

^E EUROPÄISCHE RUND SCHAU

Quarterly for Politics,
Economics and
Contemporary History

€ 8,-

The Sound
of Europe



José Manuel Barroso **Wolfgang Schäussel**
Dominique de Villepin

**András Bozóki, Bronisław Geremek, Mark Leonard,
Andrew Moravcsik, Alberto Navarro, Peter
Ruzicka, Jean-Luc Soulé, Bassam Tibi, Loukas
Tsoukalis, Daniel Vernet, Werner Weidenfeld**

2006

SPECIAL EDITION

Contents

»THE SOUND OF EUROPE«

- | | |
|---|-----------------------------------|
| Foreword | 5 |
| Sighting "The Sound of Europe" | 7 <i>Wolfgang Schüssel</i> |
| Globalisation – a driving force for Europe | 13 <i>José Manuel Barroso</i> |
| Crisis as a springboard for a new leap forward | 17 <i>Dominique de Villepin</i> |
| The intrinsic unity of reunited Europe | 27 <i>Bronisław Geremek</i> |
| Europe: Identity and Strategic Perspectives | 39 <i>Werner Weidenfeld</i> |
| The Idea of Europe as the Civilising Identity of Europe:
"The Sound of Europe", Islam and Turkey's Accession | 49 <i>Bassam Tibi</i> |
| Democracy in Europe: how the EU can survive
in an age of referendums | 61 <i>Mark Leonard</i> |
| The Constitution is Dead! Long Live the Constitution! | 71 <i>Andrew Moravcsik</i> |
| For a European cultural renewal | 79 <i>András Bozóki</i> |
| Spain and the EU | 85 <i>Alberto Navarro</i> |
| What kind of Europe do we want? | 93 <i>Loukas Tsoukalis</i> |
| The constraints of France's European policy | 103 <i>Daniel Vernet</i> |
| Europe and the World of Images –
What Future for European arts and movies? | 107 <i>Jean-Luc Soulé</i> |
| What Future for European Arts? | 111 <i>Peter Ruzicka</i> |

The Constitution is Dead! Long Live the Constitution!

Andrew Moravcsik

Does Europe face a crisis? It may seem obvious that it does. The people of France and the Netherlands have spoken, and the constitution is now dead. Turkish membership negotiations seem embarked on a slower and more circuitous route, and progress in areas from services deregulation to Balkan enlargement appears difficult. The popularity of the EU is reaching unprecedented depths. Recent polls show that 56% of Europeans have more confidence in national governments than the EU, 68% believe they pay too much to the EU, and 83% believe there is too much bureaucracy in Brussels. Multi-million Euro “reflection periods” are underway in many countries.

Yet, far from demonstrating that the EU is in decline or disarray, the crisis in fact demonstrates its essential stability and legitimacy. The referendums do not signal the end of the EU, not even as the beginning of the end. The EU remains the most successful experiment in political institution-building since the rise of the social democratic welfare state 100 years ago. Instead the constitutional crisis is a crisis of illusions. It signals the end of the idealistic rhetoric of European federalism born in the mid-1940s, symbolised by the phrase “ever closer union,” and aimed at establishing a United States of Europe.

Such illusions may once have been productive, but in recent years they have become an albatross around the neck of pragmatic European cooperation. It is time to reject the illusions of the past and to view the EU the way it actually is. We must recognize that the EU neither can nor should replace nation-states or seek democratic legitimacy in the same way nation-states do. In fact the current EU constitutional settlement defines a politically stable and normatively desirable balance between Brussels and national capitals. It provides democratic legitimacy through indirect accountability and extensive checks and balances that is as effective as that of national governments. And it is here to stay.

To see why this is so, we must understand the nature of the current constitutional compromise, the reasons why European leaders called it into question, and the deeper lessons this teaches us about the limits of European integration. Why did the heads of

state and government promote a grand scheme for constitutional revision and popular democratization of the EU? This extraordinary effort was based on three false premises about democratic politics in the EU – and, indeed, about democratic politics in general. The widespread acceptance of these premises, despite the lack of any empirical support for them, suggests that the constitutional crises – indeed, the entire constitutional process – was driven by illusions rather than reality.

The Fallacy of Europessimism

The first false premise underlying the constitution was that the EU faces a crisis that requires a strong forward impetus to overcome disorder or collapse. It must keep moving forward lest it fall over – the so-called “bicycle theory” attributed to the first Commission President Walter Hallstein. Ironically, this pessimistic prognosis is held, as it has been for a half-century, most strongly among partisans of European integration – in large part because it serves their political purposes.

Yet any objective observer should admit that this gloomy view has an air of unreality about it. After all, the decade and a half since the fall of the Berlin wall in 1989 comprise the most successful period in EU history. The single market, the Euro, the Schengen area, and a nascent European foreign and defence policy came into being. EU enlargement was carried out with surprisingly little disruption, and proved the most cost-effective post-Cold War western instrument for advancing global democracy and security. The last few months, since the referenda, saw the EU quietly return to business, successfully reconstituting working relations, opening negotiations with Turkey, move closer to enlargement in the former Yugoslavia, and sketch the contours of a new compromise on the services directive. With regard to Iran and other issues, the EU is increasingly co-ordinated in foreign policy and internal security.

Far from being on the brink of collapse, the EU appears to have quietly reached a stable constitutional settlement. What is that settlement? The EU is now pre-eminent in trade, agriculture, fishing, Euro-zone monetary policy and some business regulation, and helps to co-ordinate co-operation in foreign policy. Contrary to statistics one often reads, this amounts to only about 20 per cent of European regulation and legislation. Most areas of greatest public concern – taxes, health, pensions, education, crime, infrastructure, defence and immigration – remain firmly national. With a tax base a fiftieth the size of the member states, an administration smaller than that of a small city, no police force or army and a narrow legal mandate, the EU will never encompass these fiscally and administratively demanding tasks.

There is no new *grand projet*, akin to the single market of the 1980s or the single currency of the 1990s, to justify major reform. In 18 months of deliberation, the constitutional convention devoted only two days to the expansion of EU competences. European health, pension, fiscal and education policies have little support, while a US-style military build-up exceeds Europe’s means and insults its “civilian power” ideals.

Consider European social policy, of which we heard so much in referendum campaigns. What concrete EU policies should this imply? Blocking sensible efforts to reform the welfare state for long-term sustainability is short-sighted. While many studies show that a division of labour between the new and old members of the EU will generate growth. There is little evidence of a regulatory or fiscal “race to the bot-

tom” driven by the EU, and there remains plenty of room for social policy at national level. The neoliberal “Anglo-Saxon” threat is a myth. Britain is building up its welfare state faster than any of its partners, based partly on a Scandinavian model that tops international competitiveness rankings. Indeed, with continental liberalisation and British social democratisation, Europe’s social systems are converging – through the pressure of national politics, not as the result of some EU social policy pipe dream.

A similarly stable constitutional compromise has emerged with regard to institutions. Though Anglo-American Eurosceptics have sought to resurrect the bogeyman of a Brussels superstate headed by the European commission, treaty changes since 1970 have consistently moved Europe in the opposite direction. They have increased the power of the council of ministers (favoured by France and Britain, particularly for matters outside the economic core) and the directly elected European parliament (favoured by Germany) at the expense of the technocratic commission.

The relative lack of direct criticism of the content of the constitution (a point to which I shall return), the lack of fundamental objections to current EU policies and, above all, the stunning lack of positive proposals for reform are all striking indications of the underlying stability of the EU’s constitutional compromise. Since the 1970s, lawyers have regarded the treaty of Rome as a *de facto* constitution. The new document was an unnecessary public relations exercise based on the seemingly intuitive, but in fact peculiar, notion that democratisation and the European ideal could legitimate the EU. In the wake of the Nice and Amsterdam treaties, Euro-enthusiast scholars, politicians and commentators argued that the EU is unpopular primarily because it is secretive, complex, unaccountable and distant from the public – in sum, because it suffers from a “democratic deficit.” This brings us to our second fallacy.

The Fallacy of the Democratic Deficit

The second erroneous view underlying the constitution was that the EU faced a legitimacy crisis driven by its “democratic deficit,” which must be overcome not through pragmatic economic policies and useful political regulation, as had been the case for 50 years, but by politicizing and democratizing the EU.

This was the vision underlying the constitutional convention itself. Enthused by the prospect of a re-enactment of Philadelphia 1787, millions of web-savvy Europeans were supposed to deliberate the meaning of Europe. More pragmatic voices simply hoped to combat cynicism by simplifying the treaty and delineating EU prerogatives. To justify the need for change, reformers also seized on the perception that the EU would need a radical overhaul to avoid gridlock with 25 rather than 15 members – a fear that now seems unjustified, both because the new states are proving constructive and because the EU is not moving as far or fast as it once did.

Of course, the constitutional deliberation did not mobilise Europeans. Few citizens were aware of the 200 *conventionnels*’ deliberations. When testimony from civil society was requested, professors turned up. When a youth conference was called, would-be Eurocrats attended. When those who did attend came to consider democracy, they found that the arrangement Europe currently has is appropriate to a diverse polity in which member states insist on checks and balances at every level. There was little popular or elite support for democratic reform beyond the modest increases in scrutiny by national and European parliaments the constitution contains.

This is as it should be, for there is no “democratic deficit” in the EU – or not much of one. Once we set aside ideal notions of democracy and look to real-world standards, we see that the EU is as transparent, responsive, accountable and honest as its member states. The relative lack of centralised financial or administrative discretion all but eliminates corruption. The EU’s areas of autonomous authority – trade policy, constitutional adjudication and central banking – are the same as those in most democracies, where these functions are politically insulated for sound reasons. The notion of imposing democratic control through multiple checks and balances, rather than through elections to a single sovereign parliament, is more American than European – but it is no less legitimate for that. Everyone gets a say in a system in which a European directive needs approval from a technocratic commission, a supermajority of democratic national governments and a directly elected parliament, and must then be implemented by national regulators. Studies show that EU legislation is both consensual and relatively responsive to shifts in partisan and popular opinion. And when all else fails, as we see with the recent compromise over the services directive, the European Parliament can and does act as a meaningful democratic counterweight.

Enthusiasts for greater deliberative and populist democracy fail to grasp its limits. Engaging European citizens will not necessarily create informed and rational (let alone supportive) debate, because those with intense preferences about the EU tend to be its opponents. Average citizens and political parties keep only a few issues – usually those involving heavy tax and spending – in their mind at any one time, and thus respond only to highly salient ideals and issues. The pull of Europe remains weak, while the bread and butter policies citizens care about most, including the welfare and identity issues that dominated referendum debates, remain almost exclusively in national hands. The failure of European elections to generate high turnouts or focus on EU issues over the years suggests that citizens fail to participate in EU politics not because they are blocked from doing so, but because they have insufficient incentive.

Some democratic enthusiasts propose jump-starting EU democracy by incorporating hot-button issues like social policy and immigration, despite the lack of popular support for doing so. This is, in essence, Habermas’s vision. Yet anyone except a philosopher can see that this is the sort of extreme cure that will kill the patient. There is little that could lead the European public to decisively reject an institution as deeply embedded as the EU, but transferring controversial issues like social policy to it without justification might just do it.

Soberer voices propose to empower national parliaments, which the constitution sought to do in a modest way. Yet this reveals another aspect of the democratic fallacy – to which we now turn – namely its tendency to glorify populism.

The Fallacy of Populism

The final erroneous view underlying the constitutional process is that populist preferences are the ultimate arbiter, and thus the populist rejection in the two referenda show us that the European “people” have cast a considered judgment to reject the constitution and its contents. Therefore, many say, the content of the constitution must be changed.

This, too, is false. The central error of the European constitutional framers was one of style and symbolism, not substance. The constitution contained a set of modest reforms, very much in line with European popular preferences. The mistake was to present a set of modest and pragmatic reforms as a major constitutional shift – which triggered a reaction. But just as we do not consider every expression of populist frustration as a fundamental challenge to the existence of nation-states, so we should not do so in the case of the EU.

Though democratic systems tend to be more legitimate and popular than democracies, there is little reason to believe that *within democracies*, that turning policy over to a legislature or referenda makes the result more legitimate or trustworthy. In western democracies, popularity is in fact *inversely correlated* with direct electoral accountability. The most popular institutions are the least democratic ones: courts, police forces and the military. Parliaments are generally disliked; elected politicians are mistrusted. Whatever the source of Europe's declining popularity – a general decline in political trust, unfamiliarity with institutions, xenophobia, discontent with economic performance – it has little to do with its democratic mandate.

Forcing an unstructured debate about an institution that handles matters like telecommunications standardisation, the composition of the Bosnia stabilisation force and the privatisation of electricity production inexorably drove debate to the lowest common denominator. When pro-European political elites found themselves defending a constitution with modest content, they felt they had no alternative but to oversell it using inflated notions of what the EU does and rhetoric drawn from 1950s European idealism. Small wonder they were outgunned by grumpy populists with stronger symbols rooted in class, nation and race (and even more inflated views of what the EU does). Publics became confused and alarmed by the scare tactics of both sides. The referendums came to inhabit a strange twilight zone of symbolic politics, in which claims about the EU bore little relationship to reality, and support and opposition for a status quo constitution became a potent symbol for the myriad hopes and fears of modern electorates.

In fact the proposed constitution sought to marginally improve the EU's efficiency and transparency, while retaining its basic structure. All of this is the sensible stuff policy wonks love and publics generally support: European parliamentary co-decision was expanded, national parliaments gained an advisory and gatekeeping role, the rotating presidency was abolished, voting weights were adjusted to represent large countries more fairly, foreign policy co-ordination was centralised in a foreign minister and so on. The result was a multinational constitutional compromise that attended to the interests of large and small countries, left and right parties and Europhile and Eurosceptic tendencies. The reforms enjoyed broad support among member states, and none met a serious challenge in the referendum debates. The biggest change – creation of a European foreign minister empowered to recommend, though not impose, a more co-ordinated foreign policy – enjoys 70 per cent approval across Europe. And recognising the EU as it is, the constitution struck the classic idealist phrase "ever closer union" from the treaty of Rome, and substituted the more balanced "unity in diversity."

Voting patterns in the recent referendums were a reflection of three related motivations that have dominated every EU election in history. First is ideological extremism. The centre supported Europe, while the extreme right and left, which now

account for almost one third of the French and Dutch electorates, voted "no." Second is protest voting against unpopular governments. Third, and most important, is a reaction against the insecurity felt by poorer Europeans. Whereas business, the educated elite and wealthier Europeans favoured the constitution, those fearful of unemployment, labour market reform, globalisation, privatisation and the consolidation of the welfare state opposed it. Today these concerns dovetail with the perceived economic and cultural threat posed by Muslim immigration.

This type of disaffection is the primary political problem for European governments today, since it is directed both against poor economic performance and against reform measures designed to improve it. As Fareed Zakaria observes, the tragedy is that "Europe needs more of what's producing populist paranoia: economic reform to survive in an era of economic competition, young immigrants to sustain its social market, and a more strategic relationship with the Muslim world, which would be dramatically enhanced by Turkish membership in the EU."

Forgotten in the electoral chaos was the document itself. The constitution is, after all, a conservative text containing incremental improvements which consolidate EU developments of the past 20 years. The "no" campaigns conceded the desirability of the modest reforms from the start – including the foreign minister, stronger anti-crime policy and streamlining of voting procedures. Such changes are popular, not least in France, which proposed most of them. One is forced to conclude that this document became controversial not because its content was objectionable, but because its content was so innocuous that citizens saw a chance to cast an inexpensive protest vote.

What were they protesting against? Here, too, the referendums cannot be viewed as plebiscites directed at the EU's policies. Though the EU is associated, via its advisory "Lisbon process," with labour market and welfare reform, these matters remain firmly within the competence of the member states. The EU's activities as a whole, while they include oversight of state subsidies and trade policy, may just as reasonably be seen as part of a European effort to manage globalisation rather than promote it. Opponents made occasional mention of EU policies not contained in the constitution, such as the recent enlargement to 25, the introduction of the euro, the deregulation of electricity and Turkish accession. Yet only the last of these seems to have swayed many voters, and they seem to have been unaware that free migration has been ruled even before negotiations begin.

Back to the Future

Beneath the post-referendum rhetoric, a more pragmatic consensus about the future of the EU is quietly emerging – particularly among national leaders. Few are as blunt as Dutch foreign minister Bernard Bot, who recently declared the document dead. Yet most share his view. No one wants to address constitutional reform seriously before 2009 and, even then, only in a radically altered form. National parliaments have taken the unprecedented step of rebuking the European parliament for its more ambitious proposals. The year-long "reflection period" increasingly seems a smokescreen behind which to bury the constitutional remains.

A clear lesson is that Europe should avoid abstract schemes and recommit to concrete problem-solving. The politics of quiet incremental reform made the EU the

world's great political success story of the past half century. Today this view has taken over much of the political spectrum not just in the arch-pragmatic United Kingdom, but in France. Dominique Strauss-Kahn and the French centre-left call for a return to the "Monnet-Schuman method of small steps and concrete projects". Nicolas Sarkozy calls for a mini-constitution with a few useful reforms. Jacques Chirac and Dominique de Villepin say something vaguely similar. The Centre for European Reform recently proposed a workable programme for streamlining foreign policy-making, R&D policy, defence procurement policies, European patent procedures, and Balkan enlargement. Flexible co-operation, in which not all states take part, is working well in counter-terrorism and might be extended to tax and fiscal co-operation.

What Europe needs above all else is a more realistic and more positive public rhetoric, combined with more concrete policy successes. Because they do not share this confidence in the EU, the strongest supporters of progressive movement forward in European integration have become its greatest enemies. Their unrealistic and unproductive rhetoric ferments opposition. The EU should instead return to its successful tradition of quiet and pragmatic reform. Europeans consistently support incremental advances in the union's foreign, internal security and economic policies along the lines set forth in the constitution. A halfway arrangement acceptable to both EU and Turkish publics remains a realistic goal over the next 20 years and may be better for Turkey than the limited type of EU membership that is currently on offer. No other European policy could contribute as much to global peace and security. Politicians need to acknowledge explicitly the stability of the existing European constitutional settlement that can generate these successful policies. The unique genius of the EU is that it locks in policy co-ordination while respecting the powerful rhetoric and symbols that still attach to national identity. Publics will be reassured if it is portrayed as stable and successful.

In this there is much to be proud of. The EU's distinctive system of multi-level governance is, after all, the only new form of state organisation to establish itself since the welfare state at the turn of the 20th century. Its unique genius is that it locks in policy co-ordination while respecting powerful rhetoric and symbols that attach to national identity. Now it is a mature constitutional order, one that no longer needs to legitimate itself by seeking "ever closer union." Its successes are their own justification. More appropriate is thus the phrase in the preamble to the draft constitution: "unity in diversity." On this basis, Europeans could now develop a new discourse of national interest, pragmatic co-operation and constitutional stability – a discourse that views Europe as it really is. The constitution is dead, long live the constitution!