Anatomy of a crisis

The referendum and the dilemmas of the enlarged EU

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The rejection of the European Constitution by French and Dutch voters in 2005 evoked fears of dilution and fragmentation of the EU as a result of increasing decentralisation. In the worst-case scenario, Europe would be divided and increasingly unstable, ruled by a wide range of ad hoc coalitions but devoid of any real plan. A more reassuring view holds that the EU has finally got rid of the myth of political union, the age-old chimera for European federalists. Jacques Rupnik analyses the underlying factors and possible consequences of the crisis of the European project.

The crisis of identity in the European Union, evident since its enlargement in May 2004, has, following the rejection of the Constitution, been compounded by a political crisis of confidence. In his book *The End of the American Era* (2002), Charles Kupchan argued that Europe would be able to stand as a rival to the US on the world stage not so much because of its economic vitality as because of the impact that its process of political unification would have. As he saw it, at the dawn of the twenty-first century, “it is the political union of Europe that is changing the global landscape”. This theory, matching the declared objective of the EU, no longer seems so convincing today. The same goes for the “European Dream” which, according to Jeremy Rifkin [1] will one of these days put the “American Dream” in the shade. Without wishing to indulge in some sort of opportunistic “europessimism”, it is by no means pointless to consider how the European idea stands up to a certain number of uncomfortable realities in this post-referendum situation.

Over and above the failure of the agreement on the Constitution, there are, lurking on the sidelines, a number of more profound disagreements that could crystallize and make for a process of long-term weakening, or even lead to the break-up of the Union.

The consequences of the rejection of the agreement on the Constitution
The first and most obvious consequence of the “no” votes in France and the Netherlands is the end of the agreement on the Constitution. For fifteen years, the EU has been negotiating treaty after treaty and this Constitution was supposed to bring this process of institutional reform to a close. There never was a “plan B”, never any prospect of renegotiation, despite what the supporters of the “no” vote might have claimed. Admittedly, despite the failure to ratify the constitutional agreement, it is possible that medium-term partial adjustments might be envisaged, but no one in Europe is prepared to re-open the negotiations. The announcement of a new Constitution had raised hopes unduly and so the consequences of its rejection will be on the same scale as the dashed hopes. Those who supported its terms probably had overestimated the anticipated benefits that the Constitution would bring, but the supporters of the “no” vote certainly underestimated the impact of their victory on the building of Europe. The principal result is the failure of Europe as a political entity, the failure of the idea of an “ever-closer union”, and the repercussions of this failure will affect every key area in the building of Europe. A political crisis like this could well bring about a lasting loss of credibility for the European project.

France’s self-marginalisation

From having been one of the main instigators of the European project, France has now, as it were, placed itself on the margins of this process. Such a volte-face has been a source of bafflement on all sides, but nowhere more so than among the new members. For them, the agreement had been seen, on the whole, as a French initiative, steered through by a French president who was favourable towards French views and interests. The situation is reminiscent of France’s rejection in 1954 of the European community’s defence plan (CED). [2] The principal result of the failure of the CED was that the construction of Europe started first on the economic path, with the Common Market, and only much more recently acquired that political dimension of which the project for a Constitution was the symbol par excellence. Twice within half a century France has torpedoed the idea of a political Europe. One of the consequences of this could well be a return to the “common market”.

France now seems like a country with a very definite tendency to be obstructive and seems no longer to represent the ideals of a credible European project. Such a sidelining of France itself is mirrored in the marginalisation of the French Left within the European Left. There isn’t a single European socialist party prepared to support the alternative policy implicit in the French leftwing “no”. The European Left has moved on from the era of ideologies to a defence of its values in the context of a social market economy. A considerable proportion of the French Left is, on the contrary, moving backwards ideologically and eastern Europe tends to detect, in the “retro” style of its anti-capitalist rhetoric, vague echoes of former regimes. Bronislaw Geremek, the former Polish foreign minister, remarked with some irony: “Send us your supporters of the leftwing ‘no’; it will encourage our people to vote ‘yes’”. [3] On the eve of the referendum, Vaclav Havel was reminding the French “not to forget that the idea of liberalism contains the idea of liberty”. [4] What is put forward as being an exemplary break with the past is perceived outside France as being a conservative knee-jerk reaction. The obsession with political sovereignty on the populist Right and with social sovereignty on the radical Left have each played a part in marginalising both France and the French Left in a way that will have a lasting impact on its image and credibility within the Union.
The way in which symbolic figures of the Polish working-class are perceived among the French Left illustrates the changes that have taken place. Twenty-five years ago, it was a worker in the Gdansk naval shipyards who swung the non-communist Left (from the CFDT trade union to the Socialist Party) into supporting Solidarity. Solidarnosc badges appeared on lapels across the old continent, apparently auguring the construction of a European public space. But today, a terrifying bogeyman that takes the form of the “Polish plumber” is paralysing part of the French Left, ranging from the CGT union to Laurent Fabius. The leftwing “no” in France claims to be anti-capitalist. The “no” to the constitutional treaty in Poland and other central European countries is based on separatism and often on liberalism. In France, the elites are on the whole in favour of steps towards European integration whereas, ever since Maastricht, the general public have been wary about the matter. In Poland the reverse is true: the political class is, on the whole, against the Constitution and prefers the Nice arrangement, whereas more than sixty per cent of the population as a whole favours the Constitution.

In France, there are some who would hope to build on the rejection of the Constitution and of an “ultraliberal Europe” a new political focus to the left of the Left, made up of the left wing of the Socialist Party, the Greens, and supporters of the Left. In 2005 we were witnessing a return to the ideologies of 1905, the ideologies of Jules Guesde and Leon Trotsky. In Germany, the outlines of a parallel and in many ways similar development are beginning to be drawn with the setting up of the new Linkspartei amongst former members of the SPD and the PDS, led by Oskar Lafontaine and Gregor Gysi.

Decline and fall of the Franco-German alliance

It is true that as from 1989, the Paris-Berlin axis was no longer able to play the same central role as it had once done. It is also true that, in the course of the last decade, the tandem looked to other EU members like “the sick man of Europe”, crippled by corporatism and by deadlock in the face of the reforms, its sole recent contribution to the spirit of the community being to shatter the stability pact. But over and above the reduction in its institutional weight (illustrated by the reduced share of French and German votes in the European council under the Nice system, which is still in force), it is the very existence of the Franco-German partnership that is nowadays threatened. The plan for a “core Europe”, put forward more than a decade ago by Wolfgang Schäuble and Karl Lamers, met with no response on the French side. And no hypothetical Fabius-Emanuelli plan for a break with an “ultraliberal” Europe is going to find much of a response in Germany; all the more so, given that Joschka Fischer, who was once in favour of a “hard core”, has subsequently turned away from the idea, favouring instead a much wider geopolitical role for Europe. It will be difficult for France to be seen as a reliable partner in constructing a new Europe, thereby proving that those in Germany who consider the Franco-German partnership to be outmoded are correct. On the day after the failure of the referendum, Dominique de Villepin’s relaunch of the idea of a “Franco-German union” was politely turned down by Berlin, which had not even been consulted in advance. Germany ratified the Constitutional Treaty by the parliamentary route (even though, according to opinion polls, had they gone for a referendum the result would have been negative) and continues to favour eastward enlargement of the EU. France is today out of line with these two German priorities. The “no” on the Left in France is protectionist, whereas Germany is the largest European exporter. The German Chancellor, Angela Merkel, has other plans up her sleeve. We can consider the Franco-
German partnership as, to a large extent, devoid of any substance.

The return of sovereignty

The French “no”, inasmuch as it destroyed any prospect of political union, only brought joy to the hearts of those who oppose the construction of a new Europe. According to the eurosceptics, the peoples of Europe want nothing to do with either a constitution or any further relinquishing of sovereignty. The Danish “no” to the Maastricht treaty in 1992 or the Irish “no” to the Treaty of Nice were more of a problem for the countries concerned than for the Union itself. This is not the case for the French “no” and the Dutch “no”: these are two of the founding countries of the Union, one of which, France, still cannot be ignored in political terms. Their rejection of the constitutional treaty broke a taboo. Previously, the mainstream political forces did not dare to openly oppose the prospect of European integration, whereas now no one is afraid of the consequences of questioning it at a fundamental level. After the rise in influence of intergovernmental thinking comes the triumphant return of the supporters of sovereignty.

From London to Warsaw, eurosceptics have been delighted to see how France has rid them of a Constitutional Treaty that they wanted nothing to do with. Jan Rokita, the leader of Poland’s Civic Platform party, the author of the celebrated “Nice or Death” slogan, is not going to shed many tears, [5] and the europhobes who run Poland will shed even fewer. Vaclav Klaus, the Czech president, has never stopped castigating the Constitutional Treaty as a threat to the sovereignty of his country and to a liberal economy. Having first compared the EU to Comecon in an interview for Frankfurter Allgemeine Zeitung, he went on to suggest that the EU should be reorganized as the “Organisation of European States”. [6] In February 2006 he made a joint declaration with Polish president Lech Kaczynski to present their shared vision of a Europe rid of the constitutional threat.

Doubts cast on the euro

The very day after the failure of the referendum on the Constitution, doubts were cast on the euro. It began with a call from a member of the Italian government (a representative of the Northern League) for Italy to come out of the euro-zone and was closely followed by the German economics minister expressing the view that Germany would have been better placed to deal with its economic problems without the euro. Even in France, an opinion poll on the day after the referendum showed that 61 per cent of the French population would like a return to the franc. [7] The logic of the euro did not bring about the economic control and political development that had been hoped for. In fact, it was the other way round: the failure of political Europe had immediate repercussions for monetary Europe.

In more general terms, immediately after the failure of the referendum, though there was no sudden budgetary reaction, there was an escalation in economic egotism and nationalism. Was Jacques Chirac hoping to divert attention from his failure by mounting a stubborn defence of the Common Agricultural Policy? Tony Blair, for his part, chose to defend the British rebate that Margaret Thatcher had won after a hard-fought struggle more than twenty years before. Silvio Berlusconi asserted that Italy would not give way over the regional fund. Holland was no longer willing to be the largest net contributor,
and so on. In the absence of any political Europe, it is a general “Thatcherisation” of the Union that is underway. The last-minute compromise over the budget that was reached in December 2005 was able to rescue the basics, but the wearing away of political bonds is, in the long term, a threat to common policies and the principle of redistribution. It is true that the new members have not made the task easier by, at one and the same time, favouring both fiscal competition to attract investment and “solidarity”.

**Blocking progress towards enlargement**

Once the social dimension became one of the main points of discussion in the campaign for a “no” on the Left as a result of the Bolkestein directive on services and delocalisation, then the ingredients were all in place for turning the referendum on the constitution into a referendum on enlargement. One of the first results of the failure of the referendum has been to push France into calling for a moratorium on future enlargement, and a similar trend has also appeared in other countries such as Holland and Germany since the elections. Attention has centred on Turkey, whose chances of joining seem to have been safeguarded by the decision on 3 October 2005 to open negotiations. But it is the Balkan states that seem likely to be the most serious “victims” of a probable moratorium on enlargement, just at a time when the European ideal seems more necessary than ever as a common European shelter from the difficulties inherited from the break-up of the former Yugoslavia. [8]

**A setback for those wishing to be inspired by the example of Europe**

The failure of the plan for a constitution is also a negative message for those, ranging from Mercosur in Latin America to Asia, who see Europe as a model of reconciliation and cooperation to be imitated. For them, it is not just the institutional and political structure of the EU that has broken down, but also the world’s furthest advanced model of regional integration. How could Mercosur consider moving from economic integration towards political integration when the Europeans themselves are abandoning this route? How could Asian countries be inspired by the European model for reconciliation when nationalism is rearing its head once more in Europe?

**A weakened and unpredictable partner for the United States**

In the United States, the neo-conservatives on the *Weekly Standard* rejoiced at the “no” vote, whereas the realists could have managed to live with a “yes”. Just a few intellectuals such as Jeremy Rifkin, Charles Kupchan, Anne-Marie Slaughter, or David Calleo, seemed to see the building of a new Europe as an adventure that looked to the future. The failure of the Constitution reinforces the dominant view on the other side of the Atlantic of a Europe that is unable to take up the economic or demographic challenges of globalisation, a Europe devoid of any shared ambitions, “condemned to the decline” and marginalisation of its international role. [9] And so, in one of those ironies of history, it is those in France who have the greatest contempt for American unilateralism who are having a lasting weakening effect on Europe’s ability to make its voice heard on the international scene. Having worked at creating a divided Europe during his first term, the Bush administration was able, at the very beginning of his second, to express a wish for a coherent, stable Europe and to rediscover the need for a partner and ally in the face of the disaster in Iraq, the growing ambitions of China, and the prospect of a new cold
war with Putin’s Russia.

Four divisions within the enlarged EU

The story of the construction of a new Europe has been punctuated with crises that have been overcome. Some of the supporters of the constitutional treaty try to reassure themselves by talking about a “pocket of turbulence” to be got through, whilst some of its opponents have spoken of the need for a “salutary shake-up” to give Europe a new direction. The present crisis is another matter entirely.

The present crisis has to be understood in the light of a number of factors that make of it a structural crisis that goes beyond any analysis of the merits and the problems presented by the text drawn up by the Constitutional Convention. More specifically, the failure of the plan for a constitution and for a political Europe compromises the movement towards constructing the new Europe precisely because it coincides with the danger of imposing on it four major splits dividing Europe just at the moment when it is having to face a doubling in the number of its members and new challenges on the international scene. It is just at the moment when Europe is trying to unite itself that it is having to face its deepest divisions: divisions over its political model, over its economic and social model, over its international identity in relation to the US, and over its frontiers.

1. The failure of political Europe

The enlarged European Union will not be the same once it is larger. To double the number of members of the Union without reforming the manner in which it is governed means that there is a danger of running out of steam or even of total paralysis. It is precisely for this reason that the EU needed a constitution. The truth of the matter is that the intended benefits of the text itself were certainly less important than the political consequences of its rejection for the future of the European project.

Ever since the fall of the Berlin Wall and the end of the division of Europe into military and ideological blocs, there have been attempts (in France, not in Germany) to oppose the enlargement of the Union and its consolidation. The simplistic, false dichotomy (each enlargement was accompanied by advances in the process of integration) could, after the rejection of the Constitution, become a self-fulfilling prophecy: after fifteen years of institutional “consolidations” without any enlargement, we would have entered, in May 2004, into a prolonged period of either actual or future enlargements without any consolidation.

The result is that we are moving towards a minimalist Europe, dominated by approaches that depend on intergovernmental cooperation at the expense of community methods: the risk is that we will move from a kind of federalism that cannot be achieved to a return to national sovereignties that are unsuited to the age of globalisation.

This “constitutional moment” is all the more important in that, in a Union of twenty-seven countries or more, we can no longer depend on a functionalist model whereby economic or monetary integration was supposed to bring about, automatically, institutional and political integration. Indeed, it is the case that we have a monetary Europe with the Euro
and the European Central Bank; we have a judicial Europe with the courts in Strasburg and Luxemburg, but we do not have a matching political Europe such as would confer democratic legitimacy upon the whole structure. The separation between, on the one hand, the market and the production of norms and, on the other, democratic legitimacy, can only worsen the crisis of confidence that exists between Europe and its citizens. It also provides fertile soil for the growth of anti-European populism.

It is this context, rather than the text itself, that has made of the process of ratification a barometer for European cohesion and political will. Its failure may lead to scenarios involving dilution or fragmentation of the Union.

2. An economic and social model that has broken down in the face of the challenges of globalisation

The success of postwar Europe was built on its economic success and its social model of the provider-state, on a balance between competition and cooperation. This social and economic model is today being questioned on several levels. First, there are the implications of economic and financial globalisation which confront Europe with the decline of its competitiveness (in the medium term) in the face of the growing power of Asia (China, India) and the dynamism and flexibility of the American economy. This decline in economic and commercial competitiveness is seen in the ongoing differences in rates of growth between, on the one hand, our continent, stagnating at less than two per cent, and, on the other, America at almost four per cent and Asia at somewhere around eight per cent. This economic decline is accompanied by demographic decline, also ongoing and affecting the entire continent, admittedly at varying rates (France’s positive rate making it the exception here). This decline will have unavoidable consequences for the maintenance of the European system of social protection. In the face of the threefold challenge presented by growth, competitiveness and an aging population, not all European states are affected in the same way and are therefore deeply divided when it comes to deciding how to respond. The Lisbon Agenda (in 2001) prioritized innovation, research, and development but it went unheeded. In the continuing debate about the merits of the “Rhine Model” and the liberal “Anglo-Saxon Model”, [10] the question is whether Europe is a way to control globalisation or simply one of globalisation’s tools. In that debate, it is continental Europe, unable to achieve growth, that represents the “Rhine Model” that has run out of steam, whilst the fringes of Europe, from Great Britain to eastern Europe and taking in Scandinavia, demonstrate their economic dynamism and their openness to liberal reforms.

Thus, behind the divisions over the Constitution and political Europe, there is a growing gap between those who want to reform Europe and those who want to bolt the door, those who defend a social model that they are unable to reform and those who will only swear by “undistorted competition” but also call for budgetary “solidarity” and redistribution of structural funding. Those enjoyed the controversy over Iraq will love the row over the EU budget. The failure of political Europe will also mean a redefinition of the European model, that is, of the relationship between the market and the solidarity that is on the agenda.

3. Europe as an actor on the international stage
Can Europe manage to achieve a common foreign and security policy (CFSP)? Among the victims of the failure of the plan for a constitution is the French aim to have a “European battle group”, capable of acting independently on the international scene. Admittedly, neither existing institutions nor the fact that there was a European minister for foreign affairs was enough to ensure that there would be a common foreign policy. On the eve of its enlargement, the European Union was divided over the war in Iraq or, to be more precise, over relations with the US. The division between Europe and the US was also a division within Europe, with Tony Blair on one side heading peripheral Europe (his view being that, the closer you are to the policies of the American administration, the more chance you have of influencing them) and the Franco-German partnership on the other, with its Gaullist view of Europe as a counterweight to the US. Both positions revealed their limitations, and the adoption of a European Constitution would have made it possible to find ways of overcoming the differences of view. No one thought about the need to preserve a European compromise as a priority for all.

This absence of Europe at the time of a major international crisis reinforces doubts about the possibility for a foreign policy common to twenty-five or thirty countries, with divisions between the “Europeanists” and the “Atlanticists”. It will continue to raise doubts as long as, for the new members of the Union, Nato and the US continue to represent, for their security policy, the line of demarcation beyond which it is impossible to go. That is, unless the threat of terrorism and radical Islamism raises European awareness of the need for a common approach in the face of new issues of international security.

Beyond the transatlantic crisis and the doubts about what a CFSP could achieve, there remains the question of the international future of the European model, of a model characterized by economic interdependence and a preference for setting norms. The EU is seen as an internally normative power but having the aim to extend its approach on an international scale. The EU is seen as the European “soft power” (the power to persuade) combined with a “power to transform”, exercised in relation to those countries considering the prospect of joining it. But what are the chances of extending, on the international level, this model of “civil power” and this preference for the norm (for the UN or for international law) in a world where a return to the logic of power is asserting itself?

4. The frontiers of Europe and the frontiers of the Union

The logic of enlargement of the European Union consists in extending stability and democracy to the periphery of the continent by offering the prospect of belonging to the centre. Enlargement has been a great success and appears to have been ideally suited to helping along the difficult transitions that have taken place in the Balkans and in Ukraine. But today, enlargement towards the east raises the question of limits. A division is beginning to appear within the EU between those countries which, like France, think that it is necessary to make a pause in the process of enlargement and those who advocate its further progress. The Polish President Kaczyński is asking for Ukraine to be allowed to join. The Romanian president speaks of a “strategic Washington-London- Bucharest axis” and demands that EU enlargement take in Moldavia and the Caucasus states. The Czech president wants to include Kazakhstan, and so on. It does not do much for the process of enlargement to see its cause being supported by the most europhobic
leaders of the “new Europe”. It is through the policy of the Union towards these fringe countries of the former Soviet Union that the relationship with a Russia in search of a new post-imperial identity must be redefined. But of course, it is the problem of Turkey that raises the question of limits and of the ability of the Union to develop types of relationship with its neighbours other than those related to the prospect of adhesion (or non-adhesion). For a “Europe without a shore” (“L’Europe sans rivage”, François Perroux’s phrase coined in 1954) makes the citizens of “old Europe” quite dizzy. Beyond the question of the identity of Europe there is also the question of the identification of its citizens with Europe. It is true that enlargement continues to be the Union’s most powerful international lever, but how can you pursue enlargement on the fringes if there is no longer any centre?

What are the scenarios for the Europe of tomorrow?

With the rejection of the Constitution, the weakening of France and of the Franco-German partnership, various different scenarios may be imagined for the EU. The first of these, and the most worrying, suggests that there is a danger of dilution and fragmentation as a result of the increasing decentralisation and the hardening of the aforementioned divisions. This would be a Europe that would be divided and more and more unstable, ruled by a wide range of ad hoc coalitions but devoid of any real plan because there would nothing left to form a credible framework for a European project. The failure of the budgetary negotiations prefigures a return to the nationalisation of common policies. The EU is entering a prolonged period of disintegration.

But the worst-case scenario is not inevitable. The more reassuring version of a Union without a constitution is one of an EU that has finally got rid of the myth of political union, the age-old chimera for European federalists. [11] The EU can at long last openly move towards what is alleged to be its true vocation in the twenty-first century: within its own frontiers, pragmatic agreements and, outside its frontiers, stabilisation of the now-fragmented former fringes of the Russo-Soviet and Ottoman empires. It is also the EU as a geopolitical project, as a plan for living together on a basis of interdependency through the market, a state in which law and a minimum of respect for human rights prevail. Instead of an unachievable federal Europe supposing a high level of homogeneity and established frontiers, it would be a “Network Europe” with few internal constraints and minimum levels of exclusion in relation to the outside world. There would be no “European core”, but perhaps a de facto board of directors, with Gordon Brown, Angela Merkel, and Nicolas Sarkozy, more in tune with a “liberal” Commission and a toned-down Atlantic outlook.

This is, of course, a case of making a virtue of necessity. It is also a way of putting into perspective the impact of scenarios imagined in the middle of a crisis that is not the first to affect the history of the European project. Adopting the Constitution could not have made the divisions disappear as if by magic; it would, at best, have made it possible to manage them and, in the long term, to overcome them. Rejecting it does not mean the end of the Union, but it probably does mean that we have to come to terms with a different model for it.

The disintegration scenario is only mentioned here in order to remind anyone who may have forgotten that anything that is built up can also be demolished. The failure of the
process of ratification also means that those who were in favour of the Constitution failed not so much in communicating its merits or in pointing to disaster scenarios but rather in their inability to present themselves as the inheritors of the European project with a common concern for Europe.

Footnotes


2. According to Alfred Grosser, what the French wanted from the CED was "a German army that was weaker than the French army, so that it would not represent a threat, but stronger than the Soviet army, so that it could protect us." The plan, which had been devised in order to provide a European framework for German rearmament, was rejected by the French National Assembly. The result was that German rearmament took place within the framework of Nato, thereby creating closer ties between Germany and the US.


5. The leaders of the right-wing parties in the Visigrad Group (Poland, Hungary, the Czech Republic and Slovakia), meeting in Prague on 6 June 2005 expressed this view. Most of them were to come to power soon after the pro-European centre-left coalitions lost power. Jan Rokita, leader of Civic Platform, the main grouping on the conservative liberal right in Poland, stated on Czech television (CTV, 6 June 2005): "It is not the Treaty of Nice that is threatening to paralyse the Union but the process for ratification of the Constitution. Why mend it if it isn't broken?"

6. Vaclav Klaus, "Vytvorme jinou Evropskou unii" in *Lidove Noviny*, 16 July 2005. A shortened version, "Why Europe must reject centralisation" appeared in the *Financial Times* for 30 August 2005. In this article, the Czech president proposes to jettison the progress towards European integration that has taken place over the last twenty years and to abandon such terms as "European citizenship".


8. The link between the two is absolutely crucial. See the Report of the International Commission on the Balkans, chaired by Giuliano Amato, *The Balkans in Europe's Future*, April 2005. In this respect it is important to make a clear distinction between the enlargement involving Turkey (under serious threat) and enlargement involving the Balkan states.


10. Following the distinction made by Michel Alber in *Capitalisme contre capitalisme* [Capitalism against capitalism].
11. This is the view put forward by Andrew Morawcsik in "Europe works well without grand illusions", Financial Times, 13 June 2005.

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