

Why is the Maastricht Treaty considered to be so significant?

Written by Morgane Griveaud

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MORGANE GRIVEAUD, MAY 29 2011

Today, we can say that the Lisbon Treaty is the most important document in the European Union (EU). It is the newest treaty, the most up to date, and it dictates how European institutions work. However, previous treaties should not be considered as less important. If we think about the evolution of the EU and how it came into existence, it could be said that every treaty shares credit for what happened. Yet, certain treaties have had more impact on European integration than others. The Treaty on European Union (TEU), signed in Maastricht, was one of the most important agreements in the EU's history. Indeed, not only did it reform the structure of the European Community (EC) through the establishment of a political union, and strengthen economic integration with the creation of the Economic and Monetary Union (EMU), but it also enabled the stabilisation of political tensions within Europe at the end of the Cold War, and integrated a unified Germany into the EU. As a result of this treaty the EC could not be called as such anymore, and from that point on it had to be referred to as the European Union. With the Maastricht Treaty, the EC took a step forward in European integration and in uniting its member states. Nonetheless, even if governments were very enthusiastic about it, public opinion was very much concerned about where this integration would eventually lead, thus making the ratification of the treaty more difficult. This essay will focus first on what the TEU actually says, and on the major innovations of the treaty. Then, it will study the effects it had on, as well as the reaction of the member states and will determine why the ratification process was so long. Finally, we will try to understand why the treaty was so important for the EC, and what the catalysts were that brought together the member states to agree upon the Maastricht Treaty.

The principal change of the treaty, which brought about all the other innovations to follow, was the 'three pillars' structure of the EU organisation. The 3 pillars consist of the Single European Act (SEA), the Common Foreign and Security Policy (CFSP), and the Justice and Home Affairs. Therefore, within this structure emerged a new political union, through the second and third pillar, and a monetary union, through the first pillar (Europa, 2007). The particularity of this organisation is that even if each pillar was designed to be independent from one another, "bridges" could be made, (Best in Laursen and Vanhoonacker, 1994a: 28) as the action of one community would generate issues in another. For instance, because of the creation of a Single European Market (SEM) borders had to be opened, and as a consequence visa policy throughout the EU zone had to be changed (ibid). Concerning decision making, the EC would remain supranational and communautaire, implying that member states would only play a secondary role, while the other two would stay on an intergovernmental level (ibid: 19). However, a significant difference between the SEA and Maastricht was that the European Parliament gained power over member states, especially from 1992 onwards, as it would "adopt acts in conjunction with the Council" (Europa, 2007). This was very important because it meant that the Parliament would be playing a direct role in European legislation and would have both the power to negotiate with and "say a definitive 'no' to the Council" (Vanhoonacker in Laursen and Vanhoonacker, 1994: 3; Best in Laursen and Vanhoonacker, 1994a: 33).

Therefore, one of the major innovations which the TEU brought with its three pillars structure was the establishment of a political union. There had already been some agreements on social policies after the SEA, but integration was more focused on the economic aspect of European cooperation. Before the TEU, one of the only forms of political unity that existed was the European Political Cooperation, which was mainly foreign policy related and consisted of "mutual information and consultation." The Twelve, the member states at the time, would agree on adopting

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“common position” concerning events in the world (Best in Laursen and Vanhoonacker, 1994a: 19). However, it was quite difficult for them to find common ground for agreement, especially with the Yugoslavia crisis of 1990, for instance. First, the states could not agree on the whole situation and on what measures had to be taken in order to prevent a break-up. Second, when the break-up finally happened, the member states could not agree on whether the new states should be recognised. Hence, serious questions emerged on the unity of these European countries and many people wondered if the CFSP would actually work (Vanhoonacker in Laursen and Vanhoonacker, 1994: 7). Of course, it was eventually implemented during the creation of the Maastricht Treaty, and it was a way for the newly born EU to show that member states could cooperate because they had common interests in doing so, those of the union (Best in Laursen and Vanhoonacker, 1994a: 37).

Moreover, concerning social policies “Member States had already been cooperating in different forms,” (ibid: 39) mainly because of the SEA which had already defined common standards for the “health and safety of workers” (ibid: 32). Nevertheless, one of the treaty’s aims was to develop a bigger social dimension for the EU. Thus, it introduced extended cooperation between member states with more involved participation of the European legislative regarding social issues such as education, employment, or labour (ibid). Furthermore, a special citizenship for people of each member state was brought forward by the treaty. It did not only increase the social dimension of the union, but also developed a new political comprehensiveness because the EU was now acknowledging the fact that it was one entity which was formed by and worked for the citizens, rather than a body composed of different states driven by their national interests.

Another significant development of the EU that was brought by the TEU was the establishment of the Economic and Monetary Union. It was considered as “the strongest form” and the last step towards full economic integration (Healey, 1995: 7). Many agreements had been reached after the SEA that noted further cooperation would be needed. The plan that had already emerged in the 1980s was known as the 1992 project. The idea was to essentially have a Single European Market, where all trade barriers would be dropped, and where it “must lead to a more unified Community” (Delors in Cecchini, Catinat and Jacquemin, 1988: xi). The objective of this plan was to develop more efficient trade and boost growth and development within the EC (Baun, 1995: 608). Many agreements had already been made in the years before 1992, the Maastricht Treaty just made these commitments “legally binding” (Best in Laursen and Vanhoonacker, 1994a: 28). Hence, the declarations made in the TEU were “more a matter of legitimation than of innovation,” (ibid) but it would be the final touch for the single market (Europa, 2007). Therefore, with the union in the 1990s, economic integration would take the road of no-return. The consequences of a SEM and of the formation of a single currency would be irreversible actions for the EU (ibid: 17). What makes the EMU so significant today is the knowledge that each member state in 1992 realised that they would enter a permanent situation in which European integration would drive their policies, and that decisions taken during the writing of the treaty would be irrevocable; no state would possibly be able to go back to its previous relative economic and political independence after ratification, yet they still agreed to it.

Amongst all the theories that explain European integration, neofunctionalism is quite relevant in explaining why the Maastricht was created. Indeed, neofunctionalists consider political integration and the creation of a monetary union as “inevitable outgrowth” or a spill-over of economic integration (Baun, 1995: 606). Their main belief is that through slow and gradual economic cooperation, European integration will follow. First, because this cooperation cannot happen if integration does not exist, Jacques Delors, the President of the Commission at the time, said that “without a new treaty, it would not be possible to make any significant progress” towards the EMU, (European Navigator, n.d.) thus making the statement that for further integration, other forms of integration had to be achieved. Second, integration will develop and reach a point where any state involved in the integration process cannot decide to abandon it, because that process is too interlinked with national policies (McCormick, 2008: 9). Helmut Kohl, German Chancellor, stated that “monetary and political union were not separable but were instead two sides of the same coin” (Baun, 1995: 621). Therefore, the Maastricht Treaty had to happen eventually because of increased integration.

What happened after the TEU was written was very unexpected. It would have been sensible to think that the ratification process should have gone smoothly, given the good public opinion in the 1980s about the 1992 project, and the enthusiastic commitment of national governments to the EC. Nonetheless, the ratification of the Maastricht

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Treaty lasted almost two years and turned out to be quite a difficult process with many obstacles (Vanhoonacker in Laursen and Vanhoonacker, 1994: 3). First of all, the economic crises that hit Europe between 1992 and 1993 hindered the development of the EMU, as currencies devalued one by one which led to a partial collapse of the Exchange Rate Mechanism. Stagflation followed throughout the EC and the “economic problems had a negative effect on popular support for further European integration” (Vanhoonacker in Laursen and Vanhoonacker, 1994: 6).

One of the major blows to ratification was the Danish ‘no’ on their TEU referendum. It caused “a shock-wave throughout Europe,” (ibid: 5) as citizens in other states began to question and criticise the EC and its development. Once it was clear that people from Denmark were against the treaty opposition grew stronger in other countries. For instance, in France, President Mitterrand decided to call a ratification referendum, which only passed with a slight majority of 51%. Certain governments, such as that of the UK, took this opportunity to bargain and get what they wanted from the treaty. Out of the Twelve, four member states have been through major troubles because the ratification process had been “politically controversial” for them, these were Denmark, France, the United Kingdom, and Germany (Laursen in Laursen and Vanhoonacker, 1994: 295). Spain has been an issue as well, but the protests were minor compared to what occurred in other countries.

One of the main reasons why the Danish said ‘no’ to the treaty was because of European citizenship. Many people in the member states were afraid that the establishment of such a citizenship would impede their national one, causing a debate on national identity. However, that would not have happened if national governments had been more communicative about the treaty. It was not a problem of transparency, but rather of comprehension. The wording of such treaties is usually very complex and a majority of citizens could not understand it, as was the case in 1992. This is why governments launched campaigns that explained the content of the TEU in a language that normal people could assimilate (Vanhoonacker in Laursen and Vanhoonacker, 1994: 5). Nevertheless, it was not just an issue of misunderstanding, citizens were also genuinely concerned about the changes brought about by the Maastricht Treaty. After the referendum in France, the government had to confront serious issues as only little more than half of the population agreed with its decisions regarding the EU, and it had “serious questions as to popular support for a further deepening of European integration” (ibid: 6). In southern Europe, the Spanish were “facing unemployment rate of more than 20%,” so they truly doubted the capacity of the EC to be beneficial to Spain (ibid). As for the Germans, they were wary about losing their national currency and replacing it with a European currency (ibid: 5). The Danish, French, and all others eventually surrendered to the Maastricht Treaty, but public opinion is still an extremely important issue, as opposition parties grow stronger every year within the EU.

On a governmental level, national parliaments, especially the British one, and other national bodies, such as the Bundesbank in Germany, were very troubled. Indeed, both were exceedingly concerned with their sovereignty. First, the UK had been opposed to certain ideas of the TEU a while before ratification. It was mainly the Conservative party, with Thatcher and Major as Prime Ministers, which caused problems. It absolutely refused the third stage of the EMU, which was that of substituting its national currency with a common one, and this measure was seen by British right wing politicians as “a ‘conveyor belt to federalism’ and the definitive abandonment of national sovereignty” (Best in Laursen and Vanhoonacker, 1994b: 256). Furthermore, when Major came into power in the early 1990s, he was ready to cooperate with other member states regarding the CFSP, but he also wanted a certain leeway of independence, he said that “Where we can act together we will do so. Where we need to act on our own, we must be able to do so” (Major quoted in Best in Laursen and Vanhoonacker, 1994b: 255). Second, the Bundesbank in Germany gained power over the EC through the European Monetary System (EMS) because Germany was the biggest economy. Thus, it was unsatisfied because if the EMU was established it would lose sovereignty over its monetary policies and would have to take orders from the European Central Bank (Baun, 1995; 607).

The issues that occurred during the ratification process were to some extent consequences of previous problems seen in the EC in the late 1980’s. Take for example the Bundesbank, it was willing to delay any plans for the EMU because it had already been “forced to accept against its strong disapproval rapid German monetary union,” and it felt it was losing control over Germany’s monetary stability (ibid: 617). The fall of the Berlin Wall in 1989 was a critical turning point for the world system as it announced the end of Cold War, but it was also an important event for the EC because it implied German unification, and a possible resurgent German threat. These logically had some

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consequences which created some issues in Europe that correlated to some extent. After the end of the Cold War the international economy and system changed drastically, and Europe did not know where it stood, but it definitely knew that it wanted to have an important and active role on the global stage (ibid: 605). However, that could only be possible through further integration of the EC. Though, that was not the major reason why the Maastricht Treaty was founded.

Since German unification was not debatable for Kohl, Chancellor of the FRG in 1989, it created high tensions within the EC because member states feared a renewal of German power and independence, which would force the country to draw back from the community (ibid: 609). Consequently, Franco-German relationships at the time suffered from a great loss of trust. Member states sought for an immediate deepening of integration because they did not trust Germany's commitment to the EC. For Delors, significant steps to further integration were "the only satisfactory and acceptable response to the German question" (quoted in Baun, 1995: 609). Only the UK was against the idea, it believed that enlargement was the best thing to do as it would democratise Eastern Europe, while integration would strengthen Germany's place in the EC (Baun, 1995: 610). France feared its loss of power over Germany and the only way to secure its influence was a significant increase in European integration, so it was mainly concerned about the role it would have in the EC once Germany became unified (ibid). Kohl was willing to prove to member states that a unified Germany was still a Germany committed to the EC, and that he was "in favor of deepening the EC." He even stressed that unification and integration could go hand-in-hand and that they were "mutually reinforcing processes" (ibid: 610-611).

Therefore, under these circumstances the Treaty of Maastricht became a political bargaining game, principally between France and Germany, as each "viewed the agreement as a means of securing vital national interests" (ibid: 606). The Franco-German tensions decreased when an agreement was reached between both states that political integration would be discussed at the Intergovernmental Conference of 1992. However, some compromises had to be made. Kohl had to withdraw some of his ideas on political union, as that of a powerful European Parliament, in order to have the French government recognise the new states created by the break-up of Yugoslavia (ibid: 621). The fact that tension had arisen between France and Germany in the years preceding the TEU had been a shock for the EC as they were considered "the primary motor of European integration" (ibid: 619). Hence, when Mitterrand and Kohl jointly proposed an acceleration of the development of the monetary union and "called for new initiatives on political union," it was a relief for the whole community and "of great symbolic importance" (ibid: 615, 619). From 1990 to 1992, there was a "close collaboration of the French and German governments to ensure that" the community survived and strengthened through the TEU, and that could only be explained by "the considerable political and symbolic importance attached to the treaty" (ibid: 623).

In conclusion, the Maastricht Treaty was not only significant because of what was in it; the establishment of a political union and the EMU through a new 'three pillars' structure of the EU, but also because it made European citizens realise what was actually happening between countries. Furthermore, the fact that public opinion was so involved in the process of ratification shows how it was a big a step for every single person in the EC, politician or manual worker. Nonetheless, as Baun argues, "the Maastricht Treaty was essentially a political response by the EC and its member countries to German unification and the end of the cold war" (ibid). The drastic changes that the end of the Cold War brought caused the EC to develop a new treaty in order to adapt itself to this new world, but mainly to adapt itself to the reunification of Germany. However, the TEU was also a political instrument for Kohl who needed an excuse to substitute the Deutschmark; hence the treaty helped him show his people that by signing it Germany had a substantial role in the EU and that to some extent its power and sovereignty were enhanced by it.

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Date written: December 2010