

The resilience of the European Union

The rejection of the Lisbon treaty in Ireland won't hold back the EU. Here's why

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THE European Union is the only example of successful, rules-based international economic integration; it has even managed to merge economic and security policy and open the borders between member states without jeopardising security for the almost 500 million member nations.

This remarkable project of international political engineering rests on a sense of common destiny and mutual trust.

At first glance, the pooling of sovereignty might look like a loss of power and influence, but in practice, it works the other way round. Member state leaders from all member states have worked to deepen and increase the level of integration. Why should they do so, if it was not for the prospect of wielding of greater influence?

In a globalised world, economic activities — whether trade, capital movements or technology transfer — take place at the international level. Governance or political control rests with nation-states, which makes it less effective. The key to the riddle is to lift governance up to the international level. The EU does nothing more than project governance from the national to the international level.

Today, the EU boasts a single market, a single currency, a single capital market, a common foreign and security policy (which has not should not be waved away), as well as common policies regarding freedom, security and justice, just to name a few of its achievements.

But it has not always been plain sailing. In 1965, France boycotted the EU by not attending meetings. In 1974 the new Labour government demanded and got a renegotiation of the terms of entry brokered in 1971. Only five years later, former Prime Minister Margaret Thatcher pulled Britain out of the boat again by demanding "her money back" after finding out that Britain had paid more into the EU than what it received from the EU. It was found after several years of horse-trading where every penny counted.

When the EU looked to be preparing for a new Europe with the Maastricht Treaty in 1992, following the end of the Cold War and the dissolution of the Soviet Union, a majority of the Danes put a spanner in the works by rejecting this treaty. It was back to the drawing board to find a way forward.

The dreams of a single currency, the Euro, first laid down in 1969, looked within reach in the beginning of the '90s. Then the currency went amok and, instead of fixed rates, the member states had to live for a short period with fluctuating rates. But the EU got back on track and the Euro became the medium of exchange in 1999 and was physically in the hands of its citizens on Jan 1, 2002.

The scene was set for a jump ahead with the EU's so-called Constitution, designed to be a framework setting out a number of principles to solve outstanding problems in the day-to-day process of decision-making.

Everybody looked happy and content but French and Dutch voters delivered a "no" vote in 2005. A revised treaty, the Lisbon Treaty,

skirting the sensitive issues and it was submitted to the member states for ratification.

The “no” vote for the Lisbon treaty at the referendum in Ireland last week was certainly a serious setback, but not an insurmountable one in any sense of proportion. Only 28 per cent of Irish voters said no, the rest voted yes or did not show up. This does not warrant statements that the European population has dealt the politicians a bloody nose. A way out of this dilemma will be found, even if things look ob

These examples show that integration is not a highway allowing member states to cruise at 100kmh. Rather, hindrances have always been there which shows how risky it is to underestimate the resilience of the political and economic forces driving the integration.

Over the last 15 years the EU has been much more conscious of the need to address the preoccupations of its citizens in their daily

People now travel freely across borders without controls or harassment; they do not even have to stop. Common rules from the chemicals prohibiting toxic materials have been agreed. More than 2,000 institutes of higher education have opened the door for students from other countries, and 1.5 million students have said “yes, thank you” to these programmes.

Only a few weeks ago, the French energy giant Gaz de France was informed that the European Commission had initiated an investigation into the alleged abuse of a dominant market position.

Its German counterpart E.ON was sent a similar letter. In fact the Commission is on a warpath to force 16 out of 27 member states to agree, aiming at liberalising the energy market.

Without the EU, its rules and its institutional set-up, any hope of restructuring Europe’s economy would be dim indeed. It has become common wisdom to criticize the EU for bureaucracy and red tape. On closer analysis, the conclusion is the exact opposite: The EU and its institutions are the staunch driver of liberalisation and deregulation — not the member states. The true revelation is that the EU is still moving ahead despite the setbacks and disappointments.

The two major recent policy initiatives on top of the agenda right now are a massive programme to improve Europe’s competitiveness and an ambitious programme — yet to be launched by a major country — to reduce emissions of carbon dioxide by endorsing the goal of a 50 per cent reduction of greenhouse gases by 2020, compared with 1990 levels. They seem to be the right priorities.

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