

The Challenge of the Institutions of Western Unity

SUMMARY: Forty years ago the Founders of democratic unity threw down a challenge. It has not been taken up; institutions of democratic unity have been left to decay amidst mounting contradictions. Cooperation among separate governments must not only be pushed forward, but supplemented by common structures of authority and common congresses of citizens. Then democratic unity will finally itself rest on a solid democratic foundation.

Four decades ago, in the aftermath of a nightmarish world war, the leaders of the West began to institutionalize the collaboration that they had hitherto put together only at the last moment of military necessity. Aware that too-little-too-late pragmatism had landed them in global depression and war, they chose to act with greater foresight to build foundations for the future. With NATO, the European Community and a plethora of less famous institutions, they threw down a challenge to their successors: to build not only democracy but unity among democracies until the freedom and peace of the world would be secured.

The new institutions have given democracy an unprecedented era of peace and prosperity. The destiny of the West is bound up in them. Yet for the most part they have ceased to grow, and have rather stagnated at half-way points and even begun to contract. Except for the European Community, which remains aware of its federalist goal, the spirit has faded from them. They are mired in mounting contradictions.

The contradictions would not have surprised the Founders. They knew these institutions were only beginnings and would need development and completion. Yet as the broader goals have faded from the mind of new generations, so has awareness of even the possibility of charging the contradictions to the account of the insufficient development of these institutions, or to the underlying problems that originally gave rise to them.

Instead, the contradictions are increasingly charged to the account of institutional cooperation itself. Nationalism, the root source of the problems, reaps the benefit in what is becoming a vicious circle.

To break into this circle and find a true path out of the contradictions of cooperation, it is imperative to clarify their sources and character.

Contradictions of Interdependence and Cooperation

The independence and interdependence of national democracies give rise to a whole field of contradictory norms and necessities.

Fully independent policy-making leads, not to genuine self-determination, but to self-defeating actions whichever way a nation turns.

Institutionalized cooperation reduces the damage nations do one another, but introduces a new contradiction between the democratic norm which holds national leaders responsible to their electorates and the cooperative norms which hold national leaders responsible to one another.

In each area of cooperation, this is experienced as a tension between the national discussion and political aggregation on issues and the attempt at international aggregation among elites and leaders. The peoples suffer less from this than from raw unmanaged interdependence, but the leaders in some respects suffer more.

Institutions of cooperation among independent democracies are thus intrinsically vulnerable. They must move either

forward or backward, in three respects:

1. Cooperation rarely covers a self-sufficient area of policy; arrangements for cooperation in one area soon give rise to a need for cooperation in other areas. If this "spill-over" is not prepared in time, the inability to make the original area of cooperation work well may discredit it and lead to pressures to "spill back".
2. The sentimental impetus for cooperation cannot be maintained indefinitely in its original form; the initial sense of need fades with the very success of cooperation. Institutions of cooperation among separate states need to be supplemented with *common* institutions with enough autonomous authority that they can manage when the sentimental impetus is weak.
3. This common authority needs sooner or later to be founded on a common democratic structure so it can establish the legitimacy of its decisions over and above the opinions of the national governments. Through public participation it can regenerate its sentimental foundations even after the people have completely forgotten the crises that originally impelled them to cooperate.

One might picture this as a "ladder of cooperation". Rising out of the ground of independent and yet interdependent democracies, each step up the ladder offers an increasingly sophisticated way of managing interdependence. As societies climb up the ladder, they transform the contradictions from dangers facing their entire societies—the danger of mutually shooting themselves in the foot—to conflicting obligations facing national leaders—their obligations to their national electorates

and to one another. Thus, they transfer the contradictions to a higher and sharper but less dangerous level. To soften the new contradictions it is necessary to broaden the base of cooperation, bringing in the people and building a transnational electorate to which the leaders can be held democratically responsible. Once the top rungs of the ladder are scaled and the base fully extended in a common legislature, the contradictions are finally transcended and a consistently self-regenerating order is established.

If institutions of cooperation stagnate on any step of the ladder, their tensions and contradictions are bound to mount. The only solution to this danger is: to keep *climbing up the ladder and broadening its popular base*.

Specific "Ladders of Cooperation"

A "ladder of cooperation" rises in each functional area. Several of them are in need of urgent new climbing efforts.

In the economic arena, raw unmanaged interdependence runs the constant risk of trade and tariff wars, whether arising directly out of the pressures of protectionist interests or indirectly *via* currency fluctuations and exchange rates which have unsustainable effects on trade flows. Lacking strong common arrangements, trade relations tend to be negotiated confrontationally. This makes it easy for special protectionist interests to appeal to nationalism. Once tit-for-tat retaliation gets underway, it is all too easy to escalate into a full-scale trade war.

The raw unorganized international "free market" is thus a chaotic, contradictory field of human transactions, where national governments play a role comparable to highway robbers. Only a secure common framework can render the international marketplace consistent and free.

Trade. The "ladder of cooperation" on trade includes such steps as: negotiated multilateral tariff reductions (the GATT rounds), trade and tariff arbitration procedures and institutions to oversee them (the GATT rules and GATT court), free trade areas (EFTA; the U.S.-Canada pact now under negotiation), common markets with major common institutions to harmonize the "playing fields" of the participating countries (the European Community), and a common legislature to adjust the framework of the common market in light of experience and to adapt it to

changing conditions (as the European Parliament is striving to become).

Currencies. The "ladder of cooperation" on currencies includes such steps as: target zones for exchange rates, harmonization of macroeconomic policies, institutions to serve as an objective referee on exchange rates and macroeconomic policies (IMF is the main institution presently in the running on this), common reserves (presently IMF), a common reserve currency (the SDR is a weak foreshadowing of this; in Europe the ECU is nearing this role), and a single dominant common currency (as the U.S. dollar became after 1789, and as Richard Cooper advocated for the industrial democracies in *Foreign Affairs*, Fall 1984).

Security. In the areas of diplomacy and defense, unmanaged interdependence can send countries in opposite directions in their pursuit of security in a world of power politics, and thus into the most acutely contradictory postures.

By 1945 the Western democracies were painfully aware that it had been their mutual unreliability that had landed them in two world wars. With the North Atlantic Treaty, these natural allies took the first great step up the ladder of cooperation, pledging mutual reliability to the extent of regarding an attack on one as an attack on all. With the development of NATO the treaty *organization* and the "integrated command"—the Allies went a step further in cooperation and manifest reliability.

However, NATO's dependence on American hegemony led France to withdraw from it in 1966, and has led to mounting resentment among the other Allies ever since.

The basic Alliance commitments and the organized common defense of Europe require further steps up the ladder of cooperation if they are themselves to remain sound:

1. Integrated arms procurements in a common military market; standardization.

This is essential for an affordable conventional defense, and thus to make sense out of the current commitment to the defense of Europe.

2. Common active policies, beyond holding the line in central Europe.

The Mediterranean, the Persian Gulf and terrorism impinge closely on the common defense of Europe and the stationing of American forces there; conflicting policies on the former are more and more disrupting consensus on the latter. Common active policies are needed to end this, and also to renew Alliance spirit.

Once there are common policies in these broader areas, it will be necessary to keep them going and adapt them to changing circumstances. This brings us to the next step:

3. Common diplomatic planning and action.
This in turn, if it is to lead to serious and timely conclusions, will soon require. . .
4. Majority rule.
5. Common instruments of implementation, to escape dependence on unanimous action by the member states.
6. A common elected Congress, to give full legitimacy to majority decisions which override the views of individual national governments.

From Cooperation to Common Democracy

The "common elected Congress" is the "broadening of the base" mentioned earlier. The sooner it is undertaken, the sooner NATO will overcome its problems of inefficiency, narrowness of focus, U.S. hegemony and anti-American resentment. And it will pave the way for the democracies to tackle their common business also in the economic arena and in the whole range of their interdependence.

Once the decision-making of the Western democracies rises atop the sturdy foundation of an intercontinental public discussion, and no longer atop the shifting sands of national debates and national decisions, the challenge of the Founders of Western unity will finally be met, the ladder of cooperation finally scaled. The Western peoples will emerge onto a new plateau of democratic maturity. They will step forward with renewed hope and confidence to build a common future of freedom and peace.

Taking Up the Challenge

The position of America in the world today is as much bound up in the unity of the world's leading democracies, as the position of each American State in 1787 was bound up in the unity of the States. There could be nothing more timely for American diplomacy than to take up the challenge of the Founders of contemporary democratic unity and return to the great work of climbing the ladders of cooperation and broadening their bases. In this way can America renew her engagement with her destiny and the destiny of freedom in the world.