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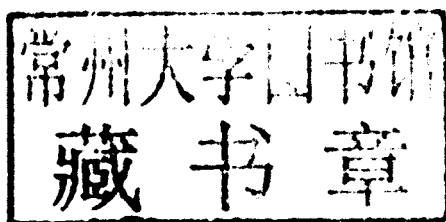


HAGEN SCHULZ-FORBERG AND BO STRÅTH

The Political History of European Integration

The hypocrisy of
democracy-through-market

**Hagen Schulz-Forberg and
Bo Stråth**



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The Political History of European Integration

The Maastricht Treaty in 1992 was based on neoliberal ideas of a market-driven European economy and democracy, and continues to be seen as a step towards a new stage of unification: towards a more federal Europe based on market integration.

The authors demonstrate that European integration as a federal project actually came to an end around 1970. The European Economic Community (EEC), the precursor of the EU, was never thought of as a democracy. The authors locate a shift in thinking about legitimacy and further integration in the 1980s, when the idea of a European democracy was connected with a plan for the internal market: the market would pave the way for democracy. Since then, there has been growing tension between the official line about a democratic EU and the institutional capacity to carry it through. This tension has undermined integration. The book suggests that, instead of democracy-through-market, there are signs of increasing social disintegration, political extremism and populism in the wake of economic integration.

Providing a more realistic historical understanding of European integration, this book will be of interest to students and scholars of political science, history and European studies.

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Preface

We argue in this book for a new historical underpinning of the European integration process and the European Union. The mainstream conceptualization of the EU describes a goal-driven project that is taking, as if by nature, automatic steps towards ever-tighter integration and ever-higher Europeaness. We argue for a historical understanding that emphasizes fragility and continuous challenges that the EU has faced and will have to face, the openness in terms of risks as well as possibilities. We want to establish a historical understanding of the EU that confronts teleological interpretations. We want to understand the situation of today's EU through a reinterpretation of history with a focus on the conceptual nexus we call 'democracy-through-markets'. As a result, our history of European integration follows a different sequence of events and shifts from the established narrative found in many writings and textbooks.

We want to sensitize for the risks of setbacks for, and even the collapse of, European integration. We want to engage a particular, albeit very important, debate about the EU; not to describe everything about the EU in minute detail. Our focus is on the connection between European integration and the question of a European democracy, which was not at all an issue at the outset of the integration project, but has become an energetically debated issue over the past few decades. What does the idea of a European democracy mean for European integration? When and how did it become an issue? Are there any problems involved in this connection, which is often taken for granted as automatically a good thing? We want to discuss these and similar questions from new points of departure and new perspectives. Our 'take' on the whole demos–democracy–identity–constitution debate is to employ the sequence of critique–crisis–hypocrisy elaborated by German conceptual historian Reinhart Koselleck.

Our non-teleological historical underpinning of the European post-1945 integration as an instrument to emphasize contingency and fragility is based not on new historical fact as such, but on a new framing of existing knowledge about European integration. Our problem is not that there has been too little archive-based research; our problem is the theoretical interpretation of the facts and data that we already have. This does not mean that we

consider the sources in the archives to be unimportant. They are crucial in order to verify or falsify, correct and nuance, and they always have a 'veto right', as Koselleck phrased it. However, our point is that empirical sources do not speak by themselves, but only through the theoretical filter of the examiner. They have to be assembled in an interpretive framework, and this is where we see our main contribution to the understanding of European integration.

At seminars and workshops where we presented parts of this book in order to receive critical feedback, we have met quite some support for our general approach of a new 'take', which has gone hand in hand with critical comments and suggestions on individual points and issues. We are very grateful for these comments and suggestions. At such occasions, we have also been seen by some as highly normative, with very strong views on what we dislike about the EU and the way it is analysed by historians and political scientists in particular. Others have argued that we are Europhobes or sceptics, or even disillusioned cynics. We can only try to defend ourselves against such readings by saying that we are none of the above, but rather are deeply engaged with the EU and European integration, wishing to see a successful European project in the twenty-first century that is, however, constantly debated in a critical vein, and does not fall into the automatisms of assumptions about a *perpetuum mobile* form of integration that, once set in motion, simply continues to move on. We are certainly normative in our deep concern for the future of European integration in general terms, and in that sense we want to provoke a debate on the theme of what is at stake, but the motivation is our deep concern and we expressly do not prescribe a certain model, supranational or intergovernmental, at the cost of another. But we do contend that rather than expecting ever-deeper integration and dynamics of democratization, the way to democracy implies agency and political will. Democracy and the public sphere are rooted in Enlightenment normative discourse. This is not a cultural essence that Europe automatically possesses, but a normative standpoint that has to be consciously embraced in order to promote agency towards a stable democratic Europe (be it democratic on the level of the EU or on the level of the nation-states). However – and here is our concern – this mode of being Europe is in no way guaranteed. In order to analyse and illustrate this concern, we deal with the gap between rhetoric about European integration and the institutional capacity to follow up the scenario mapped out by language, and in this respect we certainly comment critically on different political approaches and their connection to the gap between rhetoric and institutional capacity. However, this critique should not be misinterpreted as europhobic or eurosceptic.

The book has been conceptualized in the framework of the EU-financed project we called EMEDIATE: Media and Ethics in a European Public Sphere from the Treaties of Rome to the 'War on Terror' (Project no. CIT2-CT-2004-506027), which we, together with James Kaye, coordinated at the

European University Institute in Florence between 2004 and 2007. We have benefited a lot from the lively discussions at project meetings with our partners from eight European countries. We are very grateful to all members of the project for their fruitful contributions: no-one mentioned, no-one forgotten. The discussions made us think in more critical terms about the administrative and intellectual rigidity imposed on the Framework Programme projects, and we considered it urgent to begin a critical debate between political and academic reflection, which in our view has become too self-referential and too confirmative where research about the EU is concerned. The EU's calls for applications are like architecture competitions where the one calling for proposals, the Commission, precisely decides what buildings should be constructed and thereby also what buildings should not be sponsored. The possibilities for thinking in new innovative directions are too narrow.

We certainly do not argue that academic research in social and historical sciences should be apolitical – it cannot, basically ideological as it is – but we argue for more distribution of labour between the academic and the political, where the academic goal maybe could be described as proto-politics rather than crypto-politics, to get the questions right before beginning to deliver the answers.

It is our hope that this book will spark a debate, which means not only agreements and concurrence, but also objections. However, we hope that our point of view is seriously pondered by many, for we have written this book on a matter we regard as urgent.

Hagen Schulz-Forberg and Bo Stråth
Aarhus and Helsinki, May 2010

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Introduction

What democracy in which Europe?

The problem and the aim

1 May 2004 was staged as the historical day when the European Union (EU), through the big bang enlargement from 15 to 25 member states, reconciled the East with the West and overcame the historical division between them. At the moment of the expansion, the step towards a more integrated and more federal Europe than ever – the European Constitution – was more or less regarded as an established fact, which just remained to be finally confirmed. It all turned out rather differently, as we know today.

Since 2004, the EU has been undergoing profound changes, which can be described as an erosion of internal cohesion and mutual trust among the member states. The institutional capacity to follow up the official language of the EU as an ever-larger organization with ever-deeper integration is rapidly declining. There has been, from the 1980s until today, growing tension between a teleological rhetoric describing an unavoidable integration marked by a supposedly long-term trend of an unrestrainedly progressive project, and the actual institutional capability to respond to and implement the rhetoric. We refer here to a self-produced tension that emerges from within the European Commission (EC) and later the EU since the 1980s.

In this book, we show that the imagination of the EU as a movement towards a predetermined goal is ahistorical, and that there is therefore a need for a non-teleological perspective on the EU, emphasizing its fragility and contingency towards the future, and the role of political responsibility and human agency in the past shaping of a future Europe. *The aim of this book is to contribute to the development of a new historical underpinning of the EU and its future prospects.*

We undermine the prevailing teleology by means of historical evidence and a new reading of the history of the European integration after 1945. We do so by discerning three interconnected fields of contradiction and particular tension: between official rhetoric and institutional capacity to follow up the rhetoric; between enlargement and deepening of the integration; and between market integration and social disintegration. Taken together, these three fields of tension highlight the question of EU and democracy.

2 *Introduction*

The crucial question in our discussion of these three tensions deals with the often-heard talk about a democratic deficit in Europe and about a democratic EU. What does EU as a democracy mean, and when did this language emerge? What have been the implications of the EU-as-a-democracy language? These are the main questions of this book.

In particular, we focus our historical perspective on the two tensions between enlargement and deepening, and between market integration and social cohesion (and thus democracy). In the debate, these two relationships have hardly been seen as the tense, contentious and contradictory connections they represent. Little attention has been paid to the problems involved in the attempts to connect enlargement with deepening, and market with democracy. These two tensions make up the overall tension between rhetoric and institutional capacity.

In our historical perspective, we argue that not Maastricht 1992, but the early 1970s represent the point of culmination of the European integration project with the plan for an economic and monetary union (the Werner Plan; Werner, 1970), and the report by the Foreign Ministers of the Member States on the Problems of Political Unification (the Davignon Report or Plan; Foreign Ministers of the Member States, 1970), both adopted in October 1970. The Werner and Davignon Plans were more ambitious than their Maastricht imitators. They came to nothing in the face of the global economic crisis of the 1970s. We underpin our arguments in Chapters 1–3. The Werner Plan was based on Keynesian ideas of political management of the economy at the European level. The European Monetary Union decided upon in Maastricht and the EU enlargement of 2004 were both based on neoliberal ideas of a market-driven European economy and democracy. This distinction has not been made clear in the debate so far. Maastricht continues to be seen as the opening towards a new stage of unification: a more federal Europe based on market integration.

The tensions are mounting between the language that depicts Maastricht as a milestone on the road towards ever deeper European integration and towards a European democracy through a European market, and actual observations of the political performance. Instead of democracy through market, there are growing signs of experiences of social disintegration, political extremism and populism in the wake of economic integration.

The core of the teleological language is that a European democracy is developing and that the market integration promotes this development, coining the conviction that democracy is linked to markets as a causally logical result. The aim of our book is to confront the teleology with a more realistic historical understanding of European integration.

The European hypocrisy

The tensions that built up over a long period since the 1980s and even the late 1970s culminated in a very condensed short period between the

enlargement from EU 15 to EU 25 in May 2004, and the French and Dutch abrogation of the constitution one year later, when the constitutional vision was flattened with a double-punch within just three days on 29 May (France) and 1 June 2005 (the Netherlands). During the build-up of the tensions, hypocrisy was the tool to conceal rather than to cope with a situation challenging the EU's legitimacy. Experiences of crisis were glossed over with hypocritical language. This was the case when the idea of a European constitution emerged in response to the problems of enlargement, and this had been the case when a European identity was declared in 1973, when the implementation of the Werner and Davignon Plan rapidly lost momentum against the backdrop of the world economic crisis (Chapter 2).

We refer to hypocritical language and hypocrisy as a more general category, in the way German conceptual historian Reinhart Koselleck used it for historical analysis. This is a dimension of his work that has been more or less ignored in the vivid academic debate on his methodology.¹ The dynamics generated by his dialectic concepts of critique and crisis is well known, but less so is the fact that in his model he also operated with the arrogance of the victors. The dynamics between critique and crisis triggered the French revolution and became a crucial dimension of modernity. After the revolutionaries' victory, dislike of continued critique emerged. In the perspective of Reinhart Koselleck, smugness and hypocrisy followed the revolution, instead of continuous self-critique and conscious political involvement. After the revolution, self-critique became self-illusion and the victors became trapped in their own language (La Vopa, 1992: 84). The revolutionary rhetoric hardened into institutional self-righteousness, and a hypocritical tension emerged between language and institutional capacity to respond to the rhetoric.²

We will demonstrate that the debate on a European democracy in many respects can be interpreted in terms of hypocrisy. The Koselleckian sequence of critique–crisis–hypocrisy is a crucial point of reference in our analysis of the EU. The triangular relationships are of particular interest for our understanding of the increasing tension between rhetoric and institutional capacity. We will come back to this sequence throughout this book, in particular in Chapters 10 and 11, where we will outline the contours of a new historical theory of the European integration project.

In retrospect, the ideas of a European identity and of a European constitution a generation later appear as flights ahead in hypocritical, vain attempts to escape from tackling severe problems. Imaginations of a democratic EC/EU were conjured up with the concepts of identity, market and constitution. The idea of democracy through markets, however, is based on ahistorical understandings of how democracy emerged in Europe in the nineteenth century: not more or less automatically in the wake of market expansion, but through social conflict in bottom-up processes of social protest and attempts to respond to the protests.