

V I E W P O I N T

Josef Joffe

Whatever Happened to Solidarity?

E.U. members are (surprise!) putting national interest above European unity

FOR A SOLID YEAR OR MORE, FRANCE AND GERMANY HAVE TAKEN great delight in denouncing the selfish “unilateralism” of the United States—“Dirty Harry” and “Globocop” rolled into one. But who is a unilateralist now? Last week the Continent’s two biggest fish demonstrated how well they, too, can play a self-centered game—and proved that power is a temptation for all nations, not just the U.S. What the Kyoto Protocol on Climate Change and the International Criminal Court are to America (the U.S. says no to both), the E.U. Stability and Growth Pact is to France and Germany. The pact enjoins all 12 members of the euro bloc to maintain strict fiscal discipline. Above all, they were to keep their deficit spending below 3% of GDP in order to stave off inflation.

But what’s a sacrosanct international agreement when the national interest comes calling? France and Germany suffer from close-to-zero growth and close-to-double-digit unemployment rates. So why not spend their way out of the slump, never mind yesterday’s vows? With about a 4% deficit, Germany, in 2004, will be above the limit for the third year in a row. The defendant duo’s message to the European Commission was blunt: Sorry, some of us are more equal than others, and don’t slap us with a heavy fine just because we broke the stability pact. They won the day for the same reason that a schoolyard bully gets away with stealing lunch money: the others simply aren’t strong enough to stop him. So Belgium, Greece, Ireland, Italy, Luxembourg and Portugal voted to suspend the pact and to withhold sanctions.

The duo’s defiance is reminiscent of the U.S. going to war against Iraq without a U.N. mandate, isn’t it? People may disagree on the relative merits of these cases—a Parisian or Berliner might point out that the stability pact has been plain bad fiscal policy, just as a Washingtonian might argue that U.N. mandates tend to be too little, too late. But in both cases, the rules are enshrined in international covenants, and steamrolling them showed that the same sort of hauteur is alive and well in all three capitals. Power talks, and so does the national interest; this is one of the oldest truths in international politics. In the American case, the victim was the authority of the United Nations; in the Franco-German case, the loser is Europe and its common currency.

Britain and Sweden, the two most prominent outsiders, will now think thrice before joining the euro zone. Why allow

others to fiddle with the stability of your money just because their national interests demand it? The basic reasoning behind the stability pact was this: only if each and all maintain fiscal discipline will inflation and devaluation be kept at bay. Now that the pact is practically dead, each and all will feel free to do as they please. Think about European monetary union as a train made up of 12 cars, which represent the national economies. Unless all of them move at the same speed, the train will derail.

But the problem goes deeper still. The European Union is embroiled in a tortuous constitution-making process that brought its Foreign Ministers to Naples late last week. Britain, Poland and Spain have been voicing grave misgivings about relinquishing ever-more sovereignty to this non-nation that goes by the name of Europe. The Franco-German power play has sharpened those anxieties even more. The fiercest battle in Europe's constitutional

conclave, as in any such convention, is about balancing the weight of small states against the clout of the bigger ones. By acting as they did, France and Germany unwittingly gave Britain, Poland and Spain a foretaste of worse things to come. Why hop on a train where two engineers, by dint of their size and power, are more equal than the others?

And so Europe is split again. Earlier this year, during the run-up to the Iraq war, it was France and Germany (plus Belgium and Luxembourg) against most

of the rest who refused to be drawn into the anti-American orbit organized by the two Continental powers. Now, the lineup is not identical, but similar. As France and Germany cracked their whip, the Netherlands, Austria, Finland and Spain refused to cower, voting against the suspension of the stability pact. Britain is keeping quiet, presumably enjoying a battle of sovereignties in which London, for once, is not being fingered as the foe of ever-closer union.

The heart of the matter is power, interest and identity—today and in the Europe to come. It is a safe bet that the constitutional draft will not be ready this month. More than ever, the drafters are now confronted with the core question they have so studiously ignored: Who rules? Whether on Iraq or on the stability pact, various sets of Europe's nations have replied: Not France and Germany, not any duo or threesome. In fact, the more these two flex their muscles, the more the others will copycat the course laid out by Berlin and Paris in their contest with Washington: resist hegemony! In other words, what is sauce for the two ganders is sauce for the goslings. Europe will not be one until all members, large and small, agree to live by the same rules.

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STRETCHED THIN: Unity is fraying over the constitution and stability pact