

'Europe or decadence' from La Libre Belgique (1 June 2005)

Caption: On 1 June 2005, in an article for the daily newspaper La Libre Belgique, Drieu Godefridi, founder and Director of the Hayek Institute, a liberal think-tank based in Brussels, comments on the negative outcome of the French referendum on the ratification of the Treaty establishing a Constitution for Europe and attacks the economic arguments put forward by the opponents of the draft Constitution, countering them with Anglo-American-style neo-liberal theories.

Source: La Libre Belgique. [EN LIGNE]. [Bruxelles]: [07.06.2005]. Disponible sur http://www.lalibre.be/article.phtml?id=11&subid=118&art_id=223226.

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Europe or decadence

by **Drieu Godefridi**, Director of the Hayek Institute

France has just thrown out a ghastly document for all the wrong reasons. This ghastly document was a Constitution that, for all its Christo-style federalist finery, enshrined the current system, where the large Member States benefit at the expense of the smaller Member States, and set in stone costly policies which, when not implemented as the worst economic aberrations ever seen (the CAP), exist only on paper (foreign policy).

But, of course, none of this figured in France's sovereign decision to reject the 'daughter of 1789' (as Jacques Chirac dubbed it). Too much has been made of the 'No' vote's disparate character. It would be inaccurate to claim that the only thing that the 'No' voters had in common was their rejection of Giscard's text. Rather, they were all singing from the same hymn sheet throughout the referendum campaign: 'ultraliberalism' is an abomination which, if we take them at their word, would keep France consigned to the economic and social dungeon in which she seems doomed to rot until the end of time. From Olivier Besancenot to Jean-Marie Le Pen, including Laurent Fabius, Jean-Luc Mélenchon, Henri Emmanuelli and Jean-Pierre Chevènement, and not forgetting Philippe de Villiers and the Communists, nobody from the 'No' camp wasted any time in placing the Constitution upon the sacrificial altar of the Antiliberal God (aka 'Moresocialrights'), at the foot of which, it is worth mentioning, the 'No' campaigners found themselves alongside their opponents from the 'Yes' camp who were trying to convince the same Antiliberal God that the Constitution was the best bulwark *against* economic liberalism. Never mind the fact that European integration is, by its very nature, liberal: suffice it to say, the debate was somewhat skewed.

'More social rights' will be France's saviour. This argument calls to mind the enlightened thinking which advocates 'more of the Koran' to reconcile Arab countries with modernity. Even when the opportunism that motivated certain 'No' campaigners is discounted, this collective reverence for anti-liberalism reveals just how incredibly stupid the French elites have become.

The belief that *excessive* liberalism is responsible for France's 10 % unemployment rate, moribund growth, the pathetic failure of every 'employment policy' (an oxymoron), the increase in no-go areas, the huge rise in the number of State employees and hyper-taxation that comes with it, the failing education system and the hallowed nature of all things pertaining to 'acquired' rights is bordering on either comedy or lunacy. Before we talk about the Great Satan that is the USA (where, as all French people know, the price for economic success is millions of Americans living somewhere between poverty and famine), let us look across the Channel, where we find statistics that even Jacques Chirac cannot ignore (unemployment and growth both at 4 %), and ask ourselves the question: do the British owe their success to more, or less, liberalism?

The Constitution is dead, long live Europe! We need to go back to the origins of European integration: peace through prosperity. This was the ideal of Europe's founding fathers (the real ones, not Mr Giscard d'Estaing). In real terms, this meant establishing a common market based on four freedoms of movement: of persons, capital, goods and services. For some years now, we have been moving towards a federal-style, political Europe. I subscribe to this federalist vision, which seems to me to be the logical and desirable continuation of the original vision. But we must not put the cart before the horse. We must first try to finish the common market project. There is still much to do: services have not yet been liberalised. And with services accounting for 70 % of Europe's economy, this is no trifling matter. Europeans — and who can blame them? — will support European integration only if there is something in it for them. Foreign Affairs Ministers, an embryonic European army, a Council, a big summit, a president of something or other; this is all very well (and expensive), but what good does it do? Zero growth. None whatsoever!

The Union can either help States to revive strong economic growth — which is not the be-all and end-all but will dictate all that follows — or it will become extinct. The ultimate fate of the Bolkestein Directive on the liberalisation of services that the French love to hate will be a test case. The Union must liberalise services, embracing the country-of-origin principle whether the French President likes it or not, or else the European economy's ECG reading is doomed to flatline ominously as a result of ideological blindness on the part of

the Franco-German partnership. The time will then come to apply a simple economic test to the Union: do the benefits outweigh the costs? If not, it's curtains for Europe. The last 10 countries to join will be the first to leave and, with them, Great Britain and, probably, the Netherlands. Together, they will look to new horizons, such as participation in a vast free-trade area alongside the countries of the North American continent (NAFTA). This would then leave it up to France, Belgium and Germany to form a free-protectionist area under the enlightened leadership of the nationalists, Communists and Mr Fabius.

History offers us many an example of great civilisations which survived when they were absorbed into much greater entities: Greece into Rome, Rome into the Catholic Church, or, more recently, the British Empire into America, its former colony. In our world — and happily so — growth comes before existence. This is France's destiny: either sublimate herself within a free and prosperous Europe or sink slowly into total decadence.