Euromyths or Eurorealities?

Of Blind Men and Elephants

Beverly Crawford March 10, 2012
The European Union: 500 million people – 27 countries
Today’s Menu

– Of Blind Men and Elephants
– Elephants in the Room
– Brief history of European Integration
  • Transformation of world politics or series of power plays?
– The EU’s Foreign Policy
  • Global Actor or Global Impostor?
– The EU Economy
  • European Dream or European Nightmare?
– Culture and Identity in Europe
  • Cultural integration, A European identity or clash of cultures?
– Conclusion: Europe’s Destiny
  • Will the EU Thrive, Survive, or Disappear?
How Do we separate Myth from Reality?

• Europe: The Blind Man and the Elephant

• Myths and Realities can’t be separated

• Elephants in the Room
Brief History of the EU

Myth or Reality?
The European Union is becoming a “Superstate.”
- It’s come a long way
- Largest economy in the world
- Economic model of prosperity and security
- The most important successful experiment in cooperation and integration in human history

Myth or Reality? The EU is simply a series of bargains between separate countries that can and probably will be undone. Its rise was dependent solely on the United States...a cover for German hegemony, with no coherent vision or strategy
The European Union?
Destruction in Europe

Homelessness

Destruction of Roads, Bridges, Railways
Goods were produced but could not be transported
Jean Monnet’s Vision
A Story of The Creation of a “superstate”
Growing Power told in treaties, enlargement, usurping of national sovereignty

- **Steel and Coal Community**: Paris 1951 (expired 2002)
- **European Economic Community**: Rome 1957
- **Schengen Agreement**: 1985
- **Single European Act (1987)**: achieving the Internal Market
- "**The Maastricht Treaty**" (1992): Treaty on European Union -
- **Treaty of Amsterdam (1997)**: visa, asylum, immigration integration
- **Treaty of Lisbon (2009)**: institutional reform
Governing more and more territory….

1951

Founding Members

Belgium
France
Germany
Italy
Luxembourg
Netherlands
1973

Denmark
Ireland
United Kingdom
1981

Greece
November 1989

Fall of the Berlin Wall sets the stage for unifying Europe and EU enlargement
1995

Austria
Finland
Sweden
2004

Cyprus
Czech Republic
Estonia
Hungary
Latvia
Lithuania
Malta
Poland
Slovakia
Slovenia
2007

Bulgaria
Romania
**Candidate Countries**

- Croatia
- Former Yugoslav Republic of Macedonia
- Turkey

**Potential Candidate Countries**

- Albania
- Bosnia & Herzegovina
- Montenegro
- Serbia including Kosovo under UN Security Council Resolution 1244
Growing Institutional Complexity
Is the EU is Becoming a “Superstate?”

• What makes a State?
  – Government over a defined territory
  – Common symbols
  – Common traditions
  – Common language
  – Common military
  – Common currency
  – identity /culture

• What makes a “superstate?”
  – A regional body with the characteristics of a state
EU Institutions

European Commission

- 27 Commissioners, representing the European perspective, each responsible for a specific policy area.
- EU’s executive branch proposes legislation, manages Union’s day-to-day business and budget, and enforces rules.
- Negotiates trade agreements and manages Europe’s multilateral development cooperation.

Council of the European Union

- EU’s main decision-making body, comprised of ministers of 27 Member States, representing Member State’s point of view.
- Decides on foreign policy issues.
- Council presidency rotates among Member States every six months.

A Common Government?

European Commission President
José Manuel Barroso
EU Institutions

European Parliament

- Voice of European citizens – members elected for five-year terms.
- With the Council, passes EU laws and adopts EU budgets.
- Approves EU Commissioners.

European Court of Justice

- Highest EU judicial authority.
- Ensures all EU laws are interpreted and applied correctly and uniformly.
The European Central Bank (ECB) is the central bank for Europe's single currency, the euro.

The ECB’s main task is to maintain the euro's purchasing power and thus price stability in the euro area.

The euro area comprises the 15 European Union countries that have introduced the euro since 1999.

The ECB operates independently from Member State governments.
Cohesion Funds.....Paying for a Common European identity
Common European Identity: the EU cohesion policy

2007-2013: €347 billion invested for infrastructure, business, environment and training of workers for less well-off regions or citizens

- Regional fund
- Social fund
- Cohesion fund

- Convergence objective: regions with GDP per capita under 75% of the EU average. 81.5% of the funds are spent on this objective.
- Regional competitiveness and employment objective.
Common symbol......
EU Anthem

Ode to Joy

Arranged by Kellie Brown

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Common Currency
European Identity: European Passport
So can we call the EU a “superstate?”

– Government over a defined territory
– Common symbols
– Common traditions
– Common military
– Common currency
– identity /culture
Myth or Reality?

The EU is nothing but a series of bargains between separate countries that can and probably will be undone. Its rise was dependent solely on the United States.
Rise of Communist Parties

• Wartime resistance
• After the war, Communist parties did well
• Socialists also won elections
• This worried the U.S.—who supported anti-Left parties in Europe
The Cold War was beginning... In this context: who would Rescue Europe?

- Europe could not be written off...
- The US or USSR?
- Europeans didn’t want either one!
- But they were weak!
The Marshall Plan: A U.S. bid for Western Europe

- Aid for the European export industries, housing, transport, construction, food....
- And center-right political parties
- Dividing trade Unions
The Interests behind European Cooperation
Schuman Plan and the ECSC: The beginning of a new French “consensual” Empire?

- The Cold War Heats up
  - Prague coup
  - Agreement on a West German state (including coal and steel producing areas)
  - Berlin blockade
  - Plans for NATO
- Germany would need to be “tied down”
- Britain stood aloof
- France as Europe’s de facto leader
- ECSC as France’s “consensual empire?”
- The ECSC actually did very little....... (but France got to dominate Germany)

Jean Monnet and other leaders with the first “European” ingot of steel
Treaty of Rome: Creation of the EEC

- Europe’s dependence on German Economic Power...
- The US was defending Europe
- The EEC was created;
  - Britain demurred but feared German dominance of the continent
  - Germany did not dare to offend France;
  - France wanted the rest of Europe to pay French farm subsidies
  - Britain needed an export market.....but France shut Britain out at first.
Is Germany now the driver of the Franco-German engine of integration?
The Elephant in the room: does crisis expose essential weakness? Déjà vu All Over Again.....
The New World of the 21st Century: The Elephant in the Room
Global Power Shifts: GDP Trends
Demographic Transformation

- **1950**
  - Europe: 21%
  - Africa: 9%
  - Americas: 13%
  - Asia: 56%

- **2000**
  - Europe: 12%
  - Africa: 13%
  - Americas: 14%
  - Asia: 60%

- **2050**
  - Europe: 7%
  - Africa: 22%
  - Americas: 13%
  - Asia: 58%

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Share of EU in global population

Development of European population 2000 to 2050 and share in world population

Inhabitants (in Million)

Source: Eurostat population projection; UN Population Prospects (2008 Revision)
Climate change and energy
How much warming?

Scientists from around the world with the Intergovernmental Panel on Climate Change (IPCC) tell us that during the past 100 years, the world's surface air temperature increased an average of 0.6 °Celsius (1.1 °F). This may not sound like very much change, but even one degree can affect the Earth..

A graph of global mean surface temperature change for the same time period is shown in the graph below.
Both the amount and speed of change are important. Climate change in the current era is expected to be exceedingly rapid—likely at least 10 times faster than the global warming that occurred after the last ice age. Changes that are both large and rapid place greater stress on ecosystems.
Declining supply of oil

The Growing Gap
between Discovery and Production

Drilling more does not help
Technology Transformation

- virtual networks, social media
- The decline of government’s ability to use force to protect its citizens or control them.
Automation & Abundance: Routine work disappearing

Economy-wide measures of routine and non-routine task input (US)

- Routine manual
- Nonroutine manual
- Routine cognitive
- Nonroutine analytic
- Nonroutine interactive

Mean task input as percentiles of the 1960 task distribution
Europe and the World

• **Myth or Reality?** The EU has the potential to become the most important actor on the world stage
  - Europe and the US are parting ways
The EU is weak
And irrelevant
In the world

Not A
sovereign
State

No Military!
Institutional weakness

SOFT
POWER
Sources of Europe’s Foreign Policy irrelevance

• **The European Union is not a sovereign state**
  - Foreign policy is primarily a responsibility of national governments
  - All European countries still want their own foreign policies

• **Institutional Weakness**
  - It takes all 27 to agree to a foreign policy decision
  - The External Action Service (Foreign Ministry/”State Department”) is not backed by accountability in EU Law
  - Currently Foreign Ministers of the Great powers are politically weak—heads of state make foreign policy
  - And heads of state are often in conflict
Myth or Reality?

The EU is a Global Actor!

A New Europe

A Transformed World

Europe Must Lead!
What Europe is Doing Differently: Transforming the Meaning of Power

**European Policies:**
- “ring of friends”
- Euro-Med Partnership
- Aid for Development
- Conditional Trade Strategy
- Combating Climate Change

**What Is Normative Power**
- the ability to attract states and non-state actors as partners
- A “culture of restraint” and a vision of “cooperative security”
- A culture of Anti-militarism
The Lisbon Treaty Strengthened Normative Power

- External Action Service
  - centralize decision making
  - give leaders more continuity
  - enable the EU to aggregate its political and geopolitical will better than it has in the past.
The EU is a “work in progress” (even in the traditional sense)

- The EU has grown through crisis
- Recent agreement on Arab oil embargo
The European Economy:

Or

....European Nightmare
Different Dreams

The American Dream
Economic Prosperity

- Economic Growth
- Equal opportunity
- Personal wealth and independence
- Free Markets
- Consumption
- Work ethic
- “live to work”

The European Dream
Economic Prosperity, Social Equality

- Economic Growth
- Income equity and social protections
- Primary education
- Shorter working hours
- Longer vacations
- “work to live”
- Higher taxes
- Regulation
Different “welfare state” Strategies to realize Different Dreams

- The United States
  - Low benefits:
  - Unequal benefits:
  - Private sector priority:
    - Flexible labor markets
    - Bottom Line: More inequality

- Europe
  - High Benefits
    - Social insurance:
    - Health insurance:
    - Education:
    - Child care:
  - Equal Benefits
  - Public sector administration and regulation:
    - Protected labor markets
    - Bottom Line: More equality
Comparing two dreams and strategies: which is more sustainable?

- The European Economy is more sustainable than the US Economy
- The European Dream will eclipse the American Dream
American Dream produces inequality; European Dream produces more equality

How much richer are the richest 20% than the poorest 20%?

Source: United Nations Development Program

<table>
<thead>
<tr>
<th>Component</th>
<th>International data</th>
<th>US state data</th>
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<tbody>
<tr>
<td>Trust</td>
<td>Percent of people who respond positively to the statement &quot;most people can be trusted&quot; 1999-2001 World Values Survey <em>Reverse-coded</em></td>
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<td>Infant mortality</td>
<td>Deaths in the first year of life per 1000 live births 2000 World Bank</td>
<td>Deaths in the first year of life per 1000 live births 2002 US National Center for Health Statistics</td>
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<td>Obesity</td>
<td>Percentage of the population with BMI &gt; 30, averaged for men and women 2002 International Obesity TaskForce</td>
<td>Percentage of the population with BMI &gt; 30, averaged for men and women, 1999-2002 Estimates from Prof Ezzati, Harvard University, based on NHANES and BRFSS surveys</td>
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<td>Mental health</td>
<td>Prevalence of mental illness 2001-2003 WHO</td>
<td>Average number of days in past month when mental health was not good 1993-2001, BRFSS</td>
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<td>Education</td>
<td>Combined average of maths literacy and reading literacy scores of 15-year olds 2000 OECD PISA <em>Reverse-coded</em></td>
<td>Combined average of maths and reading scores for 8th graders 2003 US Department of Education, National Center for Education Statistics <em>Reverse coded</em></td>
</tr>
<tr>
<td>Homicides</td>
<td>Homicide rate per 100,000 Period average for 1990-2000 United Nations</td>
<td>Homicide rate per 100,000 1999 FBI</td>
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<td>Imprisonment</td>
<td>Log of prisoners per 100,000 United Nations</td>
<td>Prisoners per 100,000 1997-8, US Department of Justice</td>
</tr>
<tr>
<td>Social mobility</td>
<td>Correlation between father and son’s income 30-year period data from 8 cohort studies London School of Economics</td>
<td>N/A</td>
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</tbody>
</table>
Health and Social Problems are Worse in More Unequal Countries

Index of:
- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility


www.equalitytrust.org.uk
Child Well-being is Better in More Equal Rich Countries

Levels of Trust are Higher in More Equal Rich Countries

The Prevalence of Mental Illness is Higher in More Unequal Rich Countries

Drug Use is More Common in More Unequal Countries

Index of use of: opiates, cocaine, cannabis, ecstasy, amphetamines


www.equalitytrust.org.uk
Life Expectancy is Longer in More Equal Rich Countries

Infant Mortality Rates are Higher in More Unequal Countries

More Adults are Obese in More Unequal Rich Countries

Homicide Rates are Higher in More Unequal Rich Countries

Social Mobility is Higher in More Equal Rich Countries

How Europeans See the U.S.
Is the European Economy more sustainable?

– Compare EU economies with those of American states
– Compare trade rankings
– Where are the world’s most competitive economies?
– Compare companies/industries
– Who has more direct foreign investment
– Look at where European economies are moving
Myth or Reality: The European Dream is turning into a Nightmare

- Declining economic growth rates
- Rising Unemployment rates
- Declining productivity
- Unsustainable public debt
Decline in economic growth

GDP Growth Rate - US and EU

Source: SourceOECD Economic Outlook Database
Uneven EU member unemployment rates
Declining Productivity Growth
Explanation for Europe’s Decline:

- The Welfare State
- The Euro!
Immigration, and Integration

• **Myth or Reality?** The EU is on the path to American-style multiculturalism

• **Myth or Reality?** Europe will never absorb other cultures; it will remain primarily a region of homogeneous nation-states
Migration

• Global: migrants are 3% of world population, up with inequalities, globalization

• Europe: a continent with 1/9 of world’s people, ¼ of world’s countries, and 1/3 of world’s migrants
  – Demographics and economics suggest open to more migrants. However, migration means change, and aging societies may resist change.
  – Can European nations preserve generous welfare states while accepting diverse immigrants?
Can Migrants integrate into European Society?
European Culture Clash?

• Three underpinning values of liberal democracies:
  – Respect for Others (Kant);
  – Not Harming Others (Mill, Judeo-Christian)
  – Tolerance: Live and Let Live.

• What policies best uphold these values?
  – Multiculturalism and Accommodation?
  – Assimilation?
    • Group rights vs. individual rights
The Veil Controversy in France

• Why no controversy in other European countries?
• The Controversy in France: Three concerns
• The Outcome: Assimilation wins over Accomodation
Employment and Immigrant Integration

• Europe will need immigrant labor
• A sharp Turning point in employment and unemployment
• Why and how are immigrants hit by unemployment more than natives?
• What are the effects of the financial crisis on immigrant integration?
Are the EU and its Member States at Odds?

• What is the EU’s Stance on Employment integration?
  – integration Strategies
  – Financial Support

• The Response in Member States
  – Perceived competition for Jobs
  – Anti-immigrant sentiment and rise of right wing political parties
  – Reinstatement of Border controls
Will the EU Triumph, Survive, or Disappear?
Why I like the EU

• European interdependence undermines the causes of war.
• Normative power is appropriate for the 31st century
• Europe upholds liberal values and has the clout to do so.
• Europe is future-friendly
Big Problems

• Conventional Power--Both economic and military--still rules
  – Overshadows normative power
  – Hurts European competitiveness and GDP growth
  – Can kill the European dream

• Inequality among member states
  – North vs. South

• Low level of European identity
  – Inhibits European solidarity
  – Rise of nationalist right wing parties
Four Futures for the EU
Phoenix..........Instability.....Flexibility