And what happens to the beast now?

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ON DECEMBER 12th European leaders sat down to lunch expecting to thrash out final details of a constitution for the European Union. But the Italian prime minister, Silvio Berlusconi, who was in the chair, had other ideas. “Let's talk about football and women instead. I know a lot about women, I've even featured in the pages of Playboy, but I know there are other people around this table who know even more,” he said. Turning jovially to the German chancellor, Mr Berlusconi remarked: “Gerhard, you have had four wives—what can you tell us about women?” Neither Mr Schröder nor any of the women at the table was amused. It was an inauspicious opening. A day later Mr Berlusconi reported to a reconvened group that the talks had failed.

In the intervening 24 hours the Italian prime minister had held a string of bilateral meetings. The main argument was over how many votes each country should have when the EU makes laws. The draft
constitution proposes a “double majority”, under which a law needs the support of a majority of countries, representing 60% of the EU's population. This was firmly backed by France and, especially, Germany, which has the largest population of all. But Poland and Spain insisted on sticking to a voting system agreed in Nice three years ago that gives each of them almost as many votes as Germany, despite having only about half as many people. Tempting as it is to blame the breakdown chiefly on Mr Berlusconi's eccentric chairmanship, there might not have been any deal in reach.

The simplest explanation for the failure of the talks is that the parties had become too entrenched. But the truth is a bit more complex. Officials close to the negotiations insist that Spain and Germany were ready to compromise. Even the famously intransigent Poles hinted that they might accept the idea that the “double majority” should be introduced in 2014. It was President Jacques Chirac of France who was the most unyielding. “The French did not come here to negotiate,” was the conclusion of one European leader.

Why were the French ready to let the talks fail? One answer may be that they are increasingly disillusioned by the soon-to-be enlarged EU of 25 countries and are drawn instead to the idea of a “core Europe”, in which a small group of countries, led naturally by France and Germany, press ahead with deeper integration. The French were particularly shocked by the temerity of new members such as Poland lining up with America in the run-up to the Iraq war. The collapse of the constitutional talks may allow the French to insist that an enlarged EU will be unworkable, so that a core Europe is needed.

As a clincher, the French had their own reservations about the draft constitution. Three years ago Mr Chirac had insisted in Nice that it was vital that France and Germany retain the same number of votes. Adopting the double majority would mean abandoning that principle. And Mr Chirac has been facing pressure, including from his own prime minister, to hold a referendum on the new constitution.

What happens next? There are three broad possibilities. The first is that the talks are revived and a compromise deal on the constitution is reached. The second is that a hard core of countries will break away, perhaps outside the established structures of the EU, to form an inner group committed to “political union”. The third is that efforts either to revive the constitution or to form an inner core both fail, leaving the EU to stumble along in an atmosphere of increasing acrimony.

**Irish mist**

In the immediate aftermath of the talks, few were putting money on a quick revival of negotiations. The Irish, who will preside over the EU for the next six months, are not planning to plunge straight back in. They will take soundings in the coming weeks and report to another summit in March. But the chances of the Irish securing a deal by June could be better than some now think. If Poland, Spain and Germany were prepared to make concessions in Brussels, the basis for a deal could be found. British opposition appears to have been ended by Mr Berlusconi's announcement that he had accepted Tony Blair's demands that all aspects of EU foreign policy, tax and social-security policy should remain subject to national vetoes.

Yet these concessions to Britain will harden opposition in France, and they have also enraged federalists. Spain's elections in March will not help; ditto the European elections in June, after which the Dutch take over the presidency. Further ahead, the calendar gets worse. By the end of 2004, the EU will be deep in negotiations on its next multi-annual budget, a perennial source of acrimony. The Germans have already threatened to punish Spain and Poland by playing hard-ball on regional spending. Just after the summit, Germany and five other net contributors, including France and Britain, issued a letter calling for the EU to limit spending to 1% of GDP. By the end of 2004, the EU is also due to say if it intends to open negotiations with Turkey over eventual membership, an issue that is bound to be bitterly controversial. As if all that is not enough, in 2005 there may be a British election (with a British EU presidency to follow).
So much the better, respond those pushing for a core Europe. Enthusiasts for this idea have been emboldened by the Brussels failure. But the political and legal obstacles look formidable. Most plans for a core Europe are based around the six founder members: Germany, France, Italy, the Netherlands, Belgium and Luxembourg. But the Italian government has made clear that it is not interested in joining a new inner core; and the Dutch were on the pro-American side of the debate over Iraq and are angry with the French and Germans for trivialising the stability-pact rules restricting budget deficits in the single-currency zone. Even the Germans may hesitate about a core Europe that appears to set its face against Poland. Cooler heads in Berlin know that a lasting rapprochement with Poland must be in Germany's strategic and economic interest.

It is also hard to see exactly where a pioneer group could forge ahead. The euro area embraces 12 countries, and all new EU members are in theory obliged to join. Could there be deeper economic co-operation or tax harmonisation without such big euro economies as Italy and Spain? Closer co-operation on foreign policy and defence is also tricky. The French and Germans often say that European defence co-operation would be meaningless without the British, and Britain has signed up to the latest efforts to create an EU military-planning cell. But a defence arrangement that includes Britain, which is in neither the single currency nor the EU's border-free Schengen area, could hardly be the core of a political union.

Finally, there is a legal problem. The Nice treaty allows groups of countries to forge ahead in specific policy areas—a process called "enhanced co-operation"—but only if there are at least eight of them and they first secure the agreement of all other EU countries. In today's poisoned political atmosphere, that would be hard. That might mean that any pioneer group has to evolve outside the present EU structures. Far from furthering the cause of European unity, a pioneer group could in that case simply split the EU.

A prolonged period of political wrangling now seems inevitable. And that might worsen the EU's most worrisome problem: its increasing unpopularity. This month the European Commission's own opinion polls showed that less than half of EU citizens (48%) agreed that their country's membership was a good thing, the lowest level ever recorded. Even the euro, although strong on the foreign exchanges, is losing its appeal. Another poll this week showed that only 52% of users of the single currency consider it "advantageous overall", down from 59% in September 2002. It does not look like being a very happy new year for the European Union.