

HAYEK, HABERMAS, AND
EUROPEAN INTEGRATION

ABSTRACT: Recent conflicts both within Europe and between Europe and the United States suggest that Europe's current political arrangements need to be adjusted. F. A. Hayek and Jürgen Habermas argued, albeit on very different grounds, for European political integration. Their arguments ultimately are not persuasive, but a "United States of Europe" can be justified on the basis of its contribution to European security.

In December 2001, the European Council at Laeken decided that European integration could proceed no further without a constitutional convention to reexamine the European Union's political institutions. This decision was taken in response to two different challenges. First, the EU faced the problem of incorporating as many as thirteen new members, most of them former communist countries. Second, the European Union faced a crisis of popularity. Voters in a number of European countries had expressed their dislike of the post-Maastricht EU in a number of embarrassing referendum defeats. Euroskepticism, in other words, was showing signs of spreading, much like

soccer hooliganism, from England to the Continent. Something had to be done.

The mandate of the constitutional convention, which was chaired by the former French President, Valéry Giscard d'Éstaing, was both broad and narrow. It was broad in that it sought "to propose a new framework and structures for the European Union." Yet it was narrow in that it did not grapple with the fundamental question raised by Euroskepticism: Must there be a European level of government? For Euroskeptics, the answer to that question is an emphatic No. They fear that a "United States of Europe"—the hidden agenda, so they believe, of all supporters of European integration—would be undemocratic, excessively bureaucratic, and destructive of national diversity.

While conceding that the idea of a unitary European polity is not at present politically feasible, I will contend that such a polity is more desirable than is widely recognized. Europe's current divisions, cruelly exposed in the conflict over Iraq, call for greater political integration, not less. This can be seen by taking a critical look at two very different—indeed, two diametrically opposed—normative theories of political integration: F. A. Hayek's classical liberal rationale for an interstate European federation, and Jürgen Habermas's social-democratic argument for a European constitution. While neither theory is adequate to the task of justifying a United States of Europe, the arguments of Hayek and Habermas point the way to a more satisfactory justification.

Hayek's Defense of European Integration

Hayek took up the question of European integration in his 1939 article "The Economic Conditions of Interstate Federalism" (in Hayek 1948). While his essay predated the current process of European integration, a process initiated by the Schumann plan in 1950, the argument of the essay nonetheless illuminates the current debate on European political and economic integration. Indeed, Hayek's

paper, as we shall see, bears on an issue that still separates pro- and anti-Europeans today: the ability of a multinational polity to secure social justice.

Hayek's 1939 essay is particularly concerned with the economic implications of interstate federation. In a manner that has now become commonplace, he identifies the gains to prosperity that will result from a common economic regime. An economy undivided by barriers to trade, he points out, will realize tremendous economies of scale and of what economists now call unhindered "comparative advantage." The greater prosperity that will result from these economies will, in turn, make Europe more powerful and less vulnerable to external attack.

Hayek also offers, however, a more controversial, classically liberal rationale for an economically unified Europe. Hayek's aim in this part of his paper is to show that the multinational character of an interstate federation will prove conducive to the liberal project. His point of departure is the observation that an economically unified interstate federation will permit "the free movements of men and capital between the states of the federation" (Hayek 1948, 258). In such a federation, there will be a single market, and the prices of goods will vary only by the costs of transport. Labor and capital mobility will furthermore prevent the states in the federation from imposing costs on business or industry that exceed the costs imposed by other states. It will thus be necessary "to avoid all sorts of taxation which would drive capital and labor elsewhere" (*ibid.*, 260). Federation, in short, will impose severe constraints on the federated states' capacity to enact interventionist and protectionist policies.

One obvious way for states to overcome these constraints would be for them to transfer regulatory authority from the state (or national) level to the federal (or supranational) level. A transfer of this sort, however, is, so Hayek argues, unlikely to succeed, because supranational regulation is much more difficult than national regulation. His argument here is important. For Hayek,

the form of solidarity built into the idea of a shared nationality exercises a baleful influence on economic policy. As he puts this point:

In the national state, current ideologies make it comparatively easy to persuade the rest of the community that it is in their interest to protect "their" industry or "their" wheat production. . . . The decisive consideration is that their sacrifice benefits compatriots whose position is familiar to them. (Hayek 1948, 262.)

In an interstate federation, in contrast, feelings of federation-wide solidarity are improbable. "Is it likely," Hayek asks, "that the French peasant will be . . . willing to pay more for his fertilizer to help the British chemical industry?" (Hayek 1948, 263). A supranational federation will not be able to pursue either protectionist or redistributive policies, because the citizens of that federation will lack the international solidarity necessary to sustain such policies.

Hayek's argument in support of an interstate federation can be seen as a mirror image of his argument against the nation-state. Hostility to the nation-state—and a fortiori to nationalism—is a recurrent theme in Hayek's work. In the present context, nationalism and the nation-state are damned for their tendency to sustain state planning, protectionism, and redistributive welfare policies. These harmful policies are easier to enact in a nation-state, because of the "comparative homogeneity, the common convictions and ideals, and the whole common tradition of the people" (Hayek 1948, 264). Because it would lack such a homogeneous culture, Hayek expects an interstate federation in Europe based on a common market to generate an economy governed by classically liberal principles. Hayek's conclusion is that "there would have to be less government all round if federation is to be practicable" (*ibid.*, 266).

Notwithstanding the fact that Hayek wrote his defense of an interstate federation in an intellectual and political context that was very different from that prevailing

today, his arguments are germane to the present debate on European integration. Paradoxically, though, such arguments are more likely to be heard today from social-democratic opponents of European integration than from its libertarian proponents. A number of social-democratic theorists (e.g., Miller 1995) have noted the dependence of the modern welfare state on a shared sense of solidarity anchored in the idea of a nation. These social democrats fear that European political and economic integration will yield a market cut loose from the political policies that have tempered what they perceive as the market's destructive tendencies. European integration, in short, will triumph at the expense of social justice (Miller 1998).

Leaving aside, for the moment, the merits of the very different normative perspectives adopted by Hayek and the social democrats, I want to consider a puzzle that arises if we accept the conclusion that European integration is good for free-market capitalism. The puzzle is this: Why do many pro-market parties and politicians oppose European integration? Margaret Thatcher can serve as an example here. She was a fervent admirer of Hayek's economic writings, yet a vehement critic of European integration.

On one level, the puzzle can be answered easily. The postwar process of European integration created a very different type of interstate federation than that which Hayek had in mind in his prewar essay. Thatcher (1994) feared that her own efforts to destroy social democracy in Britain would be jeopardized by a European project to reconstitute social democracy at the supranational level. But to acknowledge this point is to suggest that Hayek's 1939 essay puts too much weight on the role of national solidarity in sustaining protectionist and interventionist state policies.

Hayek's 1939 essay specifies just one mechanism that might conceivably yield protectionist policies: nationalism. From this perspective, the solidarity felt by members of a common nation encourages them to tolerate a lower level of overall prosperity so that some of their

number can escape the costs of disadvantageous economic competition. But clearly this is not the only mechanism through which protectionist policies emerge. Consider, by way of example, the situation of farmers in both Europe and the United States. On both sides of the Atlantic, farmers are protected against foreign competition and are provided with various governmental subsidies—in the case of Europe, by EU-wide agricultural protectionism. (This is one of the most important respects in which the First World is protected from what would otherwise be a far more laissez-faire version of globalization, which would be far more beneficial to the Third World.) Contrary to Hayek's assumption, national solidarity can hardly explain this state of affairs. While Americans might possess a robust sense of national solidarity, Europeans, at least qua Europeans, do not—just as Hayek predicted. Why, then, do European politicians go on supporting EU agricultural subsidies? Presumably the answer is that farmers constitute an electorally important segment of the vote in many EU countries. Governments appease farmers because they fear the electoral consequences of subjecting them to market competition, not because the electorate of the EU as a whole (or even of each country as a whole) endorses the subsidies.

The organization of producer groups in support of self-serving, market-constraining policies provides an alternative to nationalism as a mechanism through which protectionist policies might emerge. Adam Smith ([1776] 1976, 266-67) warned his readers of precisely this mechanism in *The Wealth of Nations*. For Smith, merchants presented a particular threat in this respect, both because their sectional interest did not coincide with the general interest, and because they were the best equipped to ensure that their sectional interests won out.¹ If this line of argument is correct, then the critical question for classical liberals to ask when confronted with the prospect of interstate federation is this: Are interest groups more likely to succeed in their advocacy of protectionist policies in an interstate federation or in a national

state? Thatcher and other classically liberal critics of European integration maintain that such policies are more likely in an interstate federation. Hayek, so it would seem, thinks that they are more likely to succeed in an unfederated nation-state.

In addition to national solidarity and sectional interests, a third mechanism that might yield protectionist policies is the ideal of social justice. For better or worse—Hayek (1976) clearly thinks for worse—politically significant actors will often favor policies that constrain the market in the interests of that ideal. For many European social democrats, the postwar success of Europe resides in its ability to force the market to submit to politically imposed constraints. The citizens of Europe's postwar democratic nation-states now expect their governments, as Fritz Scharpf (2000, 121) puts it, "to prevent mass unemployment . . . ; to prevent extreme poverty that would force persons to live below socially acceptable levels of income and life chances; and to assure a fair sharing of burdens and tax benefits."

The attempt to force the market to conform to the dictates of social justice has been sharply criticized by classical liberals. Hayek (1976, ch. 9) argues that the desire for social justice represents a misguided attempt to apply the distributive principles that make sense in small face-to-face communities to the impersonal context of a great modern society. This is to suggest that "social justice" is simply another name for national solidarity, which in turn is local solidarity writ large. Hayek's argument here is, I think, mistaken. The members of a great modern society might seek the policies described by Scharpf simply because they wish to insure themselves against the costs of failure in the market order. From this perspective, protectionist policies arise because politically significant actors—whether citizens, political leaders, or administrative officials—believe that they will fare better in a polity that protects against economic distress. As Scharpf (2000, 30) puts it:

The democratic state . . . derives its claim to legitimacy from a commitment to the public interest and to distributive justice, and governments are constrained, through the mechanisms of electoral accountability, to orient their policies toward the interests of the broad majority of its voters. They are therefore under political pressure to protect groups in the electorate against the losses caused by structural change, to prevent mass unemployment, to regulate labor markets and production processes in the interests of the workers affected, and to achieve a normatively defensible distribution of incomes.

Leaving aside for the moment the question of whether governments are justified in their pursuit of social justice, the point to grasp here is that this pursuit need not owe anything to the mechanism of national solidarity. The pursuit of social justice provides a distinctive route to protectionist policies. This being the case, an argument that seeks to defend interstate federation on the grounds that it will thwart national solidarity is unpersuasive, because it fails to consider the alternative mechanisms through which protectionist policies can succeed. Even if we share the classical liberals' animus towards protectionist policies, we thus have no basis for thinking that such policies are less likely to succeed in an interstate federation than in a nation-state. The argument of Hayek's 1939 essay fails, in short, to provide a convincing justification for European political integration.

Habermas's Defense of the European Project

Most defenders of the project of European integration today tend, unlike Hayek, to be social democrats. Often they believe that social justice can be more securely housed in an integrated Europe than in any of Europe's nation-states. Perhaps the best example of such a belief is to be found in Jürgen Habermas's recent writings (Habermas 1998; 2001a; 2001b). These works provide an illuminating point of contrast to those of Hayek. More

generally, they highlight the pitfalls of pinning the case for European integration on any substantive conception of justice, whether classically liberal or social democratic.

Habermas's recent writings on European integration begin with an acknowledgement that the European project is desperately in need of a compelling justification, if it is to "mobilize political support around . . . political union" (Habermas 2001b, 8). Habermas rightly points out that arguments that worked when Europe was in its formative stage no longer suffice. "Neither of the two original motives for integration"—ending interstate war and controlling German power—now provide "a sufficient justification for pushing the European project any further" (*ibid.*, 7), Habermas writes.

Notwithstanding his recognition of the enormous transformation entailed by the project of constructing a unitary European polity—a Federal Europe, as he terms it—Habermas also emphasizes the conservative dimensions of this project. A Federal Europe is necessary, Habermas argues, in order to defend the achievements of the European nation-state.

To understand Habermas's account of these achievements, it is important to note the sociological and normative standpoints from which his theory proceeds. From a sociological point of view, Habermas assumes that religion and tradition are spent forces that are no longer viable as bases of social integration. And normatively, Habermas (1996 and 1998) is committed to a form of what he terms "Kantian Republicanism," according to which the subjects of any legitimate polity must be able to recognize themselves as the authors of the laws of that polity. The great achievement of the European nation-state, Habermas maintains, is that it secures a form of integration anchored in the laws and practices of constitutional democracy. The European nation-state has been aided here by two further factors, one of which Habermas considers positive, the other negative. The welfare state is the positive factor; it provides the ordinary citizen with a set

of social rights and, more generally, ensures that the capitalist economy operates in accordance with the public interest. Exclusionary nationalism, in contrast, is the negative factor. While a feeling of national solidarity has helped in securing identification with the democratic constitutional state, this feeling of national solidarity has often been bolstered by invidious conceptions of ethnic and cultural superiority. The negative consequences of nationality are apparent, so Habermas believes, both in the wars of the twentieth century and in the present difficulties that Europe's nation-states confront in integrating cultural minorities (Habermas 1998, 116-117).

Habermas wants to conserve the beneficial features of the nation-state-democratic norms and the welfare state-while rejecting the harmful features-invidious versions of nationality. He believes that this aim can be reached by means of a Federal Europe because integration around democratic norms needs only a thin form of constitutional patriotism, not a thick national identity grounded in a shared history, culture, or ethnicity.² More importantly, he believes that this aim is necessary, because globalization has rendered the nation-state obsolete.³

By globalization-a concept that plays a central role in his argument for European integration-Habermas has in mind a cluster of processes that presents problems and risks that the nation-state, acting either singly or collaboratively, can no longer solve. As he puts it, "the globalization of commerce and communication, of economic production and finance, of the spread of technology and weapons, and above all of ecological and military risks, poses problems that can no longer be solved within the framework of nation-states or by the traditional methods of agreement between sovereign states" (Habermas 1998, 106).

The constraints imposed by globalization, Habermas contends, have produced negative consequences for the social-democratic welfare state. The increase in in-

ternational competition has led to higher unemployment; the increase in capital mobility has diminished the tax base that states use to finance their social policies; and, more generally, globalization has encouraged a shift towards a neoliberal social model. The upshot is that the nation-state is no longer able to sustain the social-democratic rights that are necessary if citizens are to recognize themselves as the authors of their laws. If citizens are to gain political control over global economic forces, they can now do so, Habermas contends, only at the European or transnational level.

In Habermas's earlier writings on Europe, during the 1990s, the claim that globalization has rendered the nation-state obsolete served as his principal justification for the European project. More recently, Habermas (2001b, 8) has offered an additional—perhaps even an alternative—justification. Rather than invoking economic arguments for Europe, Habermas (2001b, 8) now thinks that Europe must appeal to shared values and an "affective attachment to a particular ethos . . . a specific way of life." Fortunately, he argues, Europe already possesses a specific way of life: its commitment to social, political, and cultural inclusion. Europe, in other words, has a distinct identity grounded in its commitment to social justice. This identity sets Europe apart from the United States.

Habermas is not alone in thinking that Europe embodies a unique and morally attractive form of life. This is a common refrain of many European critiques of American-led globalization (e.g., Hutton 2002). In Habermas's altogether more sophisticated version of this argument, a Federal Europe is necessary to protect Europe's solidaristic way of life from the ravages of a neoliberal global economy. No single nation-state can, he contends, achieve this goal.

Critics of Habermas's defense of the European project typically focus on what has come to be known as the "no demos thesis" (Grimm 1996; Weiler 1999). Simply stated, the critics contend that European political inte-

gration is impossible, because Europe lacks a demos—a politically self-conscious and bounded citizenry. In the absence of such a demos, Europe cannot secure the precondition of a Kantian republic: citizens who think of themselves as both the authors and the addressees of the law.

Habermas has responded to this criticism—effectively, I think—by taking note of the growth of a Europe-wide “public sphere.” But even granting that Habermas is right on that point, there remains a more fundamental challenge to his argument. This challenge, which centers on the idea of social justice, brings Habermas’s view into confrontation with Hayek’s.

Habermas vs. Hayek on Social Justice

Habermas’s claim that European integration can be justified in terms of its contribution to social justice invites at least three different criticisms. The first concerns the very idea of social justice, which, according to Hayek, is both philosophically incoherent and unattainable in a modern society (Hayek 1976). The second concerns the adequacy of Habermas’s argument about the impact of globalization on social democracy. And the third concerns the propriety of appealing to a conception of social justice, however sound in principle, to justify the particular project of European integration. Let me consider each of these criticisms in turn.

For classical liberals such as Hayek, “social” justice is a perversion of the concept of justice, which can apply only to individual conduct (Hayek 1976). If this argument is correct, then Habermas’s view is fatally flawed. So it is worth considering the grounds of Hayek’s objection to social justice in more detail.

At its most general level, Hayek’s objection rests on the claim that a just distribution of benefits and burdens requires a state capable of effecting that distribution. As a classical liberal who believes in a limited government capable of enforcing the rule of law—a *Rechtstaat*, in

other words—Hayek, unlike the anarchist, has no objection to the state as such. It is the state that takes on responsibility for a redistributive social-welfare system—a Sozialstaat—that poses a problem.

Hayek relies upon two different arguments to condemn the Sozialstaat. First, he contends that any state that seeks to redistribute benefits and burdens must, ipso facto, diminish individual liberty. Hayek does not possess a natural-rights theory of liberty. Thus he cannot, like some other classical liberals, claim that a social-democratic welfare system violates individual rights. Instead, he simply maintains that individuals will have less freedom in a Sozialstaat than they would have in a Rechtstaat, and that this is undesirable, albeit not a violation of rights.

The second argument Hayek employs against the Sozialstaat concerns its effects on the free market. Hayek won a Nobel prize for noticing that the market is "the only procedure yet discovered in which information widely dispersed among millions of men can be effectively utilized for the benefit of all" (Hayek 1976, 70-71). The Sozialstaat does not allow this information-providing function of the market to operate unchecked. A free market informs people through the mechanism of prices. A Sozialstaat, in contrast, commands people through the mechanism of coercion. A market order, so Hayek maintains, cannot be preserved while imposing on it a pattern of remuneration defined by social justice. Hayek fears that government intervention in the market to achieve the goals favored by social democrats can only lead to a directed or command economy and thence to mass poverty (Hayek 1976, 68-69).

Hayek's arguments against social justice would, if true, be highly damaging not only to Habermas's case for European political integration, but also to the many intellectuals who claim that Europe embodies a more humane model of society than such countries as the United States. Yet neither of Hayek's arguments against the

Sozialstaat is altogether convincing. The claim that the Rechtstaat is more conducive to liberty than the Sozialstaat is, at best, a provocative suggestion. Judgments about the relative scope of individual freedom in different social systems are notoriously difficult to substantiate. They always seem to founder on the problem noticed by Isaiah Berlin (1968, 130): "there are many incommensurable kinds and degrees of freedom, and . . . they cannot be drawn up on any single scale of magnitude." Hayek's work lacks any convincing solution to this problem (Gray 1998).

Hayek's contention that the pursuit of social justice undermines the market order is similarly problematic. Hayek first advanced this line of argument in *The Road to Serfdom* (1944), which was written during the Second World War. In a sense, Hayek has been refuted by the performance of postwar European economies. During this period, European nation-states have managed to combine a high level of economic growth with a high level of social expenditure. Furthermore, the economies of those advanced industrial states with high levels of social expenditure (e.g. Sweden) have not, contrary to Hayek's expectations, performed substantially worse than those with low levels of social expenditure (e.g. Britain). Finally, there is little truth to Hayek's suggestion that social democracy leads ineluctably to a command or planned economy. Indeed, European countries have, in recent years, managed to sustain their commitment to social-welfare expenditure while concurrently privatizing many of their state-owned industries. These considerations suggest that Hayek's arguments against the Sozialstaat are largely incorrect.

The fact that Hayek's case against social justice is unconvincing does not mean, however, that Habermas is right to base his justification of European political integration on social justice. For Habermas's argument to succeed, there must be some good reason to believe that the social-democratic welfare state is sustainable only at the European supranational level. But Habermas's

arguments in support of this claim are weak. Indeed, he relies here on a number of causal claims concerning the impact of globalization on the welfare state that are hard to square with the facts.

Two of Habermas's claims deserve particular scrutiny. First, he argues that "national governments today are increasingly compelled to accept permanently high unemployment . . . for the sake of international competitiveness" (Habermas 1998, 157). And second, he asserts that "economic globalization obviously has an impact on the shrinking tax base the state uses to finance its social policies" (Habermas 2001a, 77).

The first claim suggests that European countries face progressively higher rates of unemployment because of international competition. This widely shared idea is problematic for a variety of reasons. First, it fails to register the divergence in unemployment rates within Europe: relatively low in Britain and the Netherlands; higher in France and Germany; and very high in Spain. International competition alone cannot explain this divergence, because international competition, if it is a cause of unemployment at all, is obviously not the sole cause. A more plausible candidate for a monocausal theory of European unemployment is inflexible labor markets. Even many German social democrats have come to the conclusion that Germany's highly regulated labor markets are a principal cause of Germany's relatively high unemployment.

A second problem with Habermas's argument concerning unemployment is that even if it were correct, it is difficult to understand how European political integration could provide any solution. Eastern European countries, many of which (such as Poland, Hungary, and the Czech Republic) are about to become full members of the EU, are now a principal source of low-wage competition for West European industry. Further European political integration will not protect, say, German workers from seeing their employers flee to Poland. Even in the case of competition from outside

Europe—the third-world agricultural sector, for instance—it is not obvious that a “United States of Europe” can or ought to protect its domestic producers. Social democrats such as Habermas are committed to improving the material conditions of the least well-off, whatever country they inhabit. It is difficult to see how a policy that protects the welfare of European producers at the expense of Third-World producers, which is essentially what the Commons Agricultural Policy manages to do, can be justified on social-democratic grounds. Insofar as international competition works to the advantage of the globally least well-off, a social democrat would be hard pressed to sustain an objection to international competition, no matter what its impact on the wages and employment figures of European countries.

Habermas’s claim concerning the impact of globalization on the tax base of Europe’s nation-states is also more complicated than he suggests. How much money is available to a state to fund its welfare system is a function of both the overall Gross National Product and the proportion of GNP the state can extract in taxes. A variety of factors affect a state’s capacity to tax, only one of which is the threat of flight by the individual, group, or company that is to be taxed.

On the face of it, globalization does constrain the state’s capacity to tax, if only because it increases the possibilities for flight. It is important to recognize, however, that the state can tax payrolls, consumption, property, and estates, not just individuals and corporations. All of these taxes are not equally vulnerable to flight. Globalization may mean only that the state has to shift its revenue-raising activities onto the less-mobile taxable entities. The state’s ability to employ these options is likely to depend as much on the willingness of electorates to impose, and to bear the cost of, taxation as on the threat of flight. For some reason, voters appear to be much less willing to approve of

high taxation today than in the earlier postwar period; hence the recurrent popularity of populist anti-taxation political parties and candidates (Van Creveld 1999, 336-414). But surely it is unlikely that the voters themselves are motivated by the (erroneous) impression that raising any taxes would doom their countries' international competitiveness.

This brings us to another problem with Habermas's first argument. Even if he were right about the impact of globalization on the European Sozialstaat, the Sozialstaat is itself a topic of considerable controversy within Europe. While most Europeans accept some conception of social justice, the institutional embodiment of social justice in a Sozialstaat (with the tax burdens that entails) remains deeply controversial. Indeed, differences over whether to radically reform the social-welfare system produce some of the key political cleavages in European countries. In light of these differences, it makes little sense to view social-welfare protection as the principal *raison d'être* for a yet-to-be-constructed Europe.

Habermas recognizes the problem here. Thus he questions whether his own argument is not weakened by its partisan commitment to social-democratic values. He sets this concern aside, however, on the grounds that "broad political mobilization [in support of a European constitution] will not happen at all if there is no polarization of opinions" (Habermas 2001b, 13). But this response is, I think, inadequate. The polarization of opinions should not be the route to a Federal Europe. Polarization is not a good road towards unity. If a politically integrated Europe is to be justified at all, it must appeal to values that all Europeans can share.

To appeal to values that can be shared—which is not the same as appealing to values that all Europeans do in fact share—is to follow a line of argument that Habermas's own philosophical writings have done much to make respectable. Like John Rawls, Habermas draws a distinction between an abstract conception of morality

("the right," in Rawls's terminology) and a more concrete conception of ethical life ("the good"). Habermas is critical of those who seek to justify the basic constitutional framework of a polity by appealing to concrete conceptions of ethical life. No single conception of the good can, he argues, legitimately claim authority over the multiplicity of groups and subcultures that inhabit late modern societies. But if Habermas is correct in counseling us against any direct appeal to substantive conceptions of the good, then his own appeal to a distinctively European form of solidarity seems out of place. It is not just that Europeans do not all accept this conception of solidarity; this conception is something that they ought to be free to accept or reject.

The argument for European political integration would be far stronger, then, if it were grounded in those basic values or norms all Europeans must accept as a condition of their status as free and equal citizens who seek mutually acceptable terms of social cooperation.⁴

Beyond Hayek and Habermas

If we reject Hayek's brand of classical liberalism and Habermas's brand of social democracy as inadequate to the task of justifying a constitutional transformation, is there an alternative?

Most of the values that Europeans today take for granted—liberty, democracy, material prosperity, and so forth—do not offer very promising grounds upon which to construct an argument for European political integration. Europeans can be free, self-governing, and prosperous in a Europe of nation-states, so these values do not seem to support European political integration.

The one exception to this generalization is the value of security. And there are some good reasons to think that European political integration can be justified on that basis.

Security certainly offers a much less controversial

point of departure than social justice. For most people, security is a fundamental value. John Stuart Mill ([1861] 1993, 56) gives one reason:

All other earthly benefits are needed by one person, not needed by another; and many of them can, if necessary, be cheerfully foregone, or replaced by something else; but security no human being can possibly do without; on it we depend for all our immunity from evil, and for the whole value of all and every good, beyond the passing moment.

More to the point, security is one of those values that all Europeans must accept if they are sincere in their commitment to what Habermas and all democrats value as mutually acceptable conditions of social cooperation.

This still leaves open the question of what form of security is necessary in Europe today. In its earliest stages, the project of European integration was often justified on the grounds that it would enhance security by reducing the risk of war between European states. Some commentators (e.g., Mancini 2000) still appeal to this type of security as the rationale for European political integration. But this line of argument does not seem very promising. Not only is war between European states highly unlikely, but Europeans possess—in the form of their current political and economic arrangements—adequate safeguards against intra-European military conflict. If there is to be a security-based justification for European political integration, it will have to focus upon more credible threats of war.

It is not my aim here to provide a catalogue of all the dangers to European security that could conceivably arise in the future. It will be sufficient to focus on two of them.

The first threat comes, of course, from terrorism. Traditionally, terrorism was thought of as politically motivated violence directed by nongovernmental organizations against the state, its infrastructure, or its people. Terrorism, in other words, was the weapon of the

weak. In the wake of September 11, the traditional view of terrorism must change. Given the overwhelming power of the West—and of the United States, in particular—our understanding of “the weak” must expand. In some respects, all the world is now weak in comparison to the West. No state acting rationally will challenge the West in a conventional or nuclear war; such a state would be destroyed. Instead, we can expect the West’s enemies—whether those enemies be states (such as Iraq or North Korea) or nongovernmental agencies (such as Al Qaeda)—to employ terrorism. Terrorist tactics will be aided by the fact that given current technology, dangerous weapons are cheap, small, and easy to employ. If Richard Reid—the “Shoebomber”—had not been stopped by an alert flight attendant, he might well have become the poster-child of this new era of terrorism.

The second threat to European security comes from the United States. This is not to say that the United States has any interest in a military attack on Europe. Nor does the United States have any interest in reducing Europe to a dependent colony. The United States poses a threat to European security for no other reason than that the United States is now the world’s only superpower. While some observers like to describe it as a “benign power” that other states, including those in Europe, have little reason to fear (Kupchan 1998), anyone who takes security seriously must think otherwise. Overwhelming power is always a threat, regardless of who possesses it. Prudence dictates that states facing overwhelming power ought to form a balancing coalition against the overwhelmingly powerful. The alternative strategy is to form a dependent relationship with the overwhelmingly powerful state. But a dependent relationship is hard to justify on security grounds, because it leaves the dependents with few options when the overwhelmingly powerful perceive their interests to be incongruent with those of their dependents.

The two threats described here are structural. They arise out of basic features of the international system,

such as the distribution of power and the level of technological development. For some "realist" scholars of international relations, the tendency of states to balance against the dominant power in the international state system occurs as if in accordance with an iron law (Waltz 1979). From this perspective, it is simply a matter of time before Europe—the only potential superpower rival to the United States—forms a balancing coalition (Waltz 1993, 1998). But this view is overly deterministic. It wrongly assumes that the international system imposes only one option on states. There is no necessary reason why states, being composed of people with values, must take the "realist" course and privilege security above all other values. Nor is there any reason to think that a balance-of-power strategy is the best means of achieving security, even if that value is paramount. Canada, for instance, does not balance against the United States. Europe could conceivably take Canada's path. Indeed, even some realist scholars allow that since the United States lacks "a hegemonic impulse," the Europeans have no reason to form a balancing coalition against it (Mearsheimer 2001, 382).

The absence of a hegemonic impulse on the part of the United States does not, however, mean that European countries should adopt a Canadian strategy. It is sufficient to recognize the presence of fundamental differences of interest between the United States and Europe. Insofar as these differences are merely economic, they might be handled by various international institutions. But when the differences involve matters that affect security, international institutions will prove insufficient.

We are already seeing increasing tension between the United States and Europe on a wide variety of issues, most prominently war against Iraq (also see Walt 1998; Kupchan 2002; Lieven 2002). These tensions have even called into question the role of NATO as the organization that handles Europe's security needs. And there is no obvious reason to think that NATO will sur-

vive the era of American primacy even if it survives the current unpleasantness. The danger for Europe is that NATO is not an alliance of equals, but an organization that masks Europe's total military dependence on the United States (Kagan 2003). There was no more graphic display of this dependence than the Balkan wars of the 1990s, which the Europeans proved powerless to end without American leadership and military involvement (Simms 2001).

There are two particular disadvantages of military dependence. The nondependent (in this case, the United States) may either undervalue or overvalue various security threats to the dependent. In an era in which terrorism has become the major threat, these problems of evaluation will likely become more salient. The French and German governments, for instance, clearly believe that the United States has overvalued the threat that Iraq will employ weapons of mass destruction. And in the future, the United States and Europe will perceive threats differently not simply because of subjective differences in perception, but because of objective differences in exposure to various threats. Here it is important to recognize that the United States remains an offshore power; it has no enemies on its borders. No less importantly, most European countries contain large unassimilated Muslim populations. Europe cannot afford to adopt foreign policies likely to radicalize these populations.

There is nothing terribly controversial in the claim that Europe needs to develop its own foreign and military policy. Romano Prodi recently stated that one of the aims of European integration is to "create a superpower on the European continent that stands equal to the United States." Even Tony Blair, considerably more Euroskeptical than Prodi, has said that Europe needs to become a superpower without becoming a superstate. There is, however, an important fact about the United States that the advocates of a non-nation-state European superpower tend to overlook: the United States itself is a nation-state.

This fact is, in some respects, the reason that the United

States is able to act so much more effectively than Europe in foreign and military affairs. Imagine how nimble U.S. foreign policy would be if it had to be discussed and ratified by all 50 state governors. Imagine the power of a United States dependent for its weapons on procurement bills that had to be approved by all 50 state legislatures. It is worth mentioning these counterfactuals for two reasons. First, something like them would be "factuals" in a European polity that eschewed complete sovereignty. And second, a modified version of these counterfactuals prevailed in the United States before it became a dominant power.

The latter point needs further comment. It is a commonplace in the sociological literature that the modern nation-state owes its origins to its relative superiority as a war-fighting institution (e.g., Tilly 1990). Here it is worth recalling the variety of different political organizations in early-modern Europe: city-states, dynastic kingships, trading leagues, and territorially dispersed empires (Spruyt 1994). It is not self-evident why the nation-state won out over these alternatives. But it did.

Hobbes's political theory helps us understand why. Leviathan describes a territorial state with a single locus of political authority. Hobbes conceptualized this state as an impersonal sovereign that exercised its authority on behalf of the populus. The nation-state, which emerged only in the late eighteenth and the nineteenth centuries in Europe, was, to all intents and purposes, Hobbes's leviathan, but with one important addition: the populus on behalf of which sovereignty was exercised imagined itself as a distinctive natio (Greenfield 1992). This natio (whose etymology signifies "birth") was variously concocted out of cultural, ethnic, and civic elements. But the upshot of this concoction was that the members of the modern nation-state shared a common identity, Hayek's

"homogeneity," which was useful in generating loyalty to the war-fighting projects of the state.

Nationalist loyalties made it possible for a centralized locus of political authority to raise money and make rapid decisions. For Hendryk Spruyt, this feature of the sovereign nation-state explains much of its success over its competitors. Such states, Spruyt (1994, 185) argues,

won because their institutional logic gave them an advantage in mobilizing their societies' resources. Sovereign authority proved to be more effective in reducing economic particularism. . . . Central administration provided for gradual standardization of weights and measures, coinage and jurisprudence. . . . Internationally, sovereign authorities were also better at credibly committing their members. They provided a clear and final decision-making authority which could bind their subjects.

The fact that the nation-state was so much more successful than its competitors encouraged political elites around the world to take it as a model. In the nineteenth century, German political elites sought to restructure their society on the French pattern. And in the twentieth century, the nation-state served as the template for the former colonial territories of Africa and Asia (Davidson 1992).

The story of the rise of the nation-state as the quintessentially modern unit of political sovereignty has a particularly revealing American chapter. For much of its history, the United States lacked the centralized decision-making apparatus that characterizes the nation-state. Indeed, Tocqueville made this observation a central organizing theme of his *Democracy in America*. He thought that America had succeeded in combining democratic equality with individual liberty without being crushed by the "immense tutelary power" of a leviathan-like state (Tocqueville [1840] 1945, 292). The American leviathan was a late bloomer. Only far along in the nineteenth century—initially in response to a developing industrial economy—did we see the emergence of a central-

ized American state. And only after the United States had centralized power could it play an effective international role (Zakaria 1998).

Those who believe, along with Prodi and Blair, that Europe can become a superpower without becoming a superstate must overlook these lessons drawn from the rise of the nation-state. They seem to believe that Europe can project power outside its borders even in the absence of a centralized decision-making authority or a common political identity. But the United States will remain much more powerful than Europe as long as its national identity allows it to marshal resources more effectively and make decisions more rapidly. If Europe is going to become a superpower, it will have to develop a more centralized decision-making sovereign buttressed by a common identity. The alternative is for Europe to remain a weak and dependent power, at most a mere auxiliary to its American guardian.

* * *

If security is the rationale for further European integration, then the project must be carried farther than Hayek envisions. A unitary European polity is a precondition for Europe to develop the capacity for an independent foreign and military policy.

This is a conclusion similar to that of Jürgen Habermas, but one that does not rest upon a controversial conception of social justice. Insofar as the EU remains a decentralized intergovernmental organization, it will remain dependent on the United States. The current discord between the United States and Europe suggests that dependence cannot provide a healthy basis for a relationship.

NOTES

1. As Smith (1987, 286) put the point in a letter to la Rochefoucauld in 1785: "In a Country where clamour always intimidates and faction often oppresses the Government, the regula-

tions of Commerce are commonly dictated by those who are most interested to deceive and impose upon the Public."

2. For critiques of Habermas's argument concerning the adequacy of a thin, unemotive constitutional patriotism, compare Larimore 1996, 205-21, and Miller 1995, 163-65.
3. "In view of the subversive forces and imperatives of the world market and of the increasing density of worldwide networks of communication and commerce, the external sovereignty of states . . . is by now . . . an anachronism" (Habermas 1998, 150).
4. For a more detailed defense of this claim, see my forthcoming *Justifying European Integration*, ch. 3.

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