

# The EU faces another crucial crisis: its determination to be ineffectual

## [ Agenda ]

By IRWIN STELZER



Greece, Tony Blair, Barack Obama: That says about all that needs to be said about the failure of the Lisbon Treaty to catapult the European Union onto the world stage.

Greece's travails are too well known to require rehearsing here. What is less well understood is the effect of how the European Union's bureaucracy has reacted and continues to react.

The man responsible for seeing to it that members followed what he termed "sound policies for economic stability" was Joaquín Almunia, commissioner for monetary affairs. On his watch, Greece developed the financing techniques that have brought it to the brink of ruin. His punishment for nonfeasance? Promotion to competition commissioner, where his skills at detecting problems will be applied to the hunt for cartels, a prospect that cannot have potential violators quaking in their Guccis.

Worse still, the EU reaction to Greece's problems, neither the promise of solidarity and a bailout, nor a firm get-your-house-in-order or start printing drachmas, shows that the highly politicized EU economic-policy machinery "is not up to the scale of the task," as Greek Deputy Prime Minister Theodoros Pangalos puts it, this from a man who in the middle of a crisis of this scale attacks Germany for insisting on Greek austerity, suggesting Greece's problems are at least in part due to Nazi looting: "They took away the Greek money, and they never gave it back. This is an issue that has to be faced."

That shilly-shallying should come as no surprise after the



Spain's deputy prime minister, María Teresa Fernández de la Vega; European Commission President José Manuel Barroso; Spanish Prime Minister José Luis Rodríguez Zapatero, and EU foreign-policy chief Catherine Ashton

performance of the EU statepersons in *l'affaire Tony Blair*. That the former British prime minister would be interested in the presidency of the EU is a testimonial to the attraction of motorcades over real accomplishments in the Middle East and a variety of charities. Never mind—that was for Mr. Blair to decide. The EU political

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leaders had to decide whether they could tolerate being overshadowed by this world-class politician, a man who surely would get his calls to the White House returned. They decided "non" and "nein."

Instead, they chose Belgium's former prime minister, Herman van Rompuy, to be president of the European Council and José Manuel Barroso to be president of the European Commission. Not exactly names designed to inspire awe among international movers

and shakers. Nor are those of Catherine Ashton, the EU foreign representative, and José Luis Rodríguez Zapatero, the rotating president of the EU. Backstage horse trading isn't designed to produce powerful leaders.

There is worse. Any chance the good Baroness Ashton might have had to establish herself as the person to whom the U.S. and other nations should look for decisions was destroyed last week when Mr. Barroso appointed long-time personal aide, João Vale de Almeida, to be EU representative to the U.S. It seems Mr. Barroso felt Baroness Ashton hadn't gotten her operation sufficiently under way, so it was incumbent on him to put a crony in this plushiest of EU jobs before she had an opportunity to fill it.

Which brings us to U.S. President Barack Obama. He might be outnumbered three-to-one by the EU presidents, but he is generally regarded as a more consequential world figure than any, or even all of them. This is the president the EU aimed to impress with its Lisbon Treaty and new appointments.

And impress him they did. First, they made it clear that with one or two exceptions EU

members have no interest in doing what allies are expected to do—provide support during a war. Welfare spending, yes; military spending, no. Troops to build schools perhaps, troops to come out and fight at night, definitely not.

Then the Brussels bunch couldn't decide which of its presidents would play host to Mr. Obama at the EU-U.S. summit in the spring; or what to put on the agenda. So Mr. Obama quite sensibly decided not to waste his time and will stay home mending his political fences.

Even more important for the EU, he has decided that the multilateralism he preached on the campaign trail has its limits. The American president is now proposing to restructure the U.S. financial-services sector in a way that the French and Germans believe to be unsound, and more important to them, against their interests. It is of no concern to Mr. Obama whether European banks can meet the new capital requirements imposed on American banks, or whether they will be able to compete with the American banks that will no longer be too big or too interconnected to fail. French President Nicolas Sarkozy's bleats were met with the equivalent of *chacun à son goût*, not surprising after his attempt to have the dollar replaced as the world's reserve currency.

I am reminded of a dinner party at the British embassy in Washington some 10 years ago, at which a top EU official asked a colleague of mine what role Europe would play in the 21st century. "No offense, but Europe is irrelevant to the 21st century," was the reply. The eurocracy seems determined to prove my colleague right.

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