the European Union is a quasi-state, a *nascent* state organization, an emerging state organization (Puchala, 1999: 319-320). Under these conditions, the natural question is what *democratic deficit* are we talking about?

If we look from an intergovernmentalist perspective, the European Union cannot be defined as a supra-state, but as a loose confederation. Given this situation, the European Community cannot be characterized by a parliamentary system but by a division of power system, and, in this sense, the governance can only be *diffuse*. Secondly, the EU system would have a double legitimacy: (a) by means of direct European elections for the European Parliament, and (b) indirectly, by means of the election of national officials. Thirdly, the EU is a technocratic

system where the political emotions are not in a favorable place for manifestation. In this sense, a direct participation of the population in EU decision-making would not be lower than in the Member States (Moravcsik, 2002: 604-605).

In this context, a specific question is to what extent does the democratic deficit complicate the European governance or does the latter simply determine the former?

According to Mathias Albert, democracy is not, in fact, the only form of legitimacy, for there is also the *sovereignty,* for example (Albert, 2002: 293-310). Ultimately, legitimacy is a matter of perception and acceptance of a situation. Or, as Kohler-Koch said, what matters the most is the efficiency of the system (Kohler-Koch, 1998: 45-58).

Beyond these arguments, we believe that the functionality of the system is given by the members' degree of acceptance. Or, the EU Members are not only the states, but their citizens as well, who have European citizenship. Loyalty is characterized by the sense of belonging, not only by the transfer of authority, even though the two concepts are necessarily co-dependent. In this context, the discussion about the *democratic deficit* is not in vain because it goes beyond, to the issue regarding the continuation of the integration of the elites and the involvement of the people. Next, we will try to explore to what extent the Lisbon Treaty managed to provide a solution to these issues, along with the efficiency and the functionality of the system.

Maybe too broad to find a conclusive definition, *democracy* is a concept whose definition has evolved somewhat constantly with the concept of *sovereignty*. More often the *democracy* is confused with *liberty* (Stromberg, 1996: 8). Or, equally well, democracy may be synonymous with *human rights*. Therefore, it is not surprising that Professor Frank Schimmelfennig, talking about liberal democracy, which has characterized this century, marks three institutions as essential: (a) *representative assembly* - and here the powers granted to the Parliament are important, (b) *human rights regime* - which defines the degree of compliance with the positive and negative freedoms of people, (c) the membership regulations - which determine who can, or cannot join the policies (Schimmelfennig, 2009: 3-4).

The democratic deficit concept was invented by David Marquand in 1979, in a paper called "Parliament for Europe" (Devuyst, 2008), in a context in which the European Parliament was formed after a direct and universal suffrage.

Keeping this institutions-citizen ratio, then democracy is claiming for greater transparency in decision-making. Even in this interpretation we believe that democracy is only valid for the European Parliament directly. To overcome this interpretation by including specific elements of a governed-governor relation

is still premature because the European Union continues to be an international organization, mainly intergovernmental.

We believe that under the influence of the Lisbon Treaty the EU democracy can be characterized by transparency and efficiency. Other items relating to freedom of movement, human rights, even European citizenship are either the features of the Internal Market or implications of international law, or innovative elements within an international organization. In order to claim governor-governed democracy the European Union would have to undergo new stages and to assume the characteristics of a federal state.

Principles and competences defined by the Treaties

The European Union and the European Community were created by a permanent transfer of competences from the national to the community level. Step by step, its constitutive treaties have indicated more expensive responsibilities for everyone. Along with the competences, the treaties have defined the principles on which this international organization operates. These principles are designed to manage the relations between the Member States and the community institutions, relationships between various institutional entities of the Union and the relationship between the European citizens and EU institutions. In this respect, Adam Cygan said: "Competence is the term used to define the responsibility for decision-making in a particular policy field." (Cygan, 2011: 521).

Regarding differentiation between Community competences, the distribution of competences between the Union and the Member States is essential. Politically, this is a sensitive issue because it is closely linked to the the sovereignty of Member States. Article 5 of the Lisbon Treaty (TEU) explicitly defines three of the underlying principles of European governance: (a) principle of conferral, (b) subsidiarity, and (c) proportionality:

> *(1) The limits of Union competences are governed by the principle of conferral. The use of Union competences is governed by the principles of subsidiarity and proportionality.*
> *(2) Under the principle of conferral, the Union shall act only within the limits of the competences conferred upon it by the Member States in the Treaties to attain the objectives set out therein. Competences not conferred upon the Union in the Treaties remain with the Member States.*

Next, I will insist on each of the principles laid down by the Lisbon Treaty and how they contribute to the functioning of the European mechanism, in order to see to what extent their application is or is not a default extension of democratic principles from Member States to the Community sphere. Our analysis is based on the text of the Lisbon Treaty and the Treaty on the Functioning of the European Union.

The principle of conferral

The first principle stated in the Treaties is the principle of conferral. By virtue of it, the European Union acts within the limits of the competences conferred by the Member States through the constitutive treaties:

Defining the competences conferred to the European Union has been a widely debated topic in the literature (Dashwood, 1996; Di Fabio, 2002; von Bogdandy and Bast, 2002; Craig, 2004; Mayer, 2005; Schütze, 2009). Currently, the Treaty on the Functioning of the European Union (TFEU) defines the following competences:

- ✓ *exclusive competences*
- ✓ *shared competence*
- ✓ *competence to carry out actions to support, coordinate or supplement the actions of the Member States.*

Art. 2 TFEU

1. When the Treaties confer on the Union exclusive competence in a specific area, only the Union may legislate and adopt legally binding acts, the Member States being able to do so themselves only if so empowered by the Union or for the implementation of Union acts.

2. When the Treaties confer on the Union a competence shared with the Member States in a specific area, the Union and the Member States may legislate and adopt legally binding acts in that area. The Member States shall exercise their competence to the extent that the Union has not exercised its competence. The Member States shall again exercise their competence to the extent that the Union has decided to cease exercising its competence.

3. The Member States shall coordinate their economic and employment policies within arrangements as determined by this Treaty, which the Union shall have competence to provide.

4. The Union shall have competence, in accordance with the provisions of the Treaty on European Union, to define and implement a common foreign and security policy, including the progressive framing of a common defence policy.

> *5. In certain areas and under the conditions laid down in the Treaties, the Union shall have competence to carry out actions to support, coordinate or supplement the actions of the Member States, without thereby superseding their competence in these areas.*
>
> *Legally binding acts of the Union adopted on the basis of the provisions of the Treaties relating to these areas shall not entail harmonisation of Member States' laws or regulations.*
>
> *6. The scope of and arrangements for exercising the Union's competences shall be determined by the provisions of the Treaties relating to each area.*

The first category taken into consideration is the competences conferred as specific responsibilities to the community institutions. The subsidiary competences refer to contingencies in the text of the Treaties, which cannot be solved at the national level. Exclusive competences of the European Union are those listed in Article 3(TFEU):

a) customs union;
b) the establishing of the competition rules necessary for the functioning of the internal market;
c) monetary policy for the Member States whose currency is the euro;
d) the conservation of marine biological resources under the common fisheries policy;
e) common commercial policy.

The European Union shall have exclusive competence regarding the signing of an international agreement when its conclusion is provided by a legislative act of the European Union or is necessary to enable the Union to exercise its internal competence, or insofar as it might affect common rules or alter their scope.

A second category of competences (the shared competences) is defined at Articles 4 and 5 of the TFEU. Under the principle of conferral, all powers that were not conferred to the European Union remain reserved to the Member States. Reciprocally, Community competence begins where the competences of Member States end." (Gyula, 2004: 65).

Community law, besides the exclusive powers conferred to the Union, talks about competing powers, which can mean: (a) shared competences and (b) parallel competences.

More explicitly, Article 4 (2) of the TFEU lists the 11 areas of application of shared competences:

(1) internal market;
(2) social policy, for the aspects defined in this Treaty;

(3) economic, social and territorial cohesion;
(4) agriculture and fisheries, excluding the conservation of marine biological resources;
(5) environment;
(6) consumer protection;
(7) transport;
(8) trans-European networks;
(9) energy;
(10) area of freedom, security and justice;
(11) common safety concerns in public health matters, for the aspects defined in Treaty.

Furthermore, the same article brings new clarifications in two more areas:

- research, technological development and space, where the Union shall have competence to carry out activities, in particular to define and implement programs; the exercise of this competence shall not prevent the Member States to exercise their jurisdiction.
- development cooperation and humanitarian aid, where the Union shall have competence to carry out activities and conduct a common policy; the exercise of this competence shall not deprive the Member States of the opportunity to exercise their jurisdiction.

Article 5 TFEU brings further clarification on other areas where competences are shared between the Union and the Member States. In the first paragraph it stipulates:

> *(1) The Member States shall coordinate their economic policies within the Union. To this end, the Council shall adopt measures, in particular broad guidelines for these policies.*

It becomes obvious that the term "coordination within the Union" leaves ground for manifestation of the intergovernmental dimension of the European Union, because the Council is the one to "adopt measures" and give "broad guidelines".

Only in the second paragraph we see collaboration between the intergovernmental and supranational levels. It's about the right of the Union to take "measures to ensure coordination of the employment policies of the Member States, in particular by defining guidelines for these policies". Therefore, specifying the policy guidelines is the task of the Council, while the Commission's task is coordination and definition. Article 5 (3) TFEU assigns the European Commission is assigned with the right to "take initiatives to ensure coordination of Member States' social policies".

Regarding the parallel competences we admit that both the EU and the Member States have to take actions. For example, Article 191 (TFEU) speaks about the European Union environment policy. Paragraph (4) includes two explanatory paragraphs:

> *4. Within their respective spheres of competence, the Union and the Member States shall cooperate with third countries and with the competent international organisations. The arrangements for Union cooperation may be the subject of agreements between the Union and the third parties concerned.*
>
> *The previous subparagraph shall be without prejudice to Member States' competence to negotiate in international bodies and to conclude international agreements.*

Same is the case with the Common Commercial Policy defined in the TFEU at Article 207 with completions at Article 218. It is the Union's competence to negotiate and sign international agreements, where the decision belongs to the Council which decides by qualified majority. Article 207 (6) TFEU makes the following statement:

> *6. The exercise of the competences conferred by this Article in the field of the common commercial policy shall not affect the delimitation of competences between the Union and the Member States, and shall not lead to harmonisation of legislative or regulatory provisions of the Member States in so far as the Treaties exclude such harmonisation.*

Competence to support, coordinate or supplement the actions of Member States refers to the following seven areas:

1. protection and improvement of human health;
2. industry;
3. culture;
4. tourism;
5. education, vocational training, youth and sport;
6. civil protection;
7. administrative cooperation.

These remain areas in which states have the right to legislate, the European Union intervening only towards supporting the development of infrastructure, the harmonization of national legislation in principle or the mutual recognition of results (diploma, certificates etc.). For example, Article 147 TFEU states:

> *1. The Union shall contribute to a high level of employment by encouraging*

cooperation between Member States and by supporting and, if necessary, complementing their action. In doing so, the competences of the Member States shall be respected.
2. The objective of a high level of employment shall be taken into consideration in the formulation and implementation of Union policies and activities.

J.P. Jacqué points out that "the existence of an exclusive competence does not mean that the intervention of the Member State is not possible in the exercise of this competence." (Jacqué, 2001: 116).

However, concerning the exclusive competence, it is customary that when Community intervenes, the action made by the Member States is limited in that area. In the case of the exclusive competences by nature, Member States may recover them only by reviewing the Treaties.

Subsidiarity and proportionality

The founding treaties of the EU define two principles designed to limit the exercise of some community competences. The first mention of the subsidiarity principle is reflected in the preamble of the Maastricht Treaty on European Union (1992):

> "RESOLVED to continue the process of creating an ever closer union among the peoples of Europe, in which decisions are taken as closely as possible to the citizen in accordance with the principle of subsidiarity."

After stating the objectives of the European Union, the Maastricht Treaty states in the last paragraph of Article 2 (former Article B) that these targets are achievable "in accordance with the subsidiarity principle" that applies on three pillars: Communities, the CFSP and JHA. The definition of this principle is found today in Article 5 (3) of the Treaty on European Union:

(3) Under the principle of subsidiarity, in areas which do not fall within its exclusive competence, the Union shall act only if and insofar as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level.

The institutions of the Union shall apply the principle of subsidiarity as laid down in the Protocol on the application of the principles of

subsidiarity and proportionality. National Parliaments ensure compliance with the principle of subsidiarity in accordance with the procedure set out in that Protocol.

We may see that this principle is defined by a limitation: "the Union shall act only if and insofar as...". In other words, subsidiarity is applicable in areas where the Union does not have exclusive competence, in areas of concurrent or shared competences. In this case, the Union intervenes only when it considers that the Member State is unable to effectively solve a problem or when the problem size exceeds that state's ability to act effectively.

One must note that the subsidiarity principle does not create complementary skills. Since the scope of this principle is not sufficiently and clearly defined in the Treaties, ECJ case law and institutional arrangements provide more detail.

Proportionality principle

(4) Under the principle of proportionality, the content and form of Union action shall not exceed what is necessary to achieve the objectives of the Treaties.

The institutions of the Union shall apply the principle of proportionality as laid down in the Protocol on the application of the principles of subsidiarity and proportionality.

If the principle of subsidiarity determines the Community competence to act, the proportionality principle regulates the extent of community law enforcement. The purpose of this rule is to avoid the excesses of Community legislation. In this regard, the Amsterdam Protocol notes at Article 6 that directives are more preferable than regulations and framework directives are more preferable than detailed measures. Reference is made to Article 288 of the TFEU which defines community acts.

The proportionality principle recommends the directive as a Community legal act because it is required to achieve the result, leaving Member States free to choose the form and means of implementation. Beyond the procedural aspects, the Amsterdam Protocol strengthens the recommendation for implementing directives because the Community measures should provide a wider space for national decision, and this should be compatible with the purpose and requirements of the Treaty.

In essence, the principle of proportionality demands respect for Member

States' legal systems and practices. EU regulations are meant to bring harmonization of national policies at Community level without interfering with the national legal systems. As a rule, the proportionality principle follows the subsidiarity principle:

The Lisbon Treaty has included Protocol 2 "on the application of the principles of subsidiarity and proportionality". This Protocol sums up the new articles and the manner in which they will be applied. Article 4 of the Protocol mandates the Commission, the European Parliament and the Council to submit to the national parliaments every legislation draft or draft amendments. After adoption, legislative resolutions of the European Parliament and the Council positions will be sent again to national parliaments.

Article 5 stipulates that any proposed legislation "should contain a detailed statement making it possible to appraise compliance with the principles of subsidiarity and proportionality." This sheet should include elements that allow to:assess the financial impact of the project in question and,in the case of a directive, assess the implications of the regulations that will be implemented by the Member States, including regional legislation.

The reasons for concluding that a Union objective can be better achieved at Union level are based on qualitative indicators and, wherever possible, quantitative indicators. Draft legislative acts shall take in consideration the need that any burden, whether financial or administrative, falling upon the Union, the national governments, the regional or local authorities, the economic operators and citizens is minimized and proportional to the objective pursued.

Within 8 weeks from the sending date of a draft legislative act (in the national language), any national parliament may ask the President of the European Parliament, the Council or the Commission a reasoned opinion explaining why it considers that the project does not comply with the principle of subsidiarity.

Each national Parliament (whether mono or bi-cameral) shall have two votes. Where reasoned opinions represent at least one third of all the votes allocated to national parliaments, the project in question must be reviewed. After review, the initiator of the legislation can decide (by stating its reasons):

- to keep,
- to modify or
- to withdraw it.

However, if it chooses to maintain the proposal, the Commission will have to justify, by a reasoned opinion why it considers that the proposal

complies with the subsidiarity principle. This reasoned opinion, as well as the reasoned opinions of the national parliaments, will be submitted to the Union legislator to be taken into consideration in the procedure:

(a) before concluding the first reading, the legislator (the European Parliament and the Council) examines if the legislative proposal is compatible with the principle of subsidiarity, taking particular account of the reasons expressed and shared by the majority of national parliaments and the Commission's reasoned opinion;

(b) if, by a majority of 55% of the members of the Council or by a majority of the votes cast in the European Parliament, the legislator considers that the proposal is not compatible with the principle of subsidiarity, the proposal will not be considered.

The principle of enhanced cooperation

J.P. Jacqué argues that the enhanced cooperation procedure represents a compromise between the partisans of unanimity and the qualified majority partisans (Jacqué, 2001: 136-137). To prevent the recurrence of the empty chair crisis of 1965, those who are opposed to the qualified majority method in the decision making process will have to justify their reasons not only to the European Council, but also to the public opinion.

The Treaty of Nice brings refinements and states that enhanced cooperation should be approached as a last resort.

Enhanced cooperation shall aim to further the objectives of the Union, protect its interests and reinforce its integration process. These are open at any time to all Member States. The decision authorizing enhanced cooperation shall be adopted by the Council as a last resort, when it establishes that the objectives of such cooperation cannot be attained within a reasonable period by the Union, and provided that at least nine Member States participate in it.

All members of the Council may participate to deliberations, but only members of the Council representing the Member States participating in enhanced cooperation will have the right to vote.

Acts adopted in the framework of enhanced cooperation are mandatory only for the Member States that participate. These acts will not be regarded as part of the *acquis*, which must be accepted by candidate States for accession to the Union. Application of this principle is foreseen in the following fields:

- Judicial Cooperation in criminal matters (Art. 82-86)
- Police Cooperation (Art. 87)

At the same time, enhanced cooperation is excluded from the following areas:

- Internal Market
- Social and Territorial Cohesion

A basic rule is that enhanced cooperation cannot become a barrier, or distort competition in trade between Member States. On the other hand, enhanced cooperation shall respect the competences, rights and obligations of the other Member States that are not participating. At the same time, the latter will not prevent the implementation of enhanced cooperation by participating States.

States that want to create a formula of enhanced cooperation have two options:
1) when their scope is not a matter for the CFSP and the exclusive competence areas, they make a request to the Commission, where they state their objectives. Commission may address the Council a proposal to this effect, or may refrain at this stage (blocking the request). In this case it would have to justify its decision.

a. The Council and the EP will agree on a proposal coming from the Commission.

2) When their scope envisages the enhanced cooperation formula in the CFSP, Member States will address to the Council that shall decide by unanimity.

a. Council sends a request to:

i. the CFSP High Representative to give its opinion on whether the enhanced cooperation can be used in the context of the Common Foreign and Security Policy of the European Union;
ii. the Commission, which shall give its opinion in particular on whether the enhanced cooperation proposed is coherent with other EU policies;
iii. the application shall also be submitted to the European Parliament for information.

Open Method of Coordination

In this complex framework of principles and competences that define the relationship between the EU and Member States, in March 2000 the European Council set out a series of principles that are considered necessary for the

effectiveness of the community law. Open Method of Coordination (OMC) is seen as a coordination tool available to the Commission to facilitate the exchange of best practices in various areas where Member States have kept decision competences.

In paragraph 37 of the Lisbon Strategy, the OMC is described as targeting the following key activities:

- "fixing guidelines for the Union combined with specific timetables for achieving the goals which they set in the short, medium and long term;
- establishing, where appropriate, quantitative and qualitative indicators and benchmarks against the best in the world and tailored to the needs of different Member States and sectors as a means of comparing best practices;
- translating these European guidelines into national and regional policies by setting specific targets and adopting measures, taking into account national and regional differences;
- periodic monitoring, evaluation and peer review organised as mutual learning processes." (European Council 2000, point 37).

Open Method of Coordination was created to enhance the efficiency of European decision "to help Member States to progressively develop their own policies" (European Council 2000, point 37). As such, the issue of democratic quality of this process has been ignored in favor of a more dynamic integration. However, the issue has not ignored the legitimacy of the new mechanism. In this sense, the involvement of national parliaments was taken into consideration.

As we can see the OMC is not a simple form of intergovernmental cooperation because the catalyst role is played by the European Commission in all its stages. This instrument of cooperation envisages four main themes: strategy for economic growth and competitiveness; the transformation of the economic governance; the unfolding of the institutional framework and competence catalogue of the new Treaty, and the growth of so-called new modes of governance, particularly of a non-legislative nature (Borrás and Radaelli, 2010: 10-14).

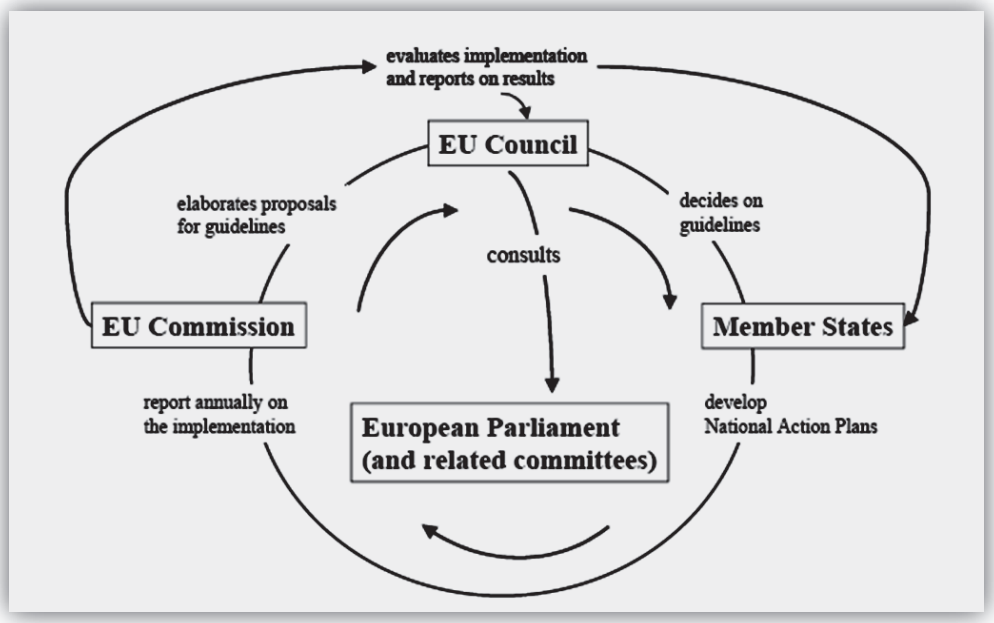
The Lisbon Treaty (TFEU) implicitly defines areas where the OMC is used to coordinate the Member States' actions:

- ✓ economic governance: (Art. 121 – for broad economic policy coordination; Art. 126 – on budgetary discipline and the Stability and Growth Pact; Art. 136 – for Euro-zone budgetary discipline);
- ✓ employment policy (Art. 148)

- ✓ social policy (Art. 156)
- ✓ research policy (Art. 181).

Interpretations of OMC (Rhodes and Visser, 2010; Sabel & Zeitlin, 2008; De la Porte, 2011; Héritier, 2002; Büchs, 2008; Lodge, 2007) made me believe that the principal-agent approach is the most appropriate to explain the logic of this mechanism. Interaction between Member States (principal) and the Commission (agent) defines the game of influence between them. In the first stage, the Commission's influence is increased, while the Member States can reconfigure the decision in the stages of development and application. This game of influence could result in institutional harmonization between national decision-making models. Such coordination procedure calls for reducing the ambiguity and increasing the institutional capacity.

As a functioning mechanism, this approach includes four main actors: the Council (which offers guidelines), the Member States (which draw up national development plans), the Commission (which draws the outline proposals and monitors implementation) and the European Parliament (which has a consultative role). The figure below comes to present an overview of the process (Kohl and Vahlpahl, 2005: 5):



When this method was created it was intended to reduce the democratic deficit by including as many players in European governance as possible. As a result, the interpretation of democracy was more in terms of "participation"

and "deliberation" and less in terms of "representation" and "responsibility". More than a decade after the enunciation of this mechanism, we can look at the evolution of the OMC processes as one for the "elites" in which the actors are not national parliaments, social partners, and NGOs. After all, who holds accountable the "experts" who decide the policy alternatives, as long as an apparent flaw of this process is precisely the lack of transparency? Continuing the conclusion made by Sandra Kröger (2009) at Bremen University, it remains an illusion that the Community method is superior to the OMC.

Concluding remarks

In my opinion, the European Union remains an organizational structure still caught in a process of definition between a classical international organization and the federal state. Supranational elements coexist with federal intergovernmental elements, resulting in the difficulty of finding a proper definition. In this framework, to talk about democratic deficit is a confusion that starts from defining *community democracy* in terms of a governed-government relation. The transfer of authority and sovereignty does not involve necessarily the transfer of classical democracy mechanisms. Trying to identify the valences of "participation" and "deliberation" in the EU decision-making mechanisms diminishes the importance that should be given more to "representation" and "responsibility".

If the EU Member States will fully assume the community project, they should accept a European federal state in which the intergovernmentalism leaves the place for a hierarchically structured decision-making mechanism. European citizenship, the single currency, the domestic market may be pillars around which the European Union can form a federal state. Otherwise, an extension of subsidiarity, the Open Method of Coordination is still a form in which the European Union tries to influence the Member States' behavior while Member States will always try to alter the form or substance of the proposals, and the resulted decisions will always be a compromise between intergovernmentalism and supranationalism. OMC may be an effective solution to European governance, but the structural problems of the European Union will remain the same.

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