



EUROPE

CRISIS IN THE EUROPEAN UNION: THE FRENCH AND DUTCH 'NO' TO THE CONSTITUTION*

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The rejection by the French and Dutch public of the European Constitution Treaty in their referendums held on 29 May in France and 1 June in Holland was mainly aimed at the governments of Chirac and Balkenende. However, it also reflects the deep concern of wide-ranging sections of the population in both countries about three problems of general scope: expansion towards the East, the effects of globalization on the economy (in the case of France, falling levels of competitiveness and productivity) and the phenomenon of immigration. A crisis has been created in the European Union which could have consequences not only in terms of the Constitutional Treaty, but also with regard to monetary union and the influence Europe on the international scene.

It is especially significant that the day after the French referendum, the Chinese Government suspended, with immediate effect, the agreement on res-

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tricting Chinese textile imports into the European Union which it had committed itself to just a few weeks earlier. It is also significant that calls were heard in Europe openly questioning the virtues of the euro (though no doubt these reflected special interest groups).

This state of weak popular backing and uncertainty is a direct consequence of the economic crisis affecting the economies of Central Europe, and in particular the volatile domestic political situation in France, Germany and other European countries. Chancellor Schröder's setback in the recent elections in North Rhineland-Westphalia (the traditional stronghold and main source of Social Democratic votes in Germany) reflects the extent to which the German public has become tired of the persistent lack of leadership, unfulfilled political promises and the state of institutional and economic paralysis. However, this itself shows how difficult it is to get societies such as those in Europe to accept the implementation of the economic and social reforms needed to guarantee their prosperity, accustomed as they are to high levels of welfare and having their constantly rising demands and personal expectations met (though with declining moral resources).

The case of Nicolas Sarkozy in France, the only political leader who dared to raise his voice during the referendum campaign to stress the need for 'another social model', and the candidature of Angela Merkel to lead the CDU in the early elections summoned by Schröder for next autumn, confirms the fact that the European political scene finds itself at an important crossroads, one at which the purely defensive and nostalgic attitudes of the past are being contested by alternatives capable of addressing the challenges and opportunities of globalization and technological and demographic change, not to mention the expansion of democracy throughout the world.

The referendum results have seriously damaged the famous Franco-German axis and blown away Rodríguez Zapatero's rhetorical 'return to the heart of Europe'. The Spanish Government's drifting policy of alliances is becoming increasingly worrying. Wide-ranging sections of the country are asking themselves what allies we can really rely on, whether in Europe or Latin America and North Africa. The present government's insistence on reversing the last government's policies has led to a dead end.

In the face of a comatose Constitutional Treaty, the crossfire of criticisms among the various Member States reveals the extent of the split caused by the tactical excesses of Chirac, Fabius and other French political leaders. However, it is clear that if the rest of the countries within the European Union –and not only France and Germany– are to resist the temptation of turning in on themselves and giving way to the spectres of nationalism, pure self-interest and anguish when faced with the current institutional vacuum, it is essential that they recover their shared values, objectives and ideals.

The results of the French and Dutch referendums prove that this is not going to be at all easy and that it is quite likely that the crisis in Europe will worsen if the EU does not adopt a change of course over the next few years. Behind the malaise and unease we can glimpse the outlines of an economic and political crisis, above all at a cultural and moral level.

Why Did the 'No' Vote Prevail?

The resounding No (55%, with a 70% turnout in France; 62%, with a 68.2% turnout in Holland) rejected a text that had been endlessly and exhaustively negotiated over four years (first by the Convention, and subsequently by the Governmental Conference and the heads of government themselves). Moreover, the strong electoral mobilization and rejection by political and social movements operating on the margins or boundaries of the system of representation make the results of the two referendums an inevitable wake-up call to the growing breach between Europe's political leaders and its electorate. Voters have used this opportunity to express their disaffection with the political classes in both countries, and politicians have flirted with a form of populism that has brought together the far right and far left. During the two referendum campaigns, the arguments of nationalism and xenophobia were once again heard, alongside slogans of anti-Liberalism and anti-capitalism in France, extremist views fanned by inward-looking and self-interested policies.

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It should make us stop and think when, following an extensive and intense media debate in France, a significant section of one of the most highly cultured and politicized societies on Earth, and the nation that founded and promoted the European project through all its stages, expresses its concern at the loss of national identity and the dissolution of its national structures within a European entity. This sense of rejection has paradoxically been accompanied by pro-European manifestations, revealing that it is not so much the European idea itself, but the sense of economic, social and personal unease with regard to Brussels that forms the main focus of the criticisms.

It is true that there are differences between the French and the Dutch cases. In particular, it is worth pointing out the greater degree of ‘politicization’ accompanying the referendum in France, with a strong influence of anti-globalization campaigners and environmentalist progressives, combined with the survival of Poujadists and monarchists at one extreme, and Communists, trade unionists and small left-wing groups at the other. In Holland, the advocates of the No vote voiced more pragmatic arguments relating to the cost of expansion and the country’s net contribution, as well as highlighting a sense that this medium-sized country, a co-founder of the Union, had lost influence as a result of the expansion process, and the fear of seeing the shifting identity of Dutch society weakened.

However, there is common ground between the two countries. There is the progressive consolidation of populist and extremist platforms, as in the case of ATTAC in France and Pim Fortuyn’s party in Holland, which has drawn on the power of the Internet and post-modern designer imagery. These groups have progressively polluted their societies with ideas traditionally associated with the far right. It is worrying to see how the advocates of the No vote throughout the referendum campaign in

France were influenced by the ideas of the far right, linking as they did their rejection of an expanded Europe with a caricature image of an ‘Anglo-Saxonized Liberal Europe’ (whose unfortunate, rather xenophobic symbol was the ‘Polish plumber’) and immigration. All this was designed to protect and safeguard the French model and French identity. These worries extend to the Presidential elections of 2007.

The fact is that, although it was the split in the Socialist party, brought about by the personal ambitions of the former Prime Minister Laurent Fabius, that swung the referendum vote towards a No, in the worst-case analysis, the man who could well benefit the most from the negative vote is Le Pen. In this respect we might provide one graphic example: whilst in the majority of the large cities the majority voted Yes, in the two main National Front strongholds –Marseille and Nice– the figure of 70% who voted No was well above the high levels of electoral support already enjoyed by the far right in these areas.

It is enlightening to investigate the reasons why the electorate voted No. They can be broken down in percentage terms as follows (Source: Le Monde, 31 May 2005): ‘The Treaty will exacerbate unemployment in France’ (46% of the votes); ‘I would like to state that I am fed up with the current situation’ (40%); ‘The referendum will allow the Treaty to be renegotiated’ (35%); ‘This Treaty is too Liberal’ (34%); ‘This Treaty is especially difficult to understand’ (34%).

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Among the main reasons for voting No are certain erroneous views that became entrenched during the campaign. For example, the idea that the referendum would allow the Treaty to be renegotiated or the argument that the Treaty would exacerbate the unemployment situation in France. Here we can detect an ideological influence which managed to appropriate significant sections of the No camp. Similarly, the statement that the Treaty is too Liberal must be compared with the fact that, in terms of economic principles and social rights, the Treaty does not entail any significant change with regard to the present situation (on the contrary, the Stability Pact is weakened somewhat). In this respect, the referendum reflects the internal political battle being waged in France and supports the somewhat ambivalent thesis (confirmed by the argument that the ‘Treaty is difficult to understand’) that it is objectively difficult to submit matters such as this excessively long, complex and technically detailed (especially in its third and fourth parts) Constitutional Treaty to a national referendum.

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In short, the French and Dutch people voted primarily against their governments (the popularity of Raffarin and Balkenende stood at the extremely low levels of 17% and 19% respectively before the referendum). They also voted against ‘Brussels’, expressing a sense of unease at the economic and social situation, not to mention the cultural and moral atmosphere. By doing so, they created an extremist split in their institutional systems that is likely to increase.

The Political Situation in France within the European Context

By staging the referendum, Chirac sought to win a plebiscite in his favour with a view to the Presidential elections of 2007, and he has achieved exactly the opposite. He also tried to divide the Socialist Party, which he has achieved, but with the counterproductive consequences of ensuring a majority No vote. As to the aim of banishing Le Pen to the political wilderness, he has in fact strengthened his position. As on previous occasions, the tactical manoeuvrings of the French President have come to nothing.

The domestic political debacle created by the referendum initially elicited an autistic response from Chirac. The appointment of the loyal Villepin, the main instigator of the Franco-German opposition to the Iraq War and an advocate of a social model anchored in the French State, as a replacement for another faithful servant, Jean-Pierre Raffarin, who was written off after the referendum results, represents an attempt to ensure the continuity of the President himself rather than an appropriate response to the crisis that has emerged in France and in Europe. Chirac has also appointed his rival, Nicolas Sarkozy, as Minister of State and second-in-command within the Government, perhaps hoping that the clash between Villepin and Sarkozy will mean that he can once again play the role of the great peacemaker in two years’ time. Ironically, Chirac has delegated management of the crisis to the Villepin-Sarkozy duo and has sent a missive to Durao Barroso and Juncker claiming that responsibility for the effects of the French No lies with Europe’s institutions.

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The referendum has changed the domestic political situation in France with regard to the prospects for the Presidential elections of 2007. Unlike Chirac and Villepin, Sarkozy enjoys the support of the UMP apparatus and offers a programme of economic, social and political modernization. The purpose of his programme is to reform the country’s sclerotic bureaucracy and the state-based approach that dominates French life and is largely to blame for the ‘French malaise’ - a lack of possibilities for

the future and a general feeling that the welfare of this generation is gradually declining. Another important question mark on the French political scene is the future of the Socialist Party and whether it will be able to bring together such opposing positions as those of its leader, François Hollande, and the number-two figure in the party, Laurent Fabius, or whether, on the contrary, the PSF may split into various parts.

Within the context of the declining growth forecast for the euro zone as a whole (1.4% for 2005 and 2% for 2006), and the volatile situation of public finances in Italy, Portugal, Greece, Germany and France, not to mention the notable divergence in the various models of economic growth pursued by different European countries, only a change in the political situation in France and Germany can create a new framework for the European Union to move forward. This in turn depends on the emergence of new European leaders such as Angela Merkel (should she be successful in the German elections this autumn), and the implementation of the economic reforms that have so often been announced and proposed (The Lisbon Agenda, the Stability Pact, and the reform of the labour market).

The Future of the Constitutional Treaty and the European Union

After analysing the results of the two referendums, the next question is to clarify the current situation and the future of the European Union. What can be done following the two negative results in the French and Dutch referendums? What are the prospects for the European Union?

From the point of view of the provisions of the Constitutional Treaty themselves, the Treaty's entry into force (in accordance with Article IV-447 and international treaty law) presupposes unanimity among the Member States. That is to say, all countries must have the right to express their will to bind themselves to the Treaty definitively, in accordance with the requirements of their own internal ratification procedures.

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However, the Constitutional Treaty includes a clause (Declaration No. 30) according to which, once two years have elapsed following signature of the Treaty, if four-fifths of the Member States (i.e. at least 20 out of 25) have ratified the Treaty, and one or more Member States have ‘encountered difficulties in ratifying it’, the European Council will meet to examine the matter and decide what is to be done.

In the current situation it is difficult to imagine that the ratification process will reach this point, because of the enormous political influence of the two No votes. Out of the six countries yet to hold a referendum for ratification (Luxembourg, Denmark, Ireland, Great Britain, Poland and the Czech Republic), only Luxembourg has a sufficiently clear majority in favour of a Yes vote, although this majority has fallen from 79% last autumn to less than 59% today. The contagious effect of the

French and Dutch No could well provoke a further decrease. The advocates of the No vote in Denmark already have a clear lead in the polls, whilst Ireland is likely to go the same way. Meanwhile, the British Government has been the first to suspend the referendum it had previously announced.

The unique situation that exists in Poland and the Czech Republic will determine the way these countries will go. A referendum (and very possibly parliamentary ratification too) in the Czech Republic is likely to produce a negative result, whilst in Poland the polls carried out to date have fluctuated somewhat, although the French (and to a certain extent the Dutch) No seems to have harmed the sensibilities of many sections of Eastern European society, given that the French and Dutch rejections of the Constitutional Treaty have been interpreted as a No to an expanded EU. In this respect, the Czech Government's proposal to prolong the Treaty ratification process to beyond November 2006 is also significant.

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The ratification processes could become an exercise in self-flagellation for European institutions and national public opinion, accompanied by the formation of anti-European coalitions throughout the whole of Europe. Such movements could cause serious difficulties when it comes to making progress in terms of integration in the medium term. In these circumstances it does not seem to be a particularly good idea to insist on completing the process.

From this point of view, the European Council meetings of next 16 and 17 June, in addition to taking note of the current political situation, should analyse the following options:

a) To continue with the ratification processes, seeking to maintain the fiction that no crisis of legitimacy exists, only national problems, and that the day-to-day affairs of the Union will continue to be dealt with satisfactorily.

b) To unanimously decide to indefinitely suspend the ratification processes, based on the fact that 55% of the French and 62% of the Dutch, two of the Union's founding nations, have voted against the Constitutional Treaty. This argument might be made on the grounds of democratic legitimacy.

In this case, it would be neither politically legitimate nor legally possible to pass those parts of the Constitution, such as the voting systems on the Council or the fixed Presidency of the European Council, that require internal ratification procedures because of their constitutional nature. These aspects were the subject of ongoing political controversy among the Member States throughout the Treaty's drafting process. Other non-controversial aspects might be agreed upon, although it

would be necessary to take into account the rejection of both the French and Dutch peoples, not to mention the difficulties of isolating parts of a Treaty which was negotiated with each party based on the appeal of one part or another.

“The European Council meetings of 16 and 17 June should put an end to the crisis created by the French and Dutch referendums as soon as possible, setting clear guidelines for the Community as it now stands, based on absolute security and absolute guarantees for the euro, the full application of the current legal framework (the Treaty of Nice), and the rapid implementation of those economic initiatives (many already passed by the Union, such as the Lisbon Agenda) which could help to bring about a significant improvement in the lives of European citizens”

c) To prolong (according to a fixed period, some years away; or indefinitely, until ratification has been achieved in all the Member States) the ratification process, thus initiating a waiting period during which the entry into force of the Treaty would be suspended.

Whatever happens, it is clear that the European Council meetings of 16 and 17 June should put an end to the crisis created by the French and Dutch referendums as soon as possible, setting clear guidelines for the Community as it now stands, based on absolute security and absolute guarantees for the euro, the full application of the current legal framework (the Treaty of Nice), and the rapid implementation of those economic initiatives (many already passed by the Union, such as the Lisbon Agenda) which could help to bring about a significant improvement in the lives of European citizens.

It is now clear that the Constitutional Treaty was a somewhat rash proposal, which requires a greater prior consensus on the part of governments and citizens. In order to create this consensus, there must first be a significant improvement in economic management and legitimization within the Union. After a number of years in which considerable energy has been expended on internal institutional problems, the time has come for Europe to turn its attention to economic affairs. The time has come for Europe to focus on solving the specific problems affecting its citizens, such as immigration, homeland security, employment, and defence, and to demonstrate what the Union can do to improve these aspects.