

# Historical memory, historical oblivion, historical amnesia in European integration

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On 15 February 2003, Jürgen Habermas believed that the largest amount of demonstrators in Europe since the Second World War against the looming Iraq War on the streets of ‘London and Rome, Madrid and Barcelona, Berlin and Paris’ – as he put it – were proof of the birth of a European public sphere. Finally, the long-searched and long-longed for European demos, had shown its face. By the spring of 2005, the rejection of French and Dutch voters of the Draft Treaty for a Constitution for Europe meant the abrupt end of what was conceived by many as the natural progress of European integration, namely the spill-over of established integration processes into a robust European political framework. The Russian-Georgian incident of 2008, yet again, saw an EU unable to act and a hyperactive French president. The financial crisis of the same year exacerbated economic problems already tangible yet still ignored and somehow seen as a passing phase. Until then, what may be summarised with Milward’s famous European rescue of nation state informed an understanding of European integration. The possibility that nation-states would suffer economic decline and ensuing social crises in the wake of such decline after they joined the EU was simply not imaginable. The EU represented an institutional structure that would secure stable economic growth among its members. Then, in 2008, Portugal and Hungary already showed signs of economic crises, continuously struggling against deficits and negative growth rates. The Euro, imagined as a magical identity-building symbol and as a strong currency in an evermore converging economic space, was never seen as a problem but only as a promise. Today, countries like Italy that would boost their competitiveness by regular devaluations of their currency, have lost this tool. Today, the social question is on the agenda in almost all member states. While Germany’s economy may be booming, the real wages continue to stagnate and precarious employments boom just like the economy. Ireland is no Celtic Tiger anymore, but a fragile kitten in need of protection. The UK suffers from drastic cuts in the national budgets and witnesses burning houses and cars and violent street fights between a disillusioned youth and the police of a political system seemingly out of touch with the society it is supposed to represent. Today, demonstrators on the streets of Madrid and Barcelona are not protesting against a war waged by Western and European powers anymore, but

against youth unemployment, against a political establishment and a political system seemingly unable to manage national social and economic affairs. A European public sphere as a sign of an increased European democratic legitimacy is still absent. It has become clear that, in the recent past, the EU was not in need of a new narrative but in need of political will and effective political structures.

Our workshop on the enquiries into the current socio-economic malaise of the EU thus could not come at a more fitful time and it is held in a very fitful place as well as Spain is among the countries with huge and seemingly insolvable problems.

In the following I try to provide an interpretation of the history of European integration that may be useful as a tool to understand the present crisis of the EU in a better way. I will address the current crisis through a reinterpretation of European integration that tries to identify turning points in history that led towards today's crisis. This reinterpretation is based on the book I recently co-authored with Bo Stråth and which we entitled: *The Political History of European Integration. The Hypocrisy of Democracy-through-market*. The 1970s and the failed Werner and Davignon Plan emerge as the key decade in which an ambitious plan to create a political Europe that connects the economic and the social failed and a paradigm shift from Keynesian economic logics towards a neo-liberal one can be detected. I would thus like to illustrate the current socio-economic malaise of Europe with, firstly, the help of the conceptual nexus of crisis-critique-hypocrisy developed by the German conceptual historian, Reinhart Koselleck. Secondly, with a reflection on the relations between economy and society that, following Karl Polanyi, are always embedded and with a connected reflection on the tensions between the European and the national spaces that have emerged in the recent past. Thirdly, I will address the question of a European democracy and the role of democracy in Europe through historicizing its development and through dwelling on the role of identity that is connected to recent ideas of European democracy. Finally, I will conclude that rather than a European Rescue of the European Union – as suggested by the workshop – only a National Rescue of the European Union appears as the theoretical and practical alternative, albeit as of today without much underpinning in reality because of the pity national interest bargaining dominating the EU and because of the absence of national European heads of state with a clear European agenda.

### *The Inbuilt Tensions of European Integration*

In the recent history of European integration, three interconnected fields of contradiction and particular tension may be discerned: tensions between official rhetoric and institutional capacity to follow up the rhetoric, between enlargement and deepening of the integration and between market integration and social disintegration. Taken together these three fields of tension highlight the question of EU and democracy and one may ask on the background on these tensions: What does EU as a democracy really mean and when did this language of Europe-as-a-democracy emerge? What have been the implications of the EU-as-a-democracy language?

In particular two sets of tensions seem to be relevant: between enlargement and deepening and between market integration and social cohesion (and thus democracy). These two sets of relationships have in the debate hardly been seen as the tense, contentious and contradictory connections they represent. Little attention has been paid to the problems involved in the attempts to connect enlargement with deepening and market with democracy. These two tensions make up the overall tension between rhetoric and institutional capacity.

Following from this basic set of tensions European integration history re-emerges from a new perspective. A perspective in which not Maastricht 1992, but the early 1970s represent the point of culmination of the European integration project with the plan for an economic and monetary union, the Werner Plan, and the Report by the Foreign Ministers of the Member States on the Problems of Political Unification (the Davignon Report or Plan), both adopted in October 1970. The Werner and Davignon Plans were more ambitious than their Maastricht imitators. They came to nothing in the face of the global economic crisis of the 1970s and the subsequent semantic shift from a Keynesian to a neo-liberal conceptualization of economy and society as disembedded. The Werner Plan was based on Keynesian ideas of political management of the economy at the European level. The European Monetary Union that were decided upon in Maastricht as well as the EU enlargement of 2004 were both based on neoliberal ideas of a market-driven European economy and democracy. This distinction has not been made clear in the debate so far where Maastricht continues to be seen as the opening towards a new stage of unification: a more federal Europe based on market integration. The tensions are mounting between the language which depicts Maastricht as a milestone on the road towards ever deeper European integration and towards a European democracy through a European market, and the actual observations of the political performance. Instead of democracy-through-market there are growing signs of experiences of national bargaining on the

European level, social disintegration, political extremism and populism in the wake of economic integration.

Interestingly, European democracy was conceptualized in connection with market integration where democracy was linked to markets as a causally logical result.

The tensions which erupted in the ensuing European crisis since 2005, and which built up over a long period since the 1980s and even the late 1970s, culminated in a very condensed short period between the enlargement from EU 15 to EU 25 in May 2004 and the French and Dutch abrogation of the constitution one year later, when the constitutional vision was flattened with a double-punch within just three days on 29 May (France) and 1 June 2005 (Netherlands). During the historical build-up of the tensions, hypocrisy was the tool to conceal rather than to cope with a situation challenging the EU's legitimacy. Experiences of crisis were glossed over with hypocritical language. This was the case when the idea of a European constitution emerged in response to the problems of the enlargement, when the idea of a European public sphere emerged in the absence of a European demos, and this had been the case when a European identity was declared in 1973 after the political will behind the Werner and Davignon Plan rapidly lost momentum against the backdrop of the breakdown of the Bretton Woods order and the world economic crisis.

### *The European Hypocrisy*

The term hypocrisy may be confusing here. It is not meant to describe the actors of European integration as hypocrites, far from it. Rather, it is a technical term based on the historical analysis of European modernity provided by Reinhart Koselleck. Hypocritical language and hypocrisy as a more general category in the way German conceptual historian Reinhart Koselleck used it for historical analysis. The dynamics generated by his dialectic concepts of critique and crisis is well known but less so the fact that in his model he also operated with the arrogance of the victors. The dynamics between critique and crisis triggered the French revolution and became a crucial dimension of modernity. After the revolutionaries' victory, dislike of continued critique emerged. In the perspective of Reinhart Koselleck smugness and hypocrisy followed the revolution instead of continuous self-critique and conscious political involvement. After the revolution, self-critique became self-illusion and the victors got trapped in their own language. The revolutionary rhetoric hardened into institutional self-righteousness, and a hypocritical tension between language and institutional capacity to respond to the rhetoric emerged.

Crisis derives from the Greek word κρινεῖν, '*krinein*', to separate, to distinguish, to decide, to determine, to judge. It was in this sense that the Greek historian Thucydides used the term in his accounts of the Peloponnesian War and the battles at land and sea which led to the crisis in the great conflict between the Greeks and the Persians. In the same way, the Greek physician Hippokrates referred to the crises, which occur in diseases in exactly the moment when the disease either increases in intensity or begins to abate. In Thucydides' depiction of the plague in Athens, he relates how the crisis came after seven to nine days. More than a thousand years later, the philosophers Rousseau and Paine took over the concept in this vital and existential meaning, and transformed it. They saw crisis as an emancipating dissolver of the old order. The outcome of a crisis was no longer open but got a direction. The solution of a crisis was tempoalised. It began to connote progress. Karl Marx' crisis theory developed a notion of progress towards socialism, for example. He understood the economic depressions which had occurred since 1825 as crises, which were an unavoidable and at the end mortal mechanism built into the capitalist system. From Marx, the concept of crisis spilt over into neoclassical economic theory, which regarded crisis as a temporary disequilibrium in a natural state of equilibrium within a free market, where the end of each crisis was principally given. Crises became conceptualized as temporary periods of market imperfections. With the use of the crisis concept by the neoclassical economists, the term resolutely lost its original meaning of openness towards the future and connotes not only a market imperfection, but connected to the market also a temporary malfunction of an otherwise perfectly well-balanced economic, social and political order. It may be argued that the open-ended nature of the crisis outcome may be the historically most realistic understanding of the term.

Koselleck saw the close etymological and semantic connection between crisis and hypocrisy. Hypocrisy comes from the Greek ὑπόκρισις, *hypokrisis*, which means play-acting, acting out, feigning or dissembling. The word is an amalgam of the Greek prefix hypo-, meaning "under", and the verb *krinein*, just referred to, meaning to sift or decide. Thus the original meaning closely connected to the crisis concept implied a deficiency in the ability to sift or decide. *Hypokrisis* as "play-acting", the assumption of a counterfeiter, gives the modern word hypocrisy its negative connotation. The orator Demosthenes ridiculed his rival Aeschines, who had been a successful actor before taking up politics, as a *hypokrites* whose skill at impersonating characters on stage made him an untrustworthy politician. Hypocrisy is the act of pretending to have beliefs, opinions and qualities that one does not actually have. Hypocrisy is thus a kind of lie. Hypocrisy may come from a desire to hide from others actual motives or feelings. Hypocrisy is not simply an inconsistency

between speech and act. Failure or lack of courage or capacity to undertake what one wants to oneself or recommends to others is not hypocrisy. There is a connotation to self-care but also to self-deception and self-doubt, to glossing over, which Freud probably would have labelled repression. Without these connotations hypocrisy would simply be cynicism alternatively escapism from reality. Hypocrisy is a method to try to cope with lost control and as such an alternative to escapism.

After the crisis of the French and Dutch 'No' to the proposed European constitution in 2005, the EU designed itself as a self-confident, self-reflexive and united community, in which strong and determined politicians rule. This was the hypocritical response to crisis in the sense these two terms have been discussed here. Hypocrisy thus depicts a situation in which a semantic hegemony of certain concepts, such as the notion that market integration may somehow lead to democratic integration, remains in a position of authority. Jean-Claude Juncker's expression from June 2005 that there is no Plan B to the European constitution reflect the power of semantic hegemony that simply does not open up even a minimal opportunity for critical self-reflection.

For Koselleck, hypocrisy is a typical feature of European modernity. Further features of modernity are the continuous struggle over the meaning key concepts and a constant birth of new futures, some utopian, some dystopian. The depiction of the future gives credence to political change in the present.

The road towards the future was, in Koselleck's scenario, not a smooth and easily foreseeable evolution but it was paved with debates and conflicts, critique, crisis and hypocritical language. Dialectics of crisis, critique and hypocritical conflict-solution have marked European history since the eighteenth century and continue as a trademark of the public sphere to this day. Social critique emerged from translations of experiences into new horizons of expectations. The contentious public discourse on the translation of experiences into expectations was the breeding ground of modernity, the place where future was shaped. Experiences of crisis through critique triggered political attempts to respond to and integrate the critique through outlines of new horizons of expectation. The expectations were the mobilising instruments that provoked action to change human conditions. The language of expectation manifests itself in an array of utopias, while the actual experience never even comes close to the expectations raised by the visions of the future. According to Koselleck, both worlds, the space of experience and the horizon of expectations, are drifting further and further apart. Eventually the link is overstretched and the gap collapses and closes, leading to an intensification and generally higher frequency of crises in shorter amounts of time. This is the

pathology (or, pathogenesis, as Koselleck called it) of bourgeois society. The intellectual tool to cope with this situation is hypocrisy. Instead of permanent critique as the motor of society hypercritical reassurances that everything is fine lulled societies into feelings of security. Hypocrisy integrates critique and provides a temporary solution, but the credibility of the hypocritical language is undermined by accelerating crises. Koselleck wrote this in a Cold-War situation where many felt the threat of nuclear extinction and how the threat was glossed over by two hypocritical languages about freedom and equality, one in the West, one in the East.

A second version of modernity can be said to be represented by Jürgen Habermas defines itself along the parameters of the post-war nation-state: democratisation, social convergence, industrialisation and social stratification and diversifications in linguistically and culturally generally homogenous containers. Whereas the outcome of the discursive contention on how to shape the future in Koselleck's view was open and achievements were fragile and repeatedly faced with new challenges, the second perspective is much more teleological. A more or less linear evolutionary progression was outlined. Modernity is a permanent process of improvement where nations are measured in terms of advanced or backward. Modernity in this alternative sense was as a rule labelled modernisation. This version seems to have eroded recently after its culmination in the 1990s under the term globalisation, in particular after the collapse of the market language in the financial implosion in the autumn of 2008. The Enlightenment idea of perfectibility is a key dimension of this view. There is in the quest for improvement under connection to beliefs in social engineering or in the automatic working of the market a kind of utmost truth claim in the quest for the perfect world. Reason and empiricism were the motor of modernisation. The European national welfare states, ever more after 1950 experienced as communities of destiny under demarcation to the imagined Zero Hour in 1945, were the locus of Reason. In this vein, Jürgen Habermas discerned Reason as rational communication, which underpinned and led the movement towards the good society.

The importance of the new, democratic, and seemingly homogenous nation-states of post-war modernisation for the conceptualisation of the public sphere should not be neglected. While Koselleck's notion of a moral-based public sphere that puts citizens into the legal position of uttering critique remained largely ignored by the wider academic debate, Habermas' concept, also written and conceived as a comment on the then (1962) still young Federal Republic of Germany, had a huge influence on academic analyses and outlines of normative horizons. The influence was

reinforced by the framework of the Cold War and the imagination of a specific Western democratic modernity as the standard as opposed to the deviating Soviet alternative.

Habermas and Koselleck wrote their crucial books on the public sphere and modernity during the foundation period of the Federal Republic of Germany. Koselleck's work preceded Habermas' by three years. Both of them pick up the thread of the intellectual works of the Enlightenment, both emphasise the crucial role of the private for the development of the public and both included a critical reflection on their own present in their work. While Habermas has always had a model democracy in the back of his mind in which Enlightenment values, the rule of law and a post-national tolerance would be realised, Koselleck has developed a pattern of thought that does not work by constructing a normative social model as a yardstick for critique and progress, but has been much more focussed on historical evidencies and experiences where the ideals repeatedly were bogged down in attempts to implement them. His concept of hypocrisy is a case in point and so is the sub-title of his work *Critique and Crisis*: "a study on the pathogenesis of the bourgeois world". Koselleck thus developed a sophisticated yet pessimistic theory of modernity. He rightfully saw the totalitarian risks embedded in utopias, and the violence of modernity as it manifested itself in languages of freedom and equality in the French Revolution, the Russian Revolution and the Soviet Union's implementation of utopia as well as in National Socialism and the Nazi crimes.

Koselleck's research was influenced by Carl Schmitt, but he transformed the a-historical and totalitarian conceptual topography of Schmitt into a dynamic and *historical* theory for democratic societies. Koselleck's reaction to National Socialism and the totalitarian experience in most of Europe led him to a pessimistic conclusion, especially in the light of a new bipolar world order that he and many of his contemporaries feared could clash in a third global war. Koselleck's analysis of critique and crisis began with the decoupling of morality from politics. He showed how critique and crisis are interconnected and how critique, in the lack of political responsibility becomes hypocrisy, or, rather, political responsibility becomes hypocritical.

Habermas was fully aware of the pitfalls and inherent contradictions of modernity as well as the repetitive conditions of critique and self-critique (Habermas 1988). His work on the public sphere was a critical remark on the Federal Republic of Germany drawing on his outline of a British ideal type located in the eighteenth century. Furthermore, Habermas has consistently participated in fundamental debates about the legitimacy of German democracy. His public sphere describes an ideal which performs the function of a normative horizon. He does not blend his reflections on



modernity with the public sphere, however. Thus, he does not destabilize his normative model of a public sphere in a post-national democracy by connecting it to the shifting legitimacies of modernity. He tames the possibly radical or utopian expectations of the future by installing a normative model democracy. Poignantly put, Habermas is a political thinker providing ideal solutions for the post-national society in Europe and the world, yet he does not develop his theory from historical analysis. While Koselleck's historically derived conclusions lead to a rather pessimistic outlook on the future, Habermas appears in his philosophical perspective as an unwavering optimist, at least until recently. In his essay on "The Post-national Constellation and the Future of Democracy", Habermas describes another ideal-type: global governance and multi-level democracy. He concludes that a social Europe with a cosmopolitan value configuration is the way into the future. (Habermas 1998) Today, more than a decade after Habermas' text, Europe and the world are in a very different situation. There have been global shifts ever since: two financial bubbles burst, 11 September 2001 inaugurated a new period of asymmetrical war and hardcore debates on values and identities. Ethnic and religious conflicts in many corners of the world can be observed, and energy resources have become a force in a new geopolitical power struggle. The EU has 27 member states, a failed constitution, and a political crisis of representation and legitimacy without a solution in sight. The EU's foreign policy strategy with a focus on intercultural dialogue has been a failure until now. Iran and the Middle East conflict between Israel and Palestine are cases in point. Against the backdrop of these developments Habermas has in his most recent writings become more pessimistic. Events in recent years may yield a conclusion closer to Koselleck's negative scenario. A constant self-reflection in the face of crises such as the War on Terror and the financial and economic collapse in 2008 that hit the core of Western self-understanding is a much needed exercise. One of the most important undertakings in the name of self-reflection is thereby the destabilisation of hypocritical language. The response to the crisis since 2008 seems to be, so far at least, hypocrisy, muddling through and resignation rather than constructive critique and social innovation, however.

Habermas' ideal type of a public sphere and the discussion of constitutional patriotism on a European level, for example, are neatly thought-through democratic models of a society based on Enlightenment values. They allow for internal dialogue and change while remaining a flexible institutional framework able to weather political change and remain democratic. Such a notion of the public sphere remains curiously a-historical, however. It is not based on historical observations; it is the translation of the German model of a national society defined in post-ethnic terms as it took

shape in its pluralist and critical form in the late 1960s onto a European level. The importance of Habermas' constitutional patriotism in Europe lies in the very formulation of the demand for such patriotism. He does not enter into the details of historical development and political power games played on the European level.

The modernisation language, and its child, the globalisation narrative, had constructed a semiotic model that implies a problem-solving machine that runs itself. The market will regulate itself, the liberal economy will lead to a stable, balanced and democratic society, and globalisation will lead to welfare through the market as well. The Lisbon agenda in 2000 for making EU the most prosperous region in the world by 2010 is the case in point. The very term crisis has itself become merely a self-referential sign. By talking about a crisis after the French and Dutch rejection of the constitutional treaty, it was believed that the crisis would solve itself through more and better information, dialogue and communication. The crisis was turned into today's situation of hypocrisy in which self-critique is just as absent as a constructive political dialogue for Europe's future. The form of the envisioned economic government for Europe under the leadership of van Rompoy seems to be rather weak and reflects desperation rather than a clear political vision.

### *The Historical Origins of Today's Crisis*

In 1970, with the experience of the previous European deadlock in the 1960s through de Gaulle's obstruction politics and veto against British membership to the EEC, and against the backdrop of growing tensions to the USA after 1965 in financial and security political terms, the second generation of European leaders rose to the occasion when de Gaulle had been forced to step down in 1969. They saw the possibility to once more raise the horizon of expectations through decisive institutional steps towards a federal Europe. The federalist language became more concrete with a clear institutional design. The decision was taken at the summit in the Hague in December 1969 to both intensify (tighten, deepen) the co-operation in the fields of security politics and economic and monetary politics, and enlarge the membership from six to nine. Deepening implied the drawing of outlines of an economic and monetary union, based on both economic and monetary politics as the basis of a shared currency, and a security political union: the Werner and Davignon Plans.

The Werner Plan was brave in its architecture since it attempted to merge the economic and the social. It was a clear step in a federal direction. The gap between rhetoric and institutional setting decreased. It should be noted that the plan and its security political counterpart, the Davignon Plan, were designed before the international economic order broke down in the early 1970s with the

Dollar collapse in 1971 and the oil price shock in 1973. The tension-ridden relationship with the USA since around 1965 belongs to the framework of the design as much as the stalled process of European integration provoked by the French President, who was just as crucial in the build-up of the transatlantic tension through his repeated threat to change the French Dollar reserves for gold. Another factor was the rapidly growing social protest in the Western world at the end of the 1960s (“1968”), which pushed political leaders towards the wall and promoted their search for political initiatives. The protest movement at the end resulted in de Gaulle’s resignation.

The Werner and Davignon Plans meant a clear step in a federal direction, although they did not mean the transformation into a federation. Cohesion and co-ordination of economic and monetary policy were to be transferred “from the national to the Community” level, but only “within the limits necessary”. The Community would have at its disposal “a complete range of necessary instruments, the utilisation of which, however, may be different from country to country within certain limits” (Werner Plan: 10). Transfer of powers from the local and national levels to the Community level should take place to the extent necessary, but “allow for a differentiated budgetary structure operating at several levels, Community, national, etc”. The need for a continuity of European values as they were formulated in the national welfare communities was also expressed in Werner’s emphasis on the collaboration of “social partners”. Market Europe was envisaged as a social Europe.

The European attempt to create a distance to the experiences of de Gaulle as well as to the USA soon faced heavier wind and rougher waters. The whole international order established in Bretton Woods in 1944 was about to break down. It was as if the Six at a summit in Paris in October 1972 (on which I will dwell a bit more later) with their emphasis on the declaration on development aid and global trade had presentments that the next phase in the collapse, the oil price shock in October 1973, would deal with the North-South issue. When they met, the Dollar collapse in 1971 was already a framework factor, which, however, given the tensions built up between the EC and the USA in the 1960s, served rather to promote European unification.

Yet the oil price shock eroded the commitment of the Six. European self-confidence evaporated ever more as reminiscences of the collapses of the 1930s – which according to hegemonic theories in economics and social sciences never would recur – returned under the subsequent conditions of the collapse of key industries and the emergence of mass unemployment. The distance to the 1930s was just about one generation. The collapse of the Dollar in 1971 provoked memories of the gold standard’s second breakdown in 1931, but technically, the Dollar collapse spoke rather in favour of

the Werner and Davignon Plans. The international shock wave after the dramatic rise of oil prices and subsequent high inflation more generally, made the implementation much more difficult. The next wave, the sudden return of mass unemployment, more than anything else reanimated the memories of the 1930s. The implementation of the Werner Plan became even more difficult under conditions of mass unemployment and the collapse of key industries like steel, shipbuilding and coal that followed *en suite* after the oil price rise. The attempt to unify the economic and the social at the European level was under these conditions exposed to severe strain. The trend was again to locate the social at the level of the member states where it had been since the 1870s.

While the plans for intensified European integration through linking the economic, the social and the foreign political dimensions ran into difficulties, the plans for enlargement continued under compliance by Pompidou, however.

German Chancellor Willy Brandt played a key role in this crucial phase of West European integration around 1970. Brandt tried vigorously to pursue the two goals of deepening and enlargement, and transatlantic as well as Eastern détente and rapprochement. The political initiative on the European scene came from Germany. Willy Brandt is in particular remembered for the new German *Ostpolitik*, appeasement with the Soviet bloc, under his Chancellorship from 1969. However, his reorientation of German foreign politics should not conceal his not less strong promotion of a deepening of the West European integration in a federal direction. He and the aging Jean Monnet, friends and close allies through their activities in the Action Committee for a United States of Europe, cooperated for this goal and had mutual briefings. The third dimension of Brandt's foreign political design was the transatlantic partnership.

Pompidou had developed the French position on enlargement at a press conference in January 1971. A European government could not emerge out of "technical institutions" like the Commission but rather required confederative co-operation between the member state governments, the only actors with real political power. After a long period of preparation, Pompidou invited the prime ministers, the foreign ministers, and the ministers of finance from the Six plus the three candidate countries to a conference in Paris. After some hesitation the president of the Commission, Mansholt, was invited as well, although he had to sit at a separate table (Knipping 2004:202-203). The Paris summit in October 1972 developed a programme for a political Europe. In the final declaration, the Six confirmed their democratic self-understanding of the Community and emphasised their will to establish an economic and monetary union, guarantee economic expansion, to increase the living

standard and the development aid, to promote world trade, to contribute to a politics of détente and peace, and to take its place in world politics as one entity.

The Paris summit also led to some clear commitments. The economic and monetary union was to be established by the end of 1980 and a fund for regional development in operation already at the end of 1973. Until early 1973, a plan should be elaborated about how to get more dynamic development aid and until mid-1973, a plan for negotiations about multilateral trade relationships. The institutional relationships within the Community should be improved, in particular the relationships between the Council, the Commission and the Parliament. At the end the Six declared that their most urgent goal was to transform the commitments already agreed upon in the treaties of the EC into a European Union.

### *Identity instead of Institutions: the European Bypassing of the Social Issue*

In the context of these developments, the idea of a European identity was introduced as an instrument to stabilise the situation and to support the Werner and Davignon Plans. It was more precisely designed at the Copenhagen Summit in December 1973. The idea of identity was not based on ideas of culture and commonalities, but it was based on the principle of the unity of the Nine – this was just after the first enlargement – and their responsibility towards the rest of the World. The meaning of “responsibility towards the rest of the World” was expressed in a hierarchical way. First, it meant responsibility towards the other nations of Europe with whom friendly relations and co-operation already existed. Secondly, it meant responsibility towards the countries of the Mediterranean, Africa and the Middle East. Thirdly, it referred to relations with the USA, based on the restricted foundations of equality and the spirit of friendship. Next in the hierarchy was the narrow co-operation and constructive dialogue with Japan and Canada. Then came *détente* towards the Soviet Union and the countries of Eastern Europe. At the bottom of the list came China, Latin America, and, finally, a reference was made to the importance of the struggle against underdevelopment in general. The fact that the USA was mentioned after the Middle East must be understood in the framework of the prevailing oil price shock and the fact that President Nixon since 1971 refused to let the dollar guarantee the Bretton Woods order. Refused is perhaps not the right word. He could not. The Vietnam War had overstretched the dollar to the edge of collapse, but already de Gaulle, heavily influenced by his economic advisor Jacques Rueff, had begun to undermine the confidence in the American substitute for the gold standard by his repeated threats to change his Dollar reserves for gold.

The declaration on European identity looks at first glance like a brave new step in a federal direction after the Werner and Davignon Plans, but the framework of the statement hinted rather on the limits of the federal step. Caught between the Yom Kippur War and the oil price shock, the post-de Gaulle initiatives from December 1969 began to lose momentum. Already in April 1973, the Commission warned that the dynamics were evaporating from the two plans. This was even before the oil price shock. The determined commitment to establish a European alternative to the US American global hegemony in financial and military political terms was easier in argument than in action.

Jean Monnet, now 85 years old, felt that the principle of delegation of national competences to the supranational institutions was fast approaching its limits. In the summer of 1973 he proposed to Edward Heath and Willy Brandt, his old companions, and to Georges Pompidou that the chiefs of government and state of the Nine should form a provisional European government committed to implement the Paris declaration from 1972 with the aim to establish a European Union with a European government and a directly elected Parliament. Heath and Brandt supported Monnet's idea, but Pompidou only partly. In particular, the French President was against a European government. Under the impression of the oil price shock, Monnet increased his pressure on the three leaders on 31 October and proposed a small meeting between them and their six colleagues of the EC 9 before the end of the year. Monnet thought of an informal meeting without a formal agenda at which all questions could be brainstormed without protocol, prestige and final communiqué. The Commission and the prime ministers of the smaller member states as well as the foreign ministers feared to be sidestepped and Monnet's idea was transformed into a big formal summit meeting.

The Monnet plan to decide on very decisive steps in a very small inner circle of leaders failed. The summit in Copenhagen in December 1973 accordingly did not manage to agree on anything - including even the periodicity of the summits. In this situation the declaration of a European identity was the last straw after all other initiatives simply stopped.

The identity concept was, despite its nine tiers, vague and full of diverging interpretations. It was not quite new at the time of the Copenhagen summit in December 1973 but had already been discussed for some time. The Paris summit in October 1972 had agreed that Europe must be able to make its voice heard in world affairs and affirm its own views in international relations. François-Xavier Ortoli, the newly appointed President of the Commission, argued in a statement to the European Parliament in February 1973 that the Paris agreement meant a decision to establish a

European identity, which needed to be comprised of “a heartfelt desire, shared by all our peoples, to differentiate ourselves from the rest of the world”. A few weeks later Ortoli gave a speech in London entitled “Towards a European Identity” where he defined the concept: Europeans are a people – mark that he uses the singular – who have a common cultural background, a history often divided, who react more or less the same way before events, who have more or less the same mode of life, the same level of development.<sup>1</sup>

The EEC foreign ministers met in July in an effort to establish a common European approach and a common identity when dealing with the USA. In September three draft papers by the British, Irish and French governments were discussed at a committee meeting in Copenhagen. The British Paper was entitled “The Identity of the Nine vis-à-vis the United States”. The paper discerned two alternative approaches. One would be to identify the common values and historical heritage of European civilisation and distinguish those which are shared with the Americans. The second approach would consider the identity of the Nine in terms of the specific issues likely to be foremost in the discussion with the USA during the coming months. The paper emphasised the second more pragmatic approach and found it difficult to distinguish between European and American identities apart from the fact that historical associations linking Europe with the Middle East, Africa and other overseas territories and Europe’s lack of raw materials would require her to seek special relations with these countries.

The Irish paper emphasised the difference between a European identity and a Community Identity. The latter was only part of the wider European identity. Like in the British paper the main reason for attributing attention to a European Community identity was linked to the American Year of Europe initiative and the anticipated visit to Europe by President Richard Nixon towards the end of 1973 (which never occurred, however). The Irish paper concluded that the Community should adhere to the present dimension of its identity, i.e. its competences under the treaty and its progress so far in political cooperation. To go further would be an error. The French paper went exactly in the direction that the Irish memorandum warned against striving to direct the European identity to the rest of the world and not just the USA. As opposed to the British and Irish papers, the French paper had no difficulty in describing Europe’s differences from the Americans. The Nine were the

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<sup>1</sup> Address by President Ortoli to the European Parliament, Strasbourg 13 February 1973. EU Commission Historical Archives, Brussels and „Towards a European Identity“, speech delivered by President Ortoli at Chatham House, London, 23 February 1973. Both sources quoted from Irial Glynn, work in progress European University Institute, Florence.

inheritors of a common civilisation that expressed itself in a rich variety of national cultures. They were aware of sharing in common a certain number of legal, political and moral values that they wanted to preserve. Like in the British paper, importance was placed on the role of Europe's natural resources. Europe had interests that derived from its history, its geographic position, its state of natural resources and its exchanges with the rest of the world. The French paper did not place the USA but the African and Mediterranean peoples first in its discussion of the identity in terms of external relations.<sup>2</sup>

As an instrument for European integration, the identity politics for the definition of Europe through identification of its Others failed. Without institutional cover the concept, in its political gown, evaporated and was diluted in the 1980s when it was channelled in new, cultural and democracy-through-market directions.

#### *The Market and the Social — Identity and Democracy*

In the 1980s, identity was linked to the market language as it emerged in Delors' plan for an internal European market. The introduction of the new concept of a European citizen provided a link between market and identity. In the 1980s the identity concept also began to connote a European cultural value basis. The concept lost its connection to an imagined European political economy and reconnected to cultural imaginations.

A report by the Belgian Prime Minister Leo Tindemans in 1975 tried to keep the Werner and the Davignon Plans alive, and argued for a social Europe, but his proposal for institutional development was without success. In 1977, the MacDougall Report to the European Commission suggested a European Keynesian strategy to bridge the economic crisis and the collapse of key industries. A serious attempt was made in 1977/78 to translate national tripartite bargaining structures, which had functioned so well during the era of economic growth in the 1950s and 1960s, to a European level alongside a politics of de-industrialisation in industries like shipbuilding and steel. However, in the bargaining about capacity reduction and layoffs, ties of solidarity between employers, trade unions and governments followed national lines rather than those of transnational sectoral interests. The bargaining partners that the trade unions needed were missing. Business regarded its producers' interests well represented in national lobbying processes and did not see much sense in having to

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<sup>2</sup> The British, Irish and French papers were analysed by Irial Glynn at the European University Institute, Florence. The discussion here is based on his work and we are grateful to him for providing us with information.



deal at the European level. The European project fell dormant for a while. The proposals in the MacDougall Report were never realised and a European pattern of interest and solidarity ties never emerged.

In 1977, the OECD also published a report (the McCracken Report) recommending action to tackle the crisis. These recommendations proposed a quite different approach, offering solutions and hopes in the market. The OECD's suggestion won the support of the governments, which meant a general breakthrough for market liberal government approaches, and the MacDougall Report was forgotten (Marcusson and Roscher 2000). The road was open for neo-liberal policies. The entrance of Margaret Thatcher on the scene in 1979 reinforced these developments. The Werner Plan was stone dead even before all its stages were due for fulfilment. The "Snake", the exchange rate mechanism and other responses to the dollar's collapse absorbed the political energy.

During a brief period of some twenty-five to thirty years after the Second World War economic theory legitimised the belief that economies could be politically governed. Key objectives of this governance were the political assurance of welfare, with the guarantee of full employment as perhaps the most important instrument. This belief in political economic management experienced severe hardships in the 1970s. The international economic order (Bretton Woods), on which the belief was based, broke down. Somewhat later, labour markets in the manufacturing industry sector experienced mass unemployment for the first time since the 1930s. Economic theory based on established connections between (full) employment, investments and inflation no longer fit. The Fordist idea of mass consumption and mass production as mutually reinforcing entities could no longer provide popular support and legitimacy.

It is very interesting to observe that within a few decades of political and academic obsession with the identity concept, the dominating borderline in European history since the 1870s, the *social* division between Us and Them, moved towards an emphasis on ethnic, religious and cultural difference. Cultural borders, which had been overcome historically, were re-constructed once again. Whereas the social issue was at the core during the construction of national identities, it disappeared during the attempts to construct a European identity.

With the enlargement from EU 15 to EU 25 and 27 the social differences could no longer be covered with the identity concept. The social question became topical as an imagined threat of cheap labour and very real today in the face of youth unemployment and Europe-wide fears of the future against the backdrop of social disintegration. Again – like in the nation building process from

the 1870s onwards – the solution to the social question is sought through a merger between the social and the national questions. This was obvious already during the campaign before the French referendum in 2005 on the constitutional treaty and is prominent today. Then, Polish plumbers became the symbols of an experienced threat to social order. Today, financial and economic crises exacerbate the number of threats and have opened up for populist language even among the traditional parties, such as the German Christian Democrats. The blaming of the Greek crisis on supposed Mediterranean laziness and a sort of culturally in-built mentality of cheating the state illustrates this. There was and there still is no European answer to the social question under the new circumstances of the larger EU. The European rescue of the nation states did not function as smoothly as earlier. The trend goes towards national rescue operations in the face of European muddling through. The most evident demonstration of this development was the protectionist politics in the car industry and the banking sector in the responses to the break down of the economic order in 2008.

The failure of the institutional design around 1970 cannot conceal the fact that the 1970s, often seen as the crisis decade of European integration, contained the most ambitious attempts ever to transform the EC into a federal direction with a European demos. Compared to the Werner and the Davignon Plans, the Tindemans and the MacDougall Reports, and the declaration on a European identity and the decision on direct elections to the Parliament, Maastricht 1992 was a retreat to more timid aims. Maastricht was seen as a break-through for a federal Europe because of the name shift from Community to Union. In retrospect, the culmination of the European federal effort came quite clearly in the early 1970s.

The ambition in the early 1970s dealt with a political connection of the economic and the social at the European level, in a situation where the European rescue of the nation-states, i. e. a European market and national guarantee of social solidarity, experienced severe tensions. The unification of the economic and social at the national level in the 1930s, after more than half a century of political contention and, often, violent conflict, was, as we know, an explosive mix. The original idea in the 1950s was the European separation of the two dimensions, the European rescue of the nation-state through a European economy and national welfare provision. This solution lasted until the early 1970s. The social question moved to the European agenda with the plan for financial and monetary integration. However, it moved there under political contention, which after a while pushed it back to the national level through the separation between European economic integration and national social responsibility. With the enlargement in 2004 the social question overwhelmed the European

institutions. The idea of a separation of the economy and the social between EU and the member states did no longer work under the conditions of growing social differences on the European labour markets.

What happened to the idea of a European connection of the social and the economic between the Werner Plan and the Maastricht Treaty, where the union was seen much more in strictly monetary terms than in the Werner Plan? What value does the Werner Plan have today? Could the realised Maastricht EMU be an instrument for employment politics? For social politics? What are the connections between employment and social politics given this new framework?

The Werner Plan which built on the goal of some kind of European solidarity and welfare responsibility was, as we have demonstrated, dead before its planned inauguration in 1980. Despite the fact that the initiative by Monnet and Brandt gradually won general support by five member states they could not break the French resistance.

After 1980, identity was all that was left, but was then linked to new connections in the framework of the new culturalist language as well as the neo-liberal globalization rhetoric since the 1990s. The European variation of this culturalist trend emerged as a response to the perceived so-called eurosclerosis when the ideas of a Central Europe began to frame an understanding of Europe as a cultural, tolerant, diverse, multi-cultural, multi-religious, open-minded and deeply intellectual area. Milan Kundera's famous essay "A Kidnapped West or Culture Bows Out" depicted a bureaucratic, faceless, power-minded and cold Western Europe without any of its historical features left; culture had bowed out. The place where Europe as it should be was located was Central Europe. It was kidnapped because it had been conquered by the Soviet Union as a sphere of influence. (Kundera, 1984) It was the Central Europe discourse, which continued as a heated debate until the early 1990s when it was additionally fuelled by the fall of the Berlin Wall and the end of the Cold War, that clearly connected the top-down engineering of a European identity with a broader historical tradition and an imagined Europe populated with tolerant individuals in a civil society of cosmopolitan qualities.

The European Parliament, popularly elected for the first time in 1979, under the chaperoning of Altiero Spinelli's *Crocodile Club*, infused new life into the identity concept by canalising it in new directions. Spinelli's draft treaty for a European Union from February 1984 asserted that the citizens of the member states should *ipso facto* be citizens of the Union. Citizenship of the Union would be dependent on citizenship of a member state. National law was to be co-ordinated with a view to

constituting a homogeneous judicial area. To achieve this objective measures were to be taken to reinforce the feeling of individual citizens that they were citizens of the Union.

With the introduction of the European citizenship, European identity was back on the table again, but detached from defining the identity of the European institutions and their geopolitical setting. Gaston Thorn, President of the Commission up until the end of 1984, emphasised the need to equate the European integration with ordinary Europeans: “We have put in place measures which will make the citizens, and particularly the young, understand Europe, identify themselves with it and support it... Some simple measures, with a strong symbolic content, must be quickly taken.” François Mitterand welcomed enthusiastically Spinelli’s and the Parliament’s draft treaty. At the conclusion of the European Council meeting in Fontainebleau in June 1984 he stated that it was “essential that the Community responds to the expectations of the people of Europe by adopting measures to strengthen and promote its identity.” An ad hoc committee, chaired by Pietro Adonnino, fittingly named the People’s Europe, was set up to look into ways of engaging the public symbolically with Europe and delivered its report in June 1985. The report dealt with “important aspects of special rights of citizens, of education, culture and communication, exchanges, and the image and identity of the Community”, which would make “a substantial contribution to the realisation of an ever closer union among the peoples of Europe.” The suggestions included Community model driving licence, a Euro lottery, 9 May as Europe Day, a Community joint study programme exchange, European sports teams, a European flag, anthem and emblem in order to give “the individual citizen a clearer perception of the dimension and existence of the Community”.

The aims of the committee on the People’s Europe fitted in very well with the internal market agenda of the new President, Jacques Delors. With the rekindling of the identity discourse in 1984-85 the connotation to a social Europe was cut. The new association was with the citizen concept which somehow without closer analysis was linked to ideas of a European democracy and a European internal market. The importance of the symbol production for the establishment of a European identity was emphasised. Imaginations of a European democracy were connected with branding and symbol production and the democratic people(s) were envisaged in terms of free individuals acting in a common market rather than tied to each other through social bonds still mainly organised on national levels.

In the new argumentative chain the market-based civil society promoted citizens, which became the imagined constituents of an emerging European democracy and identity transcending the nation

through transnational attachment to Europe. The connection between the social and democracy and identity was no longer given. The emerging democracy-and-identity-through-the-market language began to widen the gap between rhetoric and institutional capacity to follow up the language. The mid-1980s were crucial for the shift of perspective from the Werner Plan idea of EMU to the one realised with the Maastricht Treaty in the early 1990s, less because of Delors' internal market design as such than because of Spinelli's outline of democracy and identity through market and branding.

### *The Tensions between the Social and the Economic*

The now very tangible tension between the social and the economic in European unification can be epitomised in a historical perspective as a tension between Europe and the nations. The problem of the social disintegration in connection with economic integration emerged on the political agenda across Europe as the social issue from the 1830s onwards. The social disintegration was emphasised by the class concept. Nationalism reintegrated the social protest, but, as the developments in the 1930s demonstrated, under a deep and violent division of Europe. From the early 1950s under the conditions of the Cold War, the response to this division was (Western) European market co-ordination in order to guarantee social welfare in the nation-states. The European rescue of the nation-states meant a historical separation of the economic and the social, which had become unified categories in the long and violent process of nation building since the 1870s. The separation of the economic and the social and the distribution of labour between the (West) European Economic Community and the Member States was an invention opposed to the situation before 1945 when the economic and the social had been unified at the level of the nation-states under European division. This invention worked well under the conditions of economic growth in the 1950s and 1960s and against the background of the legitimising role of the Cold War. The model continued to work, although under growing problems in the stagnating economies of the 1970s. The SEA and the Maastricht Treaty confirmed it. The enlargement in 2004 overstretched it and the current financial and economic crisis in Europe again highlights the tensions of a Europe à la Hayek that leaves the social question to the nations. The social protest imposed the social question on the European agenda, but the capacity to handle it at the European level is limited and this remains a problem for Europe today. The historical pattern of unification of the economic and the social at the national level under conditions of European division seems to recur. The European unification is turning into division and the slogan of unity in diversity is shifting towards disunity and diversity.

The developments since 2008 have produced wide-spread fear, fury or resignation in various combinations, which provides an explosive mix attractive to political exploitation. Are there alternatives to reintegration of the social protest at the national level with the risk of nationalism, populism and European division to which historical experiences alert us? What prospects are there of a European regulation and control of the piracy on financial markets beyond hypocritical language? It seems to be the case that the rescue of the European Union today cannot be successfully undertaken by European institutions. The impetus for saving the EU must come from the national governments. In a situation of national bargaining and the not very cordial entente between Merkel and Sarkozy – and the utter lack of interest in the EU from Cameron – one can only hope that the existing institutional structures are able to put enough pressure on the national governments and that Europe reappears on the national agendas as a *conditio sine qua non* and as number one on the priority list. Europe's historical success lies in the safeguarding of democracies within its member states. Does the EU need to be a democracy too to continue this historical role? If the answer to this question is yes, very clear follow-up questions regarding *Bundestaat* or *Staatenbund* need to be asked rather than trying to make the existing European institutions look like a new form of democracy when the crucial capacity of the nation-state – the harmonisation of the social and the economic – cannot be fulfilled on the European level as of now. To reach a situation in which Europe is politically able to do so should be the guiding star for new political initiatives which can only emerge from national governments. The current crisis illustrates the differences of the European member states and the political fragility of the European institutional setup. The national rescue of the European Union thus needs to result in a condition of European self-sustainability, a future condition in which there may realistically be a European rescue of the European Union.