



Mis-selling Europe

The European integration project has been grossly mis-sold – not by its populist opponents but by pro-European elites. Politicians have created a long list of expectations – none of which has been met. Now voters are wondering why Europe has not solved unemployment, why their economies are not hyper-competitive, and why enlargement has been so difficult and expensive. They do not understand that Europe cannot assert itself coherently and consistently on the world stage and they worry about why European institutions, legislation, and particularly constitutional reforms do not feel closer to the people.

IT IS EASY TO SEE HOW UNREALISTIC IT IS TO EXPECT 'EUROPE' to solve job and competition problems, to grow and cut a figure on the world stage while consulting its four hundred and fifty million people. Unemployment is a local and not a European problem, with as much variation in national job queues in some of the larger member states as across the European Union (EU). The same is true for competitiveness, which in any event is more about firms than member states, let alone Europe.

All enlargements have been difficult and most were expensive. The first enlargement to Britain, Denmark and Ireland was probably the worst. Europe's Common Foreign and Security Policy is effective, but depends on finding foreign and security interests the member states have in common. Meanwhile it is hard to identify any continental democracy that feels very close to the people, particularly when the people are as culturally diverse and locally well-organised as those in Europe.

Tangled Thoughts

The clear message in the post-referendum polling in France and the Netherlands is that people rejected last year's proposed European Constitutional Treaty for different reasons. Some, mostly in France, thought the Treaty posed a threat to jobs and to the welfare state. Others, mostly in the Netherlands, thought it threatened national sovereignty and public finances: Europe is too expensive.

Some voters in both countries thought the Treaty was not democratic enough. There were even voters – not as many as the

media has suggested, but still a few – who thought the Treaty was too inclusive and would encourage further enlargement and more immigration. And, at the fringes, there were voters expressing a range of random views.

The easy way to cut through this tangled mess of ideas is to argue that the electorate was somehow mistaken or perhaps even manipulated. At almost three hundred pages, the Treaty is a difficult read. By asking for popular endorsement, governments forced voters into a simplified yes or no decision without giving them clear insights into what was good and what was not.

In such a situation, vague exhortations about the importance of building 'Europe' seem a lot less compelling than the fears that can be invoked by populist extremists – like France's Jean-Marie Le Pen, Geert Wilders of the Netherlands – or political opportunists such as former French Prime Minister Laurent Fabius. The whole complicated trade-off has to be accepted to vote in favour. Only one good reason is required to vote against.

The easy answer is not always the right answer – particularly when the question is 'Why did the European Constitutional Treaty fail?' and even more particularly when it is 'Why is the EU in such a crisis?' Worse, by focusing on ignorant voters and manipulative populists, Europe's political elites are likely to lead themselves astray – again. The problem besetting Europe is not that the pro-European message has not got out clearly enough. On the contrary, the European message has gone out and has been received. Now voters are holding pro-European politicians to account; they have only themselves to blame.

Jobs are Us

At critical points in the past decade and more, Europe's politicians have been too willing to reach for exaggerated rhetoric or unfounded claims to stoke the embers of popular support. The story about unemployment is the easiest to tell.

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When European Commission President Jacques Delors published his 1993 White Paper on Jobs, Growth, Competitiveness, it was clear Europe could play only a marginal role in tackling such issues. Nevertheless, finding some role for Europe in managing the economic challenges of member states was viewed as an essential response to the June 1992 Danish veto of the EU Maastricht Treaty, and the very controversial French referendum that followed.

The rhetorical success of the Delors White Paper was far greater than its institutional or economic impact. Europe's economies struggled through the middle of the 1990s and member state governments were responsible. Meanwhile, the European Council of Ministers continued to look for a meaningful role. The December 1994 Essen Council identified priorities and two years later in Dublin it declared its determination 'to achieve a lasting improvement in the conditions necessary for the generation of sustainable employment'.

Yet throughout the mid-1990s, politicians recognised that unemployment could not be dealt with at the European level. The best they could agree on was that the creation of the single currency could provide stable prices and low interest rates, member states would have to do the rest.

But the rhetorical attraction of finding a European solution to the jobs crisis was too great to resist – particularly as the popularity of the single currency began to suffer. Then Italian Prime Minister Lamberto Dini put it best shortly after the start of his country's European Presidency in January 1996: 'Monetary union and the creation of jobs must be seen as an entity so that one has the feeling that Europe means opportunities, income, growth and work.'

Many good policies and practices have been introduced and Europe has achieved far more than most economists and politicians could ever have imagined in the early 1990s. The special jobs summit held in November 1997 gave new impetus to member state action. It also set a pattern for different Presidencies to compete over their contributions in the struggle to create jobs. Europe became marginally more effective; its rhetoric much more confident.

Working people, whether looking for employment or at risk of losing their jobs, latched onto assertions about European determination to tackle the jobs crisis. Hence, when the March 2000 Lisbon European Council set a strategic goal to 'Become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion' Europeans could be forgiven for accepting such claims at face value.

Now unemployment and employment prospects are two of the most important determinants of popular attitudes toward Europe. Whether support for Europe is being asked by public opinion pollsters, candidates for the European Parliament, or national governments in referendums, the answer is always the same: 'What has Europe done about getting or securing my job?' The fact that Europe can do very little is not the issue. That Europe can do more than most economists or politicians originally thought, is even less important. All that matters is what Europe has done. And the answer is painfully obvious.

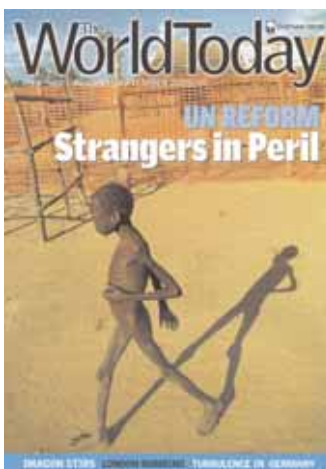
Bright Futures

The story about competitiveness is much the same, but with the added wrinkle that competitiveness is much harder to pin down. From a popular perspective it is tied to welfare and well-being. A competitive economy not only provides jobs, but, more

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importantly, jobs that earn good wages and are supported by proper benefits. In a competitive economy, the future looks brighter year on year. In an uncompetitive one it does not.

By tying themselves to competitiveness, Europe's politicians have forged a link between popular support for Europe and future economic prospects writ large. They not only have to promote jobs and employment, they must also defend the distribution of welfare within which that employment takes place.

This explains why the November 2004 Kok Report on the failure of the Lisbon jobs strategy put such emphasis on the need to protect the European social model. If Europe's politicians cannot defend it, then they must propose a better alternative. This is what the debate over competing European social models is all about.

The problem is that the meaning of what is 'better' is no more clear than the meaning of what is 'competitive'. These concepts are hard to define in any positive and comprehensive way. They are easier to understand by what they are not. As a result, popular attention focuses on what is not competitive in Europe. And looking from one European social model to the next it makes comparisons based on what is 'not better'. The British are too inequitable; the French too rigid; the Germans too consensual; the Swedes too homogenous; and the like. This is hardly a context within which popular ideas of European solidarity are likely to flourish. Indeed, quite the opposite.

It is here that the rhetoric surrounding recent European enlargement comes to the fore – primarily within new member states. The old EU countries always viewed enlargement with disinterest. Where there has been trade or tourism from west to east, support has generally been higher. Where there has been little contact, most people in existing member states had no clear opinion. The same is not true in the former candidate countries. For them, membership was a vocation and a new recognition of old identities. It was acceptance and belonging.

The European Council was well aware of the magnetic attraction of membership. It chose in June 1999 to make the prospect of membership real to all candidates. The enlargement project was about getting the populations of central and eastern Europe to focus on the goal of becoming part of the EU.

The contrast in perspectives on enlargement was nowhere more apparent than on accession day, May 1 2004. Celebrations in the east were exuberant, those in the west were few and far between. Now enlargement has taken place, this difference in attitudes is transformed. The old member states continue to make the old-new distinction. The new members joined to put such distinctions to rest.

At the popular level, the old member states have woken up to the fact that new members mean new competitors in the European marketplace and new costs for European programmes. In the new member states the public cannot understand how that realisation could come as such a surprise. Popular support for European integration on both sides of this membership divide is clearly suffering as a result.

Foreign Policy Failure

Public confusion over the consequences of enlargement stems from the very nature of the policy. Seen from the perspective of that decisive June 1999 Cologne Council meeting, enlargement was an act of European foreign policy. Now it has transformed into a reality of European domestic politics. What was a success in one domain is now a challenge in the other. But if that is the case, is it really fair to conclude that enlargement was a great European foreign policy success?

The success of enlargement reveals a lot about the failure of European foreign policy. Although there is enormous popular support for the development of a Common Foreign and Security

Policy and a corresponding European Security and Defense Identity, there is much less agreement – either popular or elite – about what they can and should do. Enlargement took place because EU members could not agree on a workable foreign policy alternative. The decision to treat Turkey as a candidate like any other has a similar origin. It is a measure of last resort, taken reluctantly, and then repackaged as an historic opportunity.

The new European Neighborhood Policy which proposes looser links for those countries beyond the Union's wider borders, is an attempt not to repeat the mistakes of the past. But having had one historic enlargement makes it very difficult not to have another. Indeed, the public of the new member states would find it difficult to understand that countries like the Ukraine, Moldova, or even Belarus should not have a European vocation. In this there is a clear division, not only between east and west or new and old, but also between political elites and public opinion. Elites may rationalise a Europe in which the former Soviet Republics do not belong, and yet Turkey does. The public cannot.

Closer to People

And so we end with the question of democracy. At the December 2001 Laeken summit ministers pledged to bring Europe closer to the people. Now it is clear Europe will continue only if substantial parts of public opinion are ignored. When politicians try to explain that these issues are too complicated or too technical for popular debate, they only reinforce the perception that Europe is undemocratic. And when they suggest that many of the revisions incorporated into the draft Treaty could be adopted without further popular consultation, they raise fundamental questions about what democratic Europe is all about.

There is no easy solution to unravel these problems. But a solution is needed. No matter how much European elites may have mis-sold their project, there is no denying that it has brought real benefits, and promises more for the future.

Europe cannot solve unemployment, but European macroeconomic stability does make any solution easier. Europe cannot make firms competitive, but it can help eliminate market distortions and anti-competitive practices. European enlargement was expensive – more for the new member states than for the old – but it was worth it. And the advantages will increase in the future. There are plenty of good reasons to extend membership to Turkey – once it is ready – and to delay membership to other countries until they show meaningful commitment to reform.

This large and diverse Europe may not always act as a single player in the global arena, but it will wield great influence when it does, and there will be good democratic reasons if it does not. Because democracy is about being organised at the level at which particular decisions can and should be taken, Europeans should be more worried about the strength of their national democratic institutions than about building some highly articulated European democracy.

Reasonable people may disagree about the advantages of European integration. But it is too dangerous to try and escape meaningful disagreement by creating unrealistic expectations. If there is a case for Europe, it should be made in measured terms. That way popular expectations can be managed and voters convinced.

The real lesson from the crisis of Europe is that politicians need more respect for public opinion. But they do not need to follow the public slavishly. There are times when unpopular decisions have to be made – particularly in such a large and diverse Union. Pro-European politicians need to explain Europe in a way that is precise and meaningful, as well as inspirational. Only then can Europe be closer to the people and European democracy given real content.

