

Europe's Missing Identity

By Eric Posner

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The current turmoil in Europe, sparked by the Greek debt crisis, has provoked hand-wringing about the future of European integration. But it also contains larger lessons about the limits of international institutions -- and vindicates the much-criticized American reluctance to submit to international authorities over the past 20 years.

European integration has always had both an economic and political dimension. Economically, the reduction of trade barriers and the harmonization of regulatory systems would stimulate economic growth. The theory of monetary union -- which has involved 16 of the 27 members of the European Union -- was that the transaction-cost savings would offset the loss of control over monetary policy in each of the member states. The economic benefits of trade integration have been clear; those of monetary union remain to be seen.

But economic growth, however important it is for ordinary people, was always a side show for the political elites. The real goal of European integration was political. To prevent a recurrence of the world wars, people living in Germany and France had to start seeing themselves as Europeans, rather than as Germans and Frenchman, just as people living in California and Massachusetts see themselves primarily as Americans. To reach this ambitious goal of changing people's national consciousness, German and French political leaders had to construct European political institutions to which Europeans would be loyal. European solidarity would replace nationalism; sovereignty would be "pooled" in the European quasi-state. National governments would become second bananas to the European government, just as in the United States.

There is no doubt that political integration made progress over half a century. Notably, the European Commission is an effective bureaucracy and the European Court of Justice has been instrumental in compelling national governments to yield to European law. However, as Europeans well know, the overriding goal of persuading ordinary people living in Europe to regard themselves as Europeans has failed. This has been clear since the French and Dutch voters rejected the proposed European Constitution in 2005. European political elites evaded this rejection by recasting most of the European Constitution in the Lisbon Treaty, which was not sent to national populations for approval (except in Ireland, where it was initially rejected), and never gained much support among the national populations. The new European institutions that it created were revealed to be hollow shells during the Greek debt crisis, which national governments have taken the lead in resolving.

For quite some time, Europeans have urged the "European model" of pooled sovereignty on the United States and other countries. The thought behind the European model -- that national populations can put aside their differences and transfer authority from national governments to international institutions -- has been the key justification for reform of the United Nations, creation of the International Criminal Court, strengthening of the World Trade Organization, and

many other ambitious schemes. "We can do it," said the Europeans, who at one time had been killing each other; "therefore, so can you."

But they haven't done it. Although European integration has scored notable successes, the test of political institutions is their ability to handle a crisis. Europeans understood that irresponsible governance could undermine monetary union, and so they imposed various rules on the members of the euro zone, limiting, for example, budget deficits. But these rules could not be enforced and were ignored. Now that the crisis has come, national governments have shouldered European institutions aside and, reasserting their sovereignty, cobbled together a deal that reflects their own national interest rather than the greater good of European solidarity. For the time being, Germans are willing to bail out the Greeks (and more to the point, German banks that own Greek bonds) to keep the European project together. But it has become obvious that the patience of ordinary German people have been pushed to the limit; the price tag for political and economic integration may be just too high.

There are important lessons here. European political elites created ambitious political structures that outstripped the sense of European solidarity among their national populations in the hope of pulling those populations along toward a European identity. Each successive treaty created impressive new political structures but not the sense of pan-European solidarity that leaders sought. This would lead officials to create newer and more ambitious institutions in the hope that somehow national differences would melt away if the right political structure could be achieved. But, if anything, political integration is causing a backlash. Like the Red Queen in "Through the Looking Glass," Europeans leaders have to run faster in order to stay in the same place. They are committed to the untenable, Ponzi-scheme-like belief that greater political integration will overcome national differences when in fact it exacerbates them while temporarily suppressing them until the next crisis.

The lesson for the rest of the world is that efforts to create international institutions with real political authority are not going to succeed if they go beyond popular willingness to yield sovereignty to remote institutions predominantly staffed by foreigners. There is no such sentiment. And it cannot be summoned into existence through the creation of global institutions that no one wants.

Mr. Posner, a professor at the University of Chicago Law School, is the author of "The Perils of Global Legalism" (University of Chicago Press, 2009) and "Climate Change Justice" (Princeton University Press, 2010).