

Necessary desirability: The inherent contradiction in the European system

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There is a film currently showing in New York called “The Clock”, which was recently awarded the grand prize at the Biennale in Venice. The film runs for a full 24 hours and is made with carefully pieced-together excerpts of Hollywood movies that are related to each particular time of the day. I have not yet seen it, but it seems that the most topical and exciting moments are in the minutes just before midnight. This puts me in mind of the European Union.

There is little doubt that the performance of the EU is rated very poorly by most observers, both within and outside Europe. Some of these judgements are biased or uninformed, but it would be a mistake to deny that many are often well-founded. I am convinced that in many cases the source of the problem is the perceivable gap between the EU’s declared objectives and its practical achievements. For committed and unrepentant federalists like me, this is cause for regret, for others it is simply proof that the whole idea was fundamentally flawed from the start. A gap between expectations and achievements is inherent in all political systems, but why is it so important in the case of the EU?

One explanation may be found in the very nature of the process. As was clearly and unequivocally stated in the (in)famous decision of the German Federal Constitutional Court (BVG) on the Lisbon Treaty, the legitimacy of the Union has always stood, and still stands, exclusively on the member states and their democratic institutions. This has been misleadingly termed the ‘democratic deficit’. The inevitable consequence of this principle is that member states naturally weight their national interests against the declared common goal. As a result, they are only prepared to accept what is necessary at any given moment in order to preserve the integrity of the system and the degree of integration that has been achieved. In other words, the process is not dominated by what is desirable (however

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defined), but by what is necessary. Very often the necessity of a decision is determined by outside pressure and occurs 'ten minutes before midnight'. If judged against this benchmark, the system has not performed badly for most of its six decade long history. Furthermore, it has created a process that is analogous to riding a bicycle whereby each turn of the wheel leads to the necessity of the next. In this sense European integration is by definition a 'work in progress'. This is the reason I have been sceptical about all past attempts to draft a 'European constitution'. This state of affairs is inevitably a source of disappointment for those who support integration and it baffles foreign observers who conclude that the EU lacks a sense of strategic direction.

In all political systems there is a gap between the rhetoric of electoral programmes and the practical work of institutions, but the 'vision thing' is often a necessary prerequisite to reaching difficult decisions. When it comes to European institutions, which incidentally include the member states acting collectively, the desirable vision – the goal of European unity – has always been there and is still very much alive, including in Germany. Also, the existence of a broadly defined political goal has often facilitated agreements that were in fact purely necessary. However, because we lack a pan-European constituency to debate it, the narrative about this goal has been translated into different languages and is all but common. In fact, we have never seriously tried to unify it. Indeed, Europeans stopped debating what is desirable a long time ago: they simply react to events. As Jacques Chirac said after the failure of Nice, "les héros sont fatigués".

Nevertheless, there have been occasions on which decisions have gone beyond what was strictly necessary and were driven by broader political motives. I would call them defining moments. They were moments in history when a combination of personal leadership and favourable circumstances allowed Europe to do the desirable rather than only the necessary thing. I can count four of them. The first was the very start of the process: the creation of the Coal and Steel Community. The necessity was to allow Germany to rebuild its heavy industry. There would have been other, less ambitious ways to do it; indeed they were actively pursued in the years before the Schuman plan. Monnet was able to exploit that particular issue in the pursuit of a political agenda (Franco-German reconciliation) and devise a revolutionary solution to a relatively simple problem. The revolution consisted of introducing the concept of limited transfers of sovereignty to common institutions. An inevitable (incurable?) tension was thus introduced between the supranational nature of the process and the exclusive legitimacy of the member states.

The second such moment was the Treaty of Rome. The necessity was to promote more market integration within Europe. It could have been pursued by less ambitious means, for instance a free trade zone of the type advocated by the UK. The founding members decided instead to apply the same method as had been successfully applied to coal and steel.

The third was the single market programme of Jacques Delors and the related institutional reform embodied in the Single Act. To increase the integration of markets beyond the customs union had been an enduring objective for many years: it could have been pursued with the existing means, tackling (albeit slowly) the problems one by one. The decision was made to embark on an ambitious comprehensive programme and to abandon in part the sacred principle of unanimity.



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The fourth defining moment was, of course, the euro. The degree of market integration that had been achieved risked being undermined by monetary instability within Europe. Many at that time thought that more stability could have been obtained by less radical means. It was instead decided to pool one of the most important elements of national sovereignty: monetary policy. The common feature of these defining moments was that they all led to a strengthening of the supranational nature of the system, but carefully avoided confronting the issue of legitimacy.

There have been other moments that could have been defining, but the opportunity was missed. During the cold war a European army under the control of a political authority would have been desirable, and the project of a European Defence Community went very far before it was defeated in the French Parliament. Europe opted instead for what was necessary: to create the conditions to allow Germany to rearm within NATO against the Soviet threat. Also, the various enlargements, particularly the last one, could have provided the opportunity to redefine the structure of the Union. It was decided, however, from Amsterdam to Nice and to Lisbon, to stick to only what was strictly necessary.

Are the current challenges now facing the EU any different from those of the past? Yes and no. Many analysts, both in Europe and abroad, think that monetary union can only function if it is accompanied by some form of (still undefined) 'fiscal union' and that in order to correct the fault lines that have emerged in the architecture of the Maastricht Treaty, we need far-reaching reform. On the other hand, member states are clearly not prepared to face a new defining moment. The decision of the BvG mentioned above is clear on this point: no more transfers of sovereignty without.... without what? Apparently, without a solution to the problem of legitimacy, which in the minds of those German lawyers is so radical as to be politically impossible. Its main fault is that it denies in the most absolute terms even the potential existence of an embryonic European legitimacy, elements of which have in reality emerged from the bottom-up approach initiated by Jean Monnet. In so doing, it challenges the very evolutionary nature of the construction in Europe. I have termed it "democratic fundamentalism". The problem with that decision is that it concerns a country that is not only the most important, but also one whose political culture is uniquely attached to the 'sanctity of law' and suspicious of political discretion. Since its message now blends with weak leadership and rampant populism, the overall result is that the capacity of the German government to act is seriously compromised.

For the past year member states have concentrated their efforts on what they think is necessary to avoid a crisis of the euro. In fact, conditioned as they are by pressing domestic concerns and by the rise of populist movements in practically all countries, they have shown an increasing tendency to confuse what is necessary with what is sellable to their domestic constituencies. As a result, instead of a single comprehensive response, we have seen a series of successive steps taken at very short notice in response to events dictated by the markets. It is as if, while the gap between necessary and desirable tends to narrow, the one between necessary and possible tends to widen. Thus, the tension between the need for common action and the exclusive legitimacy of each nation is becoming more acute at the very moment domestic pressures make progress more difficult. On the other hand, the preservation of what has been achieved has become a vital necessity, not only for each and every member state, but also for the global economy. In this sense the euro has created a new paradigm. The implication of the principle that all power entrusted to the European



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institutions is delegated to them by the member states is that they should have the legitimate right to withdraw it. With the euro there is no going back without facing the prospect of a systemic earthquake. The term necessary has acquired a totally new meaning.

Some believe that the pragmatic steps that have been taken so far amount to a new defining moment. That remains to be seen and the markets still look unconvinced. The practice of responding to events 'ten minutes before midnight', while hoping that in retrospect it will appear to have produced major reform may not work indefinitely. Others believe that sheer necessity will force member states all the way down to full 'fiscal union' with a single European Finance Minister empowered, among other things, to issue eurobonds. That is also an open question. The whole issue turns around two hurdles: how to share the costs and the new delegation of power to the supranational institutions. While the first is painful but real, and therefore manageable, the second is ideological and therefore intractable. The resulting paradox is that, for ideological reasons, we are imposing on the sovereignty of national parliaments constraints that are bigger than those that would be necessary in the presence of more 'federal' instruments.

We are also facing another challenge: the desire of the rest of the world to see 'more Europe' in the effort to shape a new international system. It would certainly be desirable for Europe to speak (and act) as one unit on the global scene. Unfortunately, here we seem to be failing to do even what is necessary: to respond effectively to the transformation that is taking place on our southern borders. We should be aware that, in this case, external pressures are much weaker: the world will regret Europe's absence, but it can look after itself even without us.

This leaves us with a final question: if and when we arrive at a new defining moment, shall we still be 'all together'? In response to those who criticised the Single Act for being too modest, Jacques Delors replied that it was the price to pay for keeping everyone on board. Without saying so, he was pointing at the UK. The euro has already led us to derogate to that principle, in the belief that membership of the Union but not of the eurozone was sustainable in the long term. The accumulation of steps that have been taken to respond to the crisis of the eurozone could challenge that assumption. In other words, if necessity and desirability can be made to meet again, should we miss the opportunity for the sake of being 'all together'?