

## **European Constitutional Group**

“A Proposal for a European Constitution” (August 1997) summarises the constitutional proposals for Europe set out originally by the European Constitutional Group (ECG) in 1993. (The members of the ECG are listed in the report). The proposals draw on the discipline of constitutional economics. They can be distinguished from other proposals of the time (and many of those now current) by the emphasis placed on the need for constitutional limits on powers and the need for arrangements that will maintain a decentralised Union rather than those that encourage a gradual centralisation of powers.

The proposals cover both procedures and institutions and together make up a coherent decentralised constitutional arrangement. Procedural proposals include a tighter definition of subsidiarity, where a higher burden of proof is envisaged in order to justify Union action compared with the current treaty formulation. In addition the arrangements allow explicitly for powers to be repatriated. The proposals also explicitly allow for member states to leave the Union (the right to secede). On human rights, the proposals envisage the Union acceding to the European Convention on Human Rights rather than developing its own jurisprudence.

Among the major institutional recommendations is one for a bicameral legislature with representatives from national parliaments forming a second chamber. The proposals envisage this chamber playing a role in determining whether the subsidiarity conditions have been met. In addition the proposals envisage a strengthening of the Council in relation to the Commission and a separation of powers between Council and Parliament.

The proposals broadly endorse the current treaty arrangements for the monetary constitution of the EU with a similar emphasis on arrangements to protect the independence of the European Central Bank and on its primary role to safeguard the value of the currency. The proposals also develop a coherent fiscal constitution that will limit the rent seeking capacities of Union institutions and guard against a centralising tax and spend dynamic. Under these provisions the Union would not acquire the power to tax and net contributing member states would have a more decisive say in the size and composition of the budget. A quantitative ceiling would be set on the size of the budget.

The original proposals are accompanied by a full legal text – key articles of which are contained in the summary.