The Energy Problem and Economic Nationalism

For some time now, it has been possible to note the emergence of a worrying return to protectionism in relations between the European states (but also between Europe and the rest of the world). This trend has been rather over-emphatically dubbed economic patriotism, and while this term is clearly intended to create a semblance of respectability, it fails to conceal the reality it belies: an insidious spewing forth of nationalism. A rapid succession of events in recent months confirms the truth of this. The Bolkestein Directive, which was meant to grant the countries of eastern Europe access to the European labour market and to liberalise services across the EU, has been watered right down. More recently, French prime minister Dominique de Villepin burst with unseemly haste into the energy arena to announce the merger between Gas de France and the French utility company Suez, thereby blocking the bid for the latter by Italian energy group, Enel. This came just weeks after the Spanish government acted in much the same way to obstruct the bid of German energy giant E.ON for Endesa, Spain’s biggest producer of electrical energy. Even before this, Germany had introduced legislation making it particularly difficult for foreign companies to acquire stakes in its strategic industries. Meanwhile the EU, with the national governments breathing down its neck, has decided to impose duties on imports of shoes from China and Vietnam in a futile attempt to restrict the flow of these products onto our markets.

This defence of the “national champions” as they are rather extravagantly called, is just the tip of the iceberg of a much more complicated state of affairs that is repeatedly placing obstacles in the way of the birth of the single market — the same single market that was meant to guarantee the growth of the European economy and to allow its companies to achieve the necessary critical mass to compete with the global giants. Today, Europe’s big players can be counted on the fingers of one hand, and even the biggest of these are only 60 per cent the size of their
American counterparts.

This national fragmentation of the European economy is costly both for consumers, the designated victims of monopolies, and for companies. But cost considerations aside, economic nationalism has far graver consequences when the sectors involved are the ones, like the energy sector, on which the wellbeing and security of future generations depend.

It is indeed no coincidence that at the root of the European Economic Community there lay not only the idea of a progressive integration of the national economies, but also that of the objective, embodied by Euratom, of launching a common energy programme in order to reduce Europe’s dependence on oil. In making this proposal, Jean Monnet had put his finger on one of the issues crucial to Europe’s economic growth, a problem subsequently ignored by the governments, which, lulled into a false sense of security by low oil prices and by the repeated discoveries of new oil fields, were unable to foresee the energy crisis that, fifteen years later, would strike the European economies.

When the Arab oil embargo and spiralling oil prices hit the industrialised countries, leading to severe imbalances of payments among countries, rocketing inflation, and devaluation of the weaker currencies, and creating the conditions for deep recession, the European governments did not close ranks as many expected them to do. Instead they acted disjointedly, seeking, as far as possible, to shield their own citizens from the worst effects. Observing the sorry spectacle of the European Community immediately crumbling in the face of adversity, *Le Monde* published a bitter comment by André Fontaine, entitled “It’s everyone for himself and God for everyone.”

What we have seen in recent months has been a repetition of this scenario, except that this time it has different and far more worrying implications. For around a decade, experts warned the oil importing nations that Hubbert’s peak was rapidly approaching and that the increase in supply could no longer keep up with the increase in demand; that the thirst of the developing economies for crude oil would inevitably lead to increasingly fierce competition for oil (in shorter and shorter supply) and to a new upsurge in prices.

Although it has turned out to be exactly as they predicted, the Europeans have still been taken by surprise, and have been acting in a disjointed manner, just as they did thirty years ago. However, the current situation is rendered all the more serious by the fact that, this time, Europe does not have to reckon with the United States alone, but also with India and China, countries whose demand for energy is increasing exponentially.
But whereas the two Asian powers are busy building solid political and economic relations with oil producing nations the world over, and putting the energy question at the centre of their negotiations, the European Union is merely looking on. This is demonstrated by the paltry outcome of the extraordinary European Council summit of March 23rd and 24th, 2006, which had been meant to thrash out some answers to the problem of the EU energy situation, but in fact produced nothing more than empty chit chat.

And yet, faced with the harsh reality of the situation, there has been no shortage of reactions that show quite clearly the path that needs to be followed. Writing in the Corriere della Sera on March 26th, 2006, Tommaso Padoa-Schioppa denounced the flimsiness of any energy policy restricted to the purely national framework. “For all countries, the energy question is one that concerns security and international relations, not just industrial choices. It makes little difference whether oil, gas, electricity, and distribution networks are in public or in private hands. Energy policy and politics tout court are inseparable, even though it may not always be clear which of the two is leading the other … the European countries are too small to be able to mount an effective energy policy, and this is as true of Germany and France as it is of Estonia or Ireland. The United States, China and India are — like Europe — importers of energy and the security of their energy supplies is at the very heart of their international, political and military strategy. It is verging on the ridiculous to leave energy policy at the level of the Union’s individual member states.”

It is difficult to imagine a more eloquently argued accusation. Similar conclusions, albeit less forcefully put, were reached by German foreign minister Frank-Walter Steinmeier. “Peaceful economic development and energy security are inextricably linked” he wrote in the International Herald Tribune on March 16th. “Energy security involves the security of all stakeholders — producers, transit states and consumers. This global dimension also means that national efforts alone are inadequate and that we must find an alternative to confrontational approaches.” The European Union’s Trade Commissioner, Peter Mandelson has also acknowledged that “energy has become an important issue in our external policies. Europe needs a stronger common voice in negotiations on energy issues” (International Herald Tribune, March 21st, 2006).

These calls for a European energy policy are an implicit condemnation of the economic nationalism that is causing increasing friction between states, penalising consumers, favouring the establishment of
monopolies, and preventing companies from growing to the dimensions they must have in order to be competitive. But how can we fail to note that, despite this awareness of the problem, and of the obstacle to its overcoming (i.e., nationalism), no one, and in particular no politician, seems able to indicate the solution? They simply wonder at the fact that, in this highly advanced phase in the process of integration, Europe is still unable to “speak with a single voice,” before once again adopting their old opposing positions. The President of the European Commission himself has affirmed that “economic nationalism has never been a solution” and that it is “absurd for the European countries to be seeking to protect themselves against each other” (Le Monde, February 23rd, 2006).

In truth, these repeated backward steps, which have characterised other stages in the process of European unification, should not surprise us at all. As long as there exist as many national governments as there are EU member states, the priority task of these governments is always going to be that of tackling the problems that arise as they arise, of necessarily making choices; and even when they are incapable of solving the problems that they encounter, they are nevertheless obliged to give their citizens the impression that they are acting in the defence of their interests.

Whereas in the past this approach simply produced a fruitless inertness, in today’s interdependent world, in which political and economic balances are changing to an unprecedented degree and with unprecedented speed, it could lead to the end of the European project and the marginalisation of our whole continent. Hence the pointlessness of mutual accusations of nationalism and protectionism. The only way out is to overcome the nation-states model through the creation of a European federal state, whose government would be properly equipped to face the challenges of the new emerging world order.

If this is, indeed, the objective to be pursued, we need to look extremely realistically at what concrete possibilities are offered by the current stage in the process of European unification, in order to identify the obstacles and the openings. What is becoming increasingly apparent to all is that Europe’s latest enlargement has created a highly heterogeneous Union, the majority of whose members are opposed to the prospect of political unification. This is the biggest obstacle to overcome. But it is hardly a new development: in fact, this resistance emerged as early as the time of the first enlargement of the European Community, when it was promptly denounced by the federalists.

In 1966, on the subject of the United Kingdom’s entry into the
European Community, Albertini, in a letter to Spinelli, wrote: “The EEC, from a situation tending to push European unity in the direction of deeper integration, thanks to the six-member framework (the only one that has borne fruit), is now being transformed into a situation that is pushing European unity only towards enlargement, and thus towards its degeneration into a purely diplomatic entity.” And the UK did, indeed, do its utmost to bring the Community down to the level of a purely diplomatic alliance, placing endless obstacles in Europe’s path. Yet in spite of this, and of the subsequent enlargements, much progress has been made: the birth of the European monetary system, the election of the European Parliament by universal suffrage, the creation of the euro. But the important thing — and we must not forget this — is that all these achievements are fruits of the initiative of a vanguard led by France and Germany.

The need to create a vanguard that is not content to move at the speed of the slowest group has been imposed by the force of circumstance, and is today widely recognised by leading intellectuals like Jurgen Habermas, and by far-sighted individuals of the calibre of Carlo Azeglio Ciampi, who, on his latest visit to Berlin, had no hesitation in affirming “The objective is to move forward as a group of twenty-five, but it is unacceptable that, in the absence of unanimity, Europe’s political project should be distorted. Vanguards are thus to be welcomed: they are a symbol not of selfishness and of division, but rather of faith in the capacity to turn Europe’s potential into deeds. We already have outstanding examples of this: the Eurozone, the Schengen-Prüm system. Groups spearheading Europe’s advance — groups that will nevertheless remain open to all the other member-states — can promote the achievement of other concrete objectives, crucial to Europe’s success.”

The idea of the vanguard is now widely hijacked by Europe’s enemies who frequently hide behind the false argument that any initiative not shared by all the member states would provoke acute divisions within the Union. However, for the overwhelming majority of those who recognise the need for a vanguard, the decisive issue has become that of the project around which this vanguard should evolve. Many think that it should be the European “constitution,” once this has been reviewed and rendered acceptable to the French and the Dutch following their rejection of the original draft treaty. A European referendum on a new text would serve to separate the “good” from the “bad” Europeans and to legitimise its adoption in the countries voting in favour of it. In this way the vanguard would come into being spontaneously (from the bottom up, so to speak).

In truth, however, this is an illusion that would only delay further the
solving of the real problem, which is not the drafting of a constitution, good or bad, but rather the creating of a federal state. To put to the European citizens a question that avoids this problem would be to be guilty of wasting precious time, especially now that Europe finds itself pushed increasingly close to the edge of history.

The order of priorities thus needs to be reversed completely, putting the objective of the European federation at the top of the list and identifying the core group of countries that, in view of their particular responsibilities and their history, are better placed than others to forge ahead with the endeavour that would truly separate the “good” Europeans from the “bad”. This endeavour must take the concrete form of a federal pact in which the constitutional principles that will guide the European federation are clearly stated. In this case, it would certainly make sense to hold a referendum to ask the European citizens whether they are for or against the creation of a United States of Europe founded on the constitution outlined in this federal pact. This, and this only, was the meaning of the question put to the inhabitants of the thirteen states after the Philadelphia Convention. And this is the example we must follow as we strive to restart the battle for European unity.

*The Federalist*
The Europe of Melancholy

TOMMASO PADOA-SCHIOPPA

When I began to think about what I wanted to say to you here today,¹ my thoughts went back forty years to the time when I was at the Bocconi University in Milan. To tell the truth, it is hard to believe that it is so long since I was a student. Today, my thoughts are with the young people currently attending university, and above all with those, perhaps a considerable number, who are still unsure as to what to do after university, as to how they might combine necessity with freedom, the need to earn a living with their desire to serve a cause they believe in, and to be public-spirited in both the private and public spheres of their working lives.

I was drawn to the Bocconi as a result of my decision — influenced in part by my reading of Luigi Einaudi’s Il buongoverno² — to study economics, a discipline that could accommodate my disparate and vague interests and motivations: a scientific but at the same time a humanistic field, knowledge and action, polis and home.

I subsequently chose public service, and not research, business or politics. I say “chose” because my generation, as it entered the working world in the 1970s, really did have the possibility to choose; in this, we were exceptionally fortunate, perhaps the most fortunate generation of the past century. Italy, in its transition from a poor country of peasants and subsistence farmers, consumers of their own products, into a modern transformation economy, highly competitive in the nascent European market, created a wealth of jobs and opportunities for graduates and non graduates alike. The fears and resistance, strong in the industrial and academic worlds, of those who had warned that we were not strong enough to rise to the European challenge were belied. The politicians were more farsighted than the ruling class which often regarded them with arrogance, as it also does today.

I would like to talk to students about today’s and tomorrow’s Europe and suggest that they take Europe as a point of reference both in their working lives, whatever profession or line of work they may enter, and
in their lives as Italian citizens, irrespective of their political leanings: in short, as a professional, cultural, political and civil point of reference. This is the subject of my discourse.

I am well aware that proposing Europe, to say nothing of European political union, as a point of reference in the current historical phase amounts to swimming against the tide: Europe is not a fashionable idea, and it is indeed perceived by many as a hopeless one. However, I am also aware that the very prospect of swimming against the tide can appeal to, or at least intrigue, some young people. Yet, I am not seeking to appeal to a vein of dissension here, but rather to the critical spirit, to the desire to view the world with passion while also, dispassionately, looking at it with far-sighted judiciousness.

The Black Bile.

Spheres such as politics, economics, the institutions, and associationism are the ones in which Europe seems to live and grow. Europe talks about trade, competition, technical regulations, subsidies, currency, and unemployment; on a more specifically political and institutional level, it talks about Parliament, the Commission, voting procedures, enlargement and majorities. So why am I proposing, as the central thread of my reflections here, the idea of melancholy, which seems to belong not to these areas, but rather to the life of the individual? A malaise so private that the melancholy themselves strive to hide it from the world?

I have chosen it because this state of mind, ancient, mysterious and ambivalent, perhaps characterises better than any other the phase that Europe, in all its greatness and all its dejection, is currently living through. In short, I do not believe that Europe is melancholy because it is in a state of crisis; on the contrary, I believe that Europe is in a state of crisis because our society is melancholic. This is true of economics, and also of politics.

In fact, for over twenty-five centuries, the black bile has preoccupied Europe’s physicians, philosophers, artists, theologians and psychologists, and they have probed the question with a depth and constancy not matched in other cultures. Perhaps melancholy is a peculiarly European trait: if we can manage to understand it, perhaps this understanding might help us to find a way out of the present difficulties.

Society, like the individual, can be affected by diseases that weaken the body and the spirit; it, too, is overcome by states of mind that influence its course and its choices. By probing the gloomy depths where these
states of mind live and identifying the nature of the current disease we are better able to understand the phenomena that manifest themselves on the surface, in the political and economic spheres, too. We can talk of the mood of society and of the mood of an individual. We talk of euphoria on the markets, and we can talk of Europe’s melancholy. “Depression” is a technical term used both in economics and in psychology, two disciplines whose relationship has been recognised by the Nobel Prize.

What is more, the earliest reflections on melancholy and on the influence of Saturn sought a common basis for the microcosm and the macrocosm. And in Robert Burton’s famous treatise on melancholy (The Anatomy of Melancholy), we read that kingdoms, provinces, political bodies are equally sensitive and subject to this disease, as widely demonstrated by Botero in his politics. He says: “as in the human body, there are various alterations determined by different humours, thus there are many diseases in the community” as is easily intuited from the specific symptoms.3

So, Europe today seems sick above all with melancholy. I cite, first of all, its main symptoms: loss of faith, inaction, loss of interest in the outside world, a withdrawing into itself, and low self-esteem. There is also the introverted nature of the condition: Freud, distinguishing between mourning and melancholy, remarked that in mourning, the world is impoverished and void, in melancholy it is the Ego itself that is impoverished and void.4 Finally, I think of melancholy as a characteristic trait of extraordinary natures, those drawn to the absolute, the disease of heroes (Gellio), of spiritual exaltation (Plato), and of excellence (Aristotle). Certainly, it is a loss of faith, but of a faith that has solid foundations. As Kierkegaard writes “Never, ever has the thought occurred to me that, among all my contemporaries, there was one more alone than me […..] and deep down inside, I was, in my eyes, the most miserable of all.”5

Interestingly, the unique and ambivalent nature of melancholy is confirmed by the fact that, in the section on synonyms and opposites, the Devoto-Oli (dictionary of the Italian language) contains no entry for “melancholy.”

The Chronicles of Crisis.

If, conducting a search of the daily Italian and international press for the past six months, we were to combine the words “Europe” and “crisis”, Google would come up with an almost endless list of references. Perhaps
“Europe” would show the highest correlation with the word “crisis”, ahead of words such as “oil”, “Iraq” “employment”, “soccer” and “Alitalia.”

We hear the sound of funeral bells ringing for Europe on a daily basis, every time we open a newspaper or turn on the television. On the rare occasions that the bells instead ring joyfully, the celebratory tone that accompanies them is so irritating as to leave one almost favourably disposed towards the anti-European rhetoric of those commentators who, in their editorials, delight in the devaluation or revaluation of the euro, the disharmony over Iraq, the violation of the stability pact, the low turnout at the European polling stations, France’s rejection of the Constitutional Treaty, and the endless squabbles between the governments.

In recent years I have made a mental note of a great many instances in which illustrious papers like The Financial Times, after devoting four front-page columns to announcements of imminent European disasters, have, a few days later, devoted just a few sober lines, tucked away at the bottom of page 4, to the averting of that same disaster: I refer to issues such as the switch to the euro, the European Convention, and the enlargement of the European Union. Similarly, I recall the insistent way in which — a few days after the entry into circulation of the first euro banknotes — TV journalists, interviewing people in the streets, encouraged them to complain about the difficulties they were encountering, yet the people questioned, whether in Paris, Dublin, Milan or Hamburg, responded with smiles and expressed enthusiasm over the historic event that was the arrival of the single currency.

Bad news makes us depressed. Yet, in its turn, bad news — indeed, the fact that bad news makes a good news story — is the fruit of the black bile that is currently pervading European society, making it, as it were, lacking in appetite, bored with consuming, with investing, with generating offspring, with conceiving ambitious plans, and with seeking to look far ahead. When I use the expression “European society” I am clearly referring to a geographical and social space, but today it is easy to confuse this space with the fragile political construction that we call the “European Union”, and to direct all our bile at it, and at the promise of “ever closer union” that it contains.

Thus we enter the spiral of melancholy. Employment levels fail to increase and it is all the fault of the rules decided in Brussels (the same rules that, for over thirty years, have favoured growth levels far superior to those recorded in the United States). We face the threat of terrorism, and pin the blame on the Schengen Agreement (the same agreement that
Globalisation is transforming the world and getting rid of barriers; yet we say that it is Europe that is eliminating barriers and suppressing languages, traditions and local production. Bureaucracy gets on the nerves of citizens and businesses and we complain about “Brussels red tape,” forgetting that the Italian region of Lombardy, or the city of Munich for example, each have more employees than the European Commission in Brussels does. Perhaps because it is a rainy city, even the rain is blamed on Brussels, not only by the political class, which has the excuse of wanting to avoid courting unpopularity, but also by the intelligentsia, from which we might legitimately expect a more dispassionate analysis.

The Literature of Success.

This, however, is only part of the picture. Because while, on the one hand, the daily news relentlessly rehashes the sad story of the European crisis, on the other there is emerging a growing body of political writings — in the form of essays and books rather than newspaper articles and TV reports — that tells an entirely different tale, and that we might call the literature of success. It analyses all that Europe has done in the fields of economics, the institutions, international relations, state and market building, peacekeeping, development aid, and relations with neighbouring countries and territories, and it judges the European Union a resounding success, a new political model that should inspire international relations in the future: the blueprint for the world order in the age of global economic integration and the most important development of the past half century.6

A common feature of this recent literature is the fact that it does not examine European integration through the prism of an existing model, be it the nation-state, the confederation, or the federation. It seems to leave out of consideration twentieth-century Europeanism’s two main historical references and sources of inspiration: the birth of the United States of America at the end of the eighteenth century and the nation-states in the course of the nineteenth. In addition, it does not seem to be pervaded by the ideological, enterprising, and sometimes even prophetic spirit that runs through many writings in support of or against European unity. The literature of success considers not so much ideas as facts; it observes Europe as it really is, with a pragmatic eye, without asking itself whether, and into what new form, it should evolve further. It is no coincidence that its authors are British and American; they practise the method of British
empiricism suggested by Hume: never confusing is with ought to be.

Robert Cooper, a Brussels-based British diplomat close to Prime Minister Blair, maintains that 1989 marked a far more profound change in the course of European (and possibly world) history than other key years, such as 1789, 1815 or 1919. This is because 1989 brought to an end not only the Cold War, but also the system instituted by the Peace of Westphalia in 1648.

In that system, peace — illusory in that it was merely a state of non-war — rested on the equilibrium between the forces and on the non-interference among states. In the twentieth century, the conditions for this kind of peace, already precarious, were totally lost as a result of the rise of a Continental power of exorbitant strength (united Germany), and of the advent of technology that disproportionately increased the costs of war, and of a mass society that turned war into a clash not of armies but of peoples. Now, the world, and not only Europe, is looking for a new formula for peace, just as it did after the devastation of the Thirty Years War, when it found it, or rather believed it had found it, in the treaty of 1648.

According to Cooper, the new formula — the generator of a new order of peace that he terms postmodern — is the one that Europe worked out after the end of the Second World War, and is successfully applying in vital areas such as economic relations and security.

“The postmodern system — Cooper writes — does not rely on balance, nor does it emphasize sovereignty or the separation of domestic and foreign affairs.” The rules, he says, are self-imposed. In the European Union, everyone is concerned to keep European law alive. “The European Union is a highly developed system for mutual interference in each other’s domestic affairs.”

According to Cooper, the Treaty of Rome, which established the European Economic Community (EEC, 1957), constitutes the first example of a postmodern community; but there are others, such as the Treaty on Conventional Armed Forces in Europe (CFE, 1990), under whose terms participating countries undertake to keep each other informed of the location of their heavy armaments and agree to be inspected. Cooper maintains that it is important to realise that this is a genuine revolution. The normal, logical behaviour of an army is to conceal its strengths and its military capacity from its potential enemies. In the logic of war, treaties that regulate these areas are absurd: first of all, one should never enter into agreements with the enemy given that, if it really is an enemy, it is not to be trusted; second, one should never allow the enemy to come
and peruse one’s military bases or count the arms in one’s possession. And yet the CFE Treaty makes provision for just this. “Security, which once depended on walls, is today based on openness, transparency and mutual vulnerability.”

Certainly, the European application of the postmodern formula is restricted to internal relations and to relations with the surrounding geographical area, with Russia for example. But the formula can, and in Cooper’s view should, govern all international relations in the postmodern, or we might say, post-Westphalian world.

I will shortly take a look at what is, in my opinion, the flaw in Cooper’s thesis. The thing I am seeking to underline here, however, is the vision of European construction as a new, original and successful endeavour — the true, and positive, new development that has emerged in international relations since the Second World War.

Comparing the American dream with the European dream, Jeremy Rifkin examines these two protagonists of globalisation and international politics. As he analyses their economic systems and social models, he argues that it is the United States that is in fact the Old World, and Europe the New World. According to Rifkin, the American dream embodies the thought of a particular historical moment, which history made concrete and transported by sheer force to American shores in the XVIII century, where it has since determined the American experience right through to present day. He goes on to say that successive generations of Americans chose to live out the Protestant Reformation and the Enlightenment “in their purest forms, making us the most devoutly Protestant people on Earth and the most committed to scientific pursuits, private property, capitalism, and the nation-state.”

But this model, he observes, is reaching the end of its historical cycle. It is ill suited to a world in which not only the economy, but also the function of government, is structured as a network and not bound to a defined territory; in which the quality of life and of social relations is seen to be more important than the individual accumulation of material goods, where the natural world is more threatened than threatening. The reality suited to this new world is not the heavy and monolithic America, but rather, Europe, which is, to use some of Rifkin’s adjectives, discursive, networked, transnational and orchestral: this Europe that is not a state, that does not have a territory, because its territory continues to belong to its member states, that is neither centralised nor hierarchical, and that has no clearly defined borders. “Europe is busy preparing for a new era, while America is desperately trying to hold on to the old one.”
Let us take the economy, today considered Europe’s weak point. As Rifkin reminds us, the European Union is the world’s largest integrated market; it is the leading exporter of goods and services in the world economy; it is creating integrated networks in the fields of transport, energy, telecommunications and finance; and it is running important educational programmes (such as Socrates, Leonardo, and Erasmus). Unlike America, Europe does not rely on credit in order to maintain its high standard of living. Its total product is almost the equivalent of America’s, but of superior quality, given that a smaller share of it goes on military expenditure and crime fighting, and is wasted on energy. Fourteen of the world’s leading banks are European, as are eight of the ten leading insurance companies, the top five life insurance companies, six of the top eleven telecommunications companies, and six of the top twelve car manufacturers. In the line-up of the world’s best fifty companies, compiled by Global Finance, forty-nine are European.

But it does not end with the economy. In Europe, there is a better quality of life, greater protection of privacy, more stringent environmental protection, a keener sense of social solidarity, and a more cautious attitude to scientific experimentation and technological innovation, and Europe also has a greater capacity to propose and to transmit to other countries and world regions its own model of social, political and international relations. The book contains analyses, facts and references relating to each of these fields.

Rifkin writes in support of a thesis, and his work might almost be described as a pamphlet; he is addressing, above all, the American reader, seeking to put him on his guard against the illusion of omnipotence that currently seems to be influencing a section of America’s politicians and intellectuals. But his “pamphlet” is, in reality, a hefty, 400-page work, full of facts and figures, which here, for simplicity’s sake, I do not cite. His analysis is detailed, and his arguments strong, numerous and convergent.

Similar considerations can be found in Mark Leonard’s brief and highly effective book. Europe, he observes, has founded a new system of government and a new way of operating in the field of international relations. Both are based not on secrecy but on transparency, not on exclusion but on inclusion, and not on threat but on persuasion. Europe’s method is law, and European law is also the instrument of its foreign policy. Leonard talks of “passive aggression”: “rather than relying on the threat of intervention to secure its interests, Europe relies on the threat of not intervening – of withdrawing the hand of friendship, and the prospect of membership.”13
Through this method, the European Community (subsequently Union) has transformed not only the economy, but also the rule of law, institutions and politics of countries aspiring to join it, including the ten countries that joined the European Union in 2004; today “for countries such as Turkey, Serbia, or Bosnia, the only thing worse than having the bureaucracy of Brussels descend on your political system, insisting on changes, implementing regulations, instigating state privatisations and generally seeping into every crack of everyday political life, is to have its doors closed to you.”

America and Europe face similar threats on their doorsteps, “drug trafficking, large flows of migrants across leaky borders, networks of international crime,” but their responses could not be more different. “The US has sent troops into neighbouring countries more than 15 times over the last 50 years but many of the countries around it have barely changed […] The European response, on the other hand, has been to hold out the possibility of integration to neighbouring countries.”

Europe Is Not a Finished Thing

Thus, what we can say is that while the newspapers paint a picture of a Europe in crisis, books present Europe as a triumphant success story. Certainly, it is difficult to find even one detailed and intellectually rigorous analysis of the crisis that has the breadth and depth of a book or an essay, rather than the superficiality of the umpteenth account of breakdowns in negotiations, or of the latest tirade against bureaucracy, politics, and modernity generally.

All this is true; and yet I do not feel that the question ends here. Yes, the anti-European rhetoric is short on arguments and, as a result of the literature of success, the onus is now firmly on it to produce some proof. And yet at the same time, no one who sees the profound reasons for European unification can simply dismiss as false the depiction of a weary Europe, lacking the capacity to influence world history that, for centuries, it possessed.

The signs that prove the truth of this depiction are right under our noses: the inability to find a common stance on the major questions of foreign and security policy and on agricultural policy reform, the huge wastage of resources due to the refusal to join forces in pursuit of common objectives, the ridiculous show of meanness over the reduction of the Community budget, the undignified quarrels over how to spend the meagre funds that are available and the diatribes on the stability pact, the
Lisbon promises and the blocking of the Bolkestein directive, the revolt of the French electorate and the desertion of Europe’s polling stations.

These disparate and contradictory signs need to be understood singly before we can consider them as a whole. In them, we find, in fact, the contradictions and hypocrisies typical of any normal political process, but we can also see the arduousness and tortuousness of the path to what Machiavelli called “gli ordini nuovi” (the new orders); we find the miserable failings of Europe’s ruling classes and a discontent among Europe’s citizens and voters, which can largely be attributed to these very failings.

Whereas for the press these signs all seem to shout out only one word, “crisis,” for the books they amount to little more than distant background noise, hardly worthy of note.

The coryphaei of success seem to say: “it is fine as it is, you have finished Europe and it is perfect. Stop here, there’s no need to take things any further.” Indeed, Robert Cooper, in an illuminating passage in his book, points out that although some still dream of a European state, they are a minority, a very small minority. He calls it a dream left over from a previous age and says that if the nation-state is a problem then the super-state is certainly not a solution.14

And it is here that we find the hidden flaw, the ambiguous element that prevents the literature of success from being able to reassure us. The flaw is the fact that Europe is regarded as a finished thing, whereas, in fact, it is not finished at all. Of course, if we consider the centuries of history in which it is rooted, then we can say that Europe, in the space of just fifty years, has made enormous progress. But if we consider the speed at which the world is changing and its desperate and urgent need for what Europe has conceived of, but what, gripped by sloth, it is still hesitant to realise, then we can see that it still has not come nearly far enough. To use Michael Howard’s wonderful expression, Europe has “invented peace” but has failed to turn its invention into reality.

_The Method Is New, Not the Formula._

Let us ask ourselves a question: does all that Europe has progressively achieved since 1950 constitute a new and now perfect formula for political aggregation, or is it an unfinished work that seems new precisely because it is unfinished? In my view there can be no doubt: the second answer is the correct one, the first is just a misleading illusion.

In politics (which is about power) there is no such thing as a new
formula for union, just as in mechanics (which is about motion) there are no formulas that can free us from the force of gravity or give us perpetual motion. The basic rules of politics, just like the foundations of peace and of law, cannot be separated from the availability of means of coercion. The history of relations among states amounts to a succession of truces and fiercely fought battles: the peace described by Dante in *Monarchia* and by Kant in *Perpetual Peace* is possible only if it is built on a superior power. Certainly, truces can be enduring and wonderful, particularly if they come in the wake of terrible wars that have imparted harsh lessons in wisdom and moderation. But they are still truces.

Thus, the European Union, the EU, is not yet a union; it is a truce, not peace. The entity that, in Maastricht, was given this name lacks the essential requisite of a political union: a founding pact on the strength of which staying together, deciding together, and acting together are guaranteed *not only in moments of accord, but also in moments of discord*. If, and only if, this solid pact exists can a union truly be said to have been created, because it is only at this point that its members recognise that being together is a higher and stronger motivation than all the differences in outlook and preferences that will always emerge (within ourselves first, and only subsequently in our dealings with others) over the concrete questions that reality forces us to confront. In this essential sense, the European Union is still *not* complete. And the results achieved so far, remarkable as they are, are thus fragile, partial, reversible or, to use an economic term, unsustainable.

Seduced by this young Europe, rather in the way one might be by the charm of an adolescent, many forget that this same person, in order to become an adult, will have to lose much of his or her appeal. The charm will be lost, but strength and maturity will take its place.

Cooper and Leonard thus give us the truth, but not the *whole* truth, nor, in my opinion, its crux. They fail to acknowledge that the Europe that has been created so far is *not* ready for today’s or for tomorrow’s world, that it does *not* possess the means to prevent its civilisation from coming to an end or its economy from declining, that it is *not* strong enough to stop — and perhaps only Europe could do this — the world from plunging into self-destruction, as it did in the last century. Europe has not completed the transition from truce to peace and therefore is not properly equipped to help the world itself build peace.

The formula for union, as I said earlier, is not new, even though the variation on it that Europe is working out can probably be said to be original. It makes provision for the distribution of the power of govern-
ment on a number of levels, according to the dimensions and the nature of the questions of common interest, of the res publicae (plural, note, not singular). Applying the formula means overcoming the idea that a state can be called a state only if it recognises no power over itself; it means recognising that a supranational power restores rather than suppresses sovereignty. In the technical language of political science, this formula is termed the federal model, even though nowadays simply to utter this term is to expose oneself to outbursts of irritation of the kind once (but no longer) prompted by crude and vulgar language.

As for the method, this is certainly new. Europe is trying to build a union of states not, as it did for centuries, through recourse to arms or marriages of convenience between reigning dynasties, but through democracy and law, through the gentle force of persuasion and consensus: it is an amazing feat, especially if one considers that the states that are part of it are among the world’s oldest and proudest, the very ones that, for so long, proclaimed and applied the doctrine of their own unlimited sovereignty. Even though it has not been finished, it is nevertheless a new and a majestic endeavour.

But let us not foolishly confuse very two different ideas of unfinished here. We all know very well that history is never finished, or complete. But Europe is not only unfinished in this general sense: it is also unfinished in the more specific and worrying sense that it has not yet realised its own design for union. Europe today is already enjoying more benefits from having set about this project and from having realised a part of it than rightly it should be doing: it is already reaping the rewards of a future that can by no means be taken for granted. Even before it has been completed, Europe is already cashing in on its reputation.

And it is precisely from this, in my view, that Europe’s spiral of melancholy derives. “The only thing we have to fear is fear itself” said Roosevelt, in an attempt to shake up the America of the Great Depression. The depression, the black bile, of Europeans is at once the cause and the effect of the failure to do enough, of the failure to seize opportunities, of the time that has been wasted, of the fear to carry the task though to completion. It is the guilty conscience that results from our saturnine procrastination, from the undeserved advantages we enjoy, from the task we have left undone and from which we avert our gaze. This guilty conscience is feeding our gloom and paralysing Europe.

It is not that the meagreness of what we have accomplished explains this depression, since the work done is anything but meagre, and the fact that it is unfinished should spur us into action rather than deter us from
it. Instead, it is that our own melancholy prevents us from carrying it through; it is fear, our own oppressive heaviness that stops us from forging ahead. And we feel responsible for this heaviness, guilty in some cases, and we respond to this not by rolling up our sleeves and, with humility, setting to work, but by indulging in the displays of melancholy that have been known for over twenty-five centuries: we procrastinate, we decry ourselves, we pour scorn on what has been done, we are sluggish.

Can We Hope for an External Power?

“Noi ci allegrammo, e tosto tornò in pianto”: I have lost count of the number of times that, when thinking of today’s unfinished Europe, these words of Dante have sprung to mind.

After the end of the Cold War, and with the failure of the experiment in real socialism, huge spaces for democracy and for the market opened up the world over. And while Fukuyama, today a well-known follower of the old nationalist ideology that inspires the American government, was announcing the end of history, a pattern all too familiar to Europe (characterised by successions of equilibrium, hegemony, opposing alliances, threats, wars and truces) was preparing its return.

There are almost two hundred countries that declare themselves sovereign in the Westphalian sense of the word, replicas or would-be replicas of the nation-state that is resistant to the placement of any restriction on its power. The United States, despite supporting — in the last century — efforts to give the world a post-Westphalian order (first through the League of Nations, and subsequently through the UN), heads this list. But the aspirations and the influence of other giant nation-states, such as China, Russia, India, Brazil, Mexico, Iran and Nigeria, are growing rapidly. No European state will ever be able, by itself, to enter this select circle. And in the meantime, there abound challenges that are beyond the capacity for government even of the largest of these countries: guaranteeing security against terrorism, the rise of the Asian continent, the lack of renewable sources of energy, the instability of the international market, and the problems related to climate change.

History seems to be moving rapidly towards application of the logic of Westphalia on a global scale. When it was only Europe that was governed by this logic, tensions and ultimately wars, resulted from the upsetting of a regional equilibrium. They were resolved, in the end, through the intervention of an external power. This external power was
the United States, Europe’s own offspring. Reproduced on a global scale, the logic of Westphalia is far, far more destructive than it was during the century and a half of European domination, because the world does not have an external power to look to, to say nothing of a benevolent, democratic and enlightened external power, which is what America was for us Europeans.

But doesn’t it? Could it not be that Europe itself might be that “external power” that the world needs; external not in a spatial sense, of course, but in the sense that, because it heralds an order other than the Westphalian, postmodern order, it is already projected forwards in time? There are many factors that combine to put us, in Europe, in a unique position. We are equipped with knowledge — we have experienced the system of unlimited sovereignties right through to its catastrophic conclusion, and we thus know that it is precarious and unsustainable. We have a responsibility, a moral and political debt to honour, for having made the world pay for our internal struggles and our colonial domination and for having generated the evil model that harbours the seeds of destructive conflict. We have resources, the means to play an influential role in world affairs; we are already the leading providers of development aid and we do not live on credit. We have principles, because we accept solidarity and multilateralism as constituent parts of the world order. We have credibility because we have already planted in our territory and begun to tend, with promising results, the seeds of a different pattern of inter-state relations.

The literature that I have called the literature of success describes very effectively this privileged position and special role enjoyed by Europe, and it is truly remarkable just how many results Europe, despite being almost defenceless and politically unfinished, has already recorded in the sphere of world politics.

Today, the threat to security is global, because the framework of the states is global, as is the non-territorial violence of terrorism, the hatred of the poor for the rich, the loss of control of the relationship between man and nature, and the fanaticism and hatred practised in the name of religion. The fact that Europe is unfinished now constitutes a grave danger not only to Europe, but to the world, because only Europe holds the key to solve these global threats. The two conflicts that we call the World Wars were, in truth, European Wars. In the same way, the only possible world peace, by which I mean true peace and not an illusory truce, is perhaps a pax europea.
It is now almost sixty years since Churchill delivered, in Zurich, one of the most memorable speeches of the last century. In September 1946, much of Europe was in ruins, hungry, and weighed down by resentment, shame and desperation. It was destroyed, but it had saved its civilisation.

Six years earlier, having been called upon by his party to lead the government (more as a way of getting rid of him than really to put him at the helm), Churchill had, in the space of just five days (his first five days at number 10 Downing Street) completely altered the course of the war. How he managed to do this, almost single-handedly, is recorded in John Lukacs’ masterly reconstruction of the events of that time.15 Lukacs recounts, almost by the hour, how from May 24th to May 28th, 1940 — as his foreign secretary schemed with Germany, the generals declared military resistance impossible, France capitulated, the Soviet Union was with Hitler, practically all of Europe was occupied by the Nazis or governed by their dummies, and America watched but did not intervene — Churchill managed to transmit to his countrymen his own furious determination that Britain would fight, and would continue to fight whatever the cost. These were not the days in which Hitler lost the war, but they were certainly the ones in which he lost the possibility of winning it.

How can one fail to spot, here, those signs of passion, of folly, of heroism and of spiritual exaltation that, according to Plato, are typical of the humor melancholicus? How can one fail to see, also, embodied in Churchill, a heavy drinker, the analogy between the range of manifestations associated with the black bile and the range of effects associated with alcohol, an analogy that Aristotle broadly developed precisely in order to explain “why it is that all those who have achieved eminence in philosophy or politics, or poetry or the arts are clearly melancholic?”

Of melancholy, Churchill was well acquainted not only with the passion, the exaltation and the heroism, but also with the dark desperation, the sense of void, and the desolate loneliness that he, employing and making famous an image already used by James Boswell, Walter Scott, and R.L. Stevenson, called “the black dog” on his back. Reflecting from an ethical and religious perspective, Romano Guardini remarks that melancholy is “nostalgia for that which is simply perfect […] the price to be paid for the birth of eternity in man […] the unease of the man who perceives the closeness of infinity.”16

There is a remedy for the “tragedy of Europe,” Churchill declared in
Zurich, and “it is to re-create the European Family […] We must build a sort of United States of Europe […], a sense of enlarged patriotism and common citizenship […]. The first step in the re-creation of the European Family must be a partnership between France and Germany. In this way only can France recover the moral and cultural leadership of Europe.” He went on to say “But I must give you a warning. Time may be short. At present there is a breathing-space.”

Guardini considers the remedy to melancholic tension to lie in ethics and in faith. Even the secular Churchill, in Zurich, repeated the expression “act of faith” :“If Europe is to be saved from infinite misery, and indeed from final doom, there must be this act of faith in the European Family and this act of oblivion against all the crimes and follies of the past.”

Today we can say that this task is still unfinished, but that the “breathing-space” remains.

At the start of this piece, I mentioned my wish to urge students today to take united Europe as a professional, civil and political point of reference. I will now explain the connection between this wish and the considerations that I have set forth here.

During my years in Frankfurt, I held regular monthly meetings, each lasting an hour, exclusively for the European Central Bank’s youngest functionaries — young people who rarely entered my office and, when they did so, rarely ventured to speak up — for an absolutely free discussion on any topic of their choice.

These extremely well-read thirty-year-olds, graduates of leading universities, had been adolescents when the Maastricht Treaty was signed, just as I had been when a history and philosophy teacher at my high school in Trieste spoke to us over the school’s internal radio of the newly-signed Treaty of Rome. But that teacher’s speech helped to direct my life, providing it with a political point of reference long before I had decided the course my studies would take, or indeed chosen my profession. As an adolescent, my earliest recollections were of the bombing of Genoa and of the bridges along the Riviera, of the round-ups by the German troops and the passage of the American ones, of my reunion with my father, almost a stranger to me, on his return from the front and from imprisonment. War did not figure in the childhood recollections of those thirty-year-olds in Frankfurt, and their memories of their adolescence were full of inter-railing and Erasmus projects.

Those young people were crossing the boundary between university and the working world. They were fascinated by economics and proud to
be at the summit of Europe, and yet they viewed their daily work as a narrowing of their horizons, a descent into detail, a sort of shelving of and failure fully to exploit all the knowledge they had acquired, a sinking into repetitive routine. Exaltation and mortification, the full spectrum of melancholy.

The topics of our discussions rose above the routine of our daily work, but they were still connected with it: Where is the enlarged Europe heading? What will become of the Constitution? How can we boost growth? What can be done to turn the ECB into what we want it to be? I often noted an attitude in these young people that was more contemplative than active, a certain refusal to believe that they really could “make a difference.” It was not easy to convince them that the answers to their questions would come by themselves, that the future of the euro, the future of the ECB, the future of Europe itself, and of the project for union designed by their grandfathers or great-grandfathers was now in their hands. The Europe this generation knows is peaceful and prosperous, but it is also melancholic and even apathetic. It is a Europe that looks finished, but is not; a Europe that lives under the shadow not of destruction but of decline.

And yet there is a task that is waiting to be completed, one that demands and deserves effort and sacrifice. Adopting a point of reference means taking as one’s guide something that, while connected to the times and the place in which we live, lies on a higher and more distant plane and, as such, is able to give meaning and direction to our advance. This something is not a prediction, and neither is it a wager: it is an objective and a purpose. It requires us to lift our gaze and see beyond our own particular moment in time.

And so my advice to students is this: do not become discouraged, do not lose the determination that has seen you through your studies, do not withdraw into the private sphere, do not worship the idol of career or of financial gain, and do not turn to psychologists. Give yourselves, choose yourselves, points of reference. The way out of melancholy is to look inside ourselves and to set our sights high.

NOTES

1 This is a version of the lecture delivered by the author on October 28th, 2005, to inaugurate the Academic Year 2005-2006 of the Luigi Bocconi University in Milan. The text is published in Italian in the journal *Il Mulino*, LV(2006), n.1.


7 Cooper, *The Breaking of Nations*, cit.

8 *Ibidem.*

9 *Ibidem.*

10 *Ibidem.*


* Translation not reviewed by the author
The Crises of the Middle East and the Responsibilities of Europe

SANTE GRANELLI

Ever since the United States and its allies launched their “war on terrorism” with the invasion of Afghanistan in November 2001, followed by that of Iraq in March 2003, the world has witnessed the rapid unfolding of a series of events in the different chessboards of the so-called greater Middle East (i.e., the intersection of Europe, Asia and Africa). These events have raised the awareness, both of European public opinion and of the leading media channels, of the vicious cycle that has been created and of the serious risks that the world as a whole (but Europe in particular) will run unless a solution can, reasonably soon, be found to the problems that have so long gripped this region, and which the North American initiative has only aggravated. Whereas these events have thrown into sharp relief the precarious nature of the resulting imbalances, possible solutions — to say nothing of the instruments through which such solutions might be implemented — appear hard to envisage.

Restricting ourselves to the problems most in the public eye, it is possible to make a series of observations: one, there is no indication that terrorism linked to Islamic fundamentalism and to al-Qaeda has been drained of its power to wreak havoc; two, there seems to be no honourable way for the Americans and their allies to withdraw from Iraq (where, on the contrary, civil war now appears to be underway, and even to be bringing about the dissolution of the state); three, the pacification of Afghanistan is far from complete. In the same way, relations between Israel and the Palestinians continue to be “antagonistic”, and have been worsened by the recent electoral success of Hamas, the formation of the Haniyeh government, and the consequent hardening of the position of the Israeli government; finally, there appears to be no real prospect of an agreement with the Iranian government over its nuclear dossier, nor does it seem that the Iranians can be persuaded to abandon their nuclear programme without recourse to military action, a view already put about
in certain political and military circles in the United States\(^1\) and also, although less openly, in Israel. In the meantime, the price of crude has topped the 70-dollars-a-barrel mark and many analysts contend that, in the event of a further worsening of the general political situation in the Middle East, it might soon reach and even exceed the 100-dollars-a-barrel threshold, which, until just a few years ago, was quite inconceivable. And it is easy to imagine what effect this would have on the situation of many countries (particularly in Europe) whose economies are still largely dependent on non-renewable energy sources.

It is widely accepted that this worsening of the situation should be blamed on the decision of the United States, emboldened, following the collapse of the Soviet empire, by its position as the world’s only superpower, to act unilaterally in defence of its own national interests, concerning itself little with the international legitimacy of its actions, and actively pushed in this direction by a number of hardliner commentators who had already been drawing parallels between the United States and the ancient Roman Empire.\(^2\) This line of thinking, already present in American political debate prior to the dramatic events of September 2001, was strengthened following the terrorist attacks on the Twin Towers and the Pentagon, which provided the new administration, also on the basis of the earlier war in Kosovo,\(^3\) with the opportunity to act, showing total disregard for the views and even the hostility of many of its allies.

The unquestionable responsibilities of the United States should not lead us to ignore those, equally serious, of Europe. In January 2003, writing in *Il Corriere della Sera*, former Italian ambassador to the United States, Sergio Romano, highlighted inconsistencies between America’s attitude to North Korea, on the one hand, and Iraq, on the other, ending his analysis with the comment that what the Middle East lacks is the presence of a “power... capable of imposing, on the United States, respect for its interests and advice.” The fact that such a power does exist in the Far East (in the shape of China) explains the Americans’ caution in its dealings with regard to North Korea. Romano ended thus: “Europe is that power that is lacking. As long as they are divided, the countries of Europe can, at the very most, like the French president and the German chancellor, wage a decorous legal battle, based on the role of the United Nations and on the need for a second resolution. But they are not in a position to tell America straight out that the balances of the Middle East are, in the final analysis, European balances and that no one has the right to upset them without taking the needs of the Europeans into considera-
If, then, we are faced with potentially explosive crisis situations, not only in the Middle East and in Central Asia, but also in other parts of the world, this cannot be attributed solely to unbridled American unilateralism. Equally to blame is Europe which, because of its division (its failure to exist as a “power”), is equipped neither to safeguard its own interests, nor to push actively and efficiently for peaceful solutions, in a way that would help to “relieve the United States of a considerable share of its burden of global responsibility.”

However, it is not enough simply to underline Europe’s impotence in relation to these crises, to recall its historical responsibilities, or to point out the limits of America’s imperialistic policy. The problems of the Middle East are indeed complex and the definition of just and lasting solutions to them (as well as the identification of the political instruments through which such solutions might be implemented) demands an in-depth and insightful analysis of the events that can shed light on their origins. In particular, if we look beyond the worsening of the Iraqi conflict and the question of terrorism linked to Islamic fundamentalism (which should be regarded more as an effect than as a cause), it seems quite clear that two emergencies, in particular, threaten the future of the area, and thus the future of Europe and of the world as a whole: the Iranian nuclear crisis and the increasingly difficult relations between the Israelis and the Palestinians. These are the two situations — far more intertwined than people usually realise — on which attention must be focused.

The Policy of Iran after the Election of Ahmadinejad.

Much bewilderment, compounded by a certain degree of concern, greeted, in June 2005, the news of the unexpected victory of Mahmoud Ahmadinejad, the Mayor of Tehran, in the ballot for the presidency of the Islamic Republic of Iran. Winning 62 per cent of the votes cast, Ahmadinejad, whose support came mainly from the under-privileged classes that throng the poorest quarters in the southern part of Tehran, defeated pragmatic cleric and former president, Ali Akbar Hashemi Rafsanjani, whom many, both at home and abroad, had seen as the inevitable successor to the reformist Khatami, and as a leader destined to continue his predecessor’s policy of cautious openness, perhaps even attempting to engage directly in a dialogue with the United States.

However, people with a more in-depth understanding of Iran’s complexities had suggested that Ahmadinejad had little chance of modi-
fying substantially the policy followed by all the governments of the Islamic Republic since the Khomeinist revolution of 1979. In its August 2005 issue, the *Middle East Monitor* summarised the terms of the question: “In the most likely nuclear scenario, talks with the EU will go on much as before, as Ahmadinejad has promised, with Iran continuing to insist its nuclear activity is peaceful, and the US remaining sceptical of the diplomatic process,” before going on to say that the prospect of a change in Iranian policy as a result of the election of Ahmadinejad “has been somewhat exaggerated.” This appraisal (hardly a negative one), originating from the business world, was confirmed by the decision of the UK’s leading insurance companies to continue considering Iran, even after the election of the new president, as a country at lower risk than other Middle Eastern states, Saudia Arabia in particular.

Subsequent declarations by the new president began to cast a shadow of doubt over these assessments of the situation. Many began to credit the hypothesis that Iran was about to harden its attitude over the nuclear question and, more generally, over the role that the country intended to play on the regional chessboard and in relation to the bloody conflicts devastating the Middle East as a whole (Palestine, Lebanon, Iraq, etc). Ahmadinejad’s declaration, at the annual pro-Palestinian demonstration held at the end of October 2005, that Israel should be “wiped off the map” caused an uproar. In truth, Ahmadinejad was only reiterating, albeit more forcefully than his predecessors, a stance that, attributed to the leader of the 1979 revolt against the Shah, dates back to the very beginning of the Khomeinist revolution, and has been adopted by every Iranian leader since then, particularly in the context of the country’s frequent pro-Palestinian demonstrations.

Even more worrying seem to be the declarations issued and the initiatives undertaken with regard to the nuclear question, such as the appointment of the conservative Ali Laridjani as chief nuclear negotiator, the sweeping changes made in the country’s diplomatic circles (the replacement of many individuals close to the former president), and, more generally, Iran’s refusal to yield to the West’s requests to suspend its uranium enrichment programme along with its threat, issued a number of times, to withdraw from the Nuclear Non-Proliferation Treaty (NPT).

It is useful, in this regard, to recall the official position of the Iranian government on its nuclear dossier and to try to analyse, also in consideration of the country’s geopolitical position and recent history, its motivations. The Iranian position was clearly stated by the country’s president at the General Assembly of the United Nations early last
October. Ahmadinejad began by proposing that the UN should set up a special committee and entrust it with compiling a fact-finding report that should include an analysis of “how the material, technology and equipment needed for the production of nuclear weapons has been transferred to the Zionist regime (i.e., Israel, in normal Iranian parlance) in contravention of the Non-Proliferation Treaty, and come up with practical plans to make the Middle East free from nuclear arms.” Having complained about the discriminatory attitude of the major powers, which prevents free access to nuclear energy even for civil purposes, Ahmadinejad stressed the need for each country to enjoy full sovereignty over its own nuclear plants. He argued that keeping these plants permanently dependent, for supplies of technologies, fissile materials, etc., on arrogant “bullying states” is tantamount to rendering the states themselves entirely dependent, in every respect, on external powers. “No popular and responsible government does not (sic!) regard such work as a service to its nation. The story of oil-rich countries under foreign domination is an experience which no independent country is ready to repeat.”

Still in New York, but outside the proceedings of the Assembly of the United Nations, Ahmadinejad and his collaborators let it be understood that, should the European countries and the United States’ other allies continue to turn a deaf ear to Iran’s requests in relation to its nuclear dossier, then Tehran could respond with an oil embargo, a threat already issued openly, in Vienna, by Iran’s new nuclear negotiator, Ali Laridjani, in response to the hypothesis that the “European troika” (the UK, France and Germany) might — as requested by the United States — have the board of the International Atomic Energy Agency (IAEA) approve a resolution to bring the Iranian nuclear question to the attention of the UN Security Council. As Laurent Zecchini wrote in *Le Monde* on September 22nd, 2005: “Finally, and this may prove to be the most effective sword of Damocles in the context of the talks currently initiated by the Europeans, Iran has announced that its sales of oil and other trade agreements will be decided on the basis of the support that the various countries will or will not lend to Iran in its disputes with the IAEA.”

**A Few Historical Precedents.**

Ahmadinejad’s declarations to the United Nations and his reference to the experiences, in the recent past, of many oil producing countries, provide a basis on which to analyse the current position of the Iranian government, setting it in the context of the country’s recent history. As
American historian Karl E. Meyer writes in his book *The Dust of Empire*: “Twice in the past century, the British hand-picked, and twice deposed, Iran’s *shahinshah*, the king of kings. In 1907 the British and Russians formally carved Iran into spheres of influence: Russia’s zone included Tehran, while the British got the southern oil fields just coming into production. Because of Iran’s oil and its geography, British and Russian forces occupied this ostensibly neutral nation during both world wars. For nearly half a century, Britain decided how much Iran would be paid for its oil.”

Two facts in particular, linked to the oil question, should be underlined here: first, in May 1908, a private British company, having obtained the first oil concession, opened the first well in the South East of the country; and second, at the start of 1911, the British government decided that the Royal Navy should start using oil instead of coal and, in the same period, acquired control (with 51 per cent of the shares) of the Anglo-Persian Oil Company, which held the oil concessions.

The allied victory over the Central Empires of Europe, the Russian Revolution, and the end of the Ottoman Empire altered profoundly the power situation in the Middle East and in central Asia, basically leaving Great Britain as the only global power. But as subsequent events were to demonstrate, Britain’s was a “weak power”, unable to sustain the costs and responsibilities associated with an imperial role. Particularly difficult to sustain were the costs of maintaining efficient military defences on the various fronts, including many parts of the former Ottoman Empire, for some of which the British sought Arab allies (for example the Hashemita dynasty in Iraq and in Jordan) to which to entrust the responsibilities of government. In February 1921, General Reza Khan led his troops into the capital of Iran, ordered the arrests of several important liberal and nationalist politicians, and set in motion the process that was to culminate, four years later, in the deposition of the last Shah of the Turkish Qajar dynasty. Reza Khan took the Shah’s place and guaranteed Britain her continued control of the country’s oil.

But the situation in Europe, which was in constant turmoil, soon altered the balance of power. In 1941, Great Britain and Russia restored their alliance, and the Shah, also on account of his ill-concealed sympathy for the Nazi regime, was made to stand down and forced into exile; he was succeeded by his son, the young Mohammad Reza, and Iran became a vital rear route for the transfer of allied aid to the Soviet Union. When, at the end of the war, the new US president Henry Truman ordered the British and Russian occupying forces to leave Iran, this seemed to signal, at last, the start of a new phase in which efforts could be made to
democratise and rebuild the country. Iran had a precious source of income: oil. But the profits to be had were, as already explained, in the hands of the Anglo-Persian Oil Company, and thus of the British government. The tensions that boiled up at this time led to the formation of a national front and, within it, the re-formation of an old alliance (dating back to the times of the anti-British Tobacco Revolt of 1891) of clerics, Westernised intellectuals and traders (*bazarii*).

In the winter of 1949, the leader of the front, Mohammad Mossadeq, called to lead the government by a reluctant Shah, entered into long and exhaustive negotiations with the British, with the aim of improving the harsh terms of the oil concessions. He requested and obtained the mediatory intervention of the Americans. However, at the decisive moment, the US administration, which had initially sympathised with the Iranian position, decided to side with the British (the Korean War had already begun, as had the Cold War regime, and the overriding priority of the US government, with regard to its foreign policy, was now the containment of Soviet expansionism). Mossadeq was left with no choice but to fight his corner, which he did by nationalising the oil concessions. Great Britain responded by shutting down the oil fields, imposing a naval embargo, and threatening invasion. The complex evolution of the crisis culminated in the coup d’état, favoured (or it would probably be more accurate to say “promoted”) by the British and the Americans, that led, in August 1953, to the removal and arrest of Mossadeq and the restoration of semi-dictatorial powers to the young Shah, who was to remain in power for a further 26 years, until the Khomeinist revolution of February 1979.

*From Oil to Nuclear.*

Whereas the world’s energy situation (as regards natural sources of energy and, in particular, of oil) at the time of Mossadeq’s fall from power, and right through to the mid-1970s, was characterised by over-abundance (the so-called oil glut) and consequently by practically unlimited supply and very low prices, today the situation is entirely different. After the Middle Eastern conflicts and the crises of the 1970s, which led, among other things, to the establishment of OPEC, we have now definitively entered the age of the oil shortage. The question of the availability of natural sources of energy (oil, gas, etc.) now has a significance far greater than that of the (partially transitory) crises of the past and casts a very different and far more worrying light on the threats of embargos
issued by the oil producing countries (Iran, Iraq, Venezuela, Nigeria, Russia, etc.). In the meantime, the burgeoning industrial growth of the fast-developing powers (China and India, in particular) has led to constant and growing tension on the energy raw materials market.18

Moreover, the increase in demand is no longer met by a comparable increase in supply. Experts and scientists have long been analysing this situation, pointing out that oil is not an infinite substance and that “at some point … all the oil being discovered around the world will no longer replace the oil that has been produced, (…) and global production will peak. Oil companies and oil states will find it harder and harder to maintain current production levels, much less keep up with rising consumption. Demand will again outstrip supply, and prices will rise. Worse, although the term ‘peak’ suggests a neat curve with production rising slowly to the halfway point, then tapering off gradually to zero, in the real world, the landing will not be soft … the edge of the plateau looks a lot like a cliff.”19

Other experts go further, suggesting that the peak has already been reached (in 2005) or is about to be reached. According to geologist Kenneth S. Deffeyes: “We are facing an unprecedented problem. World oil production has stopped growing; declines in production are about to begin. For the first time since the Industrial Revolution, the geological supply of an essential resource will not meet the demand.”20 This paper is not the place to examine in depth the technical details of Deffeyes’ analysis, which refers to the equations developed in 1969 by another American geologist, M. King Hubbert,21 or to ask ourselves who is closer to the truth: the pessimists à la Deffeyes, who maintain that the supply-demand ratio has already reached its peak and that the decline has already begun, or the optimists (whom Deffeyes defines “cornucopians”) who believe that the peak is still a long way off given that the world still has (in a number of areas, such as the Arctic regions) large reserves that have yet to be properly identified, but are known to exist, and whose exploitation will be rendered economically advantageous by the hike in oil prices. But whatever the timing of the peak and of the plunge that will follow it, even the most optimistic observers agree that the geological supplies of energy (oil, gas, coal, bituminous schists, etc.) are not endless and that, sooner or later, they are bound to run out.22 This is a widely acknowledged situation, even though the importance of the problem has, until now, been underrated, particularly in Europe and, up until President Bush’s recent State of the Union Address, in the United States, too.23

Whereas, on the one hand, this scenario renders Iran’s embargo
threats particularly worrying in the short term (the next 5-10 years), especially for the European countries that, in the main, do not have energy sources of their own, on the other, it offers an unarguably rational justification, in the medium-long term, for the declared intention of Iran — but also of many other countries, regardless of whether or not they are signatories of the NPT — to equip themselves with the technical and scientific capabilities to use nuclear energy for peaceful purposes and thus to render themselves, to an extent, independent of the availability of natural, non-renewable sources of energy. This line of thinking has, in recent years, generated a great deal of interest within Iran, sometimes linked with arguments of an environmental nature, such as the view that — in the words of James Lovelock, quoted by the Tehran Times (May 26th, 2005) — “We must stop gaining energy from fossil fuels … and we must do it in the next decade.” “Burning gas instead of coal also sounds good since it cuts carbon dioxide emissions in half, but in practice it may be the most dangerous source of all, because natural gas is 23 times as potent a greenhouse gas as CO2 … There is no sensible alternative to nuclear energy.” These ideas have been reiterated in a number of popular petitions circulated in the universities of Tehran, which are notoriously lukewarm towards the theocratic regime, and they are shared by the overwhelming majority of Iranians, regardless of their political sympathies.

Iran’s decision to invest in the development of nuclear energy is not a recent choice, but dates back to a decision of the last Shah. As Kenneth M. Pollack recalls “Iran was a charter member of the Non-Proliferation Treaty (NPT) in 1970 because the Shah had been eager to build a network of nuclear power plants and the United States would sell them only to countries that had signed the treaty.” This work, begun by the Shah’s regime, continued after the Khomeinist revolution, even though initially it was not particularly productive. When the reformist leader Khatami came to power, however, the inept leaders of the project (who owed their positions more to their revolutionary credentials than to their technical expertise) were replaced by genuine experts and efficient managers who injected fresh momentum into the endeavour.

In August 2002 the world learned, through the National Council of Resistance (opponents of the regime outside Iran), of the existence of two sites (Natanz and Arak) that were producing fissile material that could be used, among other things, to build nuclear bombs. The ensuing inspection of the Natanz site by IAEA officials (in February 2003), which Iran, as a signatory of the NPT was obliged to allow, confirmed that this activity
was indeed being carried out, and disclosed other worrying information. “It found 160 centrifuges assembled into a pilot program. In another building, a thousand additional centrifuges were being assembled at a facility intended to have 50,000 of them. (That would have been enough to produce fissile material for roughly twenty-five to fifty nuclear weapons per year). The centrifuges at Natanz were identical to those used by the Pakistanis and, in 2004, A.Q. Khan would admit to having provided extensive support to Iran.”

It was these developments that prompted the negotiations between Iran and the Board of the IAEA, as well as the parallel ones between Iran and the European troika. In these discussions, Iran’s official position has always been to insist — and it is not easy to contradict this affirmation — that its nuclear programme is purely for civil purposes (and thus “peaceful”) and that it has no intention of producing weapons of mass destruction. And yet it is clear, as many authors have pointed out, that the Iranian government (the current one led by Ahmadinejad, just like all the other post-Khomeinist governments) has always taken into careful account, as well, the military option, which is technically possible, given the way the project has been developed and also the precedents set by other states that most certainly have nuclear weapons.

Remarking on the start of negotiations with the Europeans, Pollack writes: “Of course, Tehran had no intention of stopping its nuclear program and said so endlessly in public. Indeed, in the fall of 2003, it seemed more determined than ever to acquire nuclear weapons as the only sure way to prevent the United States from invading Iran the same way it had Afghanistan and Iraq.” These assessments are not dissimilar to those formulated more recently by Mme Azadeh Kian-Thiébaut (La République islamique d’Iran) who writes: “At the same time the Iranian government and its nuclear negotiators were striving to reassure the IAEA, Europe and the United States of its peaceful intentions, the conservative daily newspaper, Jomhouri-ye Eslami, which is linked to the Leader, demanded, in an editorial dated November 8th, 2004, the development of nuclear weapons, defining this a ‘natural right’ of the Iranian people. Nevertheless this declaration clashes with the position of the Leader Khamanei who, several days earlier, had publicly, and on religious grounds, stated his opposition to the development, storage and use of nuclear weapons.”

These positions, apparently ambivalent and contradictory, can better be understood if one considers that Iran is, to all intents and purposes, surrounded by north American troops. As Kian-Thiébaut points out,
“Since the tragedy of September 11th, 2001, in particular, the American armed forces have become Iran’s most important neighbours, given that the country is surrounded by them, to the West (Iraq, Turkey), to the South (the Persian Gulf, Qatar, Bahrain, Kuwait, Saudi Arabia), to the East (Afghanistan, Pakistan), and also to the North (Azerbaijan).”\textsuperscript{29} If we also consider that the only nuclear powers in this region are Israel and Pakistan, both allies of the US, and that the Jewish state in particular has, on a number of occasions, let it be known that it is prepared to bomb Iran’s nuclear sites (as it did those of Iraq in 1981), one can see that the Iranian regime has legitimate cause for concern and can understand its intention to accept nothing that will prevent it from developing its own nuclear programme, even for military purposes.

All this serves to shed some light on the complex web of dramatic problems that grip this region. These problems concern both access to natural energy sources (oil and gas), with the West (the United States and Europe) intent on retaining its privileged position, even in the face of the growing demands of the developing Asian powers, and also the need, felt very strongly on the Iranian side, to have adequate means of defence, even if this means changing, in its own favour, the geo-political balance of the region’s states, some of which (America’s allies, Israel and Pakistan) have the atomic bomb. Unless these issues can be tackled and resolved around the negotiating table and through political initiatives that take into account the legitimate interests of all the parties concerned, they could trigger a series of alarming crises that would affect Europe, primarily, but that could also lead to a widespread catastrophe of unthinkable proportions.

\textit{The Other “Knot”: the Palestinian Question.}

If, from the point of view of the Western world, guaranteeing access to the sources of energy located in the Middle East (Saudi Arabia, Iran, Iraq, etc.), is, in the short- to medium-term,\textsuperscript{30} among the most vital of the complex concerns surrounding this area, it is also true to say that another question — that of the 50-year conflict between the Palestinians, still without legitimate statehood, and the state of Israel — is no less crucial and every bit as disturbing.

It should be recalled, in this regard, that Iranian president Ahmadinejad’s recent declaration of the need to “wipe the state of Israel off the map” (which caused such outrage in Europe and in the Western world generally) reflects a view shared by much of the Islamic world,
particularly in the countries bordering on Palestine that see, on their own doorsteps, the tragedy of the Palestinian people. Just before the end of 2005, in the context of the Egyptian elections, which, for the first time, saw the participation of the Muslim Brothers’ movement (the latter recording a resounding success which was not reflected in numerical terms only on account of the movement’s having agreed to President Mubarak’s request to restrict its candidates to a third of the electoral wards), Mahdi Akef, its spiritual leader, declared to the daily newspaper *Ashar al Awsat*: “Our position is clear, we do not recognise Israel. We regard Israel as a band of Zionists planted in our homeland by America, by the East and by the West. We say that Israel has no right to exist here among us, that Israel has to go.” The fact that similar declarations made by the Iranian leadership were given a much higher profile in the Western press is explained by the fact that Iran is the only “important” country in the region in which the government (and not just public opinion, as is the case in many of America’s allies, such as Egypt and Saudi Arabia) has officially come out against Israel, openly supporting the Palestinian claims.

The intention here is not to offer an absolute and definitive assessment of the legitimacy, or otherwise, of the current balance of power in the Middle East, of which the state of Israel is certainly a part, and a reality that we cannot refuse to acknowledge. At the same time, there can be no ignoring the need, now accepted by much of the Western world, to create an independent Palestinian state with clearly defined borders. As long ago as the summer of 1980, shortly after the collapse of the Camp David agreements, the European Federalist Movement presented the European Parliament with a petition in which it identified “in the creation of a Palestinian state the decisive factor that will allow the forces for progress and peace in the Middle East to prevail over the forces of conservatism.”

With regard to the Palestinian situation, too, it is worth recalling a few historical precedents that might help us to comprehend the present situation. As with many of the “difficult” situations that characterise the Middle East (Iranian oil and the Iranian nuclear programme, the war in Iraq, civil wars in the Lebanon, etc.), it was the decisions taken by Great Britain and her allies at the end of the First World War that gave rise to what we call the “Palestinian question.” As Rashid Khalidi recalls, in his book *Resurrecting Empire*: “with the Balfour Declaration of November 2, 1917, Britain threw the weight of the greatest power of the age … behind the creation of a Jewish state in what was then an overwhelmingly Arab country.” In truth, a close reading of the Balfour Declaration
reveals that the British government, while declaring its support for “the establishment in Palestine of a national home for the Jewish people”, at the same time insisted that “nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine.”35

But as in Iran and in other trouble spots in the world, after the Second World War, the mantle of imperial power passed from Great Britain to the United States. With regard to Palestine, the Americans simply accepted that the creation of the state of Israel represented the inevitable evolution of the fundamental choices made twenty-five years earlier by the British. It was President Truman who, overriding the views “of most of his foreign policy advisors on the Palestine issue,” accepted a United Nations plan “for the partition of Palestine which was exceedingly favourable to the Zionists”36 — and which certainly contrasted with the final part of the Balfour Declaration — and recognised the new Jewish state immediately after the declaration of its independence in May 1948. A throwaway remark, in this case almost a joke, will often reveal far more about what underlies certain situations than long, in-depth explanations do. According to an American source, cited by Khalidi, President Truman, in order to explain his support for the Zionist position, in spite of the objections of his collaborators, remarked: “I’m sorry, gentlemen, but I have to answer to hundreds of thousands who are anxious for the success of Zionism; I do not have hundreds of thousands of Arabs among my constituents.”37 Perhaps it would not be inappropriate or wide of the mark to suggest that this brief consideration, expressed by President Truman, constitutes the basis on which the strategic alliance between the United States and Israel was (and still is) founded.

For a long time, the position of the Palestinians and of their political leaders coincided with the views today expressed by Ahamadinejad and by Mahdi Akef (which are, as already pointed out, by no means minority views among Muslims in the Middle East): in short, they rejected the state of Israel’s right to exist. Now, this position, which had been overcome during Arafat’s leadership through the “de facto” recognition of the state of Israel in the declaration of independence proclaimed by the Palestinian National Council in 1988 and the formal recognition of Israel that was part of the Oslo agreements in 1993, has emerged once again, albeit only through somewhat ambiguous declarations made by the new Palestinian government, based on the Hamas majority that emerged from last January’s elections. At the start of April, in an open letter published in the European press, the new leader of the government, Ismail Haniyeh,
reiterated the position of the Palestinians, who still find themselves denied fundamental rights by Israel, before going on to say that “We, of Hamas, want peace and we want to put an end to the bloodshed … The message of Hamas and of the Palestinian Authority to the world is this: do not talk to us any more of ‘Israel’s right to exist’ or of an end to the resistance until you have obtained, from the Israelis, an undertaking to withdraw from our land and to recognise our rights.”

As for the Oslo agreements, which the new Palestinian government seems to be throwing into question, Pollack recalls that they came about as a result of the commitment of the American administration led by the newly-elected president, Bill Clinton. Many in Clinton’s staff “believed ardently that the Arab-Israeli dispute was the single greatest source of instability in the region, and their predecessors in the Bush administration had created an opportunity they were determined to take advantage of.”

In the Clinton programme, “the peace process would include the Palestinians, Syria (and its Lebanese vassal) and Jordan. But this meant that Israel’s other security concerns — those beyond the immediate confrontation states — had to be addressed. In other words, the administration had to do something about Iraq and Iran.” There was, in fact, substantial continuity between the initiatives of the Bush administration and the negotiations managed by the Clinton presidency, which led to the Oslo agreements. Both were carried out according to “ground rules” dictated by the Americans, on the basis of which “nothing of any importance … had yet even been negotiated, let alone agreed upon.” This led to the formal recognition, by the Palestinian Authority, of the state of Israel. However, Israel, for its part, would only recognise the PLO as the legitimate representative of the Palestinians, without going so far as to acknowledge “the right of the Palestinian people to state-hood, self-determination, or sovereignty, or that they had rights to borders, or where those borders were.”

The outcome of the Oslo agreements, accepted by PLO leaders apparently more concerned with consolidating their organisation’s power than with pursuing objectives crucial to the future of the Palestinians, was that whereas Israel obtained full recognition from the governments of the Arab states (shrewdly drawn into the negotiations by the Americans), “the Palestinians were forgotten by their supporters in the Arab world and elsewhere, who mistakenly thought that they had finally achieved their national objectives.” In the light of this, it should come as little surprise that, at the first opportunity (the January 2006 elections), the Palestinians rewarded, with a large majority, the party of Hamas, which had opposed
the Oslo agreements.

If most of the governments of the Arab states approved these agreements, the Iranian government certainly did not. As mentioned earlier, one of the fundamental reasons underlying the initiative of the new American administration was the need to reassure Israel over its security even in the face of the two “rogue states” (Iraq and Iran) that had not been invited to the negotiating table. Iran, in particular, was already the area’s only “regional power” whose government, despite maintaining good relations with Arafat and the PLO, openly supported the Palestinians’ more radical demands upheld by Islamic Jihad and by Hamas. Obviously, as a result of this position, the Iranians were hostile to the American endeavour that culminated in the Oslo agreements and, in more general terms, continued their efforts “to drive the United States out of the Gulf, expand their influence throughout the region, and derail the peace process.”

In this framework it was immediately clear that the process launched by the Clinton administration was bound to fail. These were, in fact, biased negotiations, in which the apparently “honest broker” (the US government) was, in reality, on the side of one of the parties and in which the states participating had been selected, excluding the only regional power, Iran, whose government effectively reflected the pro-Palestinian feelings of its people and of the Middle East’s Islamic population generally. Displaying considerable realism, the Israeli prime minister, Sharon, and his successor Olmert, recognised this and opted for unilateral withdrawal, first from Gaza, and subsequently also from other colonies on the West Bank. But even this initiative, while apparently increasing Israel’s security, particularly with the construction of the Wall, does not take account of the crucial issues at the root of this fifty-year conflict, such as the foundation of an independent Palestinian state, the return of the Palestinian refugees, the fate of Jerusalem, etc., and thus still leaves the way clear for further exacerbations of the crisis.

So what is to be done? To trust in the healing power of time is hardly an answer. In truth, in order to confront the real issues, it will take new negotiations that, as Clinton’s team suggested, tackle the Israeli-Palestinian conflict from a new angle, recognising the Palestinians’ right to a sovereign state, but at the same time meeting the Israelis’ legitimate requests with regard to their security. But, to be successful, such negotiations must meet two conditions: one, they must not exclude important regional actors, Iran first and foremost; two, they must tackle, together, all the problems of the region. Indeed, the mere fact of including Iran
would make it possible to take into consideration, as “added variables” in the same equation, the question of Iran’s nuclear programme, that of fairer rules governing access to the region’s gas and oil, and, last but not least, the question of how to find a way out of the Iraqi crisis.

In the same way, the concerns of the United States, too, must be taken into due consideration. Referring to the Iranian nuclear question, Pollack argues that it is possible that the United States may have to learn to live with a nuclear Iran, and while, on the one hand, he suggests the positioning of US ballistic missiles in the area and the signing of a formal treaty of alliance with Israel, on the other, he is quick to stress the need for more receptiveness in the matter of economic aid and of multilateral initiatives, concluding that the United States is “an extraordinarily powerful nation, but not an omnipotent one” and that “there are problems that the United States simply cannot handle by themselves.”

Grand Bargain: the Role and the Responsibilities of Europe.

Ultimately, what is needed is to work towards global negotiations (or a “grand bargain”, to use Pollack’s highly effective expression) that place on the agenda all, not just some, of the complex Middle Eastern dossiers and deal not only with the questions of the region’s security and the related nuclear problems, but also with important programmes of economic aid for the rebuilding of countries devastated by war or by bad government, drawing in all the parties concerned. But for negotiations of this kind to be started and to offer a real chance of leading to an effective global agreement, there clearly have to be “honest brokers” who are genuinely determined to press for fair and impartial solutions (erga omnes) and who, at the same time, wield real power (political, economic and military) which they can bring to bear at the negotiating table, in accordance with the rules, which also in this instance cannot be disregarded, of realpolitik and of the raison d’état.

But who might these “honest brokers” be? Or rather, who can stand alongside the United States (whose role it is, for historical and political reasons, to look after the interests of the Israelis), taking upon itself the role of “representatives” of the legitimate interests of the other peoples of the Middle East? The obvious answer is that it falls to Europe to play this role, and this is not just because, as Sergio Romano pointed out just before the invasion of Iraq, it is clearly and very much in Europe’s interests to find a peaceful solution to the problems of the Middle East, which lies on its doorstep. It is also a question of Europe’s offering, as an
“equal partner”, not as a mere “satellite”, genuine help to the United States, a nation to which it continues to be linked by a real coincidence of interests and by shared historical and cultural roots and values.

But where is Europe? This summary reconstruction of the current situation in the Middle East (ranging from the risk of civil war in Iraq, to Iran’s nuclear programme, and the Israeli-Palestinian conflict) shows that Europe is, once again, the “great absentee.” In truth, Europe has, so far, vacillated between a position of almost total indifference to one of substantial acquiescence to the American leadership. In the case of Iran and the nuclear dispute, several European states have taken it upon themselves to seek to establish some sort of dialogue with Iran’s leaders in an attempt to persuade them to renounce those parts of their nuclear programme that present the greatest risk of being exploited for military purposes (enrichment of uranium, etc.) but — finding themselves caught between America’s demands for a more rigid approach and Iran’s threats of an oil embargo — their attempts have failed. In fact, the Iranians were quick to grasp the real significance of these European initiatives. Commenting on an initial draft resolution drawn up by the European troika for the Board of the IAEA in late 2004, the *Iran News* (November 28th, 2004), wrote: “Clearly, the E3 are catering to US pressure”; and then “Europe should either give up its feeble attempt at independent diplomacy toward Iran and set aside its pretensions, or it should prove in action that it is not an appendage to the US global diplomacy … Sadly, despite half-hearted efforts, presently Europe seems too weak and indecisive to be able to withstand the enormous weight of America bearing on their Iran diplomacy.”

Equally vacuous and inconsistent has been the European Union’s contribution to the activity of the so-called Quartet that was set up to guarantee and oversee the creation of the “road map,” i.e., the peace plan for the Israeli-Palestinian conflict that was proposed by the current American administration, but has, in fact, been superseded by the unilateral initiative undertaken by the Israeli leaders. Here, again, the Europeans have done nothing more than agree to the bulk of the American proposals, at most being prepared to assume some of the costs or to offer modest and irrelevant pseudo-military assistance.

At the start of 2002, commenting on a particularly difficult phase in the relations between Israel and the Palestinians (the second Intifada was at its height and the US was embarking on the initiatives that would lead to the Oslo agreements), *The Federalist* wrote: “In order to open up the way towards a solution to this problem, a new actor is needed on the world
stage: an actor able to wield considerable political influence and equipped with vast financial resources, an actor that might act in concert with the United States, but that is independent of it, an actor with the capacity to offer... the guarantee of impartiality that the United States is unable to provide. Europe is the only actor that might conceivably have the requisites to play this new role. But it would have to be a Europe that, through political unification, is equipped to live up to its enormous potential — a potential attributable to its advanced level of economic and technological development, the size of its population and its high level of interdependence with the Middle Eastern region.”

Four years on, not only does this Europe still not exist, but Europe’s politicians also seem to be totally unaware of the fact that, unless they can tackle the problem of creating a true European political unit (a European State), then their destiny is to remain helpless in the face of the dramatic challenges presented by the Middle East. All they do is continue to waste time tinkering with the idea that it is enough to re-launch, maybe in 2009, a constitutional “Treaty,” a project whose most innovative element would be the appointment of a European foreign minister, forgetting the words of Giscard d’Estaing, again at the start of the invasion of Iraq in March 2003: “The events of the Iraqi crisis have not really disturbed the Convention’s work... In foreign policy, we ought to be able to undertake a common diplomatic action, but unfortunately this is not the case.”

It will most certainly take more than this kind of almost fatalistic attitude to save Europe (and the world) from the consequences of a possible degeneration of the political situation in the “greater Middle East.” And how much time is left to Europe to make a vital contribution to reversing this dangerous trend? Not much, that is for sure. It is not just a question of oil, of the “Hubbert’s peak”, and of the security of energy supplies in the short- to medium-term. What will happen in the next few years (if not the next few months) in the event of Iraq’s dissolution, a realisation of the threat of military intervention in Iran, a new and even more dramatic Intifada in Palestine, and a rise to government of Islamic fundamentalists in countries like Saudi Arabia, Pakistan or Algeria?

Yet, against this, it would not take long to found a European state — a European federation. What is needed is the will to do it, the same will that allowed Chancellor Kohl to decide quickly, following the collapse of the Berlin Wall, to renounce the sovereignty of the German mark and embark on the creation of the single European currency.
NOTES

1 Seymour M. Hersh “The Iran Plans”, in The New Yorker, 17 April, 2006. Particularly worrying are Hersh’s remarks regarding the possible use, by the United States, of tactical nuclear weapons in order to penetrate the bunkers where Iran’s nuclear sites are supposed to be located: “One of the military’s initial option plans, as presented to the White House by the Pentagon this winter, calls for the use of a bunker-buster tactical nuclear weapon, such as the B61-11, against underground nuclear sites.” (see p. 3 of the text on the internet). President Bush has dismissed these affirmations as “wild speculation.” However, at the same time, the White House spokesman said that the president was not ruling out any option (Le Monde, 12 April, 2006).

2 Chalmers Johnson, The Sorrows of Empire, NYC, Henry Holt and Co. 2004. See, in particular, p. 67-68, where Johnson quotes Charles Krauthammer, a Washington Post columnist who, in the wake of the terrorist attacks of 2001, celebrated the success of the bombing of Afghanistan in an article entitled “Victory Changes Everything.” “The elementary truth — he wrote — that seems to elude the experts again and again — Gulf war, Afghan war, next war — is that power is its own reward. Victory changes everything, psychology above all. The psychology in the region (Central Asia) is now one of fear and deep respect for American power. Now is the time to use it to deter, defeat, or destroy the other regimes in the area that are host to radical Islamic terrorism.” But even six months before the president declared “war on terrorism,” Krauthammer asserted “America is no mere international citizen. It is the dominant power in the world, more dominant than any since Rome. Accordingly, America is in a position to re-shape norms, alter expectations and create new realities. How? By unapologetic and implacable demonstrations of will.”

3 Robert Kagan, American Power and the Crisis of Legitimacy, NYC, Random House, 2004. Kagan states that the most interesting example is that of Kosovo, given that, on that occasion, it was the Europeans themselves who, together with the United States, went to war without obtaining legitimisation from the UN Security Council. This notwithstanding, most Europeans, at the time of the conflict and subsequently, maintained that the war in Kosovo was legitimate. They were convinced that it was the moral responsibility of the EU, above all, to prevent new genocide in Europe.

4 Sergio Romano, Corriere della Sera, Milan, 16 January, 2003 (editorial).

5 In truth it is well known that the Middle East and Central Asia are not the only areas threatening the future of the world. Islamic fundamentalism exists, and is active, in large countries in Eastern Asia (Indonesia) and central Africa (Nigeria), as well as in North Africa. See, for example, the interview given to Le Monde (4 April, 2006) by Ali Benhadj, co-founder of the Algerian “Front Islamique du Salut” (FIS), who, on his return to Algeria, reiterated his objective to transform Algeria into a theocratic state, declaring his readiness to fight for an Islamic Algerian state, governed according to the Book (the Koran) and the teachings of the Prophet (the Sunna).


8 These affirmations by Ahmadinejad should really be read as “propagandistic” and as directed above all at the domestic front in an attempt to reaffirm a sort of Khomeinist legitimacy, aimed at strengthening the power of the new president vis à vis the “business clan” led by Rafsanjani and defeated by a wide margin in last July’s elections. It is not easy, in the Western world, to appreciate fully the dimensions of the conflict that has been going on for some time (basically, since straight after Ahmadinejad’s election) amongst the various Khomeinist fundamentalist groups, and that has still not been fully resolved. As
pointed out by Mouna Naim (*Le Monde*, 26 August 2005), Ahmadinejad, immediately after his election suffered his first major setback in the Iranian Parliament, which rejected four of his twenty-one nominees for ministerial posts (including his candidate for the key Oil Ministry, which controls 80 per cent of the country’s revenue). As a result, Ahmadinejad, following two unsuccessful attempts to win approval for his own allies, found himself forced, in December 2005, five months after his election, to accept a compromise. (See also “Ally of Iran’s Leader Drops Effort to Win Oil Ministry,” in the *International Herald Tribune*, 10 November, 2005 and “Iranian Lawmakers Rebuff President,” in the *International Herald Tribune*, 24 November, 2005).

9 IRNA, bulletin, 4 October, 2005: “President Ahmadinejad Offers Proposal on Iran’s Nuclear Programs.”

10 IRNA, *ibidem*.


12 Karl E. Meyer, *The Dust of Empire*, NYC, The Century Foundation 2003, p. 54. Meyer also recalls that the expression the “great game” was coined by British imperial statesman, George Nathaniel Curzon, who in 1892, in a book devoted to Persia and Central Asia, wrote: “Turkestan, Afghanistan, Transcaspia, Persia … to many these names breathe only a sense of utter remoteness or a memory of strange vicissitudes and moribund romance. To me, I confess, they are pieces on a chessboard upon which is being played out a game for dominion of the world.” Meyer adds that “Curzon did not need reminding that the word ‘checkmate’ derives from the Persian ‘shah’, which means king, and ‘mat’, which means helpless or defeated” (Meyer, *op. cit.*, p. 54). For a more detailed analysis of the history of Iran and its relationships with the great powers, see also Kenneth M. Pollack *The Persian Puzzle. The Conflict between Iran and America*, NYC, Random House, 2004.

13 Meyer, *op. cit.*, p. 64, describes how, “on 17 June, 1914, Churchill put before the House of Commons a bold matching proposal: for £ 2.2 million, the British government could acquire 51 per cent of the shares and two seats on the board of D’Arcy’s Anglo-Persian Oil Company. This could ensure the Royal Navy rock-bottom prices for its petroleum, which proved the case (the exact prices were kept secret for decades).” According to Johnson, *op. cit* (p. 220), up to the time of the coup of 1953, “The Anglo-Persian Oil Company… had provided the British treasury with 24 million pounds sterling in taxes and 92 million pounds in foreign exchange.”


15 For more on the “Tobacco Revolt”, which took place in Shiraz in 1891 (and was the first revolt against the British in Iran), on its motivations and on the first alliance formed between bazarii (traders), clerics and Westernised intellectuals, see Pollack, *op. cit.*, pp. 17 onwards.

16 Pollack, *op. cit.*, pp. 53 onwards.

17 It must be remarked that the coup d’état, certainly made possible by the direct involvement of the CIA working through the American Embassy in Tehran and by the corrupting activity of the British, who exploited their connections with the military and with the Court (see Pollack, *op. cit.*, pp. 66 onwards), was also facilitated enormously by the weakening of Mossadeq’s nationalist government which, because of the British block, was
deprived of its modest oil income.

18 Elena Pomelli (editor), in the piece “Il fattore Cina condizionerà l’energia” published in Corriere della Sera, 5 December 2005, comments that effect of the boom that China is currently experiencing, coupled with that being recorded by neighbouring India, will be to push up global demand for energy by 1.6 per cent a year, a much higher rate than that recorded in previous years, meaning that energy demand in 2030 could be 50 per cent greater than it is today.

20 Kenneth S. Deffeyes, Beyond Oil, NYC, Hill and Wang, 2005, Preface, p. XI.
21 For more detailed information on the availability of oil and other natural sources of energy, see, for example: Paul Roberts, op. cit.; Kenneth S. Deffeyes, op. cit.; Kenneth S. Deffeyes, Hubbert’s Peak. The Impending Oil Shortage, Princeton (NJ), Princeton University Press, 2003; Colin Campbell, The Coming Oil Crisis, Brentwood (Essex, UK), Multi-Science Publishing Company and Petroconsultants, 1988.

22 There is no shortage of discordant voices (“cornucopians”), particularly in the world of business and finance. See, for example, the round table discussion in the International Herald Tribune (3-4 December 2005) entitled “A World Without Easy Oil: What Now?” But even the most optimistic display some caution: for example, Adam Sieminski, chief energy economist of Deutsche Bank, having pointed out that “The world has been running out of oil since the first barrel was produced …” nevertheless admits that supplies will last, at most, “for the next two, three or four decades.”

23 In the United States there is a long-running debate on how to reduce the country’s dependence on supplies of energy raw materials (oil in particular) from abroad, and above all from the Middle East. In his State of the Union Address (31 January, 2006), President George W. Bush dealt with the question in clear terms, committing his government to a multi-year programme of research and development into renewable energy sources and alternative sources of energy that should allow the United States “to replace more than 75 per cent of our oil imports from the Middle East by 2025.” (see: “President Bush Delivers State of the Union Address”, www.whitehouse.gov/news/releases/2006/01, pp. 5-6).

26 Pollack, op. cit. p. 363. The scientist A.Q. Khan, referred to here, is considered the father of Pakistan’s atomic bomb. There is no doubt that he is responsible for much of the diffusion of technical information and nuclear know-how not only to Iran, but also to other countries, perhaps even North Korea.
27 Pollack, op. cit., p. 365.
29 Kian-Thiébaut, op. cit., p. 9.
30 It is not easy to put a precise temporal limit on the expression “short- to medium-term”. We can recall that President Bush has set 2025 (in 19 years’ time) as the deadline for reducing by 75 per cent US oil imports from the Middle East. For Europe, which is much more dependent than the US on foreign supplies (especially from the Middle East), it would be more prudent to think in terms of a maximum 5/10-year span.
32 Iran’s pro-Palestinian stance is undoubtedly supported by the Syrian government which, not by chance, finds itself the target of new threats from the American administration. In reference to Ahmadinejad’s visit to Damascus, La Stampa (21 January, 2006)
commented that “Iran still has many allies in the Middle East and is by no means isolated. This was the message given out yesterday by Iranian premier, Ahmadinejad, during his two-day visit to the Syrian capital, Damascus: ‘We and Syria face shared threats from the United States and the international community: we must strengthen our common resistance.’ ” The Syrian leader, Assad, responded in the same vein, speaking in support of the right of Iran, like any country in the world, to possess nuclear technology for peaceful purposes.


36 Khalidi, *op. cit.*, p. 121.


38 “Haniyeh: no al piano Olmert. Siamo fedeli alla nostra lotta”, in *La Stampa*, 4 April 2006 (copyright *The Daily Telegraph*).


40 Pollack, *op. cit.*, p. 260. The remark that something had to be done about Iraq and Iran is a further demonstration that Clinton’s policy on the Middle East was nevertheless — like that of his predecessors — guided by the need to safeguard the interests of America’s ally, Israel.

41 Khalidi, *op. cit.*, p. 137.


44 Pollack, *op. cit.*, p. 266.

45 Pollack (*op. cit.*, pp. 354 onwards) recalls how Iranian and American diplomatic delegations, albeit not particularly high profile ones, met in Geneva on several occasions to tackle the problems posed, for both countries, by the US invasion of Iraq. According to Pollack, the cautiously open and conciliatory attitude of the Iranians depended on their view that “Iran’s interests would be best served by seeing the American plan to build a stable, pluralist, and independent Iraq succeed” (p. 356). More recently (and thus under the Ahmadinejad regime) such cautious contacts have been resumed, and the Iranian press has been quick to draw attention to this. See, for example, the *Tehran Times* (June 20, 2005), which quoted comments made by spokesman for the Department of State, Sean McCormack, on the visit to Tehran of former Iraqi prime minister, al-Jafari: “We have always said that we encourage Iraq to have good relations with all of its neighbors, including Iran” … “we have at times commented in the past on the fact that Iran could play a more helpful role in Iraq’s development.”


47 With regard to the “value” of the raison d’état, also from a federalist perspective, which is oriented towards its overcoming, see, for example, Mario Albertini, in *Il Federalista*, XXIII (1981), p. 122: “When we talk of equilibrium in a political context, we allude to meanings cemented by the course of history. That is to say, both the reality and the notion of the raison d’état and the balance of power in the life of the European system which, until the First World War, was the world system. A balance that could not prevent war, but that allowed a positive evolution of the political reality in which an element of rationality could be introduced (i.e. the traditional ministers of the raison d’état advanced a chapter in the history of reason, and the balance of power that underpinned the life of the European system did indeed imply the presence of reason).” See also, Nicoletta Mosconi, “The Limits and Dilemmas of Pacifism,” in *The Federalist*, XLIII (2001), pp. 208 onwards.

48 In July 1980, with regard to Europe’s interest in finding a peaceful solution to the
problems of the Middle East, Mario Albertini wrote: “The starting point of this strategy must be to set the Palestinian problem on the road to a solution, following the clear failure of the Camp David agreements. The European Community must acknowledge the PLO as the legitimate representative of the Palestinian people and must work actively for the creation of a Palestinian state, immediately urging Israel to relinquish its settlements in the occupied territories and the PLO to respect the integrity of the state of Israel within the boundaries set prior to the Six Day War. It not true, as the US is trying to claim, that the Palestinian problem should be considered one of secondary importance in the wake of the Afghan and Iranian crises. The tragedy of this population, destined to live in subhuman conditions in refugee camps or in exile, is so great that it cannot fail constantly to foment feelings of hatred and resentment towards those who perpetuate such abuses. One cannot imagine that the forces of reason, which certainly exist, can prevail until an end has been put to this patent violation of human rights. Europe does not have the reasons, either internally — a strong Zionist lobby — or internationally — reluctance to favour the non-alignment of these peoples — that prevent the USA from accepting the solution to the problem.” (“La via europea alla pace nel Medio Oriente,” in Il Federalista, XXII (1980), p. 174.)

The dramatic events that shook Argentina during 2001-2002 had created serious rifts between the Member States of Mercosur. The financial collapse of Argentina had pushed Brazil into taking a series of retaliatory measures against its neighbours along the Rio de la Plata. Quarrels thus broke out between all four Mercosur Member States on customs duties, with reciprocal stoppages in the supply of raw materials and basic goods, in a desperate attempt to safeguard their respective economies.

These retaliations were then followed by a political crisis between Brazil and Argentina, with the result that the slow process of integration seemed to have been halted for good. Furthermore the succession of three Presidents in Argentina a few months’ apart from each other had certainly not helped the country to escape its crisis and bring it more into line with the Mercosur countries.

The election of President Kirchner finally, and his choice to abandon the fixed peso-dollar exchange rate (that had led to the dollarisation of his country in the ‘90s), had had the effect of promoting a reconciliation between the two South American giants, the true motors of the sub-continent’s politics and economy and in particular of the Mercosur area.

The relaunch of the Argentinean economy, after a fierce negotiation with the Monetary Fund which at first did not appreciate the de-dollarisation process, and the return to greater monetary stability, also by Brazil, must however be seen in a wider context that involves the United States and a new player on the scene: China.

The terrorist attack on the United States, in September 2001, caused the superpower to reduce the level of political attention paid in its own continent, traditionally considered “its back yard,” thus aiding on the one hand the birth of new protagonists at the continental level (Chavez in Venezuela and Lula in Brazil) and, on the other, giving the green light to
a very aggressive commercial and finance policy by China.

One of the consequences of the American choice to focus its attention on the Middle East, reducing the pressure on the nearby Latin countries, has been the recent failure of President Bush during the Summit of the Heads of State of the Americas held in Buenos Aires in November 2005. During the summit the US President tried with meagre enthusiasm and in vain to revive the FTAA project (the free trade area launched in the ‘90s by Bush Senior), encountering clear opposition from Brazil and Venezuela and considerable indifference from the remaining countries, the only exception being Mexico, whose President Fox (already the ex-Chair of Coca Cola Mexico) was accused by Chavez and Lula of having sold out to the USA (an accusation already made when Mexico joined NAFTA, the free trade project that links the country to the USA and to Canada.) In reply to this attack, the USA decided to oppose Venezuela’s candidature for a seat on the UN Security Council, claiming President Chavez was an obstacle to “international cooperation.”

With the shelving of the FTAA project, the United States are left without a de facto continent-wide strategy, as shown by the attempts to draw up bilateral agreements with individual countries (e.g. with Chile and Colombia). Even the pressures that the USA have always exercised on the area through the Monetary Fund no longer seem to be effective to the extent that Brazil and Argentina, after having rejected the re-entry plans proposed to them by the Fund, even decided to pay their debt off early.

This decision is partly due to a recovery of the economies of Brazil and Argentina, but also to substantial economic and financial aid from China. The Chinese government in fact plans to invest over 100 billion dollars in Latin America in the ten years between 2005-2015. Even taking due account of devaluation, if we consider that the Marshall Plan led the USA to allocate 12.5 billion dollars to Europe over four years, we can get an idea of the importance of the Chinese investment.

China’s high energy demand to support industrial production is well-known by now. Therefore Chinese investment in Ecuador’s oil sector should come as no surprise. China, however, also has plans to invest in the mining industry and in strategic areas such as satellite systems and nuclear installations, particularly in Brazil. Over the course of 2006 it will invest 89 million dollars in Brazil’s satellites sector, where a new nuclear power station will also be built using Chinese technology, whilst the Asian country will import uranium, which abounds in Brazil.

That something has changed in Latin America is also shown by the
fact that Panama, a traditionally pro-USA country, always considered a satellite of the USA and the first country to introduce dollarisation, today sees China as the primary backer in the plan to widen the canal with an allocation of 6 billion dollars. What’s more these days it is Chinese company Hutchison Whampoa that manages traffic in the Straights, through which 5 per cent of global maritime traffic currently passes with tolls of up to 200 thousand dollars.7

Will the effects of this financial aid from China also be felt politically in the medium-short term? It would rather seem that way, considering the failure of the FTAA project. Some Latin American countries today pride themselves on their separation from US policy, to the point of deriding it, as Chavez, the President of Venezuela repeatedly does, or, more recently Morales, the new President of Bolivia, whose first act after being elected (December 2005) was to visit to the Cuban President Castro.

Over the course of 2005 this newfound “autonomist” spirit in Latin America has meant a renewed approach between Brazil and Argentina, which have begun talks again to promote the relaunch of Mercosur, even though a lot of differences still persist.

In fact, whilst Lula, the President of Brazil has openly shown his will to support a project of political, monetary and institutional integration, not only of Mercosur, but of the entire sub-continent as declared during the Cuzco Summit of Latin-American countries,8 the Argentinean President Kirchner (with the support of Uruguay and Paraguay) shows greater prudence. Closer integration with Brazil in fact causes no small amount of fear due to the size and political “weight” that this nation has in the sub-continent. Argentina, together with Uruguay, therefore decided not to take part in the Cuzco summit, having known in advance that Lula would have put forward the proposal of a single currency for the whole continent, without having agreed this initiative with the other members of Mercosur. It must be remembered that already in 1997 the Central Bank of Brazil had looked into the idea of a single currency for Mercosur in 2012, but this was rejected at the time by the Argentinean President Menem who saw the dollar as being the single currency of the region.9

Recently therefore a special Argentina-Uruguay-Paraguay alliance has arisen within the Mercosur countries in order to contest the Brazilian proposal to create a Mercosur Parliament with an allocation of seats on the basis of the population of the individual countries. A set-up of this kind would clearly put Brazil at an advantage, long the most heavily populated country in the region (over 180 million inhabitants compared to about 40 in Argentina, 6 in Paraguay and 3 in Uruguay).
At the recent Montevideo Summit (December 2005) no agreement was reached on this specific point, deferring the debate to a mixed technical commission, which must formulate proposals that a Summit of Heads of State will have to approve. In any case the installation date of the future Parliament was adjourned to 2011 when, in the initial plans, it was to have already been installed in 2006.10

These delays will not help the integration process in the region, which is also impeded by American interference: in a recent Argentinean-Brazilian bilateral summit, the problem was addressed of the possible bilateral agreement that the United States is proposing to draw up with Uruguay, in the effort to create tensions and divisions within Mercosur.11

Added to all this is the fact that, 15 years since its conception, Mercosur will soon experience its first enlargement when Venezuela becomes an effective member in 2007.12 Chile and Bolivia are still associate countries up to now, but they give Mercosur a further economic boost towards the Pacific to the detriment of Atlantic trade that has historically privileged Europe.

In a moment of weakness in US foreign policy in its own continent, it is clear that Europeans have preferred to “flee,” abandoning significant investment opportunities in strategic sectors. Spain, Italy and France, for example, abandoned activities in the mining sectors (Bolivia, Ecuador), machinery and telecommunications (Argentina, Brazil, Chile).13 In just the two-year period 2000-2001 Italy, Spain and Germany reduced their investments by 118 billion dollars.14 European investments conversely have predominantly turned towards the Eastern European countries, in sectors that are certainly not strategic, to support lower labour cost production, such as for example in the engineering sector.15 This is a further demonstration of the lack of enthusiasm in Europe to invest in research and development: a choice, however, which weakens it both domestically and internationally. Aided by the weakness and absence of the European Union, China has been able to guarantee a market for itself today with a great potential and it is easy to foresee that, besides economic advantages, in the near future, it will also acquire political advantages, which will ultimately shift the political-economic axis of the world towards the Pacific, thus further weakening the role of a Europe that is increasingly absent in the geopolitical theatre.

Chinese economic and commercial activism in Latin America which, moreover, is also emerging in Africa,16 should be forcing the European Union into a time of deep reflection about its international marginalisation. In the past Europe, in moments of crisis, has been able to find the strength
for a relaunch, but today it appears lost, and cannot react to a decline, and an apparently irreversible one, that has come about in the course of just one decade.

We therefore need a radical political choice to be made, at least by a Core of Countries, which can make a clean break with the delays and the indecisions and turn things around overcoming the paralyzing division. The time factor is becoming crucial, so rapid is the process of decline that Europe is experiencing. Unless a break is made from the political gradualism which characterises the process of European integration, the European Union risks going through the same crisis that the Republic of Venice experienced immediately after the discovery of the Americas: first marginalisation, then decline and finally outright collapse.

Stefano Spoltore

NOTES

1 Created in 1991 thanks to an agreement between Argentina, Brazil, Paraguay and Uruguay with the objective of economically and politically integrating Member States.
2 The North American Free Trade Agreement came into effect on 1 January 1994.
3 Ansalatina, 16 February 2006. This position, held by the ambassador to the UN, John Bolton, can be seen in a more general view of the American government that considers Venezuela a nation “that is a friend of the rogue states,” especially after the trade agreement it signed with Iran.
5 Corriere della Sera, Milan, 8 January 2006; Il Sole 24 ORE, Milan, 15 January 2006; La Repubblica, Rome, 18 February 2006.
7 Ventiquattro magazine, Milan, November 2005.
11 Ansalatina, Brasilia, 16 January 2006. Note how from 2001 until today the Presidents Kirchner of Argentina and Lula of Brazil, started the custom of having six-monthly bilateral meetings, to address the most pressing political issues, although, as we have seen, there are no lack of differences between the two. This type of bilateral meeting brings to mind the Franco-German ones.
12 Granma Internacional, Habana, 12 December 2005.
14 Limes, Rome, no. 4/2003, p. 61. More precisely they went from investments of 293 billion dollars to 175 billion dollars. In the same two-year period, on the other hand, Japan increased its investments in the region by 6 billion dollars: another sign of how the flow of commercial trade is increasingly shifting towards the Pacific area.
BECOMING FLEXIBLE TO KEEP IT TOGETHER: THE LOGIC AND THE PITFALLS BEHIND THE CONCEPT OF DIFFERENTIATED INTEGRATION

The present paper offers a brief overview of the terminological-historical, theoretical and political aspects of “differentiated integration” scenarios. It argues that although “flexibility” is the only way to consolidate the acquis and pursue the integration project, differentiation does not automatically lead to a more ambitious, more powerful and more European Europe. In order to ensure this outcome, the flexibility pioneers must pay particular attention to two paramount criteria. First, they should, to the greatest extent possible, implement their project without alienating those EU partners that choose, or are compelled, to remain (at least temporarily) outside their group. Second, they need to manage relations with these outsiders in a way that does not compromise the strategic goals of the smaller core group. Since the raison d’être of any meaningful differentiated integration scenario can only be the preservation and enhancement of European sovereignty (i.e., the autonomous capacity to act and to promote our interests), in the event of conflict between these two considerations, the second must prevail.

Terminological-Historical Aspects.

One of the first and most pertinent definitions of the very essence of differentiated integration comes from Paul-Henri Spaak, who spoke about allowing “those who want to go further and farther than the others” to do so. On face value, this seems clearly reasonable and legitimate, particularly since flexibility — without being explicitly named — has been part of the Union’s practices for decades, and in the context of a twenty-five-member Union it seems to be the only viable way to counter the numerous and robust trends towards dilution. However, the whole issue is highly contentious, all the more so because both the proponents and the opponents of differentiation are — or at least, might be — right.

Flexibility in itself is neither positive nor negative. It may be the surest way to dismember and fragment the Union, just as it may be the only way to keep it together. It can be a dynamic motor for further integration, or an excuse for doing nothing more at an all-European level. It may prove to be a sound basis for ambitious future projects, or instead turn out to be merely a comfort blanket for those who fruitlessly delight in the nostalgic
evocation of past glories. The balance will tip in one or the other direction according to two fundamental parameters: the political objectives we pursue when implementing a particular flexibility scenario, and the rules and modalities we apply in the process.

We will not dwell here on the numerous expressions used to designate flexibility (such as multi-speed, multi-track, inner/outer circles, variable geometry, pioneer groups, hard core, vanguard, enhanced/closer cooperation, concentric or Olympic circles), but rather limit ourselves to some succinct remarks in this regard. On the one hand, this proliferation of terminology serves mainly to cover up for the lack of substance and detail, as well as to mask the inherent contradictions of the various projects advanced so far. On the other hand, the fundamental distinction is extremely simple: differentiation proceeds either from differences in the rate of integration, or from divergences with respect to its goals. Historically, the approach has been to recognise only the first kind of flexibility, i.e., to pursue the same finalités but at different speeds due to objective socio-economic differences between the member states. Conversely, the recognition of subjective, political-ideological divergences between EU countries’ visions is a relatively new, still very ambiguous and politically hypersensitive development.

Interestingly, the initial project of the founding Six can easily be regarded as the first example of this second type of differentiated solution. The Six constituted a genuine avant-garde in a post-war Europe that was trying out different kinds of cooperation. In fact, the Six were committed to a comprehensive “ever closer union” characterised by explicitly political endgoals and supranational elements, as opposed to loose intergovernmental gatherings restricted to purely economic or human rights issues. Nonetheless, in the decades that followed, this approach was in fact shelved within the European Communities themselves. Created by the Six (subsequently expanded through a series of enlargements), the European “construction” has always been based — at least in rhetoric — on the homogeneity of the goals pursued.

Even though the member states had, from time to time, raised the idea of launching a core group in order to overcome specific impasses, and while they were practising multi-speed solutions at each and every enlargement in the form of derogations and transitory periods, it was Maastricht that marked the definitive break with the official logic. In what might be considered a watershed agreement, the UK and Denmark negotiated so-called opt-out clauses, which resulted in a significant shift from the previous (objective, socio-economic) to a new (subjective,
political) approach to differentiation.

The genie was out of the bottle. Or — seen from another angle — the cat was at last out of the bag. After Maastricht, everyone came out with their own particular flexibility scenarios. In the late summer of 1994, within the space of barely a week, French prime minister Edouard Balladur presented his vision of concentric circles, the German Schauble-Lamers paper launched the idea of a “hard core” Europe, and British prime minister, John Major, riposted by outlining what has since then been referred to as Europe à la carte. The negotiations leading to the Amsterdam Treaty delivered a sort of mixed model, which embodied the very cautious mechanism of enhanced cooperations. Paradoxically enough, whereas the rationale behind the introduction of subjective flexibility was to free the more ambitious member states from the constraints of seeking to advance in the context of a fifteen-member framework, the answer enshrined in the new Treaty was a mechanism that, in the final analysis, retained most of these same restrictions.

No wonder the debate was far from closed. On the contrary, it had only just begun. Within the framework of the Union, the subsequent Treaties (that of Nice, followed by the latest one, called constitutional) limited themselves to attempting to simplify and facilitate the system of enhanced cooperations. Outside the strictly official arena, and with the ever-approaching prospect of the “big bang” enlargement, the polemic continued, and produced a proliferation of core Europe blueprints and discourses. The two “high points” in this debate to date, in terms of media resonance and intellectual mobilisation, came in Spring 2000 (with the German foreign minister’s “Humboldt speech”), and in Summer 2003 (with the publication of the joint Habermas-Derrida article). Notwithstanding these valuable, but poorly crystallised, contributions, this background debate on various flexibility scenarios has continued and indeed intensified.

*Theoretical Models.*

With respect to the enhanced cooperation clauses already in force through the Treaties, the immediate counter-argument is that they have, so far, never been applied. Some see in this the proof that there is no real demand for flexible solutions, while others conclude that the current system needs an urgent overhaul. But both parties overlook the main achievements of the present formula. First, non-use does not mean no impact. The very existence of the possibility of having recourse to
enhanced cooperation within a smaller circle offers valuable leverage in efforts to overcome impasses during EU negotiations. And this is true not only in specific cases: the decision-makers’ overall behaviour is influenced by the fact that an alternative solution is at their disposal.

The Treaties’ enhanced cooperation mechanism can also be seen as a safety valve. And this is thanks, in part, to its role as the Union’s “institutional memory.” Building on the experience of past decades, it embodies the fragile equilibrium between the minimum room for manoeuvre that should be accorded to the most ambitious states and the constraints necessary to preserve the common bases of the EU as a whole. The safety valve function serves another purpose, too. Namely, to keep various options open, particularly in view of the laborious and unpredictable process of Treaty ratifications and the general uncertainty over the Union’s future.

The multitude of differentiated integration scenarios can be divided into three groups, basically according to their approach to the present mechanism of enhanced cooperations. The first approach, that of institutional refurbishing, is limited to perfecting the current system through the introduction of essentially quantitative changes. The second approach can be called the diplomatic realism approach. Its supporters try to highlight the possibility that the intersecting of the various circles created within the enhanced cooperations framework will, in time, automatically lead to the emergence of a more integrated core. The third way of thinking is the most ambitious. For its proponents, the currently proposed system leads to a dead-end, and further integration must be implemented within the closer circle of the most eager and determined member states, be this within or outside the EU’s institutional framework. And preferably, given the ever-growing threat to European sovereignty, this must be accomplished without further delay.

All three approaches present serious flaws. Those who favour mere improvements of the current mechanism fail to explain how the proliferation of various circles of enhanced cooperation can avoid resulting in fragmentation of the EU. Or indeed how it can lead to the emergence of a strong and credible actor on the international scene, let alone an intelligible and attractive political entity capable of generating and retaining the loyalty of the citizens and a sense of identification on their part. The supporters of the second, highly diplomatic scenario remain practically silent on the question of the actual implementation of the core concept, claiming only that it would follow “automatically.” They acknowledge the chronic lack of sufficient political will among the
presumably ambitious member states, but they prefer to give priority to managing the sensitivities of those that would remain outside the core. Finally, the third scenario remains highly hypothetical precisely because of these last two issues. There are, in fact, huge question marks as to the existence of a real political will, even among the core group countries, for further integration in all key areas. Furthermore, neither the relationship with the “outs”, nor the institutional arrangements within the core or those between the “ins” and the “outs” have yet been convincingly clarified.

At this point, we will restrict ourselves to a few general observations. First, those advocating some sort of avant-garde fall basically into two categories. Former finance ministers tend to start from the Eurogroup, which they propose to transform into a genuine core by adding other policy areas. On the other hand, former foreign ministers and diplomats, reasoning in both symbolical and practical terms, are largely in favour of an avant-garde built around Europe’s Six founding states. Second, all the flexibility scenarios are built, in one way or another, around the Franco-German axis and emphasise the \textit{a priori} openness (to candidates willing and able to subscribe to its more ambitious objectives) of the solution proposed. Third, flexibility is never considered a goal in and of itself. It is partly a consequence of the paralysis observed at European Union level, and partly an instrument, namely a means of drawing, sooner or later, the others onto a more politically demanding path.

\textit{Political Implications.}

Assessment of the political significance of differentiated integration is primarily a matter of personal perspective. It depends on how much potential we see and how much we want to see in the current situation and trends. In other words, our appraisal of the entire flexibility problem is influenced by whether we adopt a euro-pessimistic or a euro-optimistic outlook, i.e., whether we envisage the collapse, the stagnation, or a sudden upsurge of the integration process. It also depends on our personal preferences, i.e., whether we see further integration as something to be prevented, as a kind of necessary evil, or on the contrary, as something genuinely desirable. That said, one thing is indisputable: the gradual introduction and development of the differentiation principle reflects the Union’s realities, and in particular the fact that its member states differ from one another not only in their objective capabilities and possibilities, but also, and indeed primarily, in their political outlooks and long-term agendas.
The fact that the progress of flexibility carries the risk of jeopardising the whole integration process is no less undeniable. The spectre of fragmentation is all too real: apart from endangering the Union’s single framework and its political coherence, the proliferation of various circles of cooperation might take an unhealthy turn, with competing circles being exploited to deepen divisions within the EU. Furthermore, a fragmented Union is even less easy for citizens to apprehend and might also be used as an excuse to downgrade community solidarity at the level of the Union as a whole.

Another thorny issue is that of the institutional muddle. While neither the cloning of the existing Community institutions (their duplication within each enhanced cooperation circle) nor their internal subdivision into cliques is a pleasing prospect, the current rule that would leave their composition intact while conferring on them the same role in the closer cooperation’s decision-making process as the one they play in normal EU procedures is also highly questionable. As for the claim that differentiation would reinforce the intergovernmental dimension to the detriment of the supranational paradigm, a brief consideration is enough to tone this down. Any form of enhanced cooperation will most probably be launched in particularly delicate policy areas, which are in any case beyond the scope of the méthode communautaire. Moreover, the shift towards a more supranational approach on these sensitive issues has a much higher probability of being initiated within a small group of like-minded countries than at the level of the twenty-five-member Union.

However, there are also very real drawbacks for the members of the core group. Without the Community priorities and strategic choices to act as a counterweight to the pure logic of the internal market, those wishing to follow more demanding objectives and setting themselves higher standards (for example on social, cultural or security matters) would find themselves penalised in the race for growth, compared to the rest of the member states. In fact, this imbalance between the economic and the political aspects of integration, leading inevitably to a lowering of ambitions, is one of the main incentives behind the avant-garde concept, whose aim is to regroup the most ambitious countries so that they constitute a critical mass able to adopt political-strategic choices and priorities.

From a rational point of view, an avant-garde outweighs, by far, any of the above-mentioned concerns. Nowadays, European sovereignty finds itself in a sort of no-man’s land: the member states abandon entire sectors of their national sovereignty without there being anything, at a
European level, resembling a political entity ready and able to defend the Europeans’ capacity to decide and to act autonomously. Negative integration (i.e., the tearing down of barriers between member states) has not been accompanied by positive integration (i.e., the building of a fully-fledged geopolitical actor). The result is a situation that a report submitted by an advisory group at the request of ex-Commission President Romano Prodi, put quite dramatically: “Europeans, your Europe may die.” The authors also offered a solution that, not surprisingly, was along pro-avant-garde lines. In their Proposal n. 50, they propose to “draw the territory of the Union in concentric groupings: a politically closely integrated core open to all; a grouping close to the existing European Union, preparing to enlarge; a wider group of affiliated countries who may one day join, based on economic, financial and social solidarity.”

Of course the devil is, once again, in the details. Or in this case, more precisely, in the actual political content of this core. For the avant-garde project makes sense only if it makes a difference in quality terms. And it can do this only if it is strategically driven, in other words, based on the imperative of sovereignty, guided by geopolitical considerations, and aiming at comprehensive, long-term sustainability. On these crucial points, there is absolutely no room for compromise. Because even if, in the long term, one can hope for the support of all for the project, the launching of the avant-garde does not fit into the logic of a multi-speed Europe. At the beginning, it acts basically as the expression of a differentiated political will (multi-goal Europe). It is therefore necessary to proceed with maximum resolution with regard to the strategic content of the project. Otherwise, through a succession of concessions, granted in order to obtain the agreement of everyone, we would simply find ourselves back at the starting point, with twenty-five members. However, this intransigence over the substance must be accompanied by special precautions as regards the form (the modalities of implementation), in particular, through monitoring of the European citizens’ expectations, and through extremely careful management of relations with non-participant member states.

In order to gain and sustain popular support, it is necessary, on the one hand, to address the citizens’ preoccupations (market economy moderated by social solidarity and inter-generational/environmental concerns, as revealed by a TNS-Sofres poll, in Spring 2005; a Europe independent of the United States as desired by 82 per cent of European citizens according to the latest Eurobarometer). In addition, the avant-garde should deliver tangible results as fast as possible, be it in the field of the
infrastructures, in the triad growth-employment-ecology, or in new, specific projects, following the example of Ariane and Airbus.

Finally, to reduce the hostility towards the restricted group, a distinction must be made between those that remain outside it by choice (different or absent political will) and those that remain outside it by necessity (insufficient socio-economic conditions). In the latter case, it is crucial to underline the temporary character of their exclusion. It is therefore advisable to install solidarity mechanisms to facilitate their subsequent accession, and inclusive institutional arrangements (allowing affiliation of future members, but without prejudice to the autonomy and integrity of the avant-garde’s decisional and executive structures).

To sum up, the implementation of an avant-garde project can succeed only if there is absolutely no compromise over its strategic objectives, even making provision for an act of rupture should this prove to be necessary. But at the same time, it must always insist on addressing the citizens’ expectations, as well as on solidarity towards those who — for objective and temporary reasons — remain outside the more ambitious circle. At the same time, it is essential to go back to and revive the founding fathers’ approach, especially on two points. Firstly, by emphasising those “concrete achievements” so cherished by our predecessors. In fact, we should bear in mind that the above-mentioned Ariane or Airbus projects, for instance, have done more for Europe’s sovereignty (our collective capacity to decide and act autonomously) and for its legitimacy (through the perception of a European vitality producing outstanding tangible results) than countless Treaties and memorandums taken together. Second, while focusing on actual projects, we should not forget the importance of the institutions as a memory store and as a sort of conveyor belt transferring one generation’s experience and wisdom to the next. Whether we succeed in translating strategic objectives into institutions depends only on our determination and creativity. As Jean Monnet observed in his Mémoires: “It would be a contradiction in terms to envision the ultimate form of the European Communities that we had wanted to be a process of change. To anticipate the results would paralyse the spirit of innovation. As we progress we will discover new horizons.”
NOTES

1 The following text is a lecture presented at the International Seminar on “The Project of a European Federation with a ‘Core of States’”, organized by the “Action Committee for a European Federal State” with the support of the “Mario and Valeria Albertini Foundation”, 12-13 November, Strasbourg.

2 Building a political Europe, report of the Round Table “A sustainable project for tomorrow’s Europe” formed on the initiative of the President of the European Commission. April 2004.
I. The European election, and the consequent strengthening of the European Parliament, raise the question of the strengthening of the decision-making capacity of the Community. Both the parliamentary function and the executive function are under discussion, and these are problems that can be examined only in the context of constitutional thought. There thus reappears, on the horizon of political life, the question of the European constitution, which takes old militants like ourselves right back to the start of the process of European integration, and to the debate that shaped the aspirations of Europe’s pioneers at a time when European integration was just a project supported, in its bid to affirm itself and to become part of historical reality, only by the force of ideas. I refer to the debate between the constitutionalist theory, which in Italy can be linked to Luigi Einaudi, and to the functionalist theory of Jean Monnet, which, while not being enough to allow completion of the construction of Europe, nevertheless managed to get the process of unification started and to develop it to a point at which the question of European Union is being posed in concrete terms.

To re-examine the constitutional theory today, one must apply both realism and imagination. And I do not use the word “realism” casually. I know very well that many, indeed most, people believe that it is unrealistic to think, already, in terms of the creation of a European state. But sometimes those who profess realism are the very ones who fail to be

* This is the first part of a lecture given by Mario Albertini at the convention “Le elezioni europee: 1978” (Rome, May 20th, 1976), organised by the Istituto europeo di studi e ricerche, in collaboration with the Italian Office for the European Communities.
realistic. In this regard, and also in order to focus attention on the problem, it is perhaps worth recalling a historical example, drawn from our own Risorgimento, that, like European integration, also involved the founding of a new state over an area encompassing many states. Nowhere in the history books does it say that the Italian state came about suddenly and unexpectedly. Even in 1857, Cavour said, in the Subalpine Parliament in reference to the designs of the Mazzinians, that it was “nonsense” to think of the Italian state as a possible and imminent reality, that is, as the concrete objective of the political process in progress. But this “nonsense,” in fact, corresponded to reality. In 1860, the Italian state was born. And, in truth, it has to be said that this had been a possible outcome of the political struggle ever since the reasonable Mazzinians had decided to act in concert with the reasonable moderates.

Indeed, the founding of the Italian state cannot be explained except in the light of the formation of its national society. But normal political thought was unable to grasp the significance of this aspect of reality because it considered the momentum for unification and the creation of the state entirely separately. Thus, thoughts of unification were not accompanied by thoughts of the Italian state (the latter was projected forward to some indefinite, far-distant time, in the same way as the European state is today). Just as in Italy in the Risorgimento, in Europe today there is difficulty making this connection, which requires that European integration be viewed as a state-building process. There are practical reasons for this difficulty, and one could evoke, in this regard, Croce’s idea of the practical nature of the theoretical error. That said, the error exists and it needs to be identified. If one listens to the accusations of simplification that have always been levelled at the federalists, one might seem justified in asserting that the conception of European integration as a European state-building process is rejected on the basis a sophism: it is argued that this conception claims to furnish, in advance, knowledge of the process, whereas, in truth, it is clearly only a guiding concept, a broad criterion against which to evaluate events, and the only one that allows them to be examined in all their complexity. Indeed, unless one applies this criterion, one will never be led to ask oneself about the possibility of founding a European state; hence, when this possibility emerges, in reality, thought fails to grasp it, and failing to grasp it, dismisses it. In reference to European integration, it is, in any case, worth recalling that Western Europe has, in the past (between 1951 and 1954), already been on the brink of founding a European state.
II. The basis of the constitutionalist theory is very simple. It is banal to say that the creation of a state requires the convening of a constituent assembly. It is perhaps less banal to recall that European unification will cross the threshold of irreversibility (often said to be reached already) only upon the acquisition of statehood. But what is more difficult, and I apologise in advance if all that I am about to say seems audacious, is to monitor what we might call the “constituent degree” of the process of integration, particularly, if we conclude that this “constituent degree” is already well advanced — advanced enough to allow the taking of the first steps towards a European state. In this case, we are no longer in the realm of theory, and thus of a priori knowledge of the relations that exist between the state and the constituent power, or of those that exist, respectively, between federation and irreversible unity, and confederation and precarious unity, in the framework of associations between the states. Instead, we are faced with a historical reality (the current phase of European integration) that we are actually living through, and whose meaning, character and direction we are striving to understand. This task is so difficult that it might seem wise to keep quiet. But exercising caution, in these cases, is tantamount to giving up or, in a political sense, to surrendering. Political action, if it is not to remain restricted to the here and now, demands that, to some extent, we verify the meaning, or course, of history, and the only way to do this is through dialogue, providing there is someone willing to formulate clear ideas, so that errors might become easily recognisable, and so that we might, through the correction of errors, draw closer to the truth.

No fully mature part of current political debate provides grounds for affirming that Europe is, for the second time, on the brink of founding a European state. Indeed, all prudent players and observers rule this out. I, on the contrary, think that we might say that the political — and, by definition, the constituent — phase of the process of European integration has already begun. I will explain: I do not say this because a constituent assembly is, in theory, necessary, but because it has become a real possibility as a result of the character assumed by events, by the power situation. I can also say that we federalists had already foreseen this possibility, referring to it, in our language, as an “inclined plane”, meaning a situation brought about more by events than by the will of the political forces. After the collapse of the EDC, and when the Common Market was still in its early stages, we tried to understand how, just as it had taken shape, the process of European integration would now unfold, and we felt able to say, at that time, that European integration, having
completed its first stage — we defined this first stage “psychological” because it was autonomous only at the level of feelings and aspirations, which are also important, as shown by the founding of the European Council (a symbol, precisely) and, above all, by the Atlantic Pact, with its strong support for European unity —, would, with the Common Market, go on to complete an “economic” phase (“economic” not because economic unity is achievable at a purely economic level, but because it excluded the autonomy of politics and restricted itself to the autonomy of economics, a sphere that, as events have shown, cannot stand alone), and, by the very dynamics of this evolution, then reach the political-state-constitutional phase.

III. Today, however, we can concern ourselves with facts, and not only with forecasts. Nevertheless, it is a good idea first to remove an obstacle. One difficulty that could impede efforts to consider the question of a European constituent assembly is the fact that the constitutional foundation of Europe cannot, in any case, be likened to the constituent works of the past. In the latter, it was always a question of giving, through the efforts of a constituent assembly, a constitutional form to a state that already existed. This does not apply in the case of Europe. For this reason, the constitutions of the past have always, to an extent, been something bestowed, if not by the sovereign on the subjects, then at least by the politicians on the citizens, and this has naturally had direct consequences not only on a political level, but also on theoretical and cultural levels, and, basically, on the way in which we perceive and view the events in question.

But we cannot see, or think of, the European constitutional question in these terms. Because of its very nature, the European constituent effort cannot correspond to the work of a constituent assembly entrusted with drawing up, in the space of just a few months, a definitive constitution. In Europe, there is no European state to which to give a constitutional form. In Europe, the state still has to be created, literally; and therefore a power must be entrusted with the task of creating it. And the thing that the events of the process of European integration should, by now, have taught us is that it is only from an initial form of European state (to be instituted through an ad hoc constituent act) that we can begin the process of forming a European state that we might call definitive. This paradox of “creating a state to create the state” need not worry us. Kant faced a similar paradox (a state of states), but this did not prevent him from formulating, through this very paradox, his theory of perpetual peace.
We should instead remember that the process of European integration has already brought us face to face with a situation of this kind, with the question of the European currency and of economic union, which, in fact, cannot properly be considered until it is seen to represent the creation of an essential aspect of the European state — economic sovereignty — and until it is appreciated that this creation: a) cannot be achieved through a simple act; b) requires a process; and c) can reach completion only at the end of this process (with the reaching of military sovereignty and of a definitive constitutional order); but also until it is appreciated that while this process will culminate in the state, there must also be a state, in a different form, at the beginning of it, because a process of this kind can be set in motion only in the presence of a power of state level.

These are not subtle disquisitions. They concern, in one way, the stage reached in the process of economic integration (which, at the end of the transitional period of the Common Market, can advance only in the context of economic and monetary union); and in another, the failure of the Werner Plan, which failed because it put the horse before the cart, making provision for the crucial “decision-making centre” only at the end of a new transitional period, rather than at its beginning, too.

In fact, the problem of the European currency illustrates perfectly the arguments that I have set out. There cannot be a currency without a government because it is only at this level — at state level — that there exists the essential power needed to issue a currency, to regulate its quantity, to control the economic consequences of monetary policies, etc. Currency and government are, in truth, two sides of the same thing: sovereignty. Thus, a currency is either national or it is European, just as a government is either national or European. There are no middle ways: a currency that is part national and part European, or a government that is part national and part European. It follows that until there is a European currency, the factors — starting with balances of payments — that force governments to favour national aspects of the economy over European ones, and prevent them from creating the common or coordinated economic policy that would, hypothetically, be needed to launch and develop economic union, will, together with the currencies, continue to be national.

Obviously, these considerations do not undermine the principle of progression by stages, but they do exclude it in one case, that of the European currency, which cannot come about gradually, but only through a single act, which must be accomplished at the start of the process of economic union so as to remove the obstacles that lie in its way. We may
thus conclude that a European government has to be created right at the start, to allow the creation of a European currency. But it does not end there. Having created the currency, it will be necessary, gradually, to develop economic union, and this means starting with one state (the initial state) before reaching, through this means of power and its policies, another state (the definitive one). It is clear that progress towards economic union will have to be accompanied both by the gradual construction — always reflecting the degree of union achieved — of a European political and administrative apparatus, and by the gradual coordination of this apparatus with those existing at national level, and that this process, in view of the interrelation between defence and economic problems, may in theory be considered finished only when the initial European state (endowed with sovereignty in the monetary sphere, but not in that of defence) has been transformed into the definitive European state, endowed with all the competences needed to act as a normal federal government.

IV. These conclusions clarify — assuming they are correct — the nature of the fact that must be ascertained. To assess whether the creation of a European state is possible, it is not a question of seeing whether it is possible to convene a constituent assembly, understood in the traditional sense of the term, but of verifying whether a process like that which I have described, which should be made up of single constituent acts that strengthen its constituent degree, progressively paving the way for further constituent acts (and in which a European Parliament would effectively take on the character of a “permanent constituent assembly”, to use Willy Brandt’s expression), is about to begin or has already begun. It is thus necessary to examine, from this perspective, the current situation of European integration.

For several years now, the question of European integration has been characterised by three ever-present issues: the European election, European Union, and economic and monetary union. It must nevertheless be remarked that these three issues emerge more in the actions of the governments than in the actions and sensibilities of the political parties, the unions, the social forces, and the press (journalists, intellectuals, commentators and so on). As regards the European election, a date has already been set. The question of European Union remains open, and has taken, through the task entrusted to Prime Minister Tindemans, which also made provision for consultation of sectors representing public opinion, its first tentative steps in the direction of a debate open to the
political parties, the social forces and the citizens. And as regards economic and monetary union, it really has to be said that events have rendered this essential, if the governments, despite the failure of the Werner Plan, and the abandoning of fixed parity rates, are — rather than no longer raising the question — instead to go on reiterating that this is an objective that must still be pursued.

I have already spoken of economic and monetary union as the way to create a European state. I return to it now because it also serves to show the point that both Europe and the states have now reached, a point beyond which there lies a crossroads. For years now, Europe has been on the threshold of this crossroads, where the two ways are those of unity or division, and this situation cannot go on forever. Europe must once more take the pathway of unity, which is also the pathway of economic, democratic and social development, otherwise it will inevitably find itself irreversibly plunged into the divisions of the past, and the consequences of this, on freedom, wellbeing, and social justice, are all too easy to imagine. A third way (a good Italy in the absence of a good Europe) simply does not exist, and is merely an illusion born of mental or moral laziness. And unity after the end of the transitional period of the Common Market, that is to say after the creation of the customs union and the agricultural union, lies only in economic and monetary union, and in its political prerequisite: an initial government that will start and carry through to completion Europe’s new transitional period, during which what remains to be integrated will be the political and social forces.

In view of all this, it is clear why we talk of a two-speed Europe, and why the two-speed Europe, as soon as it manifests itself, becomes a many-speed Europe, capable, indeed, of as many speeds as it has nations. The fact is that at the stage currently reached in the development of European integration, and of international political and economic relations, economic and monetary union is the condition on which European unity depends. And without unity, all that remains is division by nations. The splitting of Europe into two parts, as we have already seen with the franc’s exit from the European “monetary snake”, would just be a step closer to the only division likely to become entrenched: national division.

V. I must now illustrate a peculiar aspect of this situation, whose true character, when all is said and done, is better recognised by the governments than by the political, social and cultural forces (the forces, that is, that produce political debate). This is the reason why, in political debate, it is the individual aspects of the situation that are taken into considera-
tion, and why the situation is never considered as a whole, that is, as the field in which to make important choices, or the framework of the alternatives that have to be faced. I will give some examples. If one considers only Italy, or the “Italian case”, one will certainly fail to see that a solution (the best solution) to the Italian case lies in completion of the process of European integration, that is to say, in Italy’s transformation into a member state of the European federation (as an aside I point out that this transformation implies relinquishment of exclusive sovereignty but not of effective sovereignty, even though, in terms of competences, the latter is limited; and I would add, too, that sovereignty is one thing, and autonomy another: Italy has military and monetary sovereignty, but it certainly does not have military and monetary autonomy). And for the same reason (i.e., the reducing of the question of the possible alternatives to the level of the Italian situation, in spite of European integration), the question of the Italian political left is considered as though the terms of the problem were dictated purely by the power relationship between the socialists and the communists in Italy, and not also by the picture that will emerge in two years’ time, after the European election, in the framework of the European Parliament, a picture that, whether or not it is taken into consideration now, will undoubtedly strongly influence the Italian situation.

There is an explanation for this peculiar blindness, and for the fact that the governments are less blind than the political parties and the cultural forces. The parties, and following in their wake, the social and cultural forces, concern themselves mainly with the political and social struggle. It is in this field, with the fortune or misfortune of one political doctrine or another, that political action acquires its cultural dimension. Political debate reflects this perspective, which brings into focus the evolution of the forces (in a sense, “history”), but not the decisions that must be taken in relation to real and immediate problems, which, in this context, are not followed and studied with the same interest.

Governments, on the other hand, have to concern themselves, above all, with real and immediate problems. It is in this regard, and not in relation to ideological questions, like the debate over democracy and socialism, or predictions regarding the clash, confrontation, or accord between Christianity and Marxism, and so on, that the behaviour of governments is determined. And reality is more accurately reflected in the action of governments than in that of the parties, precisely because it shows itself more in the problems than in the processes. What is under discussion here is not a precedence of problems over processes, but: a) the
fact that the biggest contradiction of our times lies not in class (social or power) conflicts within the nations, but in the unequal distribution of power and wealth among the nations, and in its consequence: the supranational nature of the most important economic and political problems; and b) the fact that we encounter this reality when decisions have to be taken over issues linked to the contradiction between the supranational nature of the problems and the national dimensions of the centres of decision making, but avoid it (reducing it to the level of foreign policy) and pay more attention to less important contradictions (the domestic conflicts within the single states) when it is a question of reaching decisions in order to direct the political processes (which are kept, by the institutions, at national level). And, as an aside, it has to be said that ultimately the contradiction is between the real historical process, now completely global, and the political processes that are the manifestations of consciousness and will, which remain trapped, by the national institutions, within the narrow confines of the nations; it must also be said that European integration, which is otherwise unexplainable, is nothing other than the most advanced manifestation of this contradiction.

This reality, this contradiction between the scale of the problems and framework of the decision-making centres, is universally recognised, even though this recognition is hardly ever followed by an attempt to adapt one’s own thought (considering the historical process as a global process and not as the sum of national processes), and action, to this new aspect of history. The men of government, on the other hand, see things differently. For the men of government, it is not so much a question of analysing reality as of confronting it, and the problems posed by the real historical process. As far as they are concerned, the contradiction between the scale of the problems and the framework of the decision-making centres is a personally experienced, everyday, and often difficult reality. From this, there follows a paradox: compelled by the supranational dimension of things, and conditioned by the point reached in the process of European integration, the governments, just as the federalists do, concern themselves with the questions of economic and monetary union, the European election, and European Union, and are therefore more realistic than the parties, which occupy the positions of power but are unable to direct power correctly, because they pursue goals (all of which correspond to the idea of a better Italy, in the sense of a better Italian nation state) that cannot be realised. Furthermore, while the parties mobilise social energies in the pursuit of certain ends (theoretically good ends), the results they actually achieve — not only unexpected (most
recently, in Italy, the failure of the centre-left), but even bad, and sometimes dangerous — are the opposite of these ends.

This paradox is nevertheless the sign of a pathological reality that must be eliminated. The governments have identified the European objectives that must be pursued, but this is not enough because they have neither a full awareness of their significance (which can come only through political debate), nor sufficient force to carry them through completely — that is, in the current situation, or until such time as they are supported or stimulated by a more effective European will at the level of the parties, and by a true debate on Europe. This, thanks to the force of events, will be rectified by the European election; but in the meantime, and also in order to prepare properly for the European election, we need to examine the European objectives shared by the governments and the federalists, so as to stimulate, starting now, discussion of them in the context of political debate. This will also serve to establish whether European integration really has reached the constituent phase.

VI. Considered singly, the three objectives in question are meaningless and contradictory. As I have said, and as the failure of the Werner Plan shows, the idea of creating a European currency without first creating the European power capable of launching a European economic policy is contradictory. There is no sense in holding a European election for a European Parliament that has no powers, just as it is meaningless to have a Union without a proper European government.

But it is, in fact, wrong to consider these three questions singly. In truth, they all refer to the same state of affairs: the current level of European integration. Together, they constitute the platform for the relaunch of Europe. And, what is more, it is only as a whole that they take on their true nature and reveal their significance. In itself, the right to vote is a constitutional right, the clear sign of the existence of a democratic people. With the European election, we must thus talk of the European people, or more precisely of the people of the European nations. And with the election, we can also establish the meaning of Union. A Union in which the right to vote for the Union (rather than only for the states) has already been established is practically a federation, that is, a constitutional system that determines the existence of a people. Moreover, viewed from the perspective of the creation of a federation, the idea of creating a European currency and an out-and-out European economy ceases to be contradictory.

I will have to return to each of these questions. But in the meantime,
I wish to remark that, from the perspective of the idea that taken together they reveal their true significance, we can in fact say that, with the fixing of the date for the European election, the first formal constituent act has already been accomplished. The proof of this lies in the fact that this “formal” decision has had a series of “material” consequences: the announcement of the candidature of important personalities; the formation, already completed (Christian democrats and liberals), or still in progress, of European political parties; debate over the drawing up of European political programmes. These are facts that cannot be understood, or described, in terms other than those of a strengthening of the constituent character (or degree) of the process of European integration, a strengthening that heralds new, more advanced, formal constitutional acts, and thus a further strengthening of the constituent degree of the process, and so on.

We may therefore say that the European constituent process has already begun. This is not to say that it will certainly be completed. No historical process, and no human act, as it evolves, possesses this mechanism. What it does mean, however, is that it is now up to men to act in order to stop it, or in order to prevent it from stopping and to carry it through to completion. I wish to point out, once again, that, to this end, it is no longer enough to pursue the construction of Europe as though this were a particular political task, in a way divorced from politics proper. Until some time ago, the construction of Europe was in fact kept separate, on the fringes of political struggle, like a flower in a greenhouse, but this is no longer possible, given that there is now no political or economic event whose consequences do not include the strengthening of Europe’s division, or unity. All national policies have now become European policies, too, and vice versa. It follows that either we plan national and European policy together, as a single policy, or we effectively choose, often even without realising it, division, the worst European policy. This is why European division has once more become, for the first time since the end of the Second World War, a dangerously active phenomenon.

This, then, is the meaning of what is happening, and of what we all see before us. In the Community, we no longer have fixed parity rates, and there is not even the possibility of returning to fixed parity rates with the current national policies and the current European policy. Monetary chaos in Europe is damaging the European agricultural market and, in the industrial sector, is rendering the customs union increasingly fragile. In short, we still have the Common Market, but for how long? Ensuring its survival seems increasingly difficult. What we are seeing is that monetary
policy, which was European with the fixed parity rates, has once more become nationalistic. We should be aware that if we conserve the national currencies this is inevitable, because the different levels of growth — these obviously emerge between the different states just as they do between different regions of the same state (and can be corrected only by the political power, which Europe still does not have) — are reflected in the balance of payments, making the European position subordinate to national and protectionist positions. This is why, now that the crisis has hit, in different ways, the European countries, every provision — and not just the overall political direction, as was once the case — has direct and immediate consequences on Europe’s division or unity. We must thus bear in mind that, just as we are close to the point at which unity would become irreversible, with the strengthening of the constituent process and the direct intervention of the people in European politics, so we are dangerously close to the point at which division could become irreversible, because monetary nationalism, unless it is stopped in time, cannot fail to extend first to the economic sector and subsequently to that of politics.

For the moment, the two trends balance each other out, generating, as regards the threat of nationalism, a false sense of security, but this situation cannot last forever. Either we react now, carefully preparing for the European election and exploiting the mobilisation of the European electorate in order to obtain an initial form of European government and re-launch economic and monetary union, or the nationalistic trend will be bound to prevail, because problems do not wait, and in the absence of European answers, we are forced to find increasingly national answers, thereby bringing closer the point at which nationalism, even before it has destroyed everything, will have won. All that I have said thus far shows that the binding together of European construction (or destruction), European policy and national policy, has already taken place; it follows that the decisions made today are ones that will determine the character of a whole historical cycle, and not just the situation for the coming years. Since Europe’s unity or division is at stake, it is clear that the destiny of the European nations themselves is also at stake, and to an extent, that of all the states in the world.

It also follows, from the binding together of national policy and European policy, that the European action of the federalists, of several enlightened statesmen, and of a few intelligent officials is no longer enough. European policy is now dependent on all the political, social and cultural forces active in national policy. Until now, these forces have
submitted to, rather than created, European policy. But at the point we have now reached, passivity, doing the same things today as we did yesterday, amounts to an absence of European policy, to national policy pure and simple, in short, to ruin. It is now necessary — and, through the European election, this is perfectly possible — that all the forces, as they face up to the problems presented by the cultural evolution of society and by the crisis of many aspects of political and economic life nationally and internationally, gradually replace (bit by bit as they build a political Europe) national objectives with European objectives. Any other route, which can only be a variation on the re-establishment of nationalism and division, would lead first to the worst possible solution to the problems on the table, and subsequently to the defeat of the forces for freedom, progress and social justice.