

How I stopped worrying and learned to love the EU

 blogs.lse.ac.uk/brexit/2016/05/02/how-i-stopped-worrying-and-learned-to-love-the-eu/

02/05/2016

*The EU is a flawed organisation, which deserves much of the criticism that is directed at it from Eurosceptic circles. **Dalibor Rohac** argues conservatives and proponents of free enterprise should embrace European integration. His book on the matter, [Towards an Imperfect Union: A Conservative Case for the EU](#), will be published on May 11.*



My Eurosceptic bona fides run deep. I wrote my first diatribe against the EU in my teenage years. When I was in university, I interned for the office of the President of the Czech Republic, Václav Klaus – yes, the one who famously [compared](#) the EU to the former Soviet Union. Later on, I dedicated much of my work in various free-market think tanks to criticising [the EU's populist overregulation](#), [moral hazard](#), [the damage created by the common European currency](#), [EU structural funds](#) or the [Common Agricultural Policy](#).

I don't think, however, that a Brexit [would](#) foster economic openness. A post-EU United Kingdom would have to renegotiate a multitude of trade agreements with countries around the world, for which there might not be much appetite.

A Brexit does not make sense if one cares about sovereignty, either. EU legislation is a price for free movement of goods, services, and capital. Norway, an EEA member, still [applies](#) a large portion of EU legislation. In Switzerland, which is not in the EEA but participates in the single market, a dominant (and growing) proportion of new laws and regulations [result](#) from simply transposing EU laws into its own legal system. Assuming that the UK also wants to retain its access to the EU's single market, it will have to continue to apply the rules of the single market, without having any say in their content.

A Brexit is also a bad idea from a strategic viewpoint. Its advocates like to paint an optimistic picture of a post-EU UK as an active, globally engaged power. "Who has the parochial mindset here," [asks](#) Dan Hannan, "those who want a global role of the United Kingdom, or those who think that our role must be mediated by Federica Mogherini, the EU's Foreign Minister?"

What Mr Hannan fails to see is that a true global engagement [begins](#) in the UK's neighbourhood. Today, Europe is coming under unprecedented geopolitical stress: from Russia and also from the influx of refugees arriving on the continent from Syria, Iraq, Afghanistan, or North Africa. Addressing these challenges requires that Europeans work together. Even if a Brexit were the boon to transatlantic relations and ties within the Anglosphere that some of the EU's critics [imagine](#), it would also paralyse any strategic thinking by the UK for the foreseeable future. The country would be simply too busy negotiating the terms of its departure from the bloc and trying to gain access to markets overseas.

It is hardly a coincidence that much of Anglosphere – from Barack Obama to Julie Bishop to John McCain to Tony Abbott – is united in its dismay at the prospect of the UK's leaving the EU and losing a part of its ability to influence global affairs, which stems from the say it has in Brussels.

But, ultimately, the choice on 23 June is up to the British voters – not up to me (an Eastern European "expat" in Washington), nor to American or Australian leaders. But Brexit aside, there seem to be deeper holes in the Eurosceptic arguments.



The EU performs a number of roles that should be dear to the heart of conservatives and free-marketeters. The bloc is not, as a fellow panelist [claimed](#) at an event at which I recently spoke, a part of an attempt to impose a totalitarian international government on hapless European populations. Instead, it represents an extraordinary institutional innovation, compared to what had long been the baseline of European history: protectionism and war.

Without a supranational mechanism of governance, Europe's historical episodes of free trade and openness were extremely short-lived. The late 19th century, sometimes seen as an era of free trade in Europe, was a period of Bismarck's "iron and rye" tariff, France's Méline tariff, and a continent wide drift towards protectionism. In 1913, tariffs on manufactured goods averaged 18 percent in Austria-Hungary, 13 percent in Germany, 20 percent in France, 41 percent in Spain, and a staggering 84 percent in Russia. International trade then collapsed first in World War I and then again in the Great Depression, followed by the bloodiest conflict in human history.

The EU's Single Market goes far beyond the question of the tariffs that until 1968 separated markets in the countries of the European Economic Area from one another. It includes questions of state aid to national champions and the curbing of regulatory protectionism pandering to vested interests at home. More importantly, it is a key element of the geopolitical package that has kept Europe democratic and peaceful for the past 70 years.

The iconic voices of the free-market movement understood this well. Friedrich von Hayek wanted a European federation, [calling](#) "the abrogation of national sovereignties" that it would entail a "logical consummation of the liberal [i.e. free-market] programme." His mentor, Ludwig von Mises, [wrote](#) that for Western European countries "[t]he alternative to incorporation into a new democratic supranational system is not unrestricted sovereignty but ultimate subjugation by the totalitarian powers." Even Margaret Thatcher, when she campaigned for the UK's membership in the EEC in 1975 [understood](#) that "almost every major nation has been obliged...to pool significant areas of sovereignty so as to create more effective political units."

This is not to say that Hayek, Mises, or Thatcher would approve of the EU's current state. The organisation needs profound reforms, including a rethink of its purpose, ambitions, and structure of governance. Conservatives and advocates of free-enterprise have a unique opportunity to play a constructive role in shaping conversations about such reforms. For that, however, they will have to stop feeding the destructive fantasy of a Brexit and of the EU's demise.

Note: This article gives the views of the author, and not the position of BrexitVote, nor of the London School of

Economics. Image [credit](#).

Dalibor Rohac is a research fellow at the American Enterprise Institute in Washington and author of [Towards an Imperfect Union: A Conservative Case for the EU](#). Twitter: [@daliborrohac](#)

- Copyright © 2015 London School of Economics