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The MFF negotiations and the new European consensus

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On February, 8th 2013 the European Council found an agreement on the next budget for the European Union, the Multiannual Financial Framework (MFF) for the period 2014-2020. After the two-days-long meeting, *The Economist* titled: «Even the French say so: David Cameron played a near-perfect match.»¹ Should we conclude, then, that the outcome of the MFF negotiations has only been the result of an excellent bargaining ability on the part of the British Prime Minister?

The aim of this short essay is to question this assumption, by trying to understand what led the EU leaders to reduce – for the first time in the history of the European integration process – the EU budget in real terms.² Our hypothesis is that the MFF negotiations have been the final – or better, starting – point of the establishment of a new conception of the European integration, which has its roots in a socialization process among the European leaders and in the change of the political and social context at the national level. Therefore, we will analyse the political and institutional discourse from a constructivist perspective, in order to explain how the idea behind the unification process of the continent is changing, perhaps leading to a new *ideational consensus*³ as a collateral consequence of the current European economic and political crisis.

How it all began

Since the beginning of the current European economic and financial crisis, at the beginning of 2009, there have been around twenty European Council summits, if we do not take into account the informal meetings, the meetings of the Eurozone countries, and the bilateral meetings. The contradiction between a European monetary policy, which is an exclusive competence of the EU (Art. 3, TFEU), and a national economic policy, which should be led in a coordinated way by the EU member states and agreed at the European level (Art. 5, TFEU), resulted in a mainly national approach to tackle the financial and economic crisis. As an evidence, we could recall that throughout the financial and then economic turmoil every member state decided on an individual basis on the modalities to refinance the national banks, which were at risk of bankruptcy, and to support the national industry, sometimes clearly in contrast with the interests of other EU partner countries, as the Opel acquisition case⁴ clearly demonstrated. This had direct consequences on the way to deal with the crisis from an institutional point of view: in fact, as the situation worsened, the European Council established itself as the leading institution, thus neglecting the role that the European Commission and Parliament could have had. This resulted in a certain number of new intergovernmental treaties and agreements, such as the ‘Six pack’ and the European Stability and Growth Pact. This whole process developed from a multitude of meetings among Prime Ministers, Ministers, and national diplomats, therefore bringing about a socialization dynamic, which entrenched the European Commission and Parliament in a limited conception of their role, while strengthening the position of the EU member states and therefore of the European Council.

¹ Charlemagne, *Battle of the EU budget. Cameron’s budget blinder*, *The Economist*, February 8th, 2013.

² European Council, *Conclusions (Multiannual Financial Framework)*, EUCO 37/13, Brussels, 8 February 2013.

³ Kathleen R. McNamara, *Economic Governance, Ideas and the EMU: What Currency Does Policy Consensus Have Today*, *Journal of Common Market Studies*, Volume 44, Number 4, November 2006, pp. 803-821.

⁴ *Opel: Berlino sceglie Magna. A rischio 11.000 posti in Europa*, *Il Sole 24 Ore*, 30 maggio 2009. The articles about the acquisition of Opel are numerous, too see in particular the period between May and September 2009. The relevant message to retain is that the German government was ready to every kind of acquisition for Opel, provided that it guaranteed that the state would not have faced any additional costs and any loss in terms of jobs, even if this meant a loss of jobs in other EU countries.

Thinking a new kind of Union: from Idealism to Realism

A common tendency that we notice when analysing the European leaders' behaviour is a shift from the somewhat idealistic impulse to the European project – the one which in 1950, only five years after the end of World War II, pushed France and the Federal Republic of Germany towards an agreement which envisaged the creation of a European federation in order to preserve peace on the continent⁵ – to an attitude based more on realism and rational choice, as it favours a cost-benefit logic, in a realist perspective of the safeguard of national interests. There are a few examples which should validate this assumption.

We can try to explain this gradual change by beginning to recall the speech by Chancellor Angela Merkel at the opening ceremony of the academic year at the College of Europe in November 2010. On that occasion she advocated in favour of a new approach in the EU decision making, the 'Union method', in order to overcome the opposition between the 'community method' and the 'intergovernmental method', with the aim of a «coordinated action in a spirit of solidarity – each of us in the area for which we are responsible but all working towards the same goal.»⁶ However, this 'new approach' that Chancellor Merkel wishes for is already at the basis of the division of competences between the EU and the member states, as stated in the Treaty of Lisbon, notably by the principle of loyal cooperation (Art. 4.3, TEU). Therefore it is difficult to understand if Chancellor Merkel was suggesting to give more competences to the EU institutions⁷ – which seems unlikely, if we consider the content of the whole speech – or, else, to give back some competences to the EU member states.

Going further, recently Der Spiegel wrote that «passion was always the fertilizer on which Europe thrived. And passion is exactly what Merkel lacks. (...) For Merkel, Europe is no dream, vision or object of desire. (...) In the end Europe, for Merkel, is a question of prosperity, of euros and cents -- and not a matter of the heart. (...) She finds visions -- and master plans -- horrifying. Who knows what the world will look like in a year? She proceeds cautiously, moving from one crisis summit to the next.»⁸ And in another article it reported former Chancellor Helmut Kohl – the father of the single currency and of German reunification – saying: «She is ruining my Europe», and that he considered Merkel's euro-policy as «very dangerous».⁹

However we can easily find other European leaders who show a similar approach. Interviewed by Die Welt, the Italian Prime Minister Mario Monti affirmed: «I'm persuaded that we will never have the United States of Europe. Just because we don't need it».¹⁰ This is particularly relevant if we consider that from the beginning of the European integration process Italy has played a proactive

⁵ The Schuman Declaration, 9th May 1950.

Full text: http://europa.eu/about-eu/basic-information/symbols/europe-day/schuman-declaration/index_en.htm

⁶ Speech by Federal Chancellor Angela Merkel at the opening ceremony of the 61st academic year of the College of Europe, Bruges, November, 2 2010. URL: www.bundesregierung.de/Content/EN/Reden/2010/2010-11-02-merkel-bruegge.html?nn=447030

⁷ Among others, to read on this topic: Paolo Ponzano, *Community and intergovernmental method: an irrelevant debate?*, Policy brief No 23, Notre Europe, Paris, April 2011.

⁸ Konstantin von Hammerstein, René Pfister, *A Cold Heart for Europe. Merkel's Dispassionate Approach to the Euro Crisis*, Der Spiegel, December, 12th 2012. URL: www.spiegel.de/international/europe/analysis-of-chancellor-merkel-euro-crisis-approach-a-872195.html

⁹ Sebastian Fischer, *Merkels Europa-Politik: Sprachlos, ziellos, mutlos*, Der Spiegel, 17. Juli 2012.

URL: www.spiegel.de/politik/deutschland/merkels-europa-politik-sprachlos-ziellos-mutlos-a-774925.html

¹⁰ Thomas Schmid, *Warum Italien mehr wie Deutschland sein sollte*, Die Welt, 11. Januar 2012.

URL: www.welt.de/politik/ausland/article13808298/Warum-Italien-mehr-wie-Deutschland-sein-sollte.html

To read also: Nicola Vallinoto, *Le contraddizioni europee di Mario Monti*, iMille.org, 15 gennaio 2012.

URL: www.imille.org/2012/01/le-contraddizioni-europee-di-mario-monti/

role, encouraging the German and French leaders to go ahead towards the (federal) unification of Europe. But after all, asked about where is the ‘poetry’ of his political ambition, the current Spanish Prime Minister, Mariano Rajoy, answered: «Poetry? My thing is prose.»¹¹

The President of the European Council, Herman Van Rompuy, provides another example of how the shared knowledge and common understanding about the European Union has changed in recent years. By reading his statements and interviews, it is astonishing to see how the political and the ideal dimensions of the European integration are lacking. In an interview to Euronews, asked about the cost of leaving the EU, he restricted his answer to market size and passports. And, as if it was not clear enough, he then stated: «The European Union will never become the United States of Europe.»¹²

These statements bring to the surface the question of how the European Union is perceived today and what European leaders think it should become: we discovered that almost every leader expressed the concern about the necessity of rethinking the EU and its foundations. Giuliano Amato, an Italian politician and Vice-Chairman of the 2002 European Convention, recently wrote that he is now convinced that Europe needs to become a federation, but on new grounds, because the current situation «transforms what once was the ideal of visionaries such as Spinelli in a necessity, which is both inescapable and *convenient*».¹³ The newspaper El Mundo reported recently that Mariano Rajoy «urged a rethinking of the EU for a rapid advancement of the integration».¹⁴ Also the former French President, Nicolas Sarkozy, during his election campaign affirmed that: «Europe is not a choice anymore. It is a necessity. But the crisis revealed its weaknesses and contradictions. We should rethink Europe. Europe should be re-established.»¹⁵

Nonetheless, the one who clearly stated this new approach towards the European integration has been the British Prime Minister David Cameron, in his famous EU speech at Bloomberg. On that occasion, he welcomed the fact that also the other European leaders begin to adopt a mindset which is more similar to the British one: «We [the British people] come to the European Union with a frame of mind that is more practical than emotional. For us, the European Union is a means to an end – prosperity, stability, the anchor of freedom and democracy both within Europe and beyond her shores – not an end in itself.» Therefore, even though «the European Treaty commits the Member States to “lay the foundations of an ever closer union among the peoples of Europe”», Mr. Cameron thinks that «we must not be weighed down by an insistence on a one size fits all approach which implies that all countries want the same level of integration. (...) Some will claim that this offends a central tenet of the EU’s founding philosophy. I say it merely reflects the reality of the European Union today.»¹⁶

¹¹ Tobias Buck, Lionel Barber, *FT interview: Mariano Rajoy*, Financial Times, January 15, 2013.

URL: <http://www.ft.com/cms/s/2/4304f0ba-5efc-11e2-9f18-00144feab49a.html#ixzz2QiAd4RtI>

¹² *Van Rompuy: ‘The EU will never become the United States of Europe’*, Interview by Euronews, 9th May, 2012. URL: www.euronews.com/2012/05/09/herman-van-rompuy-the-eu-will-never-become-the-united-states-of-europe/

¹³ Giuliano Amato, *L’Europa federale conviene a tutti*, Il Sole 24 Ore, 20 gennaio 2013. Italics added.

URL: www.ilsole24ore.com/art/commenti-e-idee/2013-01-20/leuropa-federale-conviene-tutti-141450.shtml?uuid=Abp9DEMH

¹⁴ Marisa Cruz, *Rajoy pide más apoyo en la UE al sacrificio español e insta a repensar Europa*, El Mundo, 10 abril 2013. URL: www.elmundo.es/elmundo/2013/04/10/espana/1365580382.html

¹⁵ Samuel Laurent, *Sarkozy place sa campagne sous le signe de l’Europe*, Le Monde, 1^{er} Décembre 2011.

URL: www.lemonde.fr/election-presidentielle-2012/article/2011/12/01/pour-nicolas-sarkozy-l-europe-n-est-plus-un-choix_1612121_1471069.html

¹⁶ David Cameron, *EU speech at Bloomberg*, 23rd January 2013. URL: www.number10.gov.uk/news/eu-speech-at-bloomberg/

The political and social context

This new attitude of the European leaders towards the foundations and objectives of the EU, has been both the cause and the consequence of the spread of ‘euroscepticism’, which perhaps would be better titled as anti-EU populism. As written by someone who knows very well the Brussels’ media milieu, «eurosceptic attitudes can be found in some parts of the media in some other European Union countries. A decade ago such media hostility to the EU and to the very process of European integration was confined to the UK and to a lesser extent, Denmark.»¹⁷ In fact one of the major consequences of the current economic crisis has been the rise and spread of an anti-EU rhetoric and of populist parties hostile to the EU, or to the European integration, in many EU countries, to the extent that in some cases they have managed to become the first political party in their national Parliament, as happened in Italy with the ‘5 Stars’ Movement (M5S). The source of this anti-European rhetoric is to be found in the inadequacy of the decision-making process at the European level, which then falls short of outputs. This, in turn, raises the question of which kind of mechanisms are behind those inefficient decisions, so that the lack of democratic accountability of the intergovernmental procedures come to the surface and make people distrustful towards Europe. This concept is clearly explained by Antonio Missiroli:

«The growth of populist forces is variously linked to a number of distinct, and originally separate, phenomena. However when this is coupled with the rising use of populist language in the media and public discourse and with a lack of effective responses by mainstream parties and leaders, it can create a dangerous mix that could potentially undermine mutual solidarity and trust inside the European Union.»¹⁸

The process that has been presented here can be thoroughly explained from a constructivist perspective: in fact it is clear that the political and social context is shaped by the interaction between different actors – or *agents* – and *institutions* – and by institutions we mean the *rules* and *practices* that regulate the social and political structure –, which in turn influence each other. Therefore, we come to a situation where the national context changes in consequence of the national leaders’ actions at the European level, but at the same time, the approach that national leaders adopt when dealing with European issues tries to respond to the requests of their national constituencies.

This is the reason why we can probably maintain that the reframing of the European discourse, in a way which reduces the European ideal to a low-profile and reductionist project, is both the consequence and the cause of the European leaders’ lack of determination while acting to solve the crisis.

¹⁷ John Palmer, *The British press and euroscepticism: mirror or magnifying glass?*, ECFR, 11th April 2013.
URL: www.ecfr.eu/blog/the_british_press_and_europe_mirror_or_magnifying_glass303

¹⁸ Antonio Missiroli, *The rise of anti-EU populism: why, and what to do about it*, Policy brief, European Policy Centre, Brussels, 12th September 2011.

Conclusions

With this presentation of the different positions of the European Heads of state and government, and of the European political and social context, we tried to validate our theory according to which the current developments in the EU – and more specifically the outcome of the MFF negotiations – are not determined by the position of only one member state, rather they are a consequence of the constant interaction between different *agents*, situated in a particular context. The negotiations for the European multiannual budget showed a shared will to downplay the role of the European Union as a supranational actor. «There are 53 exceptions in the framework, versus 42 in the previous one. What has happened to European interests? They have taken a backseat to national interests.»¹⁹

After the difficulties that the EU member states encountered at the beginning of the crisis, these developments could forecast a new *ideational consensus* at the EU level on how to lead the EU in the years to come and with what objective. Nevertheless, we should not underestimate the steady changes in the external context – outside the EU – both from an economic and from a political point of view. They could influence the ongoing process for the definition of the EU identity – i.e. what it is and what it should be – and, possibly, undermine what we here identified as a new consensus or *shared knowledge*. The internal social context could lead to the rise of new ideas, too, as in many EU countries a new generation seems to be ready to impose itself.

To conclude, here we tried to identify a trend and to show that nothing is given *a priori*, because the interactions among agents and the context can create a new shared understanding of reality, and therefore new ideas. Ideas and will are the roots of every political and social construct.

¹⁹ Nadège Chambon, Marie Billotte, *European budget 2014-2020: seven years of bad luck ?*, Synthesis of Verhofstadt's intervention in Paris on 9th March 2013, Notre Europe, 19th March 2013.

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