The End of the European Dream?

A Survey of Recent Articles

When the leaders of the 12 member nations of the European Community (EC) signed the Treaty on Monetary and Political Union in the Dutch city of Maastricht in December 1991, the effort at European integration that Jean Monnet launched in the 1940s seemed close to fruition. Although the Persian Gulf War demonstrated Europe's continued dependence on U.S. leadership, and the unfolding tragedy in the former Yugoslavia showed Europe's inability to stop a civil war in its own backyard, the EC appeared then to be moving rapidly toward monetary and eventual political union. Customs and other barriers were to be removed by January 1, 1993, and a common monetary policy, a single European currency, and an independent central bank were to be established by the end of the decade. Today, however, it is clear that that schedule will not be kept. Europe's borders are now largely open, but the rest of the ambitious project is shrouded in doubt.

Monnet's heirs reached the depths of despond in early August when EC finance ministers took a giant step *away* from monetary union. Seeking to stop frenzied selling of the French franc after the Bundesbank, Germany's central bank, refused to lower its interest rates, the ministers agreed to loosen the restrictions of the exchange-rate mechanism and let most currencies fluctuate widely against one another. The official communiqué insisted that the measure would be of only "limited duration" and would not nullify plans to achieve a common European currency. But there was no denying that long-submerged political and economic barriers to unity had reappeared. The currency crisis, the *Economist* (Aug. 7, 1993) comments, "marked the death of Europe's federal illusions . . . that the [exchange-rate mechanism] could evolve smoothly into a monetary union and that the Franco-German alliance could spearhead a full political union for the European Community."

The leaders of the EC nations are looking inward now, not outward. Among the main EC economies, only Britain's is growing. By the end of this year, unemployment is expected to rise to 11 percent of the EC work force. The difficulties are not everywhere the same. Indeed, divergent economic needs are responsible for most of the problems. Germany, bearing the high cost of unification and fearful of repeating the inflationary experience of the 1920s, is reluctant to reduce interest rates. Elsewhere in Europe, however, recession is the number one problem.

But economic woes are not the only source of the new Europessimism. The collapse of the Berlin Wall and of the communist threat it symbolized has fundamentally changed the setting in which the European Community was born and nurtured. Europe is no longer united by a common enemy. Suddenly, after 35 years, the *Economist* (July 3, 1993) observes in one of its trademark surveys, what was a cozy West European club "finds itself with one uncozily enlarged member (united Germany) and all of Eastern Europe clamoring to get in." The logic of European integration has been drastically revised.

Jean Monnet and the other European founding fathers, with the support of the United States, made heroic efforts to create a united Europe, Godfrey Hodgson, a British journalist, observes in *World Policy Journal* (Summer 1993). "They did not, however, carry the European peoples along with them. . . . The European institutions and the European project have remained remote, inaccessible, a little elitist, more than a little suspect. The collapse of communism has made them seem a little less necessary."

The Maastricht treaty has weathered severe storms already. In a referendum last May, the Danes gave it their qualified blessing after earlier rejecting it, and the British House of Commons followed suit, 292–112, albeit with 246 abstentions. All the member nations except Germany (where the Reichstag's approval faces a court challenge) have ratified the treaty. But there is much less to these upbeat developments than meets the casual eye, Martin Feldstein, an economist at Harvard University, points out in the *National Interest* (Summer 1993).

The treaty is now saddled with explicit and implicit escape clauses: Britain may opt out of the single currency, Germany may preserve the cherished deutsche mark, and Denmark was granted even more significant exemptions. Even before the currency crisis of the summer, Feldstein found "widespread agreement" among informed observers and officials (speaking privately) that the prospect of monetary and political union will remain remote.

One reason for the popular opposition to Maastricht, Harvard's Stanley Hoffmann notes in the *New York Review of Books* (May 27, 1993), was that the text of the treaty was "nearly incomprehensible . . . written by and for lawyers and bureaucrats." Few Europeans really grasp how the EC works, Hoffmann points out, and there is a widespread complaint about a "democratic deficit." The Council of Ministers is the Community's chief lawmaker, while the popularly elected European Parliament has very limited powers. Regulations are drafted by the European Commission, which is not accountable to the parliament. The EC Commission's president, currently Jacques Delors of France, is chosen by the council.

Germany, with a preference for federalism, would like to see the European Parliament given much more power, the *Economist* notes. France and Britain, however, "think true legitimacy rests with elected governments, acting through the Council of Ministers." From the beginning, Hoffmann says, the European Community has been characterized by a "deliberate ambiguity that . . . has allowed it to proceed despite the different conceptions that exist among and within its members about its goals. Is the EC destined to become a federal state, more or less on the American model, or is it to be a particularly active regional organization, governed by its members?"

In the past, Hoffmann points out, the French, who dominate the Brussels bureaucracy, looked upon the EC as "a vehicle for French influence and for imposing restraints on the power of West Germany. Today, and for good reasons, the fear of Germany dominating the Community has replaced . . . the old fear of an unshackled Germany outside the Community." All the old arguments for surrendering national sovereignty to the Community have changed.

This summer's currency crisis brought the EC back to earth but the aims of monetary and political union remain worthy ones, the *Economist* believes. "[A] politically united Europe would be a fine thing; the intellectual case for monetary union remains powerful. [But] the political will to make either of these happen does not exist; in truth, it has never yet existed. It may one day; but to think that it already did was an illusion."

Arab Nationalism: Out of Gas

"Withered Arab Nationalism" by Mahmud A. Faksh, in *Orbis* (Summer 1993), Foreign Policy Research Institute, 3615 Chestnut St., Philadelphia, Pa. 19104.

Once an ideological force to be reckoned with in the Middle East, Arab nationalism has long been little more than a fig leaf used by Arab regimes to cover their particular interests. Now, as a result of the 1991 Persian Gulf War, even the fig leaf has been discarded, contends Faksh, a political scientist at the University of Southern Maine.

Born during the late 19th century in reaction to Turkish domination of the Arab world, Arab nationalism asserts the existence of one Arab nation stretching from Morocco to the Arabian Peninsula. It had its heyday during the 1950s and '60s, when it was promoted by Egypt's Gamal Abdel Nasser (1918–70) and the Ba'th party in Syria. "Arab nationalism became increasingly associated with anticolonialism and Third World nonalignment; the defeat of Israel and the restoration of Palestinian rights; the toppling of pro-Western, conservative monarchic regimes; and the establishment of revolutionary socialism," Faksh writes. "Nasser became the Arab voice, speaking to the masses over the heads of their rulers."

Egypt and Syria joined in 1958 to form the United Arab Republic (UAR). But this move to-