

## The fiscal pact is just a stage on the way to amending the treaty

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On 8 February at the session of the Commission for European Union, Michael Link (FDP), secretary of state at the Foreign Ministry, acting on behalf of the German government ensured that the fiscal pact agreed on 30 January was still only a 'plan B' and that the German government would still endeavour to amend the European treaties. Chancellor Angela Merkel made a similar statement on 7 February at the BELA foundation, where she presented her vision of Europe as a political union. She mentioned combating the eurozone's debt crisis and liquidating the differences in competitiveness between its member states as the challenges the community is currently facing. However, the overarching objective is to build a political union which will reinforce economic coordination. This will, though, require an institutional reconstruction of the EU and, consequently, the amendment of its treaties.

### Commentary

- Representatives of all parliamentary factions present at the session of the commission agreed that the fiscal pact does not resolve the problems the European Union has and that it can only be the first stage on the way to a deeper integration. The same thread emerged in Angela Merkel's speech and is identical to the main concept of the resolution on the European policy passed by the CDU in November 2011. It seems that there is a general consensus in Germany that treaty amendments should be the goal and that the fiscal pact is only a stage on the road to such changes and an interim solution.
- The vision of a future institutional shape of the European Union presented by chancellor Merkel is the same as the one provided in the aforementioned CDU document. The European Commission would form a future economic government, while a reinforced European Parliament and the Council of the European Union as the second chamber of parliament would perform legislative functions. The head of the European Commission would be elected in direct elections. This institutional order would reinforce the role of Germany as the most populous EU member state, especially since the CDU's resolution includes the proposal that the distribution of the seats in the European Parliament should depend on the population of member states.

- It is unclear whether Chancellor Angela Merkel's declarations are simply a rhetoric trick aimed at distracting the attention of public opinion from the deepening divide in the European Union to gain time to reform the eurozone. However, if Germany's long-term goal is to create a political union even, as Merkel emphasised, at the expense of relinquishing many of the sovereign rights of national states, it is still unclear whether it will be possible to push such proposals through. The first problems will be posed due to resistance from the United Kingdom and the Czech Republic and also the strengthening sentiments expressing criticism towards political union in other member states. The result of a possible referendum in Germany is also unclear and it would be necessary to hold one in order to transfer greater competences to the EU level (in order to hold the referendum in Germany, it would be necessary to amend the constitution since the one currently in force does not provide for this form of mutual decision making with citizens). It is also unclear whether the political union would take over numerous competences which so far have been reserved for national states, such as those concerning energy policy. Recently this need has been mentioned by both EU Commissioner Günther Oettinger and the president of the European Parliament, Martin Schulz.