

SURVEY: THE EUROPEAN UNION

Fit at 50?

The European Union has been far more successful than anyone expected when the Treaty of Rome was signed half a century ago. But, argues John Peet (interviewed here), it now has three big problems to solve.

ON MARCH 25th 1957 a gaggle of leaders from six European countries (France, West Germany, Italy and the Benelux trio) met in the great hall of the Horatii and the Curiatii in Rome's Capitoline museum. Behind them two 17th-century frescoes depicted ancient Rome's bloody history: a suitable backdrop, since one of their concerns was to prevent a recurrence of Europe's internecine wars. They signed a treaty to establish a European Economic Community (EEC), soon to become known as the common market. Next weekend the present crop of European Union leaders will gather in Berlin (because Germany holds the rotating EU presidency) to mark the 50th anniversary of this historic step towards European integration.

The German chancellor, Angela Merkel, wants the Berlin summit to issue a ringing declaration about the values and successes of the EU. She sees this as a way to relaunch the "European project", which many think has been in serious trouble ever since French and Dutch voters rejected the draft EU constitution in the summer of 2005. Shortly afterwards Jean-Claude Juncker, prime minister of Luxembourg, which then held the EU's presidency, declared solemnly that "the EU is not in crisis; it is in deep crisis." Jacques Delors, who was president of the European Commission from 1985 to 1994, says that the present "crisis" is the worst in the project's history—worse than the period of Charles de Gaulle's "empty chair" in 1965, or Margaret Thatcher's persistent demands for "our own money back" between 1979 and 1984.

Yet today's difficulties should not be allowed to obscure Europe's achievements of the past 50 years. True federalists actually saw the Treaty of Rome as a move away from the building of a European superstate that they had hoped would develop from the European Coal and Steel Community, set up in 1951. But in fact the EEC grew out of two other events: the French National Assembly's rejection of the proposed European Defence Community in 1954 and the Suez crisis of 1956. The first pointed to a reassertion of nation-states at the heart of Europe; the second led France to conclude that a European community was in its vital interest.

A bigger objection to the EEC was that it covered only a small part of Europe. Soviet-dominated eastern Europe was excluded, as were fascist Spain and Portugal, because they were not democracies. But Britain and others chose to stand aside, either because they disliked the political integration implicit in the new grouping or because they wanted to preserve their neutrality. Indeed, two years after the Treaty of Rome came into force, seven countries (Austria, Britain, Denmark, Norway, Portugal, Sweden and Switzerland) set up the rival European Free-Trade Association (EFTA). "Seven and Six" was how this newspaper greeted the news (see article).

Fifty years later the European Economic Community has changed out of all recognition, having metamorphosed into the European Union and grown far beyond the original six members. Despite the EFTA experiment, Britain applied for membership only four years after the Treaty of Rome, but was blocked by de Gaulle's veto and did not join until 1973, along with Denmark and Ireland.

Several waves of further expansion followed, including Spain and Portugal in 1986. The biggest of all saw the admission of ten new members, including many ex-communist central European countries, on May 1st 2004. At the start of this year Romania and Bulgaria became the EU's 26th and 27th members. Plenty of others are clamouring to be let in. The only countries that have chosen to stay out even though they would instantly qualify for membership are Iceland, Norway and Switzerland.

The European Union has also moved far beyond the economic sphere. The completion of the single market was set in train only in the 1980s and remains a work in progress. But just as the American government used the constitution's interstate commerce clause to expand its powers, so the European institutions have exploited single-market rules to extend their responsibilities into such areas as social policy, welfare and the environment. Along the way the EU has acquired a single currency, a common

foreign policy, a passport-free travel zone and policies on justice and home affairs, plus a nascent defence alliance with its own military-planning staff.

This does not sound like an organisation in deep crisis. Even in the past two years the EU has agreed on a seven-year budget and set out ambitious plans for an energy policy and for tackling climate change. It has sent troops as far afield as Aceh and Congo and co-ordinated big national deployments in Lebanon. It has started membership negotiations with Croatia and, most momentously, with Turkey. Claims that this club has been unable to function since 2005 seem overblown.

The 50-year itch

Yet the EU does face three huge, related problems. The first is what to do about its draft constitution, which was signed in October 2004 in the very room that witnessed the signing of the Treaty of Rome. The constitution's declared purpose was to improve the functioning of the institutions, to clarify the distribution of powers and to bring the union closer to its citizens. But because it was turned down in the French and Dutch referendums, the treaty has not been ratified.

Ms Merkel hopes that the Berlin declaration will not only relaunch the EU but also start resuscitating the constitution. Yet the task she has taken on is immense. Any new treaty must not only be unanimously agreed on but also ratified by all of the union's 27 members before it can take effect.

That seems much less likely to happen because of the second big problem facing the union: popular disenchantment with the project. As Mr Delors notes, there is no dream, no vision that strikes a chord with today's European citizens in the way that reconciliation and an end to war did 50 years ago. Most of today's leaders, he complains, devote their time to attacking Brussels and all its works, not to spreading the word about the EU's achievements.

The mistrust of the union is perhaps most pronounced in Britain, but the regular opinion polls taken by Eurobarometer reveal high dissatisfaction with the union in other countries as well. In many of them, voters seem strongly opposed to further enlargement. The French and Dutch "no" to the constitution reflected this bleak mood. The new members are more enthusiastic about the union than the old ones, but even in them it is not hard to discover Eurosceptics.

This special report will weigh the chances of making progress with the EU constitution or devising some other "institutional settlement", to use the current catchphrase in Brussels. It will consider how this is affecting plans to admit yet more new members. And it will assess the debate over how to persuade Europe's citizens to take a less jaundiced view of their union. But it will start by considering the union's third and perhaps most serious problem: the poor performance of its economies in recent years.

It was the roaring economic growth of the EEC, above all else, that made it such a success in its early days. It was this economic dynamism, too, that lured first Britain and then all the others to apply for membership. Conversely, it was gloom about the economy, and particularly over persistent high unemployment, that played the biggest part in the rejection of the constitution and in the spread of Euroscepticism across the continent. If the EU is to flourish far beyond its 50th birthday, it is its economy that most needs attention.

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