This is a non-printable proof of an article published in Survival, vol. 47, no. 3 (autumn 2005), pp. 55-62.
The published version is available for subscribers or pay-per-view by clicking here or visiting:
http://taylorandfrancis.metapress.com/openurl.asp?genre=article&id=doi:10.1080/00396330500247997

The European Disunion

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This is not just another crisis. It is an existential crisis at the worst possible moment, a year after the largest ever round of EU enlargement, with several candidates still lining up, and at a time when international tensions – including global terrorism – demand a politically coherent European Union. Moreover, in the wake of French and Dutch voters' 'no' to the European Union's draft constitutional treaty, European leaders have so far failed to rise to the occasion. Rather than struggle to define a reasonable way forward at the June 2005 summit in Brussels, European governments fiddled over relatively trivial budget issues while the EU burned.

Ironically, the draft EU constitution has died – or at least has fallen into a deep coma – in France, where the European project was initiated more than half a century ago. The endeavour is now stalled. A battle of visions has started amidst widespread confusion about what to do with the constitutional treaty. The time has come to clarify the institutional nature, as well as the ultimate goal, of the European Union. A multi-speed Union is the best possible way forward.

France's European paradoxes

Despite France's leading role in European integration from the beginning, the French have always harboured ambivalent feelings towards the project. Most French citizens applaud the EU's journey away from Europe's war-torn and tormented past, and they appreciate that France needs to lean on a larger entity if it is to maintain an international role. At the same time, however, there is widespread anxiety that Brussels is growing too powerful, operating without adequate transparency and accountability, and all too ready to meddle in national and regional traditions.[1]

Another paradox is that French voters have turned down a constitution that would have been very similar had it been written solely by the French.

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Survival vol. 47 no. 3 Autumn 2005 pp. 55–62
DOI: 10.1080/00396330500247997

The draft constitution is replete with the type of social rights the French have learned to love. It was called too libérale – in economic terms, a dirty word in French politics – but in fact the draft constitution as a whole was less liberal in this respect than the earlier treaties that formed part of it (the initial thrust of the European project was essentially based on the principles of a free market). It also gave France more voting power, 13%, than the 9% that France enjoyed under the 2002 Treaty of Nice. (It is interesting to note that the six founding countries would have reached 49% of the votes.) Furthermore, the draft constitution significantly reduced the so-called 'democratic deficit' by giving a larger say to national parliaments as well as to the European parliament. It would have made Turkey's entry in the European Union more difficult, as the draft document added new social and civil rights that member states must respect. Finally, the text paved the way for a Europe-puissance – a coherent Europe capable of acting decisively in the international arena – that is favoured by a majority of the French. The electorate may have rejected the 'most French' constitutional treaty that will ever be put to a vote.

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A final paradox has to do with the French Socialist Party. Though the party is historically pro-European, and despite an internal vote in favour of the referendum, the infighting that took place within the party leadership created huge confusion among voters and added many socialist 'no' votes to the traditional anti-EU votes from the far right and the far left. Laurent Fabius, former prime minister and number two of the party, chose to reposition himself – with a view of later taking control of the party – by playing the 'no' card. (It is worth noting that he was the only former French prime minister to have lobbied against the treaty.) He ran his campaign alongside members of the extreme left as well as civil society mavericks such as José Bové, the anti-globalisation campaigner. The other surprise came from another former prime minister, Lionel Jospin, who had announced, upon failing to reach the second round of the 2002 presidential elections, his retirement from politics. However, not only did Jospin become the ghost of the Socialist Party after that, he also acted in the last days of the referendum campaign as the party's de-facto spokesman. Given the risky strategy chosen by Fabius, the severe identity crisis the party is now going through, and his own political stature, Jospin could make a comeback as the lowest common denominator among socialists for the next presidential election in 2007.

Beyond the role played by Fabius, whose political legitimacy was instrumental in pushing the vote into negative territory, the draft constitution was rejected for two main reasons. First, it is often the case in referendums that voters reformulate the question being asked, or respond to what they feel about the questioner rather than the question. This is especially likely in France, where the notion of a plebiscite is deeply rooted in the national

psyche.[2] Given the low popularity of both Chirac and then-Prime Minister Jean-Pierre Raffarin as high overall levels of discontent, voters seized the opportunity to make themselves heard. Secondly, a high level of anxiety prevails in France about the genuine or perceived negative effects of globalisation, such as job losses in a context of already high unemployment, outsourcing, and a widespread feeling that the French social model is under threat. The European Union is increasingly perceived as compounding these effects rather than protecting people from them; Europeanisation has become, for some, shorthand for much-feared globalisation.

But beyond these specifically French domestic issues, the Union is in crisis because French and Dutch voters were passing judgement on several fundamental issues about which they have not generally been asked. One is the state of monetary union some three years after the euro's introduction, and the verdict is surprisingly negative, given that the project was generally supported by publics in advance. A second is EU enlargement, a big problem given that consensus for it among European Union publics has never been demonstrated.

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Currency and enlargement

In the context of globalisation, the introduction of the euro was both a bold move and the right thing to do. The euro is now starting to find its place in the international monetary system, gaining and losing value along the way, which is what currencies do. The idea that the euro zone would have enjoyed a higher growth rate without a single currency is intellectually appealing but impossible to demonstrate. The euro, however, is far from perfect. There is a mismatch between the currency and the economic governance tools available to European leaders, while the exclusive focus of the European Central Bank on controlling inflation may be an impediment to economic growth. Most importantly, the euro left the 12 European populations whose countries joined it confused and slightly stunned by the scale of the change. Though the adoption of the euro was supported by national parliaments or electorates with the ratification of the Maastricht Treaty,[3] there is a widespread, lingering belief – uncorroborated by national statistics – that the euro has led to an increase in the cost of living. In addition, in the wake of the failed constitutional referendums, polls in several countries showed a previously underestimated nostalgia about former national currencies. A June 2005 poll indicated that 61% of the French electorate 'missed the franc', a figure 22% higher than when the euro was introduced.[4]

But the current crisis is, above all, about enlargement. In May 2004, ten new countries joined the European Union simultaneously, significantly altering the centre of gravity, atmosphere and functioning of the EU. This

huge change was a major reason why the Union needed a new constitutional treaty. This historical, unprecedented enlargement of the European Union – a logical and welcome sequel to the disappearance of the Soviet Union – had one essential flaw: the citizens of the countries constituting the 15-member EU were not consulted. Though not obvious at the time, this serious shortcoming is now haunting European politics.

Resentments about the recent round of enlargement were aggravated by the prospect, however distant, of Turkey's entry in the Union. Turkey officially applied to the EU in 1987, 24 years after entering into an association agreement with the European Community. It has introduced dozens of laws and measures to increase the compatibility of its governance system with that of the EU. Formal accession talks are still officially due to start in October 2005, but despite years of effort, not to mention great enthusiasm in Turkey itself, its bid to join the EU is now in serious jeopardy. Beyond the arguments invoked by its opponents – Turkey is not situated in Europe, the EU is in essence a Christian club, Turkey would quickly become the most populous nation of the EU, its democracy is not up to EU standards – Ankara's case was seriously weakened by the sudden voter scrutiny. Opposed by a majority of the French population and widely believed to have been stealthily pushed forward by European leaders as well as Brussels bureaucrats, it became part of the French referendum campaign. This conflation of issues proved highly detrimental to the draft constitution, as its opponents made the most of the Turkish bid's unpopularity with voters.

Turkey's bid to join the EU is now in serious jeopardy

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The ambiguous nature of the EU exposed

An odd characteristic of the EU is that it has grown so significantly without ever settling the question of its own nature. Debates went on between federalists and sovereigntists, and between proponents of a large free market and those who looked for a more political union. But 'constructive ambiguity' allowed the project to move forward on the basis of repeated compromise, with everyone seeing in the Union what they wanted to see. In addition to being a unique venture historically, the EU is a political hybrid, an OPNI (*Objet Politique Non Identifié*) in Jacques Delors's famous description (a play on OVNI, *Objet Volant Non Identifié* – the French for UFO).

The debate about the 'democratic deficit' illustrates the EU's hybrid nature. Though the idea of 'more democracy' is an instinctively attractive one, it is difficult to define the proper focus of democratic accountability before answering the question of what the EU actually is. Indeed, if the Union is essentially a treaty between sovereign countries, why should citizens be directly involved?

Why should there be a European Parliament in the first place? Are not national parliaments supposed to represent the will of their people?

One largely unanticipated side effect of the referendum debates was to reignite the debate about the nature of the EU. Asked to vote on a 'constitution' (in reality, a treaty), people unsurprisingly wondered what exactly was being 'constituted'. The confusion arising from the combination of old treaties with new measures, in addition to the polarising nature of the referendum tool itself, contributed to the debate getting out of hand. The various ideas of Europe that had heretofore coexisted were now polarised, and appeared incompatible. The likely withdrawal of the draft constitution will force the end of this ambiguity in further debates, with consequences that are difficult to anticipate.

A battle of visions

There are, broadly speaking, three competing European visions.

The first, the *political vision*, is classically embodied and exemplified by the Franco-German pairing: a push for a broader and deeper political union (though stopping short of federalism); a strong social dimension that balances the economic and generally free-market nature of the EU; and the idea that the Union should aim for the highest possible degree of politico-strategic autonomy on the world stage.

The second is the *market model*, as envisaged by (but not restricted to) a majority of British politicians: the less sovereignty that is delegated to EU institutions the better; the EU is first and foremost a unified market that is there to maximise wealth creation; and a country should participate in EU ventures only if and when it is directly in its interest.

Now that Britain under Prime Minister Tony Blair has taken its turn in the rotating EU presidency, we know that the third way, which has made Blair such a successful politician domestically, has a Europe-wide version. The *third way model* (described here through the British example but applicable to other countries) can be summarised as follows: Overall, the Union is good for Britain, and it will be even better if the country manages to place itself 'in the heart of Europe'; though the EU is not a mere market, its social dimension should not hamper a high degree of competitiveness in global markets; and the UK's relationship with the EU should be of a pragmatic nature (Chancellor of the Exchequer Gordon Brown's criteria for assessing the benefits of joining the euro zone) while going no further than the national mood will allow (e.g., a referendum on the draft EU constitution should be organised, if its outcome is likely to be positive).

Blair makes some valid points when he argues that the EU is too focused on the past, not on target with the ambitious 'Lisbon agenda' of economic

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modernisation (agreed at the Lisbon EU summit in March 2000), and incapable of solving the high levels of unemployment that have become the norm in some countries. As former French Prime Minister Raymond Barre said during the referendum campaign, presumably referring to Britain among others, 'On the social front, our main partners' ideas are very different from ours. They are right. If they can help us avoid additional extravagances in this area, it will be in France's interest."[5]

The main problem with Blair's arguments, however, is one of presentation and timing. At the June 2005 EU summit in Brussels, in the wake of the French and Dutch referendum failures, European publics as well as the EU as an entity needed reassurance and unity. What they got instead was unusually public and acrimonious disagreement, which added bitter confusion at the worst possible moment. The leaders should have put their divisive debate on the EU budget on hold while providing some sense of direction. The budget did not have to be decided then and there. Chirac's insistence on revising the 'British rebate' and Blair's criticisms of the Common Agricultural Policy (CAP) subsidies were both as valid as they were ill timed.[6] British Foreign Secretary Jack Straw was right to point out that crises often generate opportunities. But when the crisis is existential, opportunities take both time and goodwill to emerge.

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Even for supporters of the general principle and broad objectives of the European project, the European trajectory can seem like a *toujours plus* ('always more') venture – more members, more policies, more integration, and so forth – that was somehow spinning out of control. Voting against the draft constitution (a document that was, overall, a positive development and rationalisation of the European project, much better than the Treaty of Nice) was a way for some voters – leaving aside their domestic concerns – to stop, if only temporarily, the European roller-coaster in order to take stock of the situation, try to better understand what was going on, and to breathe a bit.

To tackle the EU's existential crisis, it is crucial to move away from a European construction that has too often consisted of a series of technocratic *faits accomplis* in search of popular ratification, toward a process that genuinely involves citizens. Ironically, the draft constitution itself answered most concerns the population expressed during the campaigns. But French and Dutch electorates did not see it that way, and the timing of the referendums played against them. The challenge for the EU is now to make the most of this democratically forced intermission. Europe has reached a plateau from which it can take different paths. Its leaders would be well advised to spend some time there rather than prematurely venturing into the least promising

avenue. It is worth remembering the step-by-step approach advocated and practiced by the Union's founding fathers as well as Jean Monnet's premonitory words in his memoirs: 'The closer the goal will become, the more obstacles there will be'.[7]

The time has come to specify this goal. 'Constructive ambiguity' does not work anymore**.** It is likely that the upcoming generation of leaders, especially in Germany and France, will bring fresh ideas on what the Union's ultimate goal should be. Once the dust has settled, it will be important to reenergise the enlargement process – most candidates, including Turkey, deserve to join in due course – while avoiding the technocratic fog of the past. Meanwhile, if the draft constitution cannot be saved, some of its important components – a more stable and visible executive, the expansion of qualified majority voting, the possibility of 'structured cooperation' between smaller groupings of like-minded states, turning the Charter of Fundamental Rights into law – ought to be salvaged.

With the last round of enlargement, the Union is already so big that a multi-speed Europe may be the most – or even the only – practical way forward. The euro and other sub-EU ventures have proven already that a two-speed Europe is workable. Visions of Europe need to be flexible enough to accommodate varying national, and popular, wills, as well as varying capabilities.

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Notes

1. Such as the tradition of selling unpasteurised cheeses.
2. Charles de Gaulle resigned from the presidency in 1969 after the reform of the French senate was rejected in a referendum.
3. Though by the tiniest of margins – 51% - in France.
4. Ifop poll, *Valeurs Actuelles*, 17 June 2005.
5. Interview with Raymond Barre, 'Il faut remettre notre économie en ordre', *La Croix*, 11 February 2005, p. 9.
6. Chirac was leading the charge of the countries advocating a reduction of the 'British rebate' while Blair was not ready to reconsider it without including the financial flows of the Common Agricultural Policy in the debate.
7. Jean Monnet, *Mémoires* (Paris: Fayard, 1976), p. 612.

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