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Feature

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## What's Left of the Union?

By William Pfaff

1.

The French and Dutch referendum votes against the European constitutional treaty caused many Europeans to be alarmed for European unity itself. This was called the biggest reversal for Europe in fifty years, a revolt against economic reform putting the euro in jeopardy, a "lurch to the left," a repudiation of Europe's modernizing elites, the beginning of the end for the European Union. "We who lead Europe have lost the power to make Europeans proud of themselves," said Jean-Claude Juncker, Luxembourg's prime minister and current holder of the European presidency.

The rejection is something much simpler. It is a crisis provoked by the expansion of the European Union. It was foreseeable, and was sooner or later inevitable. The French and the Dutch have done the European Union a service by bringing it on now. A Europe of twenty-five members (not to speak of a potential thirty-five, or more) is too big to function as the Europe of Six, Twelve, and even Fifteen has been able to function. It represents a radical break from the EU as it has existed.

The constitutional treaty was the product of months of conscientious reconciliation of the views of the individual national members, under the presidency of Valéry Giscard d'Estaing, who wrote the final version with the synthesizing panache taught only at the École Nationale d'Administration. (The Constitution "is easy to read," he told the French; a "très joli" text. III) In addition to combining all the previous EU treaties into a single three-hundred-page document, the constitution confers a number of additional powers on the union. It establishes a single EU foreign minister and a full-time president of the European Council, which consists of heads of state and government. It eliminates single-country vetoes on basic legislation (though not on big foreign policy decisions); and it increases the powers of the European Parliament. Although Spain approved it in a referendum earlier this year, France and the Netherlands rejected it with passion as soon as the public could have a go at it in their own referendums.

The rejection surely demonstrated the current gap of comprehension between European political elites and the European public, but was mainly evidence of the consistently underestimated forces of <u>national identity</u> and ambition in each of the twenty-five nations. The French were enthusiastically seconded by another highly

nationalistic and individualistic Euro-pean society, the Netherlands—also one of the founding states of the European Union.

ot only the French and the Dutch (and obviously the British, who have now postponed a referendum that almost certainly would have rejected the constitutional treaty) are opposed to the constitution—or to be more exact, to the form of European integration, and the intention of further EU expansion, that the constitution embodied.

Sixty-five percent of the public in Sweden has demanded a referendum (instead of ratification by parliament) —a percentage that doubtless forecasts how the vote would go. The outcome of the Luxembourg referendum set for July 10 is expected to be no. Before the French and Dutch voted, polls in Denmark suggested a "yes" majority in the referendum called for September; but the prime minister, the Liberal Anders Fogh Rasmussen, has already said that unless Denmark has a guarantee that the document to be voted on will not later be renegotiated, a referendum is pointless.

The German Bundestag has also already ratified the constitution by a very large majority, but there is much reticence in Germany about where Europe seems headed. A writer in *Die Zeit* said recently that "the deep source of the malaise is not the constitution but Europe; one has the impression of having lost control over it."

A German Christian Democrat deputy who was a member of the convention that wrote the constitution said recently:

Until the start of the 1990s, we believed German and European interests were synonymous, identical. Today, opposition to that idea is visible, slowly developing over more then ten years. It began with hostility to the euro, which still exists....

As this is written, the European Council meeting of presidents and prime ministers on June 16 is considering the next step, but while some governments cling to the idea of renegotiating the constitution, or think everyone should still have a chance to vote, it seems obvious that the constitutional project is dead, and so is Europe's expansion beyond the current twenty-five members—plus the two who have been promised membership, Bulgaria and Romania. Turkey now appears to be out.

According to the EU agreement the ratification process can't go on indefinitely. If, after two years, four fifths of the EU states have ratified the constitution but the rest have experienced "difficulties," the European Council "will be seized" of the matter. With two important referendum defeats already, preparations for a British referendum suspended, and the prospect of referendum defeats in Luxembourg, the Czech Republic, and even Poland, the European Council seems unlikely to be troubled by the ratification issue two years hence. The European Union in that case will go on being governed by the ill-considered Nice Treaty of 2003, undoubtedly amended to remove some of its more unsatisfactory provisions, including its allocation of votes in the European Council, which was unfavorable to Germany and notably favorable to Spain and Poland. It will then be necessary for the EU governments to reconsider the future of Europe.

he referendum defeats and their implications have demonstrated a reality that the European political leadership has failed to acknowledge or has not wished to recognize. Expansion of the EU to the former Warsaw Pact nations was undertaken for moral as well as political reasons that, once the cold war ended, were all but impossible to ignore. But quantitative change can become qualitative change. The EU was being changed by expansion in ways that obstructed the integration and common action that were part of the EU's original intention and previous development.

Large parts of the EU populations in the "old" countries of the union—France, Germany, and the Netherlands among them—are uncomfortable with expansion to twenty-five countries. They are apprehensive about bringing into the EU Romania and Bulgaria, not to speak of the remaining and still unreconciled former Yugoslav states of Croatia, Serbia, Montenegro. and (whatever its eventual form) Kosovo, and very doubtful indeed about Ukraine and Georgia.

All these countries have traditions, cultures, and histories more or less distant from those at the core of Western Europe, where the EU started. There is even greater reluctance to extend the EU to non-European Muslim countries in Asia Minor and the southern Mediterranean. Turkey, Morocco, Jordan, a new Iraq, and eventually Israel had all been thought by some to be logical future members. Including them would, it was hoped, soften the "clash" of Islamic and Western civilizations.

Forceful arguments were made for admitting all these countries. A "new Yalta" agreement that would cut Bulgaria, Romania, Ukraine, and Georgia out of "Europe" seems scarcely thinkable. The exclusion of these countries —their abandonment and consequent isolation from the European mainstream—could have desperate, even disastrous, consequences for them. The elaborate, sophisticated, and well-financed mechanism by which EU candidate members have until now been impelled to reform their political institutions, standards of justice, and protection of human rights, and develop their economies, has proven a marvelous force for stabilizing and modernizing societies with turbulent histories such as Spain, Portugal, Ireland, and Greece.

Over the last decade the EU has had immense influence on Turkey as Turkish leaders worked toward membership. There is obviously a great need to support political and social reform elsewhere in the Muslim world in order to develop constructive relationships between Islamic society and Europe and the larger West.

But to attempt all this by holding out the promise of EU membership threatens the integrity and survival of the European Union itself. Such is the judgment of the French and Dutch electorates. The EU is not an international aid or development agency: it is not aimed at reforming humanity or reconciling civilizations (or for supporting American foreign policy and global aims, as some Americans would like it to become).

The Dutch and French votes reflect the intuition that the first obligation of any political society, whether national or multinational, is to itself, its own security, integrity, and successful functioning. The European Union has to be a success in

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order to have a constructive influence on others, and this is what has seemed in jeopardy. As a success it may radiate its <u>influence to neighboring societies through many forms of more or less intimate association</u>, but not through membership, which would compromise its own integrity and capacity for action.

Some see cultural or religious discrimination in such a view. Some certainly see in it the comeback of nationalism, and the conventional political wisdom since World War II has identified nationalism with fascism. Fascism and Nazism both were nationalist historical moments, but nationalism is not fascism or Nazism. The US at this moment is arguably the most nationalistic country on earth.

Nationalism is an expression of the intense need for affirmation of national or communal identity as the anchor of individual identity. It is one of the fundamental forces at work in political societies, giving them meaning. It is also one of the "strong" forces in the physics of international relations, if not the strongest. It overrides short-term deviation or distraction. Although it may accompany high-minded internationalism, it does not readily yield to it; the repressed returns. For this reason nationalism has to be accommodated, not stubbornly resisted.

This is the force that has upset the European project and that resists further EU expansion as well as further concentration of executive power. The constitution asks a larger sacrifice of national sovereignty than the French, Dutch, and others are willing to accept. The Dutch plebiscite was all about identity. "We want to stay Dutch" was one of the slogans used to mobilize votes against the Constitution. The existence of a large and unassimilated immigrant population was a particular factor in the no vote in the Netherlands.

### 2.

Considerable confusion has been caused by comment in Europe as well as the United States and Britain that conflates the domestic problems and political conflicts of France and the Netherlands with the issues of European expansion and the constitutional treaty. France suffers a "crisis of regime" that results from unemployment of about 10 percent, failures by the existing and previous governments to bring about economic and social reform, and personal rivalries over who will be the next president. This is all very interesting to the French political class and public, and to outsiders interested in France, but it is of strictly French concern.

The same is true in the Netherlands, where a weak coalition government deals with the consequences of the breakdown in recent years—for reasons having little or nothing to do with the EU—of the old political structure of Dutch society. Since the beginning of the last century political stability in Holland has rested on a more or less formal division of power and institutional influence among the Protestant and Catholic churches and other major social institutions in the Netherlands.

Today the churches are no longer strong enough to bear the weight of this arrangement. At the same time a large immigration—mainly from Tur-key, Morocco, and the former Dutch colony of Suriname, among other countries—changed the complexion of the society, but the immigrants were never asked to

assimilate to what is actually an old and unique society that in its own way can be highly intolerant.

That the Netherlands arrangement has broken down was the conclusion drawn by the Dutch from the murders of the radical politician Pim Fortuyn in 2002 and last year of Theo van Gogh, maker of a film hostile to Muslim treatment of women. These were great shocks to a traditionally stable and liberal society, but again had nothing to do with the EU.

In both the Netherlands and France much opposition to the constitution was misinterpreted: the actual effect of the vote is not the one primarily intended. A great many French voted against Jacques Chirac and his government for being unable to solve the problems of high unemployment and low growth; but few of those voting in France or the Netherlands considered themselves voting against European unity as it now exists. They were voting against a different Europe, one that the constitution might have created.

In the Netherlands, people were not only voting against more immigration, they were also voting in protest against the loss they suffered from official undervaluation of the guilder when the Netherlands joined the euro. They were objecting to the indifference of EU officials and the larger countries to the Netherlands' proposals concerning the constitution. They were voting for such irresistibly persuasive intangibles as "remaining Dutch." They implicitly were voting against admitting Turkey and Ukraine to the EU, and against the original EU members' loss of influence to new members. They voted against having Russia on Europe's frontiers, as is now the case, and Europe's on Iraq's, as would be the case were Turkey admitted. But they were not renouncing the EU.

The French voted against the abstraction called "liberalism," understood in Europe as globalizing American market capitalism set on destroying the European model of social welfare and government. They voted against the threat of Polish plumbers rushing to fix French sinks at prices ruinous to French plumbers, supposedly implied in Dutch former European commissioner Frits Bolkestein's proposition for liberalizing competition in services across the EU. (Press inquiries in Poland subsequently produced little evidence of plumbers anxious to move to France.) They also voted against the threat that the constitution would allow NATO to control European defense.

But aside from larger European issues, the French were voting against the stagnation and sterility of French politics. Jacques Chirac launched his career as a presidential candidate twenty-nine years ago, against then President Valéry Giscard d'Estaing, the man who drafted the European Constitution. Giscard first became a major political figure while Charles de Gaulle was still France's president. The French would like change. They want someone to break their political stalemate, in which the same familiar faces shift from one position to another. President Chirac recently appointed Dominique de Villepin as prime minister, at least a relatively fresh face in French domestic politics, but that is not likely to be enough.

In France one can observe a very sophisticated level of political debate and

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passion but it does not always provide a model of political lucidity. The public demands reforms, and when it gets them often goes into the streets to block their application, as in a recent case of educational reforms. The French are a notoriously contentious people—rationalized as a heritage of revolutionary tradition—which is an important factor in both the demand for reform and the reluctance to have it applied.

In 1991 the French public, urged to do so by President François Mitterrand, approved the Maastricht Treaty confirming the expansion of the EU to twelve nations and proposing steps toward a common currency. Comparison of the May 29 exit polls in France with those of the referendum on the Maastricht Treaty shows no strengthening of extremist parties. Nor do the polls show new class, ideological, or regional divisions, or a rural—urban divide, or even one between the employed and unemployed. Retired people mostly voted yes both times, as did the professional and upper middle classes.

The decisive difference was a big shift in the vote of the "intermediate" trades and professions that make up the lower middle class. These include schoolteachers, nurses and hospital technicians, accountants, department heads in shops, and salesmen, among many others. The "no" vote of this group increased by seventeen points between the Maastricht referendum and 2005, producing a 53 percent majority.

In 1992 this group was the great beneficiary of the prosperity of France's so-called glorious thirty postwar years. Its members were making more money than ever before, buying new houses in better suburbs, and had high expectations about their own future and particularly that of their children. That optimism now has disappeared, and people fear falling back. They have lost buying power and are afraid for their children. They are working harder (the thirty-five-hour work-week notwithstanding) but losing ground. These above all are the people who see "France in decline," while their own situation seems ignored by management and unions alike; they are overlooked by the press, and treated with indifference by governing elites in Paris and Brussels. [4]

Undoubtedly there is an element of nihilism in French voter conduct today, provoked by political frustration, but again this has little or nothing directly to do with the EU. An economist and historian, Nicolas Baverez, wrote in *Le Monde* on June 4 that the constitutional referendum simply provided "the death certificate" for "Gaullist France, corrupted by François Mitterrand, and ruined by Jacques Chirac." This is a convincing verdict.

et there are solutions. Sweden, Denmark, and other countries such as Switzerland manage to combine high standards for their social policies with low unemployment. Some of the solutions to France's problems are readily apparent, such as the necessity to remove fiscal and administrative barriers to firing and hiring, and to the creation of new enterprises. But these require the political leaders to tell voters things they don't want to hear (as Gerhard Schröder has begun to do in Germany).

Baverez also speaks of the problem of Europe's "organized deflation. which has transformed 'euroland' into a desert of unemployment and innovation," the result of Germany's original insistence that the European Central Bank be given as its sole task the prevention of inflation. This automatically canceled the possibility of Keynesian policies (even the perverted Keynesianism of Bush administration deficit finance, which gives George Bush's and Alan Greenspan's America its much-envied growth and high employment). As Robert A. Levine, former deputy director of the Congressional Budget Office, wrote recently, "The rigid monetary and fiscal constraints imposed by Maastricht are at least as responsible for economic malaise as structural sclerosis is." French voters remember that France's postwar growth, from the early 1950s to the oil shocks of the early 1970s, took place under a dirigist government's successful industrial policy, by which the government both supported and protected industries that showed a strong capacity for growth. At that time monetarism was but a cloud on the policy horizon, not the fading orthodoxy it is now.

#### 3.

The European Union is an amazing accomplishment. The original and early members have made a fifty-year effort to bring about Europe's reconciliation; they did so with generosity, and willingness to pool sovereignty and spend money on one another and on the later members who joined the union. They aimed to create and sustain international peace, and economic and social development. The EU has transformed formerly poor countries in Europe—Greece, Ireland, Spain, and Portugal—and now is repeating this effort to benefit its new Central European, East European, Baltic, and Mediterranean members. It is a great success.

Rejection of the constitution does not damage the existing union. Relevant reforms—such as having a single president and reinforcing diplomatic and security powers—can be recovered from the wreckage. It is entirely possible for the EU countries to work cooperatively within a moderately altered version of the present EU structure of the twenty-five (or twenty-seven).

Former French foreign minister Hubert Védrine wrote in Le Monde on June 9:

Europe is geographic as much as political. It has to have limits.... We should return to the Europe of great projects: infrastructure, educational, scientific, industrial, social, cultural, ecological, diplomatic projects. Projects that are precise, with timetables. Offered this, no one will be tempted to vote 'no.' Existing treaties permit it. Give the eurozone a true economic policy. The challenge of the future is to reconcile growth, employment, and ecology. Let the European continent accomplish this synthesis.

What is certainly feasible is a political arrangement in which there are several different levels of integration and nations selectively cooperate with one another when it makes sense to do so. This sometimes is described as discrimination, relegating some members to lower status, a conclusion that does not automatically follow. Such a Europe of diverse competences and ambitions is probably the only practical solution.

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The European monetary zone, for example, in which the euro is the only currency, includes only twelve out of twenty-five EU members. The Schengen agreement eliminating immigration and travel barriers involves only fifteen EU countries, but includes non-EU Norway and now Switzer-land. EU peacekeeping initiatives have been carried out in Macedonia, Bosnia, Kosovo, Afghanistan, and the Congo.

In each case, the distinctions between those who take part and those who don't are pragmatic rather than invidious. The European monetary zone, the European security organization, and European diplomacy all have different patterns of cooperation among EU members. Neutral states, non-EU NATO members, and non-NATO EU states accept different commitments and different ways of working together.

Within the existing EU a group of nations practicing "reinforced cooperation" in defense and foreign policy has been emerging, the result of an Anglo-French initiative at Saint-Malo in December 1998, strongly seconded by Germany and Belgium. The EU is preparing 7,500-man crisis groups for peacekeeping and a 60,000-man rapid reaction force that leaves out the EU's neutral members, Austria and Ireland. The intention is to establish a serious European political and security presence in world affairs, a role that most of the group's members, former great powers, had in the past.

Such is the Europe France wants. It is opposed and much derided in Washington and at NATO headquarters. Nicholas Burns, the US undersecretary of state and a former ambassador to NATO, bluntly told a NATO conference in Sweden on May 25, "Let's get it straight. NATO does the big military operations" (or to be more accurate, US-led coalitions drawn from NATO and elsewhere are expected to do them). The EU, he continued, handles peacekeeping operations. "If not," he said, "there will be friction, and you [meaning the Europeans] are not going to be happy."

However, the commitment to making Europe a diplomatic and strategic force in the world was embodied in the constitution and undoubtedly will survive its demise, since it, too, is an affirmation of national or communitarian independence and strength. For this reason it may be doubted that it can be denied in the long run.

The official American position, reiterated several times during and after the French and Dutch votes, is that the United States wants "a strong and united Europe." The dramatic French vote initially produced glee in some neoconservative circles, but the administration now wants good relations even with the "old" Europeans, and has its own priorities for the EU. It seeks European help in Afghanistan and Iraq, and also in dealing with Iran and in supporting whatever Washington eventually does with respect to a Palestine state.

The mainstream American foreign policy establishment has long wanted the European Union to have a close relationship with Washington, and some Americans expect it to eventually become the political counterpart to NATO in America's transatlantic relations. This clearly implies American leadership, and is part of a larger conception of world "democratic" alliance. What Washington does not want is a Europe that aims to be a counterweight to US power or a power center in a multipolar geopolitical structure. Such could be "the road to war," Condoleezza Rice

once warned.

Hence a European crisis that temporarily weakens the French position in Europe and strengthens Tony Blair is welcome in Washington, while a Europe that will not be open to Turkey or to new members from the post-Soviet states is unwelcome. What is unacceptable to the US administration is a Europe with political and strategic ambitions of its own. Nonetheless, that seems likely to be the Europe that will survive the doomed adventure of the constitution.

—June 15, 2005

#### Notes

The French listened to him; they knew what they were voting on. In the final weeks before the referendum, books about the constitution were the three top French best sellers. The text was distributed by the government to everyone on the voting lists. An impassioned debate that split families and ended friendships had an intensity not experienced since a Socialist-Communist coalition successfully bid for power in France in 1981.

Nine countries chose to ratify the treaty by parliamentary action: Austria, Germany, Italy, Greece, Hun-gary, Latvia, Lithuania, Slovakia, and Slovenia.

The same mistake has been made elsewhere, where, for high-minded reasons, assimilation or cultural accommodation was not demanded of immigrants, thereby ghettoizing them, without meaning to do so. The largest components of Netherlands immigration have been Moroccan, Turkish, Somalian—all Muslim societies—and people from the former Dutch colony of Suriname, where Dutch is the official language and the population a heterogeneous one of Creoles, Indians, Javanese, blacks ("Bush Negroes"), and Amerindians. The assimilation—or nonassimilation—problem chiefly concerns the Muslim groups.

Inquiry carried out for *Le Figaro* by Ipsos; see analysis by Vianney Aubert, *Le Figaro*, June 6, 2005.

"[A eurozone return to prosperity] will require structural change; structural change will require voter approval; voter approval will require prosperity. The circle can be broken only by returning to the pragmatic use of monetary and budgetary stimulus as a necessary if 'irresponsible' first step to growth." Op-Ed article in *The International Herald Tribune*, June 8, 2005.

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