

The people vs. the E.U.

By Rodney Leach

The once seemingly unstoppable project of European integration, started after World War II by Jean Monnet and long backed by the State Department, appeared momentarily to have hit the buffers after decisive French and Dutch referendum defeats on the proposed E.U. Constitution. If the British had not been denied their own promised referendum, they would have added a third and heavier defeat, which would have been all the more significant because the future of the E.U. would have been at the center of the debate.

In the absence of a new Charles de Gaulle or Margaret Thatcher (neither of whom succeeded in the endeavor), one force only was strong enough to confront the bureaucratic machine driving the E.U. towards political, social, and economic integration—the will of the people. The Europeanists thought they had this under control. For fifty years they had engineered the cumulative transfer of powers from the democracies to the E.U.'s unaccountable institutions in a series of obscurely worded treaties whose implications were largely invisible to the public. The Constitution was to mark the crowning achievement. All that was previously hidden would be brought out into the open, and the E.U. would become a fully fledged country, complete with currency, legal supremacy, a president, a foreign secretary, and the sovereign right to enter into treaties. Yet, out of the blue, popular discontent collided with the project, triggered by economic failure and alienation from the political classes. Bitterly, indeed, the Europeanists reproached themselves for having allowed the people a chance to vote.

For a few weeks, panic reigned. Was this the end of “Europe”? Temporarily captives of their own campaign literature, in which they had portrayed defeat as an unthinkable disaster, the elites' initial reactions were all over the place. Some were inclined to throw in the towel, others to push ahead with piecemeal (and therefore not valid) national ratification or to tell the recalcitrant countries to vote again and get it right this time. But France and Holland are not small countries, like Ireland and Denmark, both of which had once been threatened with eviction from the E.U. for rejecting treaties. Far from cowing them, a second referendum might encourage their electorates to an even bigger NO.

Soon, therefore, the elites regrouped and developed a better plan. They would simply ignore the results of the referendums and discredit the motives of the voters. Because the Dutch and French NO campaigns had been very different, the consensus grew in right-thinking circles that these votes could be discounted as the ignorant product of malcontents of left and right, united only in outdated forms of nationalism. As such, they must not interfere with the serious professional business of integration.

It would be more accurate to say that the difference between the various national NO campaigns reinforced, rather than undermined, the objections to the Constitution. For the chief lesson of the referendums is the fundamental irreconcilability of the social, legal, and economic systems and instincts of European member states. The French, resentful of competition from the likes of China and India, essentially voted against free markets and in favor of welfarism and protectionism. The embryonic British campaign, by contrast, was marshalling the pro-competitiveness arguments against statist interventionism and preparing to marry these to the democratic case for self-government. The Dutch, too, voted mainly for self-determination, with emphasis on the issue of Muslim immigration. In a recent book, *The Missing Heart of Europe*, Tom Kremer explored these and other deep-seated national characteristics with acute historical awareness, dividing Europe broadly into open and centrist societies, of which the prime exemplars are Britain and France respectively. The logical conclusion of his analysis is that if Europe is ever to be at ease with itself, powers must be returned to the member democracies, not centralized and harmonized by Euro-pean courts and commissars.

This type of conclusion, of course, requires an intellectual hinterland which Tony Blair altogether lacks. One of the more troubling revelations of the goings-on in Downing Street was that made by the PM's six-year economic adviser, Derek Scott, to the effect that during his time at No. 10 there was never any substantive discussion of the merits of issues such as the euro and the Constitution—only of how to sell the Government's intentions to an unreceptive public.

What Blair does not lack, however, is agility. With typical speed, he has responded to Europe's crisis of legitimacy by seizing the linguistic high ground, demanding unspecified "reform." The credulous British media have taken his conversion from European orthodoxy seriously, insufficiently suspicious of how sympathetically this once unpalatable message is suddenly being received in Brussels, where all but a handful of Commissioners and slow-witted integrationists are "reformist" now. Perhaps, they ask themselves, by embracing Blair's language, they can rescue the project from collapse? Reform à la Blair is, after all, content-free. At most, it will probably amount to little more than tinkering with the institutional structure and tweaking the date at which the Common Agricultural Policy will be reviewed, maybe in return for canceling the cash rebate negotiated for Britain by the hated Margaret Thatcher. To exchange real concessions for token promises would be, after all, vintage Blair.

Like officialdom and politicians everywhere, the eurocrats have boundless faith in words. "Setting Europe on a new upward trajectory," "renewing the Lisbon agenda" (a fatuous aspiration to be the world's leading information-based economy by 2010). Yes, that's how the next phase of integration must be presented. "Blair the standard bearer for a new Europe." Commissioner Peter Mandelson, Blair's favorite spin doctor, was working the media in the desired direction within days of the referendum setbacks.

Meanwhile, in the real world, events are taking their course. Italy's competitive situation has deteriorated dangerously. Its traditional path to safety, devaluation, is barred by its membership of the single currency. Even a big fall in the euro itself would do nothing to

improve the country's position relative to its neighbors. For the first time, economists and heavyweight commentators like *The Times's* Anatole Kaletsky are asking if Italy might exit the euro and reinstate the lire, with truly seismic implications. Unemployment in the eurozone is approaching levels that pose a threat to social cohesion. E.U. corruption is reaching third-world standards, with punishment only meted out to a few brave whistleblowers. Voters, long bamboozled by treaty mumbo-jumbo, are incensed to find that they cannot usefully change their situation through the ballot box, or exact fitting revenge for their plight by evicting their elected politicians. Whatever their particular anxiety—be it economic distress, immigration, Islamic influence, corruption, or over-regulation—all the levers of power have been put in the hands of remote foreign judges, bankers, or civil servants, who are answerable to no one and nothing, except their own interpretation of two unreadable treaties.

When, therefore, a few of Europe's populations were given a once-in-a-lifetime chance to express their views in referendums on the Constitution, they grabbed it, each electorate in its own way expressing the wish to assert its identity. Of course, this can be—and was—caricatured as the French pig-headedly rejecting Anglo-Saxon liberalism, the British being narrowly defeatist about Franco-German domination, and the Dutch selfishly withdrawing into themselves for parochial reasons. But the people are tired of being lectured by the Great and Good about their petty nationalism and lack of European vision. Besides, they suspect that the desire for government of the people, by the people, for the people is not less noble than the concept of government by a self-interested oligarchy of distant bureaucrats, however loudly those bureaucrats profess their own idealism. Through a glass darkly, voters perceive that the defining weakness of Europe is the absence of a *demos*, without which no European democracy (still less the despised European Parliament) can be other than ersatz.

Those of us in Britain who have taken on the role of eurocritics find ourselves today in a frustrating situation, like that of Hannibal when the Romans, unable to defeat him, invented the strategy of avoiding combat. Every time a set-piece battle has taken place, the eurocritics have handsomely won it. First, over whether the U.K. should abandon the pound. Next, over whether there should be a referendum on the proposed Constitution. Finally, over the outcome of the Constitution. Similar victories have been won by our Continental allies in referendums on the Maastricht Treaty, the single currency, and now the Constitution. The ordinary people of Sweden, Denmark, Ireland, Norway, and Switzerland have all at one time or another subscribed their names on the list of winners.

But there is no longer any set-piece battle in sight. Britain's two referendums (on the euro and the Constitution) have both been kicked by the government into the long grass. Meanwhile, the Constitution, 85 percent of which is little more than a left-of-center manifesto, is being implemented in its political dimension as though it had never been defeated. Thus the E.U. is creating a Diplomatic Service, a Foreign Minister, an Armaments Agency, a prosecuting magistracy, and a space program, all of which are authorized only by the defunct Constitution but are proceeding anyway. The unequivocal supremacy of European law over national laws (including constitutional law), for the first time spelled out in the Constitution, is now simply asserted by the European Court of

Justice. British defense capability, once inextricably NATO-oriented, is being quietly assimilated to the European Rapid Reaction force, with procurement organized on a pan-European basis, regardless of cost or of compatibility with U.S. weaponry.

The remaining 15 percent of the Constitution concerns revisions to the E.U.'s governance arrangements, such as voting modifications and the appointment and term of a President. It is chilling for a democrat to observe the mindset of those who continue to push for this part of the Constitution to be implemented. A current study by the Bertelsmann Institute starts from the premise that Europe is "in crisis" solely because of the rogue defeat of the Constitution, allied to "the lack of political will in certain member states in the fields of monetary, internal, and social policy." What is therefore needed is the incorporation of the "uncontroversial central innovations" of the Constitution into a new treaty. Astonishingly, the Institute's proposed revised text even contains provisions that had been knocked out of the original by the British negotiators as too integrationist during the preparation of the Constitution.

The Bertelsmann Institute is a highly respected private body, which undoubtedly reflects official German thinking about the E.U., although this is as far removed from the opinions of grassroots German voters (who have never been offered a say on either the euro or the Constitution), as are the ideas prevalent in Whitehall, Brussels, and the Quai d'Orsay. When the next European treaty finally emerges, it will be portrayed as a mere tidying-up exercise, unsuitable for submission to the popular will, on the grounds that the technical provisions of the Constitution are complicated, necessary to accommodate the E.U.'s expansion, and uncontroversial, not having been singled out for dispute during the lost referendums. Thus, the Institute proposes that the changes be introduced by way of a revision to the Treaty of Nice, itself a revising treaty incapable of comprehension without reference to other treaties. A brazen spin accompanies this undemocratic proposal—"the restricted revision of the Treaties by an intergovernmental conference" [read "without referendums"] "strengthens ... the E.U.'s democratic legitimisation" but "deliberately eschews a strikingly symbolic emphasis on the treaty-based nature of integration" [read "hopefully the people won't notice"].

For British eurocritics, then, the question is how best to mobilize the large and growing popular domestic majority that bears goodwill towards Europe but supports a policy of repatriation of powers from the center and the injection of a massive dose of flexibility into the E.U.'s structures. Monnet, faced with a similar question in reverse (in his case, how to circumvent the will of the majority), set about winning over powerful politicians, succeeding spectacularly with Adenauer, Schuman, and de Gasperi in the Continent's three major countries. In Britain, the Conservatives have at last grasped both the problem and the elements of the solution, but they are as far from power as ever. The Poles, the Czechs, Gordon Brown, Nicholas Sarkozy, and Angela Merkel are all occasionally spoken of as reformists, but none has the appetite for the sort of radical system transformation that the E.U.'s loss of purpose and legitimacy now requires.

The tragedy of the present juncture is that the E.U.'s historic objectives have all been attained—Franco-German reconciliation; a forum for resolving neighborly differences; a

common market; the absorption of the ex-dictatorships of Spain, Portugal, and Greece; the reunification of Germany; and the creation of a safe haven for the former Soviet satellites and the Balkan countries. Europe's twenty-first-century objective should not be the imperialist one of constructing an artificial counterweight to the U.S.: it should be the reversal of what today looks to be an inexorable decline relative to the emerging economies of Asia. In an era when technology and capital are readily transferable and high skills, often combined with very low wages, are in over-supply throughout the East, it is hard to believe one's eyes when one sees the sheer volume of anti-competitive legislation and regulation that is gripping the economies of Europe.

But each country needs to find its own route to success. Central direction may work best for France, liberal markets for Britain. Germany's great postwar recovery was market-led, under Ludwig Erhard, but it has also been a prominent exponent of the "social market economy." Whatever the path chosen, it will be accompanied by pain and the casualties of change, which can only be assuaged and reconciled to the greater good through credible national democracies. And that is something a Europe of different mentalities, histories, law systems, policy preferences, and political structures cannot either replicate or pretend into existence by flags, anthems, and symbols.

Everything, therefore, points in the same direction. Far from being a catastrophic setback, the referendums show us how Europe should revitalize itself and connect with its peoples by setting them free to return to their inheritance, nowadays without the least fear of a recrudescence of the confrontational or military aspects of nationalism that discredited the concept in the 1930s. Call it devolution, if you want to be modernist.

There is already far more diversity in the E.U. than is commonly recognized. Fewer than half the twenty-five member states use the euro (and only twelve of the fifteen core Western European states). Several members are either neutral or exempt from the common defense policy. Britain and Ireland have opt-outs from some of the E.U.'s border control arrangements, while the Nordic countries have their own passport-free zone which includes two non-E.U. states. The recent accession of eight ex-communist countries has further added to the list of exceptions, which would be again expanded if Islamic Turkey were to join. Instead of treating these phenomena as tiresome aberrations, they should be viewed as trailblazers for a better future.

For any believer in democracy and the open society, Europe's salvation is clear. Be thankful for past achievements, discard much of the clumsy superstructure, and let the nations find their own way, some alone, others in partnership, some Atlanticist, others eastward-looking, some protectionist, others free-marketeers, all united in common values, friendly links, and relief from the ordeal of enforced mutual embrace.