



Munich Personal RePEc Archive

**"Crisis? What Crisis?" To what extent
does the outcome of the French and
Dutch referenda of May/June 2005
represent a crisis for the EU?**

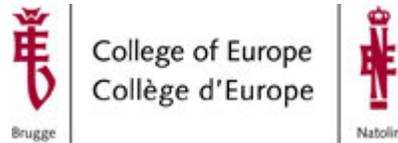
Mico, Apostolov

College of Europe

1 November 2005

Online at <https://mpra.ub.uni-muenchen.de/6567/>

MPRA Paper No. 6567, posted 04 Jan 2008 06:02 UTC



COLLEGE OF EUROPE
COLLEGE D'EUROPE

Work of:

APOSTOLOV MICO

"Crisis? What Crisis?" To what extent does the outcome of the French and Dutch referenda of May/June 2005 represent a crisis for the EU?

EU POLITICS AND POLICIES

Professor Desmond DINAN

George Mason University, USA

Director of International Commerce Program George Mason School of Public Policy

Jean Monnet Professorship by the European Commission

Assistant:

Oana Stefan

CONTENTS

1. INTRODUCTION	3
2.ALWAYS INTERESTING	3
3. MAIN ARGUMENTS WHICH WERE PLACED	
“FOR” AND “AGAINST”	4
4. RAISING OF THE TENSIONS – POINT OF BURNING.	
IS THE EUROPEAN UNION ON THE “RIGHT” TRACK TO	
MAKE NEW STANDARDS ON “WHAT CRISE IS”?	5
5. CRISIS THAT CAN STAND TO THIS ONE	7
6. FRENCH -BRITISH RIVALRY – DIFFERENT	
CONCEPTS OF “ SURVIVING “	10
7. NEW WAYS	11
8. CONCLUSTION	12
9. BIBLIOGRAPHY	14

1. INTRODUCTION

TREATY ESTABLISHING A CONSTITUTION FOR EUROPE

*“Our Constitution ... is called a democracy because power is in the hands not of a minority but of the greatest number.
Thucydides II, 37”¹*

This project is supposed to bring new era for the European Union, consolidating the lines of development of the construction. Therefore it was and still is necessary to be achieved a ratification in all member states including the most problematic ones, and bringing the text into force with all democratic means and regulations.

In the EU, from a normative point of view, the policies should be allocated to different levels so that can be achieved best policy outcome. From a positive perspective, the policies are being plasticized as a result of a “specific constitutional and political bargain and the way the actors with different policy goals have behaved within this bargain.”² So, it seems that the evolution of the European Union, as always, depends on personal national interests and their reflection on the decision-making process within, and lots of times connected to the world political arena.

2. ALWAYS INTERESTING

The **Treaty establishing a Constitution for Europe**, or also referred to as **European Constitution**, was signed in 29 October 2004 at a ceremony in Rome, by representatives of the European Union’s member states. By replacing the overlapping archives the Union's current construction is meant to bring together many treaties and agreements on which the EU is based and also definition of the powers, stating where the EU institutions can act and where the member states retain the right of veto.³

¹ TREATY ESTABLISHING A CONSTITUTION FOR EUROPE , p. 3

² **Hix, Simon.**, “ The Political System of the European Union” , 2nd edition (London: Palgrave Macmillan, 2005). 1st edition , p. 18-19

³ **BBC News** –“ EU constitution: Where member states stand “
Available at: <http://news.bbc.co.uk/2/hi/europe/3954327.stm>

The referenda that took place (French 29 May 2005 and Dutch 1 June 2005) clearly posed new situation in Europe. Others have rejected the treaty, which signaled to other countries to postpone their procedures of treaty ratification and with that leaving the Constitution's future uncertain. The summit that took place in Brussels on 16-17 June 2005 called for a "*pause for reflection*" even though the treaty already has been ratified by twelve MS: Austria, Cyprus, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Slovakia, Slovenia and Spain.⁴

Are the Europeans masters of Drama or they just like to do things such that the "game" is more interesting? Do they always know how to find good excuse to start something disturbing enough, which in other conditions (if the case was not to be solved by them) would have not been so difficult to "get around" ? Or, maybe it is just an illusion to make big thing over nothing, knowing that the Europeans also like to debate a lot and get into the depth of things? Questions. We do have them a lot.

“ We don't want to give up the constitution, nor do we want to carry on with business as usual and pretend nothing has happened. ”

Jose Manuel Barroso
European Commission President⁵

3. MAIN ARGUMENTS WHICH WERE PLACED “FOR” AND “AGAINST”

“For”:

- With such unique Treaty, the EU will be consolidated and with simplified functioning; Extension of the area of qualified majority vote allows to be reduced the risks of blocks by MS with veto ; Affirmation of the role of EU on the international scene because of the creation of the Foreign Affaires Minister ; Possibility to be signed an international

⁴ **BBC News** –“ EU constitution: Where member states stand “
Available at: <http://news.bbc.co.uk/2/hi/europe/3954327.stm>

⁵ **BBC News** –“ EU heads put constitution on hold “
Available at: <http://news.bbc.co.uk/1/hi/world/europe/4097686.stm>

agreement with one signature not requiring the signatures of the all MS because of the juridical personality of the Union (article I-7) ⁶

“ **Against** “ :

- The Constitutional Treaty is sure way to forming << European Super State>> ; The President of the Council and the Foreign Affaires Minister could replace the representatives of the national states in the international agreements ; The Constitutional Treaty increases the power of EU, in determining the national politics, in number of areas especially in the area if employment, justice and home affaires , and immigration ; The Constitution is sure instrument with which the citizens can be avoided on important decisions, especially the enlargement to Turkey .⁷

As the outcome showed on the referenda, the voters in France and Netherlands have rejected the treaty, and started the cycle of crises in the European Union with, by all means, an interesting outcome to be .

4. RISING OF THE TENSIONS – POINT OF BURNING .

IS THE EUROPEAN UNION ON THE “RIGHT” TRACK TO MAKE NEW STANDARDS ON “WHAT CRISE IS” ?

“ *EU Summit Collapse is 'Historic Failure'* - ... a major summit in Brussels collapsed on Friday. The EU is in a rut and it's not clear how it will get out ”⁸

“ *'It has been left high and dry'* -the failure of the summit raises questions over the very future of the project “⁹

⁶ **Une Constitution pour l'Europe**

Available at: <http://www.constitution-europeenne.fr/index.php?id=28>

⁷ **Une Constitution pour l'Europe**

Available at: <http://www.constitution-europeenne.fr/index.php?id=28>

⁸ **Spigel** - “ EU Summit Collapse is 'Historic Failure' “, June 20, 2005

Available at: <http://service.spiegel.de/cache/international/spiegel/0,1518,361374,00.html>

⁹ **The Guardian** – “It has been left high and dry”, Monday June 20, 2005

Available at: <http://politics.guardian.co.uk/eu/comment/0,9236,1510351,00.html>

Incredible amount of criticism over the behavior of the leaders, makes the “exploration“ interesting of this certain dimension of the European Union’s evolution or rather “revolution”. May it be a crisis or a setback we are about to see, but what gives one material to learn from are the really explicit political maneuvers that cutting age politicians use in order to get it their way. Battle of interests, national predominance over supranational wishes, money , progress, CAP, and all that in one place “spiced “ with confusion, anger, egos, luster to lead ...

Just another desperate summit which was all about financial accounts. The main topic that dominated the summit, was the constitution and the budget for 2007-2013. On one side were Germany (greatest contributor to the budget with nearly 20 percent) and France (backing up Germany and keeping an eye on the increasing cries for reforming CAP), and on the other side Britain pressing for its rebate, as usual, (connected to CAP). “German officials also said Berlin wants to see an end to Britain's rebate,... negotiated in 1984 by Margaret Thatcher, then the British prime minister, is worth an annual €4.6 billion. It could rise to an annual €7 billion during the EU's next budget period. Berlin pays between €300 million and €400 million each year for Britain's rebate. “¹⁰

The British did not found themselves to get through accepting cuts to the annual rebate , and as a condition they insisted on reducing the massive agricultural subsidies program. But, as the history shows CAP is very weak point when the French are in question, so they insisted status quo. The gambling continued and started to get even more interesting when the Dutch required cuts as a rebate of the EU budget at least 1 billion € . The offer of 700 million € was given , but it did not quite fit into the account. The point of melting was reached when the Swedes very keenly persisted to get massive reduction of the contribution to the EU budget. After the summit the reactions of the leaders were emotional like German Chancellor *Gerhard Schroeder* : "I'm sad" or very skeptical as Luxembourg's *Jean-Claude Juncker* expressed himself : “Europe finds itself in a deep crisis”,...”very close to a

¹⁰ **International Herald Tribune** – “Battle lines drawn over EU's direction “, **By Judy Dempsey**, MONDAY, JUNE 6, 2005

Available at : <http://www.ihf.com/articles/2005/06/05/news/union.php>

deal” but "differences were minimal, which is to say that some delegations did not have the political will to succeed."¹¹

A long queue of paper articles are on disposal :

“... The French president has been through *one of the most painful European summits* of his career.”¹²

“... However, when they *barricade themselves behind their national interests the result is catastrophic for Europe* and, in the end, for its component parts as well.”¹³

“... They don't want to break 25 eggs to *make the great European omelette*...”¹⁴

“The EU's *problem is not its citizens, but its leaders* ...”¹⁵

“... *for the constitution fiasco while squabbling over money?* ... The problem is, this political elite now does not have a clue what to do ...”¹⁶

5. CRISIS THAT CAN STAND TO THIS ONE

The “empty chair crises”

The “Empty Chair Crises” or as the French call it “*la politique de ‘la chaise vide’* ” is considered to be one of the major determining points which gave the historical way of developing the European Community (as it was called back then, and now the European Union). The crises started when Walter Hallstein, President of the Commission gave a proposal to fund the CAP. The actual content of the proposal was the possibility of the supranational body like the European Commission, for the purposes of the CAP , to develop its *own financial resources* (creation of resources of the “ levies on agricultural

¹¹ Spiegel - “ EU Summit Collapse is 'Historic Failure' “, June 20, 2005
Available at: <http://service.spiegel.de/cache/international/spiegel/0,1518,361374,00.html>

¹² Le Figaro Editorial, France, June 18

¹³ Kathimerini Editorial, Greece, June 18

¹⁴ Ekstra Bladet Editorial, Denmark, June 18

¹⁵ Frankfurter Rundschau Editorial, Germany, June 18

¹⁶ Daily Mail Editorial, June 18

All Available at : <http://politics.guardian.co.uk/eu/comment/0,9236,1510351,00.html>

imports into the EC , supplemented by duties on industrial imports ”¹⁷). But, General de Gaulle was as usual in mood to not agree to this development, which meant endangering of the sovereignty of French economical policies. “In addition, General de Gaulle, who had not participated in the negotiations on the Treaty of Rome, criticized Walter Hallstein for having prepared his budgetary proposal without prior consultation with the Governments of the Member States and for having behaved almost as though he were President of a European government. “¹⁸

On 30/06/1965, De Gaulle decides to refuse the decision making principle - qualified majority to be introduced governing CAP.

Under authorization from the *President de la République Française* the French delegation decided that will no longer be participating in the Council, nor on its numerous committees.

The French presidential election took place December 1965, few months later, gave a result that changed the domestic lines on the president’s European policy, which lead to the reaction , just a week after the election, de Gaulle “ got the message”, and showed willingness to seat on a negotiating table and solve the open questions.¹⁹

After six months of blocking the Council, there was “ *an agreement to disagree*” and *right to veto*, reaching the famous “*le compromis de Luxembourg* (January 1966) “²⁰ :

- “When very important issues to one or more member countries are at stake ...the Council will try,...to reach solutions which can be adopted by all members of the council...
- ... Discussions must be continued until unanimous agreement is reached .
- ... this divergence does not prevent the Community’s work being resumed with the normal procedure.”²¹

¹⁷ **Dinan, Desmond.**- “Ever Closer Union: An Introduction to European Integration” , 3rd edition, London: Palgrave Macmillan, 2005, p.49

¹⁸ *European Navigator (ENA)*

Available at : <http://www.ena.lu/mce.cfm>

¹⁹ **Dinan, Desmond.**- “Ever Closer Union: An Introduction to European Integration” , 3rd edition, London: Palgrave Macmillan, 2005, p.50

²⁰ **De Gaulle et l’Europe**

Available at : http://www.charles-de-gaulle.org/article.php3?id_article=110&page=3

²¹ **Dinan, Desmond.**- “Ever Closer Union: An Introduction to European Integration” , 3rd edition, London: Palgrave Macmillan, 2005, p.50

In order to bring historical light to presence might be of importance to see what the speech of de Gaulle looked like at that time, concerning directly the “ « crise de la chaise vide » (1965) l'accord de Luxembourg (January 1966), et des « intérêts importants » :

*“ When we speak about Europe, I would like to tell you what I think about the agreement from Luxembourg. That agreement between the Six Governments is of big and happy contribution,(...) But the application of ‘ majority’ and the correlative extension of the powers of the Commission threaten to replace the reasonable practice of permanent usurpation of the sovereignty.”*²²

President de la République Française

Charles De Gaulle

(Conférence de presse - Palais de l'Élysée, 21 février 1966)

The crises had deep impact to the political climate: “Six months of near paralyses in Brussels, a heavy blow to the Commission’s morale, and a substantial seat back to majority voting had an invidious effect.”²³ That means in reality, as the analysts consider being the case, the crisis finished with a victory of de Gaulle, which give lead to how things were managed further in the later phases of the development of EC.

France now knew how to manage the conditions. The most striking aspect of the further policy was to promote the French agriculture, get even with the British, which meant veto British entry, always try to protect the national interest challenging the supranational institutions – “ une certaine idée de la France ”²⁴ In his memoirs de Gaulle says “ the past 800 years of European History our greatest hereditary enemy was not Germany, but

²² **Le Monde Diplomatique**

Article – «Sur la « crise de la chaise vide » (1965) à propos du financement de la PAC et l'accord de Luxembourg (janvier 1966), qui reconnaît à la France un droit de veto lorsque des « intérêts importants » sont en jeu : »

Available at : <http://www.monde-diplomatique.fr/cahier/europe/a12165>

²³ **Dinan, Desmond.**- “Ever Closer Union: An Introduction to European Integration” , 3rd edition, London: Palgrave Macmillan, 2005, p.51

²⁴ **Moravcsik Andrew** -The Choice for europe, Cornell University Press , 1998

England”²⁵, and another very important characteristic was to always consider the British as a much more closely connected to the United States of America ,rather to the European friends in particular France and EC.

So, that meant only one think: the British had to wait for de Gaulle to leave the political scene in order to enter into the EC. And that was the case as the events were to follow.

6. FRENCH -BRITISH RIVALRY – DIFFERENT CONCEPTS OF “ SURVIVING “

Is there end ?

“... Neither plan B(lair), nor plan C(hirac) has the support of a majority of Europeans today, ...it is *Europe that has suffered a Waterloo this June 18.*”²⁶

So, the whole world press agrees on the same point that will, for sure, become basis of future history analyses, and that is that two leaders have “difficulty” to agree. The British Tony Blair that summit and still persists on “*his free-market, social, British-style Third Way - the best answer, he said, to Europe's problems.*”²⁷ On the other coté , as usual (and very much reinforced after the American- British intervention in Iraq) the barrier of the old “ ghosts“ the true French successor of De Gaulle – Jacques Chirac “*threw himself into a solitary offensive against enlargement*”²⁸and was trying to” *isolate Britain and scrap its £3 billion rebate....*”²⁹

As another failure was present in the spirit of the French and Dutch “ NO “ to the Constitution, it is evident that Europe is slowly sliding towards crisis, that might not bring good to anyone in the Union, and will leave a black whole, a contagious area in the Europe’s mainland, the Balkans, and many Turkish dreams that start vaporizing slowly but very surly.

²⁵ **Peyreffitte**, “C’etait” : De Gaulle , *Memoires* p.178-180

²⁶ **Libération** Editorial, France, June 18

²⁷ **Le Figaro** : editorial headline “ The great haggling session “ taken from BBC Available at: <http://news.bbc.co.uk/1/hi/world/europe/4106356.stm>

²⁸ **Le Figaro** : editorial headline “ The great haggling session “ taken from BBC Available at: <http://news.bbc.co.uk/1/hi/world/europe/4106356.stm>

²⁹ **The Sun** - report "Blair holds out on rebate" By Trevor Kavanagh and Michael Lea, taken from BBC Available at: <http://news.bbc.co.uk/1/hi/world/europe/4106356.stm>

« Mesdames, Messieurs, l'Europe connaît une *crise grave*. Nous étions en réalité très près d'un accord,... Et pourtant, *quelques pays, peu nombreux, ont refusé d'accepter le compromis*, marquant ainsi, je dirais, une différence profonde par rapport au comportement passé en ce qui concerne l'esprit européen... »³⁰

“ I want to say a word about last Friday's Summit ,... *In fact I am the only British leader that has ever said I would put the rebate on the table*. I never said we should end the CAP now or renegotiate it overnight. Such a position would be absurd.”³¹

7. NEW WAYS

The largest European economy – Germany had a dramatic outcome of its election, being politically paralyzed after two months it came out with a large coalition naming Angela Merkel as a first woman chancellor. She is faced with heavy promise to revive the economy and bring Germany into a new leading position in Europe's economy after easy seatback. After being nominated with the mandate she started her trip through Europe's capitals in order to introduce the “*new wave* “ of German and European policy and future ways of dealing with problems. The first stop was Elysée Palace in Paris, as the tradition of the “axe Franco-Allemande “ in the past. So, after the meeting the conclusion of the both leaders was that the friendship “est réellement solide ”³² , and the French president accented the future plans of the two countries for political, organized and social Europe with permanent effort for harmonization of the community politics.

³⁰ **Conférence de presse de M. Jacques CHIRAC, Président de la République**, à l'issue du Conseil européen. BRUXELLES - BELGIQUE, VENDREDI 17 JUIN 2005

Available at :

http://www.elysee.fr/elysee/francais/interventions/conferences_et_points_de_presse/2005/juin/conference_de_presse_de_m_jacques_chirac_president_de_la_republique_a_l_issue_du_conseil_europeen.30251.html

³¹ **10 Downing Street**, PM Blair's speech to EU Parliament, 23 June 2005

Available at : <http://www.number-10.gov.uk/output/Page7714.asp>

³² **Le Monde**, « Paris et Berlin, dans un esprit de continuité », 23.11.05

Available at : <http://www.lemonde.fr/web/article/0,1-0@2-3214,36-713522@51-642773,0.html>

>>> AMERICAN BENEDICTION - DO WE ALL NEED IT ?

“American benediction of a strong and united Europe, as indicated in Washington in recent days, and as conveyed to NATO's EU members by Secretary General *Jaap de Hoop Scheffer* following his recent U.S. trip, is a safer endorsement than it would have seemed before the French and Dutch voted against the constitution.”³³ And the “need for benediction” seems to enforce itself.

What was more important no the day on Merkel’s visit to NATO headquarters in Brussels, heavily stressed in the US based media, was the accent of the importance of Germany's slow renewal of transatlantic partnership with the United States.

8. CONCLUSION

There are many definitions that define the nature of a political crisis and the appropriateness of applying the word "crisis" . But when it comes to the EU's current events, one must be careful about what limits to use . The whole history of evolution of the European Union has lots of paradoxes. The structure is very much flexible, and capable to absorb heavy blows. In this moment the issue for the European Union is not the idea, but rather the way to modernize, improve the lives of people. The Europeans are very much concerned about globalization, job security, about pensions and living standards, with rapidly changing security, surrounding, way of life. The accent must be given to the economy in order to produce serious threshold as a base to relax the future political “games” that are surly to happen. So, as a summary would be that it is not a crisis of the political institutions, but rather and foremost it is a crisis of political leadership.

The European Union that will probably emerge from the expansion crisis is expected to be politically renewed. The curial moment might be the next French elections and “le fin “ of a very long era of exhausted energy. *“Common sense says that the United States is not*

³³ **International Herald Tribune** – “Battle lines drawn over EU's direction “, **By Judy Dempsey**, MONDAY, JUNE 6, 2005
Available at : <http://www.ihf.com/articles/2005/06/13/opinion/edpfaff.php>

going to get what it wants, a submissive European Union. The Europeans are divided on the issue, of course, but perhaps less than Washington thinks.”³⁴

As for now, it rests to see how the things will catch their way , enjoy the marvelous political “show” and think what might be the next best event that moves the limits of “unreasoning”.

³⁴ **International Herald Tribune** – “Battle lines drawn over EU's direction “, **By Judy Dempsey**, MONDAY, JUNE 6, 2005
Available at : <http://www.ihf.com/articles/2005/06/13/opinion/edpfaff.php>

9. BIBLIOGRAPHY

BOOKS

- >> **Dinan, Desmond.**- “Ever Closer Union: An Introduction to European Integration” , 3rd edition, London: Palgrave Macmillan, 2005
- >> TREATY ESTABLISHING A CONSTITUTION FOR EUROPE , p. 3
- >> **Hix, Simon.**, “ The Political System of the European Union” , 2nd edition (London: Palgrave Macmillan, 2005). 1st edition ,
- >> **Moravcsik Andrew** -The Choice for Europe, Cornell University Press , 1998
- >> **Wallace, H., Wallace, W., and Pollack, M.**, “Policy-Making in the European Union”, 5th edition Oxford University Press, 2005

ARTICLES

BBC News –“ EU constitution: Where member states stand “

BBC News –“ EU heads put constitution on hold “

Une Constitution pour l'Europe

Spigel - “ EU Summit Collapse is 'Historic Failure' “, June 20, 2005

The Guardian – “It has been left high and dry”, Monday June 20, 2005

International Herald Tribune – “Battle lines drawn over EU's direction “, **By Judy**

Dempsey, MONDAY, JUNE 6, 2005

New York Times, June 19, 2005

Le Figaro Editorial, France, June 18

Kathimerini Editorial, Greece, June 18

Ekstra Bladet Editorial, Denmark, June 18

Sunday Business Post Editorial, Ireland, June 19

Frankfurter Rundschau Editorial, Germany, June 18

Daily Mail Editorial, June 18

Le Monde Diplomatique

Libération Editorial, France, June 18

Le Figaro : editorial headline “ The great haggling session “ taken from BBC

The Sun - report "Blair holds out on rebate”, taken from BBC

Le Monde, « Paris et Berlin, dans un esprit de continuité », 23.11.05

INTERNET

<http://news.bbc.co.uk/2/hi/europe/3954327.stm>

<http://news.bbc.co.uk/1/hi/world/europe/4097686.stm>

<http://news.bbc.co.uk/1/hi/world/europe/4106356.stm>

<http://www.constitution-europeenne.fr/index.php?id=28>

<http://service.spiegel.de/cache/international/spiegel/0,1518,361374,00.html>

<http://politics.guardian.co.uk/eu/comment/0,9236,1510351,00.html>

<http://www.iht.com/articles/2005/06/05/news/union.php>

<http://www.monde-diplomatique.fr/cahier/europe/a12165>

<http://www.lemonde.fr/web/article/0,1-0@2-3214,36-713522@51-642773,0.html>

European NAVigator (ENA)

<http://www.ena.lu/mce.cfm>

De Gaulle et l'Europe

http://www.charles-de-gaulle.org/article.php3?id_article=110&page=3

Elysée- Conférence de presse de M. Jacques CHIRAC, Président de la République, à l'issue du Conseil européen. BRUXELLES - BELGIQUE, VENDREDI 17 JUIN 2005

http://www.elysee.fr/elysee/francais/interventions/conferences_et_points_de_presse/2005/juin/conference_de_presse_de_m_jacques_chirac_president_de_la_republique_a_l_issue_du_conseil_europeen.30251.html

10 Downing Street, PM Blair's speech to EU Parliament, 23 June 2005

<http://www.number-10.gov.uk/output/Page7714.asp>