

# EUROPE BETWEEN RECKLESS OPTIMISM AND RECKLESS DESPAIR

A better understanding of politics is needed to understand the European dilemma, argues **Stefan Auer**

When the global financial crisis erupted in 2007–08, one of the most influential German intellectuals, Ulrich Beck, couldn't hide his excitement. 'My God, what an opportunity!' he wrote, urging his fellow Europeans to view the crisis of 'the capitalist model' as an opportunity for building a better Europe and a better world. 'Are we experiencing the second world revolution in 2009, after 1989?' Beck asked rhetorically in an article that was published in half a dozen of newspapers across Europe and called for action. 'The crisis cries out to be transformed into a long overdue new founding of the EU ... The choice is between more Europe and no Europe.'<sup>1</sup>

This is a false choice. The European Union's elite's fixation on 'more Europe' is destroying European societies both economically, and even more ominously, politically. The only response that the EU leaders facing massive policy failures seem capable of is to continue with the same policies that have caused the problems in the first place.

The solution that the 25 heads of state and government agreed to earlier this year might be less ambitious than Beck's lofty vision but follows a similar logic. The fiscal compact, which all the member states save the United Kingdom and the Czech Republic signed up to on 30 January, promises to build a Europe that's more economically competitive and socially cohesive. But why should the clumsily named 'Treaty on Stability, Coordination and Governance in the Economic and Monetary Union' succeed where

all previous efforts have failed? This project, like its predecessors over the last two decades, is based on the widespread fallacy that has shaped the actions of European political elites: that national interests can and ought to be subordinated to European interests. It also assumes that the messy business of democratic politics can be supplanted by treaties. This strategy will not work. Legally enforceable rules are a poor substitute for political contests.

The means by which this vision for a supranational Europe is being pursued might be technocratic, but its aims are ultimately revolutionary. The events of 2009–12 are the second instalment of a Europe-wide revolution that started in 1989–92, when the Maastricht treaty was negotiated and ratified, and are being driven by what the Italian political scientist Giandomenico Majone aptly described as 'a political culture of total optimism.'<sup>2</sup> EU leaders embarking on ever-more ambitious projects that are radically transforming European societies have refused to contemplate the possibility of failure. Echoing Voltaire's Dr Pangloss, they assume that whatever happens will be for the best 'in this best of all possible worlds.'

The elite-driven revolution that gave rise to the common European currency was preceded

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and made possible by another strange revolution: the collapse of European communism in 1989. The revolutions in Central Europe were strange because they were self-constrained. What the majority of Czechs, Hungarians, Poles and Slovaks desired was a return to normality, which in their eyes meant 'a return to Europe.' In fact, only East Germans were allowed to 'rejoin Europe' almost immediately after the end of the Cold War—it took less than a year after the fall of the Berlin Wall in November 1989 to German unification in October 1990. The rest of Central and Eastern Europe had to wait another 15 years, and by then—in 2004—the European Union was thoroughly transformed.

The period between 1989 and 1992 marked Europe's most audacious moment. Intoxicated by a victory that wasn't theirs, European federalists pushed Europe further towards their ideal of a United States of Europe. Building on a revolution that was not a revolution—the implosion of communism in 1989 was not driven by radical new ideas—Western Europe embarked on a Maastricht treaty revolution, which promised to give Europe even more unity and power in an increasingly globalised world. Europe was meant to gain full control over its own destiny. It was going to become economically rich through a stronger commitment to the free market and socially just through more supranational regulation. At long last, Europe would be at peace with itself, while remaining vigilant against threats from abroad—that was the task of the Common Foreign and Security Policy (CFSP).

It's not without irony that just when Eastern Europe succeeded in freeing itself from the stronghold of one delusional ideology—communism—Western Europe bought into a peculiar ideology of European integration.

So much was promised and so little delivered. The Maastricht treaty created the dysfunctional European Union as we now know it by turning its more pragmatic predecessor, the European Community, into something that resembles a supranational federation. The Maastricht treaty brought about a number of important institutional innovations that paved the way for a Europe without national boundaries (later codified through the Schengen treaty), such

as the European citizenship and the European currency. The monetary union—or so its creators assumed—would presage the political union; it was thus at the heart of a 'post-national' Europe.

Not surprisingly, these bold steps were not without controversy. When put to European citizens, the Maastricht treaty was either rejected (by Denmark in June 1992) or accepted only with the narrowest of margins (by France in September 1992). In fact, Denmark negotiated an opt-out from the Eurozone and has benefited from retaining control over its currency. France, by contrast, was promised by its socialist president, François Mitterrand, that the future was bright because it was European: 'France is our fatherland, Europe is our future.'<sup>3</sup> For the French political elite, aspiring for 'more Europe' did not present a problem as long as it corresponded with their vision of 'Europe as France writ large.'

In the early stages of European integration, post-national European idealism was tempered by pragmatic considerations. The European project was driven as much by the national interests of the key actors as by a Europe-wide desire for peace and stability. As the economic historian Alan Milward argued in a path-breaking study, integration enabled 'the European rescue of the nation-state.'<sup>4</sup> This is what has changed rather dramatically over the last two decades. Paradoxically, the idealistic project of an 'ever-closer union' has created a Europe characterised by rising tensions among its member states.

One can thus distinguish between two distinct, if overlapping, phases of European construction. From the initial project of the common market instituted by the Treaties of Rome in 1957 to the *Single European Act* in 1986, European unification proceeded in a series of compromises that enabled Europe to advance towards more economic and political integration, without the member states relinquishing too much control over their destiny. Influential leaders of the European Commission, such as its first president, Walter Hallstein (1958-67), and Jacques Delors (1985-94), with their missionary zeal for a supranational Europe, were kept in check by the powerful leaders of its key member states. For example, Charles de Gaulle's

vision of *l'Europe des nations* unashamedly put French national interests at the forefront, just as Margaret Thatcher (1979–91) was convinced that only a Europe of nation-states could best serve both British and European interests. Although de Gaulle and Thatcher differed dramatically about the aims of the common market and the role of state in the economy, they certainly agreed on the importance of national sovereignty.

This is why Thatcher opposed the introduction of the common currency, why she objected against further erosion of British parliamentary sovereignty, and why she fought—when the opportunity arose, after 1989—for a wider Europe as a common market rather than a deeper (and smaller) Europe as a fully fledged political federation. But Thatcher was defeated and sidelined: in her party, in her country, and in Europe at large. Her vision for Europe was dismissed as parochial, and her fears about a Europe dominated by technocrats as small-minded.

This is not to say that national interests no longer played a role after Europe's transformation in 1989–92. It's just that European elites started to believe their own rhetoric that conceived the European Union as 'an entirely new species of human organisation, the likes of which the world has never seen.'<sup>5</sup> In fact, one of the key political aims of the common currency was the containment of Germany and its economic prowess, which was perceived to be in the national interest of France, Italy and other member states—all of them resented the preponderance of the West German *Deutsche Mark* and the German *Bundesbank*, which determined monetary policies not just for Germany but de facto for all members of the European Community.

From the outset, the euro was an ideological project and its problems were widely predicted. As David Marsh observed in his astute study, *The Euro: the Politics of the New Global Currency*, it was based on 'a gargantuan misunderstanding of the laws of economics.'<sup>6</sup> It was more than just a misunderstanding; the architects of the common currency were simply not interested in any critical analysis—economic or otherwise.

They thought they knew better. They were convinced that the euro would 'ban strife; promote social progress; control the Germans; increase growth, trade, wealth, investment and employment; quell inflation; counter the pre-eminence of the dollar; and buoy Europe's standing in the world.'

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Today, even the most ardent supporters of European integration must acknowledge that these goals have *not* been achieved. In fact, as Majone observed, over the last two years, more and more leaders switched their rhetoric from one of 'total optimism to catastrophism.' Majone saw in the common currency a revealing case of massive policy failure that exposed the hollowness of EU democracy:

It is indeed hard to find a better example of the willingness of EU leaders to compromise their collective credibility by committing themselves to overoptimistic goals. Nor can one find, in the entire history of European integration, a better illustration of the complete disregard, not only of expert opinion ... but also of such basic principles of crisis management as the timely preparation of contingency plans, and careful attention to signs that may foretell a crisis.<sup>7</sup>

There is a peculiar collusion between intellectuals who call for a more democratic Europe and political leaders who pursue a more technocratic Europe. They are both wrong but for different reasons.

The intellectuals are wrong in thinking that allowing for more democracy in Europe would almost inevitably lead to more Europe. In other words, they assume that people would be in favour of national sovereignty moving to a European level. The likes of Jürgen Habermas in

Germany believe the European parliament ought to become a true legislative body; the European Commission should assume the role of the EU government; and the EU Council representing the member states should act as a senate, overseeing the actions of the other two political bodies. How such a vision could ever work in a Europe where more and more people see their national interests on a collision course with Europe at large remains unexplored. Just think of Greece, Ireland, Italy, Portugal and Spain at one end of the new European divide, and Germany, the Netherlands, Norway and Slovakia at the other. The electorates in the first group resent being told by German and French political leaders<sup>8</sup> how they should sort out their problems, just as the electorates in the second group are weary of funding the ever-increasing financial obligations towards the first group.

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For a long time, the pro-EU intellectuals have advocated more politicisation of Europe through a Europe-wide public discourse about issues of common concern. The Eurozone crisis undoubtedly presents such a common issue, but all possible solutions will produce winners and losers distributed along the lines of existing national divisions. The result of this political contest—predictably—will not be more pan-European solidarity but a return to a more narrowly conceived nationalism.

Not surprisingly, political leaders are keen to rely on technocratic solutions. They emphasise the lack of alternatives to the prescriptions designed by the leaders of the (still?) solvent member states, assisted by the expertise of the European Commission, the European Central Bank, and the International Monetary Fund. But they too will be proven wrong, for Europe is not merely facing some technical problems that require technical solutions but a massive political crisis created by an economic crisis that can only be addressed by political means.

Whatever measures are required, they will only succeed when implemented by political leaders who enjoy some political legitimacy. Policies designed in Brussels, Berlin and Paris are not likely to be accepted in Greece or Italy; they will be perceived as a foreign imposition. Following the same logic, national leaders can gain sufficient authority only through transparent and free democratic competition, not through coups engineered by the European Union such as those in Greece and Italy in November 2011. Technocrats will not succeed where democratically elected politicians have failed.

The latest German attempt to solve the Eurozone crisis by imposing fiscal discipline on all other member states by creating new treaty obligations is bound to fail. It is based on a peculiar folly—a very German folly—the belief that written rules are never going to be broken. This is not the way politics works. Conflicts cannot be wished away by treaty obligations. Funnily enough, it was a German political thinker who understood this best. Carl Schmitt, a legal scholar who displayed an appalling lack of political judgment in the 1930s when he joined and ardently supported the Nazi revolution, wrote a classic work of political philosophy that should be compulsory reading for all politicians and opinion makers in Europe today: *The Concept of the Political*. One of his basic insights is that there is no politics without conflict.

Schmitt is deservedly famous for his penetrating insights into sovereignty. Europeans believed themselves to be well beyond the old-fashioned idea of national sovereignty as indivisible, the way it was conceived by Thomas Hobbes. In fact, the European Union seemed to answer the age-old problem in the form of sovereignty shared. Pooling their sovereignty, EU nations were to be strengthened by being integrated into a bigger whole. No longer. The Eurozone crisis calls for exceptional measures—measures that have further eroded the capacity of member states to control their own destiny. As Schmitt observed, ‘sovereign is he who decides on the exception.’

Germans are not troubled by the ideal of shared sovereignty; for the better part of the twentieth

century, their nation was not sovereign anyway. In fact, one of the distinguishing features of post-War German democracy has been the institutionalised suspicion of its own people and their judgment. German democracy is based on a *demos* that must be constrained against its bad instincts. The most powerful institution in post-War Germany is not the parliament (like it is in Britain) or the president (in France) but the *Bundesverfassungsgericht* (Federal Constitutional Court). Germans accepted this strange construct, taking pride in the reconstruction of a liberal democracy that gave rise to the concept of *constitutional patriotism* (popularised by Habermas).

Let there be no doubt: Schmitt was *not* a friend of democracy and liberty. But liberals and democrats ignore his insights at their own peril. Liberal democracy can survive only if it successfully addresses the ongoing challenge of political authority.

In the case of Germany, that challenge was addressed after World War II through the creation of a robust, democratic state of law (*Rechtsstaat*) and a firm commitment towards Europe (*Westbindung*). The corollary to both these commitments was the unerring belief that civic freedom could only be sustained through the free market. Both these commitments are severely undermined by the failing common currency. Repeated violations of the Maastricht treaty provisions are eroding the commitment to the rule of law, and the growing unease about the capacity of the German economy to support its weaker partners is undermining people's commitment to Europe.

This is also the problem with the new treaty, which seeks to export the peculiar German ideal of constrained democracy to the rest of Europe. It is German *Rechtsstaat* writ large, and it will not work. Mismanaged by an (increasingly delusional) France and insecure Germany, Europe's problems have become intractable and its demise appears inescapable. The question is not whether the Eurozone and the European Union will fall apart—a partial disintegration can no longer be avoided—but whether and how this process will be managed. A guided retreat from the hubristic project of supranational

Europe would be vastly preferable to a chaotic implosion. Alas, the chances of preventing chaos in continental Europe are slim.

As Schmitt also understood well, normality is boring. We can learn the true nature of individuals, nations and their political systems during crises. My concern is that European nations are not going to present a pretty spectacle as they are forced to confront the deteriorating economic and political conditions brought about by the protracted crisis of European integration.

## Endnotes

- 1 Ulrich Beck, 'Mein Gott, was für eine Chance!' [My God, What an Opportunity!] *Die Zeit* (19 March 2009); 'This economic crisis cries out to be transformed into the founding of a new Europe,' *The Guardian* (13 April 2009). Mutations of the same article appeared in a number of European languages, but while German, Czech, Polish and Slovak versions all describe the 2009 crisis as the 'second world revolution,' the English rendition omits this. Arguments along similar lines were widespread then. Intellectuals and political leaders on the Left were united in attributing the crisis to the excesses of 'neoliberalism.' See Kevin Rudd, 'The Global Financial Crisis,' *The Monthly* (February 2009), 20–29; Tony Judt, *Ill Fares the Land: A Treatise On Our Present Discontent* (London: Allen Lane, 2010).
- 2 Giandomenico Majone, 'Monetary Union and the Politicization of Europe,' keynote speech at the Euroacademia International Conference (Vienna: 8–10 December 2011).
- 3 Thomas Risse, *A Community of Europeans? Transnational Identities and Public Spheres* (Ithaca, N.Y.: Cornell University Press, 2010), 74.
- 4 Alan S Milward, *The European Rescue of the Nation-state* (London: Routledge, 1992).
- 5 Stephen Hill, *Europe's Promise: Why the European Way Is the Best Hope in an Insecure Age* (Berkeley: University of California Press, 2010).
- 6 David Marsh, *The Euro: The Politics of the New Global Currency* (New Haven and London: Yale University Press, 2009).
- 7 Giandomenico Majone, 'Monetary Union and the Politicization of Europe,' as above, 6.
- 8 Revealingly, the Franco-German political duopoly in EU leadership is reflected in the shorthand 'Merkozy' standing for the German chancellor, Angela Merkel, and the French president, Nicolas Sarkozy.