

# Reviews

## Verhofstadt's last chance

Guy Verhofstadt, *Europe's Last Chance: Why the European States Must Form a More Perfect Union* (Basic Books, 2017)

Review by Sir Graham Watson

**G**UY VERHOFSTADT is a remarkable politician. Flemish Liberal (PVV, then VLD) MP and deputy prime minister of his country for seven years, opposition leader for the following seven, prime minister for nine years and now leader of the Liberal ALDE Group in the European Parliament, he has been one of the three dominant figures in recent Belgian politics. In his greatest ambition, however – to be a dominant political figure at EU level – he has thus far been unsuccessful.

Partly it is because the ideas he espouses have been ahead of their time. He attained the leadership of his country only after a fundamental change in his thinking – from ‘baby Thatcher’ to centrist – and a consequent repositioning of his party. His dream of a federal Europe has led him to advocate policies too ambitious for either his political counterparts or the general public, yet he has pursued it doggedly. I recall a conversation in 2008 with Jean-Claude Juncker, then PM of Luxembourg, when Juncker regaled me with his exasperation in European Council meetings at what he saw as Verhofstadt's lack of Euro-realism.

But partly, too, it is due to a conviction which puts federalist ideology ahead of party political philosophy. Is Guy a Liberal? I sometimes wondered about this in the years after I recruited him as my successor to lead the ALDE Group. I believe that in his convictions he is, though many former colleagues complain that in his style of leadership he is most definitely not. That Liberalism is not what defines him is well illustrated by both the act and the method of his (unsuccessful) attempt in January 2017 to bring the MEPs of Italy's Five Star Movement into the European Parliament's Liberal Group.

Guy Verhofstadt is a federalist at all costs: and in this, at least, he cannot be accused of trimming. Paddy Ashdown trimmed on Europe on more than one occasion by advocating a referendum.

He argued that we needed to do this as a ‘shield’ against Tory attacks. Yet Paddy's advocacy of a referendum – and, subsequently, Charles Kennedy's – helped prepare the ground for and lent credibility to Cameron's disastrous decision to call one.

I once protested at a conservative-sponsored dining club that the problem with UK politics was that centre-ground politicians no longer set out their ideas in print. My concern was the lack of critical thinking among moderate Conservatives, on the EU in particular. Verhofstadt has set out, in *Europe's Last Chance*, a well-argued case for a federal Europe.

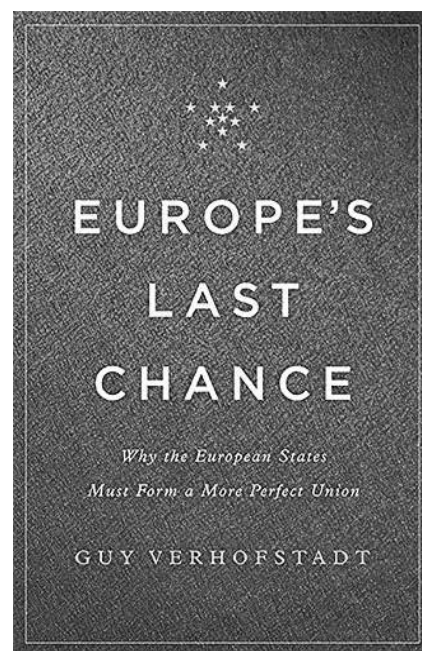
He starts by regretting that the views of the founding fathers of today's Europe have been lost in the mists of time. He reminds us of Heinrich von Brentano (to whom the book is dedicated) and his 1952 model EU constitution. He believes that ‘a United States of Europe’ would have succeeded, especially had von Brentano's idea of a two-tier membership been adopted. He rightly blames France for messing things up with the defeat of the Schuman Plan for a European Defence Community in the Assemblée Nationale in 1954.

Verhofstadt then sets out his view of where the EU has gone wrong and why it fails to deliver the right policies – in public security, in foreign affairs, in economic policy and so on. His analysis suffers from being selective. He describes the European Arrest Warrant as an achievement of the European Council (where he sat at the time), ignoring not only the fact that it was proposed by a Liberal Democrat MEP who chaired the European Parliament's justice and home affairs committee and strongly backed by Commissioner Vitorino, but also the near certainty that the Council would never have acted on the pressure from Parliament and Commission were it not for the 9/11 atrocities. He calls soft power ‘cowardice’, overlooking then-foreign-policy-chief Cathy Ashton's

considerable achievements in Kosovo and Iran. He rightly lambasts the EU's policies on Iraq and Syria and describes its attitude to refugees as ‘outrageous’, perhaps conveniently forgetting the way Belgium deported refugees while he was prime minister.<sup>1</sup>

But among these reflections he publicises some good ideas which have worked, such as Sweden's issuance of entry permits to refugees who have already signed contracts with employers and the EU's industrial policies, which have spawned CERN and Airbus. He calls for completion of the single market in energy, telecoms and capital flows, an EU Directive on Worker Mobility and a European investment fund of €800 billion to match America's Investment and Recovery Act.

A fundamental argument of the book is that Europeans are at risk of being rapidly overtaken by others. Trapped between a protectionist America and an aggressive China, the EU is failing. Partly this is because of its inability to respond collectively and coherently to the 2008 financial crisis. The USA recovered by getting its banks to lend again; the EU, without a banking union, has been unable to. But mainly it is because we do not have a federal Europe, able to raise revenue directly. ‘Economic integration in the absence of political integration has had tremendous negative consequences for us all’, he writes. Bearing the burden of its citizen's aspirations but doubly weighed down by the failure of its member states to agree, the EU can be saved only by full political union.



This does not mean there is no longer a legitimate and important role for member states, Verhofstadt contends. The objective and strategic framework of monetary union would be determined at EU level, but member states would have exclusive responsibility in how to achieve this: 'whether the tax system would be progressive or not, whether the labour market would encourage precarious employment or part-time jobs, whether the pension system would be based on redistribution or capitalisation and whether private or public hospitals would provide health care.' The democratic deficit, however, arises because national leaders decide issues in the European Council cocooned from public scrutiny. Democracy must be re-established by ensuring democratic control of the Council at EU level. Citizens are frustrated, Verhofstadt argues, not because the EU has too much power but because it has too little.

Guy Verhofstadt dedicates a chapter each to the UK and Greece, current objects of particular EU concern. He prescribes for Greece remedies from which Belgium would have benefited greatly had PM Verhofstadt applied them. But he lambasts the EU's failure to intervene earlier and more effectively and foresees similar problems in other countries unless safeguards (i.e. the creation of eurobonds) are applied. 'One Greek tragedy is enough', he observes.

Verhofstadt welcomes the UK's departure. Writing of the referendum, he says 'In a certain way, we should welcome the outcome and seize it with both hands by ... writing the United

Kingdom out of the treaty ...'. After all, it was the UK which torpedoed his plan for a European Defence capability at the meeting dismissed as 'the chocolate summit' in 2003, by insisting on unanimity in decision-making. The UK has too often applied the brakes to progress towards a federal Europe, Verhofstadt laments, adding that 'Brexit provides a golden opportunity to put an end to the politics of horse trading'.

Ever an optimist, Guy believes the immediate danger (from the financial crisis) has passed. But Europe now faces a choice: nationalism or integration.

If this book is intended as a manifesto for another run at the post of president of the Commission, one might ask why he had it published in America rather than in Europe. But one might also hope that on this occasion his ideas are not perceived as being ahead of their time. For he is fundamentally right: the half-hearted attitude to European integration shown by socialists and the European People's Party has screwed things up. It's time to get back to basics.

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1 See [errc.org](http://errc.org), Deportation of Roma from Belgium, Second Letter to Belgian Prime Minister

Andrew Duff discusses, the competing pulls of a federal versus confederal (or supranational versus intergovernmental) Europe has long been one of the key tensions behind this unique experiment in national, European and international politics. Understanding how that tension has been managed casts a light on the EU's complexity and idiosyncrasies.

The difficulties born from the EU's complexity and the political tensions over how to improve it also help explain why, as Duff points out, it has now been a generation since the last attempted reform of the EU's constitutional setup. The Lisbon Treaty, signed in 2007 and which entered into force in 2009, was in large part the product of the Convention on the Future of Europe, which ran from 2001 to 2003. It is likely to be a few more years before any major new reforms take place, with Duff referring to 2025 as the date by which the Commission has hinted at having any new constitutional exercise concluded. Throughout the book Duff touches on how the EU is still coming to terms with the tumultuous changes enacted in the twenty years before this, spanning the Single European Act of 1987 to the Lisbon Treaty of 2007. It is a reminder of how slow and difficult European integration can be, something Duff acknowledges at the start of the book as something he has long appreciated. It is also a reminder of how a book such as this plays a part in a debate that stretches back to the distant days of the post-1945 world and which will be ongoing long after 2025.

Duff provides a logical and clearly written chronological analysis of the EU's constitutional setup. Beginning with the legacy of the Second World War, he works through each of the major treaties: Paris, Rome, Maastricht, Amsterdam, Nice, the European Constitution, and Lisbon. Duff uses the period between Rome and Maastricht (1957–1992), which also covers the Single European Act, to look more at the emergence of the European Council and the growth of the European Parliament. Along the way he offers a wealth of insights, which is hardly surprising given his longstanding and much respected work on this topic as former Director of the Federal Trust, a Liberal Democrat MEP for fifteen years, a member of the conventions that drew up the European Constitution and, before that, the Charter of Fundamental Rights, and now as president of the Spinelli Group. Those who know him, or have followed his work, will

## The governance of Europe

Andrew Duff, *On Governing Europe: A Federal Experiment* (Spinelli Group, 2018)

Review by **Tim Oliver**

**T**HE MANY CRISES to have confronted the EU in recent years make it easy to forget that the European Union has rarely had an easy time. Since European integration first emerged in the 1950s, the EU, like its predecessor organisations, has been in a constant state of flux, with never-ending negotiations over its direction

and adjustment to the challenges it has faced. Whether it has been crises, the pull of political ideas, a process of spillover from one issue area to the next, or the alignment of national interests, the EU has been relentlessly driven forward, growing ever larger and more powerful. But that forward motion has never been smooth or in one direction. As