Bertelsmann Stiftung

spotlight europe # 2012/06 — September 2012 The Value of Europe

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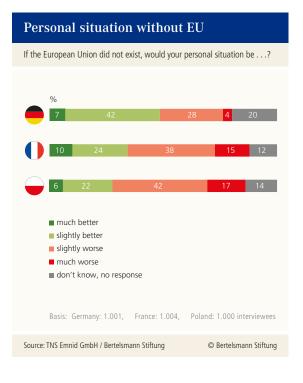
Do the citizens of the EU actually know what it is worth to them personally? The surveys increasingly suggest that they reject it and regard it with contempt. After living for years of crisis, many people have started to cast doubt on the whole notion of integration, and on the ability of the politicians involved to find meaningful solutions to the crisis. In the end this is all about democracy. In the end it's the citizens that will have the final say.

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There is a growing desire to retreat to what is considered to be a safe haven, the nation-state. Many EU citizens in Germany and elsewhere believe that they would be better off without the euro and without the EU. There is a lack of trust, and not much confidence. Despite their apparent diversity, the member states are nonetheless all rather similar when it comes to the subject of pessimism.

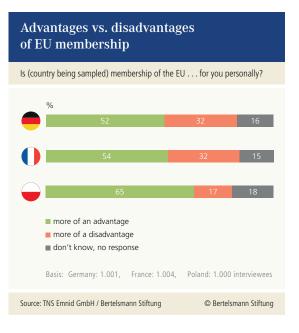
So what can be done about it? German foreign minister Guido Westerwelle has put it rather succinctly. "We need to rediscover what the value of Europe is. Europe needs a new *raison d'être*. If Europe manages to persuade its citizens that it is a good thing, it will be possible to deal with the crisis."

That is what needs to be done. But does it in fact point to the solution?



Why does the European Union actually exist?

A growing number of people find it impossible to answer this question. Why, on a daily basis, do 27 member states and half a billion people look for ways of saying what they think and getting on peacefully with each other? What in its innermost being actually holds the Union together? Is it a joint budget of just about one percent of the joint gross domestic product? Joint legislative and judicial systems which do not vary from place to place? A handful of joint institutions, which are usually referred to with the word "Brussels"? A single market with its own specific rules and regulations and its four freedoms, the free movement of people, goods, services and capital?



An answer to the question of inner cohesion is provided by the second article of the Treaty of Lisbon: "The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail." (Article 2, TEU)

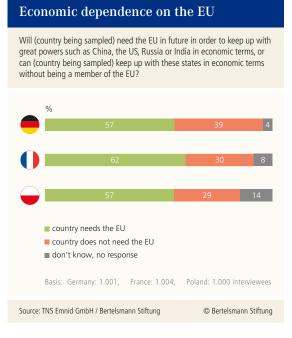
These are high-sounding words indeed, though their meaning may not be exactly the same in the various nations and political traditions. However, their cohesive impact is not powerful enough in the current crisis to strengthen the feeling that we are all part of the same political entity. Let us look first of all at the value of freedom. "Freedom makes our diversity possible," Chancellor Angela Merkel said in a speech to the European Parliament in 2007. Such freedom did not exist "without reference to anything else," since it went hand in hand with a feeling of responsibility for other people. "So when we speak of true freedom, we are always speaking of the freedom of other people."⁽⁴⁾

Thus in a diverse community the notion of freedom implies doing something for others, and this is usually circumscribed with the word solidarity.

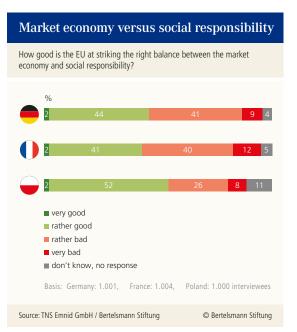
Of course, many people currently find the idea of solidarity rather difficult to understand. They either pour scorn on the southern EU member states, which are suspected of indulging in *dolce far niente*, or insinuate that German policymakers are motivated by a craving for hegemony. Prominent politicians occasionally regale the electorate with scoffing and jeering, since this is obviously a good vote-catching technique. This is not only a crude and offensive way of interacting with one's partners. It also betrays a complete misunderstanding of the reasons for the crisis, which is due not only to individual malfeasance or national wrongdoing, but to serious errors in the international banking and financial services sector, and to design faults in the European economic and monetary union. Only the second part of the project actually materialized, whereas the first, the economic union, was culpably neglected. Yet calls for solidarity within the EU provide the moral and political levers that are needed in order to resolve the crisis.

The political scientists Kalypso Nicolaïdes and Juri Viehoff, who teach at the University of Oxford, have put it thus: "Solidarity can play a similar role in underpinning European integration in the future as 'peace' played in the foundation years."

Solidarity with the weak must first of all be demonstrated by the strong. So here Germany obviously has an obligation to fulfil. In order to ensure that such solidarity does not become an unbearable burden, it must go hand in hand with sound financial management, both in the member states, and in the European institutions and policy areas. This does not exist. And when all is said and done only sound economic management and solidarity among partners can underpin Europe's political self-assertion, which is something that many citizens would like to see, in the context of global systemic competition. Here again surveys show that many people continue to believe in Europe, but think that they have been deceived, or are simply disappointed.



A meaningful course of action is made more difficult by a myopic economic attitude which has crept into what people think and say, and not only in Germany. This short-sighted view leads people to believe, erroneously, as it happens, that the Union was founded for the enrichment of its members. That was also part of the plan, but not the whole plan. Similarly, the widespread talk of "European Added Value," which is especially rife in Brussels, is based on this popular misconception. Europe's value cannot be calculated (only) on the basis of a cost-benefit analysis.



"Europe" has always been and continues to be a political project. The EU is a union based on values and not a joint-stock company. It is true, of course, that in the course of more than fifty years European integration has changed its raison d'être, its self-image, and its narrated history. In the pioneering days its motto was "Peace and Freedom," for the Second World War was still very much in people's minds. The advent of the Iron Curtain was a shock, and as time went on this was added to the historical narrative, which now consisted of three elements, peace, freedom, and prosperity. When all is said and done, this was still a political slogan.

After 1989, and in particular after the grand enlargement of the Union in 2004, people in the old member states started to talk about the EU in terms of a cost-benefit analysis and nothing else. What are we getting or what am I getting out of the Union? Am I going to be threatened by the Polish plumber or the Hungarian construction worker? This unfortunate concentration on the economic side of the equation depoliticizes and emasculates the European idea, and encourages the spread of neo-nationalism. That was not the reason why people pushed ahead with integration in the past. Furthermore, it is quite obviously becoming a victim of habit, or, if one wants to put it that way, of its own success. Peace and freedom are taken for granted, whereas many people see their prosperity threatened. One only has to

think of China. This clearly weakens the traditional *raison d'être* of the European Union.

Of course, this weakness does not explain everything. Why, even after 60 years, are our common history and identity not strong enough in the current crisis to make the European Union look like a possible solution and not as part of the problem? The philosopher Jürgen Habermas believes that "the European Union will have to decide whether it wants transnational democracy or post-democratic executive federalism." Habermas's sympathies are entirely on the side of the Union as it strives to turn itself into a transnational democracy. However, although the process has been initiated, it is still in its infancy. "If one does not wish to accept this, and is nonetheless forced to recognize that the growing dependence of nation-states on the systemic constraints of an increasingly interdependent global society is irreversible, then it becomes apparent that there is a political need to expand democratic procedures beyond the borders of the nation-states." (8)

Parliamentary democracy has its limits

If one looks at it in this context, national parliamentary democracy has literally come to the end of the road and quite clearly needs to be Europeanized. Thus democracy - in contrast to statements made by the German Constitutional Court – is not threatened by faults inherent in the European Union, but by a new-fangled kind of European "executive federalism" (Habermas) that is not subject to parliamentary control. The threat resides in the fact that national executives have too much work on their hands and the legislatures do not have enough to do as a result of "the systemic constraints of an increasingly interdependent global society" (Habermas). To put it more precisely, democracy in Europe is threatened by the pressure exerted by the stock exchanges, the rating agencies, and the world of banking and financial services, which, although they have been teetering on the brink of bankruptcy for years, tell policymakers what they should be doing and, if the worst comes to the worst, get the taxpayers to bail them out.



If, because there are no alternatives, democratically elected governments start to kow-tow to global markets and the global powers that be, the whole idea of a democratic election begins to seem rather hollow. Herfried Münkler, a Berlin-based political scientist, has said: "Parliament simply gives its assent to what has been announced by the executive acting under pressure exerted by the stock exchanges and rating agencies." EU citizens consider this to be unjust and unreasonable, no matter whether they live in Athens, Lisbon, Berlin or Paris.

Münkler believes that parliamentary democracy will soon disappear because the way in which it works has been damaged by "ongoing announcements about decisions to which there are no alternatives." And the European Union and the euro, "which were actually supposed to be supranational bulwarks against markets which have taken on a life of their own, have had the opposite effect and are helping to marginalize national parliaments." The European Union and the democracies that go to make it up need to find an answer to this.

For this reason anyone who wants to talk about the value of Europe needs to talk about the state of European democracy. People no longer trust politicians in particular and policymaking in general. Voter turnout levels are on the way down, whilst populist opinion leaders and parties are on the way up. So for that matter is euroscepticism. The crisis is everywhere. It is no longer merely a state of emergency brought about by debt repayment and banking problems, or the impending bankruptcy of an EU member states, as in the case of Greece. What is at issue is the value of Europe, and the values that it represents.

Born of necessity, not idealism

A lot has happened in the German debate on the subject. Remarks about a political union, and indeed about the United States of Europe, are now heard right across the whole range of the political spectrum. They are not the result of idealism, but a reflection of the fact that many politicians now understand that these policies are both inevitable and necessary. The debates being conducted in many other member states often admit (albeit rather grudgingly) that there is a compelling need for swift changes to the Treaty of Lisbon. Yet most of them recoil from the goal of a political union, or indeed the "United States of Europe." This is true of both politicians and ordinary citizens.

It is no accident that Chancellor Angela Merkel's proposals to hold a constitutional convention received a rather lukewarm welcome in Paris, Rome, and Warsaw. Currently it would in any case be impossible to obtain a majority for a political union, since neither governments nor the electorate are in favour of it. However, this should not stop us from conducting the inevitable debate on the future of Europe and on its value. In modern democracies majorities have to be fought for.

It may seem paradoxical, but currently the debate about the future of the EU is very much alive in Germany (see the series of articles published this summer in the Frankfurter Allgemeine Zeitung). The major parties are all in favour of a political union, though surveys show that most of the interviewees are (still) against it.

Thinking about the value and meaning of Europe is thus not simply the stuff that wellmeaning speeches for formal occasions are made of, since it leads us to think about the state of our polity, which consists of 27 nation-states and the European institutions. It is increasingly unsatisfactory and rather frustrating.

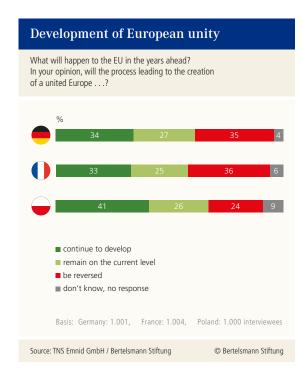
The Council – neither fish nor fowl

In point of fact the Treaty of Lisbon has made this frustration even worse. In future there will be very few areas of government in which the EU is not permitted to operate, and soon the only exception is going to be security and defence policy. It is of course true that the role of the national parliaments has been upgraded by the Additional Protocol to the treaty. Moreover, the European Parliament has also acquired supervisory powers in many policy areas. All the same one had an uneasy feeling even before the outbreak of the great crisis. The changes applied primarily to the European Council, where the governments are represented. It now has a permanent president. However, this council is neither fish nor fowl. It is a European assembly of national executives which performs a legislative function, and behind closed doors at that. A chamber of this kind would not be tolerated in any of the democratic systems of the member states.

The crisis has actually increased the predominance of the executive, and Habermas has criticized this rather tellingly by talking about executive federalism. However, as Münkler rightly points out, the predominant governments are also at the mercy of other kinds of pressure. The electorate is beginning to have the unpleasant feeling that it has no say whatsoever in what is going on, and no co-decision rights. Its representatives in the national parliaments seem to understand just as much about ESM, EFSF, the complex decisions of the ECB, and the even more complicated reforms in the European Council as man in the street. German citizens have turned for help to the Constitutional Court, an institution whose members are appointed (and not elected) on the basis of an extremely murky selection procedure, and who thus cannot be removed at the next elections. Since people no longer trust the EU, they have decided to place their faith in the supreme court.

This way of looking at things is based on the idea that it is all Europe's fault, for the big decisions are taken on the European stage, or not taken, for that matter. Here the value of Europe is determined in a very specific way.

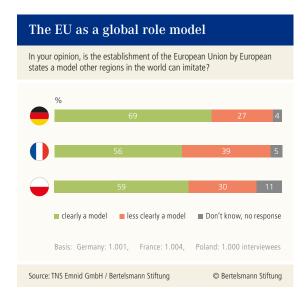




The economist Peter Bofinger, the philosopher Julian Nida-Rümelin and Jürgen Habermas have put it in a nutshell: "The European nations need to understand that they will be able to retain their welfare state societal model and the cultural diversity of their nation-states only if they take joint action. They need to pool their resources if they wish to have any kind of influence on the agenda of global policymaking and the resolution of global problems. A rejection of European unification would be tantamount to bowing out of world history." ⁽¹¹⁾

This means that we have an alternative after all. We can be for or against a European answer to global problems, and for or against a non-European and national answer, which would be rather fragmentary. To define this alternative as precisely as possible is a task not only for politicians, but for all those in the business community and society at large who consider a political union to be the right solution. Those who reject it should spell out the material and non-material cost of their alternative in the course of a democratic debate on the subject.

Because all this is not simply about Europe, but about democracy in Europe, the electorate is going to have the final say in the matter. Politicians should not even fight shy of a referendum as brought up by Wolfgang Schäuble. It



can and it ought to be the constitutive act of a political union, the like of which has never been seen. One does not have to worry about the impenetrable and technical fine print of a new treaty, but about a basic question: "Are the people in their capacity as sovereign prepared to transfer sovereignty to Europe in order to facilitate sensible European policymaking?" Another question might well be added. Will the requisite democratic rules be created in order to supervise and to impart legitimacy to this sensible kind of European policymaking?

These questions are being asked in Germany and in all of the EU member states, or at least in those which have adopted the euro. The only thing that can stabilize the euro is a common economic policy – and today this actually intermingles to a large extent with social policy as a result of agreements on the pension entry age, the number of women gainfully employed, and educational standards. A remarkable number of people critical of the EU agree on this point, and they include Barack Obama, the Chinese government, and the rating agencies. Of course, this common economic policy cannot be achieved with the Treaty of Lisbon. But it is the decisive step to a political union, no matter whether one continues to call it the European Union or the United States of Europe.

And no matter whether there is a referendum or whether the decisions are taken by the national parliaments, the citizens of the member states should cast their votes on the same day. In this way everyone will be made aware of the European significance of the event. Governments fought shy of this in the voting on the constitutional treaty in 2005. The consequences are well known. Where people actually voted, they passed judgment on their own governments. This was a success in Spain and Luxembourg, but not in France, the Netherlands and Ireland. As a result the constitutional treaty was relegated to the back seat. Those who do not wish to drive an even larger wedge between Europe and democracy will now have to stand up and argue that there won't be any integration without the electorate and no new European Union without more democracy. It is not a question of whether we should have more or less Europe. It is a question of how we might be able to create a better Europe. In recent months and years it has become apparent that this cannot be done on the basis of the existing rules. For this reason there is only one answer to the crisis. Let us be daring. Let us have more democracy. It is what Europe needs.

Further Reading:

- 1 Bertelsmann survey http://www.bertelsmann-stiftung.de/europaszukunft
- 2 **Guido Westerwelle**: *Der Wert Europas. Vier Thesen zum Zukunftsprojekt Europa.* In: Integration 2 (2012), p.90. This essay was written for an international conference, "Der Wert Europas," which the Ministry of Foreign Affairs and the Bertelsmann Stiftung organized in Berlin on 18 September 2012.
- 3 "Freiheit Gleichheit Solidarität," a collection of essays published by the Bertelsmann Stiftung in the autumn of 2012, demonstrates this with reference to France, Germany and Poland.
- 4 http://www.eu2007.de/de/News/Speeches_Interviews/January/Rede_Bundeskanzlerin2.html
- 5 Christian Calliess: Kein Geld ohne Parlament. p.1
- 6 Kalypso Nikolaidis and Juri Viehoff: The Choice for Sustainable Solidarity in Post-Crisis Europa. In: Solidarity for Sale – The Social Dimension of the New European Economic Governance. Europe in Dialogue 2012/01. p.23
- 7 Jürgen Habermas, Zur Verfassung Europas. Frankfurt/Main (2012). p.48
- 8 Jürgen Habermas, Zur Verfassung Europas. Frankfurt/Main (2012). p.51
- 9 Herfried Münkler, Die rasenden Politiker. in Der Spiegel 29 (2012), p.101
- 10 Münkler, "Die rasenden Politiker," p.101
- 11 in: Frankfurter Allgemeine Zeitung, 4 August 2012, p.33
- 12 Der Spiegel 36 (2012), p.31

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