Now that we are all bundled inside, let's shut the door

A year after the new boys entered the European Union, the mood is a mite surly, and definitely unwelcoming

BRATISLAVA, BUDAPEST, PRAGUE AND RIGA

GALEN, that great second-century physician, observed "*Triste est omne animal post coitum*". He might have been reflecting on the mood of the European Union a year after it embraced ten new members, eight of them from central Europe. Most of the newcomers affect a ho-hum indifference to membership now that they have it—even though they worked furiously to get it. The older members ponder, with varying degrees of anxiety, the low tax rates and the even lower wages which most of the new countries have brought with them into the single market.

The new members' singular lack of jubilation might suggest that this latest enlargement, the biggest by far in the Union's history, has been something of a let-down. "We have accepted the dictatorship of Tesco," grumbles Vladimir Zelezny, a Eurosceptic Czech member of the European Parliament.

Only the Slovaks still seem truly excited, perhaps because they came nearest to failing the course. After overthrowing communism, they had to beat back the neo-authoritarian government of Vladimir Meciar, which ran the country in the mid-1990s. "We would not have got rid of Meciar, were it not for the vision of the EU," says Pavol Demes, director of the Bratislava office of the German Marshall Fund of the United States.

In fact, last year's enlargement has gone remarkably well, both for the newcomers and for the Union, and all the more so when measured against the fears that preceded it. The institutions in Brussels have gone on working normally, despite predictions of gridlock. The economies of the new members have gone on growing at a healthy clip, roughly two to four times as fast as the euro-zone average, despite worries that their industry would be choked by regulations and their agriculture ruined by the opening of markets. More often, the opposite has happened, notably in Poland. Manufacturers have done unexpectedly well out of open borders and easier exporting. Farmers have gained from subsidies and new demand.

One problem is that the central Europeans feel themselves, in some respects, to be second-class members of the Union. This spoils their pleasure. They are stuck outside the Schengen zone of passport-free travel for at least another two years. They are denied the freedom to work in most EU countries for perhaps another six years: only Britain, Ireland and Sweden have opened their labour markets right away. The newcomers must meet further tests before they can join the single currency. Their farmers get smaller direct subsidies from EU funds, starting at one-quarter of the payments made to farmers in the 15 "old" members, a money-saving measure meant to speed farm restructuring.

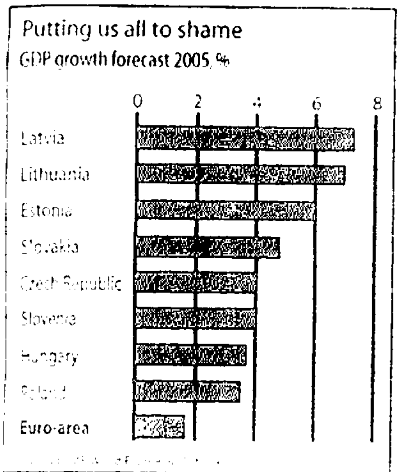
Most painfully, after the ravages of communism and the post-communist transition, it will take the central Europeans decades before they can raise their average wages to western European levels. For most ordinary people, accession last year brought "euphoria on the eve of May 1st, a great historical moment—and then, the next day, nothing had changed," says Robert Braun, former chief strategy adviser to the Hungarian prime minister.

Still, given a few quiet years to bed down, this Union of 25 countries, due to be 27 with the entry of Romania and Bulgaria in 2007, could probably emerge little changed in its habits and workings from the Union of 15. Meetings in Brussels would be longer and wordier, relations with Russia would acquire a new salience, Britain would have a few more allies in its fight against tax harmonisation, and that would be pretty well all. Unfortunately, the quiet years needed for that bedding-down are not in prospect.

Instead, because European governments overestimated both the difficulties of enlargement and the strength of popular support for the EU, they committed themselves last year to the politically exhausting business of ratifying a new constitution. This document need not change much in the way the EU operates, save in some formal respects, but it does require each country to re-examine and re-confirm some fairly open-ended membership commitments in minute detail. No country is enjoying this process, least of all France, which holds its ratification referendum on May 29th, and has emerged as the unforeseen doubter. Opinion polls say the constitution is likely to be rejected there.

What happens if it's no?

The new members are looking on anxiously. If France votes no, its instinct might be to try forming a new small group of the EU's six original members, weakening and perhaps undermining the wider Union. If, on the other hand, France votes yes and then Britain votes no (as Britain probably will), that would be just as worrying, if it



ushes Britain to the margins of the EU or ut of it entirely.

The Union would become a much less iendly place for the new members, which nd to share Britain's taste for market liberalisation, tax competition, subsidiarity nd Atlanticism, and look to it as a guarantor of those things. There is a faint possibility, too, that one of the new members, such as the Czech Republic or Poland, might fail to ratify the referendum, putting its future in doubt. The Czech president, Vaclav Klaus, is the only EU head of state to oppose the constitution, while the Poles fume that the constitution will reduce their country's voting power within the Union.

French angst about Europe owes much to enlargement, and much also to worries about immigration and globalisation. Whereas France felt confident of its leading role in an EU of 15 countries, in an EU of 25 or more it is starting to feel unhappily overwhelmed. The idea that Turkey might one day join the Union weighs heavily on public opinion in France, as it does in Germany and Austria.

France fears not merely that it is losing its historic leadership of the Union, but also that enlargement is bringing in more low-wage, low-tax countries which will further undermine, through competition, the French model of big government and high taxes. It may well be right. Lithuania's tax burden in 2003 was 28.7% of GDP, 17 percentage points less than the French equivalent. Slovakia's 19% flat rate for all main taxes—personal, corporate and VAT—has become the envy of the region. But in the French view all this amounts to "fiscal dumping" by the new members—using low tax rates to lure jobs and investment away from western Europe, then balancing the state budget with EU cash from French and German pockets. The charge is wrong, but try telling France that.

The new members also tend to be much more Atlanticist in their foreign relations. In the run-up to the Iraq war in 2003 they mostly supported America, leading France's president, Jacques Chirac, to say that they had missed a good opportunity to shut up. The phrase still rankles.

"Now they know we are not going to keep quiet," says Eduard Kukan, Slovakia's foreign minister, pointing to the part the new members have started to play in EU policymaking. Poland and Lithuania saved Europe's face by giving strong early support to Ukraine's orange revolution last year. Slovakia and Hungary have joined Austria to lobby, so far unsuccessfully, for accession talks with Croatia. The Czech Republic has been steering EU policy in relations with Cuba.

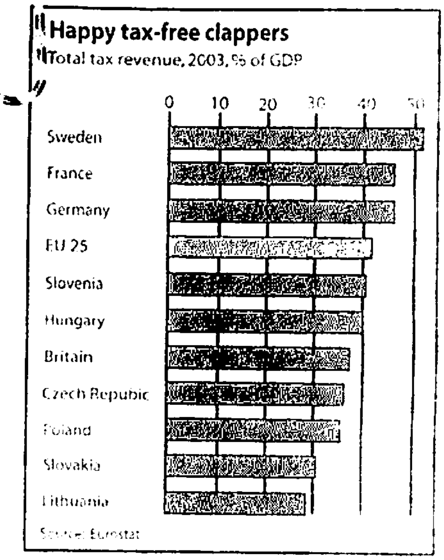
Romania looks set to outdo everyone in its pro-Americanism, if and when it joins the Union in two or three years' time. Its new president, Traian Basescu, elected in December, has said that his priority is to work closely with Washington and London, a formula which pointedly omits Paris and Brussels. Last week he said that Romania favoured "a state with minimal involvement in the economy", a rebuke to France's *dirigiste* model. He added for good measure that he resented what Mr Chirac had said in 2003. "Romania is a country which has respect for itself," he said, "we do not like these kinds of declarations."

Mr Basescu may be living dangerously. His country has yet to join the EU, and France could still block its entry. Romania, and its neighbour, Bulgaria, began their negotiations alongside the central Europeans but were deemed unready to join last year. This week they signed accession treaties which will bring them in at the start of 2007, unless the EU sees signs of late disarray, in which case it can set back entry for another year.

But these accession treaties have to be ratified by all member states, including France. If relations deteriorate much further, the French parliament might decide that Romania is still unfit to join, and refuse the treaty. Germany's Christian Democrats are also talking about blocking Romania, and their support is needed for a constitutional majority in the Bundestag.

Keeping Turkey out

The question mark over Romania's accession is a small one. A much bigger one



hangs over any further EU enlargements. Turkey has been accepted as a candidate, but few EU countries can easily conceive of it as a member, even ten years from now. The fear in some quarters of bringing an Islamic country into Europe is at least as great as the desire, in other quarters, to show it can be done. Turkey's size and relative poverty exacerbate the problem. The result is that the EU risks opening negotiations with Turkey later this year with no serious intention of completing them.

The countries of the western Balkans—Albania, Bosnia, Croatia, Macedonia, and Serbia and Montenegro—have all been promised in principle that they can join the Union once they are ready. But that promise, given in 2003, has no timetable attached to it, and most of the countries are still a mess. Indeed, until the final status of Kosovo is decided in talks due to start this year, and until the relationship between Serbia and Montenegro is decided by a referendum next year, it is not even clear how many countries the region will comprise.

Only Croatia is anywhere near ready to start entry negotiations, but its hopes of doing so last month faltered when the EU decided that it was not co-operating with the Hague war-crimes tribunal, a precondition for talks. The Europeans mainly want Croatia to surrender, or to inform on, Ante Gotovina, a fugitive Croat army chief who has been charged with ethnic cleansing during Croatia's war with the Serbs.

Ukraine is not recognised as a candidate for Union membership, but if its new pro-western government forges on with bold political and economic reforms, breaking with Russian and post-Soviet models, accession talks will be hard to re-

sist. But there is a chicken-and-egg problem. Ukraine may be able to hold the course of reform only if it has a clear prospect of EU entry already in front of it, as was the case in Slovakia. Poland and most other central European countries think it is crystal clear that Ukraine should be offered a prospect of membership in order to stiffen its resolve. They want Moldova to follow, and some day even Belarus, if it can ditch its dictator of the past ten years, Alexander Lukashenka.

Losing the will to enlarge

But other EU countries disagree. They do not want to anger Russia, which sees these former Soviet lands as its sphere of influence. France nurtures Russia as a diplomatic ally. Germany relies on it for gas. Both want the Union to be nicer to Russia—unlike the new members, especially the Baltic states, who tend to view Russia as a nuisance if not an outright danger.

It is something of an irony, in sum, that while enlargement has become the most popular and successful instrument of regime change in Europe's history, the European Union is losing the will to enlarge any more. It does not really want any more members, save perhaps for Croatia, and only then because Croatia has such a beautiful coastline.

Of course, if truth were told, there was precious little popular support for last year's enlargement either. Like many other Union policies it was negotiated between governments and then implemented against a background of public indifference. A Eurobarometer opinion poll taken in 2002, just as EU governments were concluding terms for the 2004 enlargement, found that 41% of EU citizens did not want to know any more about the candidate countries, 76% did not wish to live or work in them, and 91% felt "no tie of any kind" with them.

History will surely judge the EU governments to have acted wisely, nonetheless, in pursuing the 2004 enlargement, and with it the rehabilitation of central Europe after half a century of communism. But some of those governments now find that they have frightened themselves, and many of their citizens, with the prospect of a wider and woollier Europe. Public opinion has been aroused. It worries about the shifting of factories and jobs to the low-wage economies of central Europe—*délocalisation*, as the French say.

In fact, the central European countries compete more often for projects against distant low-wage rivals such as China and Brazil, and all Europe benefits from central Europe's success. But still, some industrial capacity is shifting directly from the old to the new members. And some workers from central Europe are indeed entering western labour markets, often illicitly, since most EU governments have bowed to public opinion by closing their job markets to the newcomers. Such migration usually helps local economies, but it still upsets local interests.

Public opinion in western Europe also senses, accurately, that enlargement points the Union down a road which, if followed to its apparent conclusion, would mean open borders with the Balkans, wages in parts of Europe at Chinese levels, and Turkey as *primus inter pares* at EU summits. There may be much good to be said for each of these things, but public and even official opinion in many other EU countries is not yet ready to hear it. Anxieties about cultural integrity and national security are too strong.

Having been conceived as a way of exporting Europe's stability to neighbouring countries, enlargement is coming to be seen more as a way of importing instability. The emphasis throughout the West on national security since September 11th 2001 means that it is no longer clear even when the countries which joined the EU last year will be admitted to the Schengen zone of passport-free travel, if ever. They can join Schengen only with the unanimous approval of existing members, and that will not come if some interior ministers get their way, says one top EU official.

Whatever the outcome of the French referendum on the EU constitution, therefore, future enlargement is going to be much more difficult. Romania and Bulgaria should count themselves lucky if they get in under the wire, Croatia too. If the Union hangs together in its present form—by no means a certainty if France votes no next month—it may have to look for other ways to spread stability and prosperity to the mostly rackety countries round about. Already it offers nearby countries cash and technical aid, plus market access, in exchange for economic and political reforms based on European norms. But these exchanges are unlikely to produce the deep transformations which countries must attempt when they want to join the Union. They are regarded rather snootily by the recipient countries, which see themselves as being at once excluded and appeased.

One answer might be a two-tier Europe in which new countries would be invited to join the Union, but only on the basis that they would be denied Schengen membership, free movement of labour, farm subsidies and the right to vote on constitutional issues for a long transitional period or even permanently. This would answer the main public worries in western Europe. It would anger the countries waiting to join, just as the piecemeal postponement of some rights and privileges has angered the countries which joined last year. Even so, would-be members may have to swallow some such deal, if the alternative is no more enlargement.

"Far from demonstrating that the European Union is in decline or disarray, the constitutional crisis demonstrates its essential stability and legitimacy."

A Too Perfect Union? Why Europe Said "No"

ANDREW MORAVCSIK

The people of France and the Netherlands have spoken. As a result of their referendums this spring, the European Union constitution is dead, as is Turkish membership in the EU, and progress in areas from services deregulation to Balkan enlargement will now be much more difficult. Yet for the chattering classes the outcome was an opportunity to repolish long-held positions. In the face of implacable opposition to Turkish membership, *The Economist* blithely interpreted the rejection of a proposed EU constitution as evidence that Europe has gone too far, too fast—except, of course, on enlargement. Oxford's Timothy Garton Ash, a perennial optimist about the reconciliation of Britain's transatlantic and European vocations, espied another promising moment for Blairite diplomacy. The court philosopher of continental social democracy, Jürgen Habermas, called on European leaders (read: his former student, German Foreign Minister Joschka Fischer) to recapture the "idealism of 1968" by leading a leftist movement against neoliberal US hegemony. With quintessentially French misanthropy, Serge July of *Libération* accused French politicians of opportunism and French voters of racism. Across the Atlantic, *Weekly Standard* editor Bill Kristol, undeterred by the massive protest vote against European economic reform, called for rejection of the welfare state, open borders to immigration, and an embrace of America.

It is time to view Europe as it really is. Far from demonstrating that the European Union is in decline or disarray, the constitutional crisis demonstrates its essential stability and legitimacy. The central error of the European constitutional framers was one of style and symbolism rather than substance. The constitution contained a set of modest reforms, very much in line with European popular preferences. Yet European leaders upset the emerging pragmatic settlement by dressing up the reforms as a grand scheme for constitutional revision and popular democratization of the EU.

Looking back in 50 years, historians will not see this year's referendums as the end of the EU—or as the beginning of the end. The union remains the most successful experiment in political institution building since World War II. Historians will see instead the last gasp of idealistic European federalism born in the mid-1940s, symbolized by the phrase "ever closer union" and aimed at establishing a United States of Europe. It is time to recognize that the EU can neither aspire to replace nation states nor seek democratic legitimacy in the same way nations do. The current EU constitutional settlement, which has defined a stable balance between Brussels and national capitals and democratic legitimacy through indirect accountability and extensive checks and balances, is here to stay. To see why this is so, we must understand the nature of the current constitutional compromise, the reasons European leaders called it into question, and the deeper lessons this teaches us about the limits of European integration.

JUST SAY NO

Voting patterns in the referendums were a reflection of three related motivations that have dominated every EU election in history. First is ideological extremism. The center supported Europe while the extreme right and left, which now account for almost one-third of the French and Dutch electorates, voted "no." Second is protest voting against unpopular governments. Third, and most important, is a reaction against the insecurity felt by poorer Europeans. Whereas business, the educated elite, and wealthier Europeans favored the constitution, those fearful of unemployment, labor market reform, globalization, privatization, and the consolidation of the welfare state opposed it. Today these concerns dovetail with the perceived economic and cultural threat posed by Muslim immigration.

This type of disaffection is the primary political problem for European governments today, since it is directed both against poor economic performance and against reform measures designed to improve it. As *Newsweek's* Fareed Zakaria has observed, the tragedy is that "Europe needs more of what's producing populist paranoia: economic reform to survive in an era of economic competition, young immigrants to sustain its social market, and a more strategic relationship with the Muslim world, which would be dramatically enhanced by Turkish membership in the EU."

Forgotten in the electoral chaos this spring was the document itself. The constitution is, after all, a conservative text containing incremental improvements that consolidate EU developments of the past 20 years. The "no" campaigns conceded the desirability of the modest reforms from the start—including appointment of a foreign minister, formulation of a stronger anti-crime policy, and streamlining of voting pro-

cedures. Such changes are popular, not least in France, which proposed most of them. One is forced to conclude that the constitution became controversial not because its content was objectionable, but because the content was so innocuous that citizens saw a chance to cast an inexpensive protest vote.

What were they protesting against? Here, too, the referendums cannot be viewed as plebiscites directed at the EU's policies. Although the EU is associated, through its advisory "Lisbon process," with labor market and welfare reform, these matters remain firmly within the competence of the member states. The EU's activities as a whole, while they include oversight of state subsidies and trade policy, may just as reasonably be seen as part of a European effort to manage globalization rather than promote it. Opponents made occasional mention of EU policies not contained in the constitution, such as the recent enlargement to 25 members, the introduction of the euro, the deregulation of electricity, and Turkish accession. Yet only the last of these seems to have swayed many voters, and they seem to have been unaware that free migration has been ruled out even before negotiations begin.

So what lesson should the EU take away? The relative lack of direct criticism of the constitution, the lack of fundamental objections to EU policies, and, above all, the stunning lack of positive proposals for reform are striking evidence of the underlying stability of the EU system. The 16 years since the fall of the Berlin Wall have been, after all, the most successful period in EU history. The single market, the euro, and a nascent European foreign and defense policy came into being. EU enlargement was carried out with surprisingly little disruption in existing member states, and proved the most cost-effective Western instrument for advancing global democracy and security. In sum, notwithstanding the rejection of the proposed charter, the EU appears to have quietly reached a stable constitutional settlement.

FIXING THE UNBROKEN

What is this settlement? The EU is now preeminent in trade, agriculture, fishing, eurozone monetary policy, and some business regulation, and helps to coordinate cooperation in foreign policy. Contrary to statistics one often reads, this amounts to only about 20 percent of European regulation and legislation. Most areas of greatest public concern—taxes, health, pensions, education, crime, infrastructure, defense, and immigration—remain firmly national. With a tax base one-fiftieth the size of the member states', an administration smaller than that of a small city, no police force or army, and a narrow legal mandate, the EU will never encompass these fiscally and administratively demanding tasks.

There is no new *grand projet*, akin to the single market of the 1980s or the single currency of the 1990s, to justify change. In 18 months of deliberation, the constitutional convention devoted only two days to the expansion of EU competencies. European health, pension, fiscal, and education policies have little support, while a US-style military buildup exceeds Europe's means and insults its "civilian power" ideals. There was always less to the constitution than both its proponents and its detractors proclaimed.

Many believe that a European defense independent of the United States poses an imminent threat to US interests. Of course, it is true that if the United States were again to attempt an operation on the scale of Iraq with so little substantive justification or multilateral legitimation, European nations would be uniformly opposed. (Even the British government has already declared that it does not see any useful military options for regime change in Iran.) But another Iraq is an unlikely possibility, given the evident costs of that imbroglio; the United States is militarily incapable of repeating this adventure at the current time. More important is the fact that the United States and the EU have agreed on every other major use of force since the 1989 Gulf War. More than 100,000 European troops are currently stationed out of their home countries, most involved in operations that involve the United States.

The ambition to form a European Union military or diplomatic superpower with a principal mission of opposing American "hyperpower" is little more than—and always was little more than—idle talk. Only the combination of ignorance and bias regarding the EU that is so uniquely concentrated among self-reinforcing groups of US neoconservatives and British Euroskeptics could construe the EU as a military or geopolitical threat. As recently as a year ago, many conservatives pleaded with the Bush administration to oppose the EU constitution, encourage British withdrawal, and insist on the unconditional predominance of NATO. With the recent European trips by Secretary of State Condoleezza Rice and President George W. Bush, these demands for an aggressive policy toward Europe have been definitively rebuffed.

Consider also European social policy, of which we heard so much in the referendum campaigns. What concrete EU policies should this imply? Blocking sensible efforts to reform the welfare state for long-term sustainability is shortsighted. While many studies show that a division of labor between the new and old members of the EU will generate growth, there is little evidence of a regulatory or fiscal "race to the bottom" driven by the EU, and plenty of room remains for social policy at the national level. The neoliberal "Anglo-Saxon" threat is a myth. Britain is building up its welfare state faster than any of its partners, based partly on a Scandinavian model. Indeed, with continental liberalization and British social democratization, Europe's social systems are converging—through the pressure of national politics, not as the result of some EU social policy pipe dream.

A similar constitutional compromise has emerged with regard to institutions. Although Anglo-American Euroskeptics have sought to resurrect the bogeyman of a Brussels superstate headed by the European Commission, treaty changes since 1970 have consistently moved Europe in the opposite direction. They have increased the power of the council of ministers (favored by France and Britain, particularly for matters outside the economic core) and the directly elected European parliament (favored by Germany) at the expense of the technocratic commission.

The proposed constitution sought to marginally improve the EU's efficiency and transparency while retaining its basic structure. All of this is the sensible stuff policy wonks love and publics generally support. The constitution called for expanding the role of the directly elected European parliament in EU legislation (termed "co-decision" in Brussels-speak), giving national parliaments an advisory and gate-keeping

role, abolishing the rotating presidency, adjusting voting weights to represent large countries more fairly, and centralizing foreign policy coordination in a foreign minister. The proposal was a multinational constitutional compromise that attended to the interests of large and small countries, left and right parties, and Europhile and Euroskeptic tendencies.

It is time to recognize that the EU can neither aspire to replace nation states nor seek democratic legitimacy in the same way nations do.

The reforms enjoyed broad support among member states, and none met a serious challenge in the referendum debates. The biggest change—creation of a European foreign minister empowered to recommend, though not impose, a more coordinated foreign policy—enjoys 70 percent approval across Europe. And recognizing the EU as it is, the constitution struck the classic idealist phrase "ever closer union" from the Treaty of Rome, and substituted the more balanced "unity in diversity."

UNDONE BY IDEALISM

So it was not the substance of the emerging constitutional settlement that triggered opposition. The objectionable aspect was its form: an idealistic constitution. Since the 1970s, lawyers have regarded the 1957 Treaty of Rome as a de facto constitution. The new document was an unnecessary public relations exercise based on the seemingly intuitive, but in fact peculiar, notion that democratization and the European ideal could legitimate the EU. In the wake of the Nice and Amsterdam treaties, which consolidated the union, Euro-enthusiast scholars, politicians, and commentators have argued that the EU is unpopular primarily because it is secretive, complex, unaccountable, and distant from the public— in sum, because it suffers from a "democratic deficit." Fischer, the German foreign minister, gave the idea of constitutional legitimation a big push with his celebrated lecture on the ultimate goal of integration at Humboldt University in 2000. But like the other European leaders who jumped on his bandwagon, Fischer, while ostensibly transcending a narrow, national discourse, was in fact framing the argument in a familiar domestic manner: in his case 1968-style German anti-nationalism.

The idea was to legitimate the EU not through trade, economic growth, and useful regulation, as had been the case for 50 years, but by politicizing and democratizing it. This was to be done through a constitutional convention. Enthused by the prospect of a reenactment of Philadelphia 1787, millions of web-savvy Europeans were supposed to deliberate the meaning of Europe. More pragmatic voices hoped to combat cynicism by simplifying the treaty and delineating EU prerogatives. To justify the need for change, reformers also seized on the perception that the EU would require a radical overhaul to avoid gridlock with 25 rather than 15 members—a fear that now seems unjustified, both because the new states are proving constructive and because the EU is not moving as far or fast as it once did.

Of course, the constitutional deliberation did not mobilize Europeans. Few citizens were even aware of the 200 *conventionnels'* deliberations. When testimony from civil society was requested, professors turned up. When a youth conference was called, would-be Eurocrats attended. When those who did attend came to consider democracy, they found that the arrangement Europe currently has is appropriate to a diverse polity in which member states insist on checks and balances at every level. There was little popular or elite support for democratic reform beyond the modest increases in scrutiny by national and European parliaments the constitution contains.

This is as it should be, for there is no "democratic deficit" in the EU—or not much of one. Once we set aside ideal notions of democracy and look to real-world standards, we see that the EU is as transparent, responsive, accountable, and honest as its member states. The relative lack of centralized financial or administrative discretion all but eliminates corruption. The EU's areas of autonomous authority—trade policy, constitutional adjudication, and central banking—are the same as those in most democracies, where these functions are politically insulated for sound reasons.

The notion of imposing democratic control through multiple checks and balances, rather than through elections to a single sovereign parliament, is more American than European—but it is no less legitimate for that. Everyone gets a say in a system in which a European directive needs approval from a technocratic commission, a supermajority of democratic national governments, and a directly elected parliament, and must then be implemented by national regulators. Studies show that EU legislation is both consensual and relatively responsive to shifts in partisan and popular opinion.

Enthusiasts for democracy fail to grasp its limits. Engaging European citizens will not necessarily create rational (let alone supportive) debate, because those with intense preferences about the EU tend to be its opponents. Average citizens and political parties keep but a few issues—usually those involving heavy taxing and spending—in mind at any one time, and thus respond only to highly salient ideals and issues. The pull of Europe remains weak, while the bread and butter policies citizens care about most, including the welfare and identity issues that dominated the referendum debates, remain almost exclusively in national hands. The failure of European elections to generate high turnouts or focus on EU issues over the years suggests that citizens fail to participate in EU politics not because they are blocked from doing so, but because they have insufficient incentive.

Some democratic enthusiasts propose jump-starting EU democracy by incorporating hot-button issues like social policy and immigration, despite the lack of popular support for doing so. This is, in essence, Habermas's vision. Yet anyone except a philosopher like Habermas can see that this is the sort of extreme cure that will kill the patient. There is little that could lead the European public to decisively reject an institution as deeply embedded as the EU, but transferring controversial issues like social policy to it without justification might just do it.

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More sober voices propose to empower national parliaments, which the constitution sought to do in a modest way. Yet this reveals a final fallacy of the democratizers. There is little reason to believe that turning policy over to a legislature makes it more legitimate. In Western democracies, popularity is inversely correlated with direct electoral accountability. The most popular institutions are the courts, the police, and the military. Parliaments are generally disliked. Whatever the source of Europe's declining popularity—a general decline in political trust, unfamiliarity with institutions, xenophobia, discontent with economic performance—it has little to do with Europe's democratic mandate.

Forcing an unstructured debate about an institution that handles matters like telecommunications standardization, the composition of the Bosnia stabilization force, and the privatization of electricity production inexorably drove debate to the lowest common denominator. When pro-European political elites found themselves defending a constitution with modest content, they felt they had no alternative but to oversell it using inflated notions of what the EU does and rhetoric drawn from 1950s European idealism. Small wonder they were outgunned by grumpy populists with stronger symbols rooted in class, nation, and race (and even more inflated views of what the EU does). Publics became confused and alarmed by the scare tactics of both sides. The referendums came to inhabit a strange twilight zone of symbolic politics, in which claims about the EU bore little relationship to reality, and support and opposition for a status quo constitution became a potent symbol for the myriad hopes and fears of modern electorates.

A UNION THAT WORKS

In the wake of this debacle, European politicians must find a constructive path forward. They should start with a collective mea culpa. The document itself must be renounced. Then, over the next few years, the EU should return to its successful tradition of quiet and pragmatic reform. Europeans consistently support incremental advances in the union's foreign, internal security, and economic policies along the lines set forth in the constitution.

Turkish membership is off the agenda, as it probably would have been even without the referendums, which revealed a considerable degree of popular concern and some virulent opposition to Turkish membership. To quell it, France committed itself to another referendum, should the question arise—a procedure also required by some other EU national constitutions. It is clear that a high-profile move toward Turkey at this point would bolster popular fear of and opposition to the EU—which are otherwise likely to wither away. Negotiations with Turkey should and will be pursued, so as to maintain the momentum of reform in that country. It should be obvious, however, that no further movement on accession is likely for some time. The best outcome would be for talks to continue quietly for a decade or two while Europeans attend to more pressing and practical plans for Balkan enlargement. Politicians need to concede this, and concede it loud and clear, not least in order to preserve continued EU enlargement in the Balkans.

A halfway arrangement acceptable to both EU and Turkish publics remains a realistic goal over the next 20 years, and may be better for Turkey than the limited type of EU membership that is currently on offer. This arrangement might provide for even freer trade, substantial regulatory convergence, and close cooperation on foreign and internal security policies, perhaps culminating in a privileged associate status. No other European policy could contribute as much to global peace and security.

Above all, European politicians need to acknowledge explicitly the existence of a stable European constitutional settlement. The unique genius of the EU is that it locks in policy coordination while respecting the powerful rhetoric and symbols that still attach to national identity. Publics will be reassured if it is portrayed as stable and successful. There is no shameful compromise with grand principles here. On the contrary, it is a highly appealing constitutional order that preserves national democratic politics for the issues most salient to citizens while delegating to more indirect democratic forms those issues that are of less concern—or on which there is an administrative, technical, or legal consensus.

The EU's distinctive system of multilevel governance is the only new form of state organization to emerge and prosper since the rise of the welfare state at the turn of the twentieth century. Now it is a mature constitutional order, one that no longer needs to move forward to legitimate its past and present successes. Left behind must be the European centralizers and democratizers for whom "ever closer union" remains an end in itself. They will insist that the answer to failed democracy is more democracy and the answer to a failed constitution is another constitution. But Europe has moved beyond them. Disowning this well-meaning, even admirable, band of idealists may seem harsh, but it is both necessary and just. On this basis, Europeans can develop a new discourse of national interest, pragmatic cooperation, and constitutional stability—a discourse that sees Europe as it is. The constitution is dead, long live the constitution!

ANDREW MORAVCSIK is a professor of politics at Princeton University, where he directs the European Union program. He is the editor of Europe without Illusions *(Lanham, Md.: University Press of America, 2005).*

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After the votes: Europe's leaders confront the consequences of 'the wrong answer'

Attachment to the European ideal has waned and French and Dutch citizens found few compelling reasons to support the constitutional treaty. It could be years before consensus emerges on what the EU must do.

George Parker

Over the last heady weeks in the European Union, a kind of revolution has been under way: a movement of dissent that found its voice in the votes against the EU constitution in France and the Netherlands and is still fomenting across the continent. French and Dutch voters have almost certainly killed the constitutional treaty but stark images from the campaign tell a more profound story of how the European project and its elite became fatally disconnected from its citizens.

One image is of a desperate Jacques Chirac, French president, thrashing around for ways to convince a television audience of young people why they should love the EU. Pollsters watching the 72-year-old's performance noted how the audience was unmoved as Mr Chirac recalled the union's founding purpose: to remove the threat of war from the continent. He simply failed to connect.

A second image is of a weary Jean-Claude Juncker, the Luxembourg prime minister, insisting on the night of the Dutch No that the constitution was still alive. He wants both countries to vote again so they can give "the right answer".

But the postwar certainty of Europe's elite has been shattered over the last few days, after France voted by a ratio of 55-45 against the proposed new EU constitution and the Dutch by a bigger margin of 62-38. The new image of Europe is one of No voters in the streets of Toulouse and Amsterdam—some of them waving the EU's version of the star-spangled banner—partying into the night and demanding a new approach.

There has been little attempt to minimise the significance of the French and Dutch No votes. Mr Chirac claimed France would "cease to exist politically"; Mr Juncker warned of a "catastrophe"; Gerrit Zalm, Dutch finance minister, said the "lights would go out". Their predictions are based not so much on the likely demise of the constitution but on the political fall-out from a fundamental rejection of the EU by two of its founding members.

The constitution itself is less than it sounds: "We should never have called it a constitution," admits Denis MacShane, Britain's former Europe minister. "That was our big mistake." In fact it is a dry 324-page international treaty that aims to improve the operation of the enlarged EU of 25, including the creation of a foreign minister, a full-time president and a new voting system to stop the club grinding to a halt.

Some of these may yet be salvaged as the constitution's carcase is picked over. There are proposals to make the union a bit more democratic—a bigger role for national parliaments and for the European parliament—and a modest increase in "federal" powers in areas such as asylum and immigration. But the bulk of the constitution is simply a pulling together of old treaties within one cover. So when French and Dutch voters kicked out the constitution, they were not simply opposing what the European Union might become: they were rejecting what it already is.

"We have a serious problem," admitted José Manuel Barroso, European Commission president. The constitution was supposed to connect Europe to its citizens, not sever the ties. The big question hanging over Europe's elite is: how do we get out of it? The EU has a serious existentialist question when its citizens cannot remember why it was created, they do not appear to like what it has become and they are frightened of what it will be in the future.

It used to be simple. German diplomats recall how, when Hans-Dietrich Genscher was foreign minister, they would pass potentially difficult policy papers to him with a crucial final line: "This will be good for integration." His signature was immediately forthcoming. The European political and economic integration process launched with the Treaty of Rome in 1957 was barely questioned, as it created the prosperity and trust needed to raise western Europe from the rubble of the second world war.

But the EU has become a victim of its own success. War has receded into the distant memory—in western Europe at least—and means little to two generations. Meanwhile, the economic prosperity and comfortable lifestyles of Europe's social model, underpinned by the EU's single market, have already been banked by Europe's citizens. As the union's original emotional power over its citizens—its ability to deliver postwar security and prosperity—has waned, they have started to see the EU more as a bureaucratic machine. "We don't dream of Europe any more," lamented Mr Juncker, the current holder of the EU presidency.

On to this faceless machine have been projected many of the fears and suspicions of the Dutch and French electorates, who found dozens of reasons to vote against Europe and few compelling reasons to vote for it.

From the French, there was opposition to the "Anglo-Saxon" economic model supposedly in the ascendant in Brussels, a distrust of an enlarged Europe and a rejection of future Turkish membership of the EU. Turkophobia was shared by the Dutch No camp but its gripes also included the poor performance of the euro, the domination of Europe by big countries and a loss of national sovereignty to Brussels. It was a mixed message, bound up intrinsically with national political debate, but it sends out a strong warning to Europe's leaders that in future they should not take public opinion for granted.

The first casualty of the French and Dutch No votes is likely to be Europe's future enlargement programme, which has helped to bring stability and prosperity to the former dictatorships of Spain, Portugal, Greece and most recently in eastern Europe. "Enlargement is not guilty of Europe's problems," pleaded Olli Rehn, the Finnish enlargement commissioner, yesterday, arguing that a lack of economic reform in "old" member states was the root cause of their high unemployment. But already Europe's shutters can perhaps be heard coming down; Turkey, Ukraine, the western Balkans and even Romania and Bulgaria could be left outside.

Then there is the risk to Europe's liberal economic reform agenda, promoted by the Barroso Commission, which Mr Chirac denounces as "Anglo-Saxon". Mr Barroso and the British presidency of the EU, which starts on July 1, will attempt to promote reforms including deregulation, a crackdown on state aid and a revival of the controversial plan to open up Europe's services market, which amounts to as much as 70 per cent of EU gross domestic product. While Mr Chirac may try to obstruct liberal economic reforms, Britain and its liberal allies (including many eastern European countries) will act to frustrate any attempts by France to export its creaking social model. Yesterday, Britain assembled a coalition including Germany, Poland and Slovakia to block an attempt—championed by France—to limit working hours in the UK.

The social and liberal camps have fought themselves to a standstill. If the death of the constitution stops Europe moving ahead, some fear the political tension unleashed by the double No votes could lead to the EU's starting to unwind, leaving at risk its most ambitious project: the euro.

The markets have forced the currency sharply lower in recent days against the dollar, with some banks, even speculating on the euro's eventual demise—a view [described] as "utter nonsense" by Nout Wellink, the Dutch central bank governor who is a member of the European Central Bank's governing council. Nevertheless, the euro is part of an intensely political project—an economic and monetary union—that demands from its members a high level of European solidarity, including a willingness to accept the constraints of a one-size-fits-all interest rate and common fiscal rules.

Dutch No voters signalled their suspicion that solidarity is already breaking down, a point illustrated this week when Jean-Louis Debré, a close ally of Mr Chirac, said the French government would increase social spending regardless of whether it broke the EU's deficit rules. "Today that's no longer the problem," he said.

If one includes in the EU's woes the ongoing dispute between rich and poor countries over the financing of the next seven-year EU budget round, the constitutional debacle can be seen as a climactic expression of a general breakdown in European co-operation and confidence in the future.

Where does the European Union go from here? Initially there will be a period of bitter introspection, to the despair of those in Washington and elsewhere who want to see Europe take a more active role in the world. Peter Mandelson, Britain's EU trade commissioner, has called for Europe to "hit the pause button" and stop things spiralling out of control. "The priorities must be survival and revival," he told colleagues this week.

Mr Mandelson believes the EU must set out its vision and sell it; but it could be years before a political consensus emerges to convince a sceptical public of the merits of free trade, deregulated labour markets and a Europe that extends to the steppes and the Black Sea.

But above all Europe needs leadership, at a time when most of its national leaders are clinging to power, buffeted by globalisation and resorting to "Brussels-bashing" as a way of shifting the blame. Traditionally, this would be a time for the Franco-German motor to whir into action—and there is speculation in Brussels that the old couple would try to revive the idea of a "core Europe" to breathe life into the project. "But what would we do?" asks a diplomat from one of affected countries. "Where are the areas of agreement, and who would follow Chirac now?"

Even Germany and France would struggle to come up with policy areas around which a core could be built. "There are no big new projects," admits an aide to Mr Barroso. Others in Brussels argue that Europe will move ahead again only after a wholesale change of the guard in the national capitals, particularly in Berlin, Paris and London. Angela Merkel, Germany's opposition conservative leader, and Nicolas Sarkozy, the populist, liberal rival to Mr Chirac, would bring a dose of free-market enthusiasm to complement that already embraced in London. Since both leaders are also instinctively pro-American, that could ease the geopolitical divide that has gripped Europe since Mr Chirac and Gerhard Schröder, the German chancellor, led opposition to the war in Iraq.

In what one EU official calls "the optimist scenario", Tony Blair would be replaced by Gordon Brown, his chancellor of the exchequer, who has a more continental approach to strong public service provision. "He's seen as less of a threat than Blair," the official says.

Ms Merkel, Mr Sarkozy and Mr Brown might offer a fresh start for Europe, but they are no euro-dreamers; any enthusiasm for Brussels they might have is based on what it can deliver in terms of jobs, growth and international clout. But hard-headed realism and results may well be what the young people on the streets of France and the Netherlands were asking for when they voted Non or Nee, not Europe's lofty founding vision of "ever closer union".

Mr Sarkozy struck a chord—a rarity in the French Yes campaign—when he told students that Europe had given them cheap mobile phones and budget airlines. It lacks the emotional appeal of the likes of Francois Mitterrand and Helmut Kohl, the former leaders of France and Germany, whose vision of Europe was inspired by the horrors of their countries' 1916 battle of Verdun. But it may be a European message for our times.