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## Is Europe Doomed to Continued Economic Stagnation?

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In March 2000, the European Union proudly announced that it would become the most dynamic and competitive knowledge-based economy in the world by 2010, with full employment and 3 percent yearly growth.<sup>1</sup> By 2005 however, it was forced to acknowledge dismal failure,<sup>2</sup> with poor projected growth rates and negligible reductions in unemployment. Presently, there is little evidence that the European economy will either outperform the American economy by 2010 or even produce substantial improvements on its current record.

Collectively, the 27 member states of the European Union make up the world's largest trading economy.<sup>3</sup> However, problems abound. Gross domestic product (GDP) growth has been continually sluggish in much of Western Europe, especially in France, Germany, Italy, and Portugal.<sup>4</sup> As of February 2007, 22 EU member states had unemployment levels above the U.S. average of 4.5 percent.<sup>5</sup> The employment rate of persons aged 15 to 64 in the EU is just 63 percent compared to 72 percent in the U.S.<sup>6</sup> Additionally, the annual growth rate for the Euro Area has averaged just 2.1 percent per year, compared to 3.3 percent in the U.S.<sup>7</sup>

Europe suffers from particular weaknesses. The Heritage Foundation's *2007 Index of Economic Freedom* says, "Europe suffers from the second-worst regional score in labor freedom and is dead last in fiscal freedom from government.... [S]trong state sectors and rigid labor markets have already prompted significant social turmoil, not least in France."<sup>8</sup>

### Talking Points

- As the European Union's largest trading partner, with a bilateral trade and investment relationship valued at almost \$3 billion per day, America has enormous interests in the European economy.
- In 2005, the EU acknowledged mid-term failure of its 10-year economic plan, "The Lisbon Agenda," with poor projected growth rates and negligible reductions in unemployment.
- Europe suffers from particular weaknesses, including rigid labor markets and little fiscal freedom from government.
- Public confidence in the EU is low, with profoundly low levels of support among British businesses for the direction of the European Union proposed in the European Constitution.
- The biggest challenge for many European nations right now is to resist the powerful Brussels establishment, who continue to churn out reams of legislation to further solidify European integration.

This paper, in its entirety, can be found at:  
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The riots that shook France in 2005 can be linked to the economic malaise which has afflicted France, particularly its immigrant and youth populations. Twenty-two percent of persons under 25 are currently unemployed in France.<sup>9</sup> Former President Jacques Chirac's decision to pull back from deregulation of its labor markets in the face of social disorder was exactly the wrong decision, surely condemning France to further decline.

However, France is not alone. Many European countries continue to dogmatically defend the European social model against global competition. A group of nine EU member states issued an open declaration in February 2007 calling for stronger social, environmental, and work protections, which will only serve to further sap economic growth.<sup>10</sup>

The introduction of the single European currency, widely hailed as a huge success for Europe, is now

suffering from a severe lack of public support. A poll for the independent British think tank Open Europe revealed that the peoples of Austria, Germany, Greece, the Netherlands, Portugal, and Spain would all prefer to use their previous national currency instead of the euro.<sup>11</sup> Only three of the 14 EU member states not currently members of the "Euro zone" would choose to adopt the euro over their national currency.<sup>12</sup>

America has enormous interests in Europe's economies. The U.S. is the EU's largest trading partner and is greatly affected by much of the regulation being churned out by Brussels. The European Union and the United States account for 40 percent of world trade and investment, and around 60 percent of total global GDP. The bilateral trade and investment relationship is worth almost \$3 billion per day.<sup>13</sup> With rampant over-regula-

1. European Council, "Presidency Conclusions," March 23–24, 2000, at [www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ec/00100-r1.en0.htm](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm) (August 15, 2007).
2. Commission of the European Communities, "Communication to the Spring European Council," February 2, 2005, at [http://ec.europa.eu/growthandjobs/pdf/COM2005\\_024\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/COM2005_024_en.pdf) (June 7, 2007).
3. World Bank, "Trade," at <http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/PARTNERS/WBEU/0,,content-MDK:20192243~menuPK:581214~pagePK:64137114~piPK:64136911~theSitePK:380823,00.html> (June 7, 2007).
4. International Monetary Fund, "World Economic Outlook Database," September 2006, at [www.imf.org/external/pubs/ft/weo/2006/02/data/weorept.aspx?sy=2004&ey=2006&scsm=1&ssd=1&sort=country&ds=.&br=1&c=137%2C122%2C124%2C138%2C182%2C128%2C184%2C172%2C132%2C134%2C174%2C144%2C178%2C136%2C112&s=NGDP\\_RPCH&grp=0&a=&pr1.x=53&pr1.y=7](http://www.imf.org/external/pubs/ft/weo/2006/02/data/weorept.aspx?sy=2004&ey=2006&scsm=1&ssd=1&sort=country&ds=.&br=1&c=137%2C122%2C124%2C138%2C182%2C128%2C184%2C172%2C132%2C134%2C174%2C144%2C178%2C136%2C112&s=NGDP_RPCH&grp=0&a=&pr1.x=53&pr1.y=7) (June 7, 2007).
5. Eurostat, "Euro-Indicators," press release, March 30, 2007, at [http://epp.eurostat.ec.eu.int/pls/portal/docs/PAGE/PGP\\_PRD\\_CAT\\_PREREL/PGE\\_CAT\\_PREREL\\_YEAR\\_2007/PGE\\_CAT\\_PREREL\\_YEAR\\_2007\\_MONTH\\_03/3-30032007-EN-BP.PDF](http://epp.eurostat.ec.eu.int/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2007/PGE_CAT_PREREL_YEAR_2007_MONTH_03/3-30032007-EN-BP.PDF) (June 7, 2007).
6. Eurostat, "Employment Rate-Total," at [http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=%20%20%20%20%20%201996,39140985&\\_dad=portal&\\_schema=PORTAL&screen=detailref&language=en&product=STRIND\\_EMPLOI&root=STRIND\\_EMPLOI/emploi/em011](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=%20%20%20%20%20%201996,39140985&_dad=portal&_schema=PORTAL&screen=detailref&language=en&product=STRIND_EMPLOI&root=STRIND_EMPLOI/emploi/em011) (August 17, 2007).
7. Jean-Claude Trichet, "The Need for Structural Reforms in Europe," lecture to the Lisbon Council, June 4, 2007, at [www.ecb.eu/press/key/date/2007/html/sp070604.en.html#fnid2](http://www.ecb.eu/press/key/date/2007/html/sp070604.en.html#fnid2) (June 7, 2007).
8. Tim Kane, Kim R. Holmes, and Mary Anastasia O'Grady, *2007 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2007), p. 6, at [www.heritage.org/Research/Features/Index/chapters/pdfs/index2007\\_RegionB\\_Europe.pdf](http://www.heritage.org/Research/Features/Index/chapters/pdfs/index2007_RegionB_Europe.pdf).
9. European Commission, *Europe in Figures: Eurostat Yearbook 2006–07* (Luxemburg: Office for Official Publications of the European Communities, 2007), p. 142, at [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-CD-06-001/EN/KS-CD-06-001-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-CD-06-001/EN/KS-CD-06-001-EN.PDF) (June 7, 2007).
10. Honor Mahony, "Nine States Call for Revival of Social Europe," EUObserver.com, February 15, 2007.
11. OpenEurope, "Poll on the Future of Europe: Main Findings Report," at [www.openeurope.org.uk/research/mainfindings.pdf](http://www.openeurope.org.uk/research/mainfindings.pdf) (June 7, 2007).
12. Trichet, "The Need for Structural Reforms in Europe."
13. Delegation of the European Commission to the USA, "EU and U.S. to Sign Up to Transatlantic Economic Integration Plan at Washington Summit on April 30," press release, April 27, 2007, at [www.eurunion.org/News/press/2007/2007043.htm](http://www.eurunion.org/News/press/2007/2007043.htm) (June 7, 2007).

tion and the political centralization of power in Brussels, the U.S. is facing long-term challenges.

### The Acquis Communautaire

Business regulations are a massive impediment to the creation of wealth. Research from Open Europe recently found the EU's current body of law—the *acquis communautaire*—to be a staggering 170,000 pages long. And of these 170,000 pages, over 100,000 have been produced in the last 10 years.<sup>14</sup> Furthermore, 77 percent of the total cost of regulation on U.K. business since 1998 has been driven by the EU.<sup>15</sup>

European Commission Vice-President for Industry and Enterprise Günther Verheugen, estimates that the cost to business of complying with EU legislation currently amounts to €600 billion per year.<sup>16</sup> Other published estimates from the Commission suggest that the trade benefits of the single market amount to just €160 billion—making a compelling case that the financial costs of EU membership now significantly exceed the benefits.<sup>17</sup>

Confidence in the EU to deliver a more positive regulatory environment is low. An ICM poll of U.K. chief executives, conducted in September 2006 for Open Europe, found that 54 percent of businesses feel that the costs of EU regulation outweigh the benefits of the single market. Critically, the poll revealed that “*Even among the businesses that do the most trade with the rest of the EU, a majority feel the same.*”<sup>18</sup> The same poll also found that a majority of the respondents (59 percent) felt that the regulatory burden in the European Union is rising.<sup>19</sup>

It is not difficult to see why confidence is so low. Despite repeated pledges to undo vast swathes of EU legislation, including a pledge by German Chancellor Angela Merkel to scrap a quarter of all EU rules and regulations,<sup>20</sup> regulation has actually continued at a frightening pace. British-based think tank The Bruges Group found that in the first two weeks of May 2007, the EU passed a total of 43 laws; from May 14–26, 2007, the EU passed a further 61 laws in areas such as transport, defense procurement, policing, and research and development.<sup>21</sup> On June 1, 2007, the EU's 1,000-page long chemicals regulation—the Registration, Evaluation, and Authorization of Chemicals (REACH) regulation—came into force after seven years of negotiation. REACH has been described by news Web site EU Observer as “the most complex [regulation] in EU history.”<sup>22</sup> Rather than repealing regulation, the EU is introducing tremendously complicated and comprehensive legislation.

European nations are also continuing to introduce anti-competitive, price-controlling legislation in critical industries such as pharmaceuticals. Free pricing is a critical element that drives the market. Europe's unwillingness to open itself to competition has seen huge capital flight. The decline of the European pharmaceuticals market, especially compared to the rapid growth in the U.S. market, could not be starker.<sup>23</sup> In 1988, American manufacturers only developed 19 of the 50 best-selling drugs worldwide. By 1998, however, American manufacturers sold 33 of the top 50 drugs.<sup>24</sup> A study carried out by the U.S. Department of Commerce on the effects of

14. OpenEurope, “Just How Big is the Acquis Communautaire?” at [www.openeurope.org.uk/research/acquis.pdf](http://www.openeurope.org.uk/research/acquis.pdf) (June 7, 2007)

15. *Ibid.*

16. George Parker, “Uphill Battle Against Brussels Bureaucracy,” *Financial Times* (London), October 10, 2006.

17. OpenEurope, “Just How Big is the Acquis Communautaire?”

18. OpenEurope, “ICM Survey of Chief Executives for Open Europe,” at [www.openeurope.org.uk/research/businesspres.pdf](http://www.openeurope.org.uk/research/businesspres.pdf) (June 7, 2007) [emphasis added].

19. *Ibid.*

20. “Merkel Says EU Needs Constitution,” *BBC News*, May 11, 2006, at <http://news.bbc.co.uk/2/hi/europe/4761473.stm> (June 7, 2007).

21. Robert Oulds, “The Flood of EU Laws,” The Bruges Group, at <http://brugesgroup.com/mediacentre/comment.live?article=13989> (June 7, 2007).

22. Andrew Rettman, “EU's REACH Chemicals Law Begins Life in Helsinki,” EUObserver.com, May 21, 2007, at <http://euobserver.com/9/24169> (subscription required) (August 15, 2007).

23. See Sally McNamara, “The Road to Hell Was Paved with Good Intentions,” *The European Journal*, March/April 2006, pp. 19–21, at [www.europeanfoundation.org/docs/March%20April%202006.pdf](http://www.europeanfoundation.org/docs/March%20April%202006.pdf) (August 15, 2007).

pharmaceutical price controls in OECD countries found a \$5 billion to \$8 billion annual reduction in funding for drug research and development.<sup>25</sup> Little wonder, then, that while only 20 percent of men with prostate cancer in the U.S. will die from it, about 57 percent of British men, and nearly half of French and German men will do so.<sup>26</sup>

### The Common Agricultural Policy

The regulatory culture of the European Union undoubtedly contributes to its weak research and development sector compared with the United States. At the same time, the EU continues to devote enormous resources to its very modest agricultural sector. The EU's Common Agricultural Policy (CAP) is a highly protectionist system of agricultural subsidies that funds Europe's richest farmers and excludes the world's poorest farmers from competing fairly in the marketplace. The Heritage Foundation's Dr. Nile Gardiner describes CAP as the "largest protectionist racket in the world."<sup>27</sup>

In 2005 the EU spent €49 billion on the CAP.<sup>28</sup> The CAP budget for 2007 is set to increase to an astonishing €55 billion.<sup>29</sup> It not only consumes more than 40 percent of the entire EU budget, but imposes higher food costs to the tune of €55 billion,

according to the OECD.<sup>30</sup> The Brussels-based think tank Center for the New Europe found a much more profound cost of CAP, however—human life. It estimates that the complex trading rules of the EU cost thousands of lives per day, especially in Africa.<sup>31</sup> CAP shuts Africans out of a market in which they would otherwise be competitive, and then exports heavily subsidized surplus foodstuffs around the world to the further disadvantage of unsubsidized African farmers. Dr. Gardiner also assessed CAP as "the greatest barrier to free trade in the world."<sup>32</sup>

France is by far the largest recipient of CAP aid, enjoying more than €9 billion of CAP.<sup>33</sup> The phasing in of increasing CAP subsidies for the new EU member states leaves little hope that it will be seriously reformed either. The new French President, Nicolas Sarkozy, has already indicated that he will not support radical reform of CAP when it next comes up for discussion in 2008.<sup>34</sup>

### The Future of the European Economy

On balance, Brussels seems to be moving entirely in the wrong direction. However, there are some positive trends to note from individual member states.

24. John E. Calfee, "International Pharmaceutical Pricing: Price Controls Discourage Innovation," April 27, 2004, at [www.aei.org/publications/filter.all,pubID.20476/pub\\_detail.asp](http://www.aei.org/publications/filter.all,pubID.20476/pub_detail.asp) (August 20, 2007).
25. U.S. Department of Commerce, International Trade Administration, "Pharmaceutical Price Controls in OECD Countries: Implications for the U.S. Consumers, Pricing, Research and Development, and Innovation," December 2004, at [www.ita.doc.gov/td/chemicals/drugpricingstudy.pdf](http://www.ita.doc.gov/td/chemicals/drugpricingstudy.pdf) (August 20, 2007).
26. "Cancer Prognosis," editorial, *The Wall Street Journal*, February 23, 2006.
27. Nile Gardiner, Ph.D., "The Sarkozy Revolution: Five Recommendations for the New French President," Heritage Foundation *WebMemo* No. 1448, May 9, 2007, at [www.heritage.org/Research/Europe/wm1448.cfm](http://www.heritage.org/Research/Europe/wm1448.cfm).
28. "Q&A: Common Agricultural Policy," BBC News, December 2, 2005, at <http://news.bbc.co.uk/2/hi/europe/4407792.stm> (August 15, 2007).
29. Open Europe, "New EU Budget: A Historic Missed Opportunity," December 20, 2005, at [www.openeurope.org.uk/media-centre/bulletin.aspx?bulletinid=27](http://www.openeurope.org.uk/media-centre/bulletin.aspx?bulletinid=27) (August 15, 2007).
30. "Q&A: Common Agricultural Policy."
31. Stephen Pollard, Alberto Mingardi, Cecile Philippe, and Dr. Sean Gabb, "EU Trade Barriers Kill," Center for the New Europe, September 2003, at [www.cne.org/pub\\_pdf/2003\\_09\\_04\\_EU\\_barriers\\_kill.pdf](http://www.cne.org/pub_pdf/2003_09_04_EU_barriers_kill.pdf) (August 15, 2007).
32. Nile Gardiner, Ph.D., "Trends in the European Union and Russia: Implications for the United States," Heritage Foundation *Lecture* No. 996, February 20, 2007, at [www.heritage.org/Research/Europe/hl996.cfm](http://www.heritage.org/Research/Europe/hl996.cfm).
33. Bettina Rudloff, "New Budget Priorities for the Common Agricultural Policy," Deutsche Bank Research, *EU Monitor* 40 (November 30, 2006), at [www.dbresearch.com/PROD/DBR\\_INTERNET\\_DE-PROD/PROD000000000204375.pdf](http://www.dbresearch.com/PROD/DBR_INTERNET_DE-PROD/PROD000000000204375.pdf) (August 15, 2007).
34. "Mini or Midi Treaty?" *The Times* (London), May 17, 2007, at [www.timesonline.co.uk/tol/comment/leading\\_article/article1801130.ece?openComment=true](http://www.timesonline.co.uk/tol/comment/leading_article/article1801130.ece?openComment=true) (August 15, 2007).



Over the past two decades, Ireland has transformed itself from a poor European backwater with crippling tax rates to a vibrant, buoyant economy with low unemployment and massive foreign investment. By opening its markets, lowering its corporate tax rate to just 12.5 percent, and investing in education, Ireland has become the Celtic tiger, enjoying healthy levels of growth and extremely high living standards.<sup>35</sup> It also enjoys one of the lowest levels of youth unemployment in the EU, conquering a persistent problem suffered by many of its European neighbors.<sup>36</sup> Ireland stands as an example to the rest of Europe that economies are governed by policies, and that the right policies will get the right results.

The newer EU members from Central and Eastern Europe are currently enjoying strong growth as well, particularly the Baltic States.<sup>37</sup> Less than 20 years after the fall of the Berlin Wall, many of these countries have made remarkable transitions to market economies, Estonia being a particularly noteworthy example.

In 1992, under the guidance of its brilliant first Prime Minister, Mart Laar, Estonia enacted radical free market reforms, including the introduction of a flat tax, the removal of price controls, and almost full privatization—and created one of the world's freest and most dynamic economies. Mr. Laar has repeatedly remarked that upon his election he had read only one book on economics—Milton Friedman's *Free to Choose*—which is where he got his inspiration for the Baltic economic miracle.<sup>38</sup>

Today, Estonia's new center-right government is planning to cut the country's flat income tax rate from 22 percent to 18 percent by 2012; such has been the success of its flat tax regime.<sup>39</sup> Shamefully, Estonia had to undo some of its liberal reforms to join the European Union in 2005, including the imposition of agricultural tariffs. Regardless, Estonia stands as an example for Western Europe, which looks on with envy at its 9–10 percent per annum growth.<sup>40</sup>

The flat tax revolution that has swept Central and Eastern Europe has seen dramatic positive consequences in terms of growth, investment, and increased tax revenues. Estonia, Lithuania, Latvia, Russia, Serbia, Ukraine, Slovakia, Georgia, Romania, Macedonia, and the Czech Republic now have flat tax regimes. Perhaps more importantly, the flat-tax effect has sparked a domino-run of corporate tax-cutting across southern and western Europe. Before the 2004 round of accession, France and Germany, terrified of competition from their eastern neighbors, called on Brussels to determine a minimum level of European corporate tax rates.<sup>41</sup> However, with little support for such harmful tax harmonization, Old Europe is now getting on New Europe's bandwagon. Spain, Germany, France, and Britain are all in the process of lowering corporate tax rates in a bid to attract new investment, and the EU's average corporate tax rate at the end of 2006 was at a record low of 26 percent.<sup>42</sup> This new dynamism is something Old Europe should be very grateful for.

35. Sean Dorgan, "How Ireland Became the Celtic Tiger," Heritage Foundation *Backgrounder* No. 1945, June 23, 2006, at [www.heritage.org/Research/WorldwideFreedom/bg1945.cfm](http://www.heritage.org/Research/WorldwideFreedom/bg1945.cfm).

36. "Europe in Figures," Eurostat Yearbook 2006–07, p. 142, at [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-CD-06-001-05/EN/KS-CD-06-001-05-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-CD-06-001-05/EN/KS-CD-06-001-05-EN.PDF) (August 17, 2007).

37. International Monetary Fund, "Report for Selected Countries and Subjects," at [www.imf.org/external/pubs/ft/weo/2006/02/data/weorept.aspx?sy=2004&ey=2006&scsm=1&ssd=1&sort=country&ds=.&br=1&c=946%2C181%2C964%2C423%2C935%2C936%2C961%2C939%2C944%2C941&s=NGDP\\_RPCH&grp=0&a=&pr1.x=40&pr1.y=6](http://www.imf.org/external/pubs/ft/weo/2006/02/data/weorept.aspx?sy=2004&ey=2006&scsm=1&ssd=1&sort=country&ds=.&br=1&c=946%2C181%2C964%2C423%2C935%2C936%2C961%2C939%2C944%2C941&s=NGDP_RPCH&grp=0&a=&pr1.x=40&pr1.y=6) (August 15, 2007).

38. The CATO Institute, "Former Estonian Prime Minister Mart Laar Wins Friedman Prize for Liberty," April 20, 2006, at [www.cato.org/special/friedman/winner.html](http://www.cato.org/special/friedman/winner.html) (August 15, 2007).

39. "Estonia's Parliament Gives Green Light to New Center-Right Government," *International Herald Tribune Europe*, April 4, 2007, at [www.iht.com/articles/ap/2007/04/04/europe/EU-POL-Estonia-Government.php](http://www.iht.com/articles/ap/2007/04/04/europe/EU-POL-Estonia-Government.php) (August 15, 2007).

40. International Monetary Fund, "Report for Selected Countries and Subjects."

41. Eric Pfanner, "Amid Aging Smokestacks, Job Creation," *The New York Times*, July 22, 2004.

42. Simon Kennedy, "Tax-Cut War Widens in Europe," *International Herald Tribune Europe*, May 28, 2007, at [www.iht.com/articles/2007/05/28/business/tax.php?page=1](http://www.iht.com/articles/2007/05/28/business/tax.php?page=1) (August 15, 2007).

## What Should the EU Be Doing?

The first thing that the EU should be doing is abandoning plans to breathe life back into the failed EU constitution, which was vociferously rejected by French and Dutch voters in 2005. The EU constitution will merely take everything that is wrong with the EU and formalize it into vastly prescriptive legal provisions. Merely giving it a new name will not change the fact that it presents a recipe for economic disaster.

A 2006 poll by Open Europe of leading British businessmen found a profound lack of support for the direction of the European Union proposed in the European Constitution. Instead, they wanted to see the EU regulating less and spending less.<sup>43</sup> The repatriation of failed EU policies such as the Common Agricultural Policy, the Common Fisheries Policy, and international aid would be a good place to start.

The EU must take a critical look at its enormous body of legislation and make an absolute commitment to both reduce existing legislation and only enact future legislation on the basis of rigorous, independent, cost-benefit assessments. Labor market reform will also be critical to higher productivity and greater growth in Europe.

## Conclusion

Public support for the European Union is low. When asked in March 2007 whether they would vote in favor of a treaty transferring more powers to the EU, just 10 member states responded positively.<sup>44</sup> In recent years, the EU has been responsible for little more than onerous regulation and politically driven initiatives to further centralize power. As specific country examples illustrate, the nation-state remains the primary vehicle for driving positive change.

Under the auspices of Margaret Thatcher, the United Kingdom went from the sick man of Europe to an economic powerhouse. Under the leadership of Mart Laar, Estonia went from a poor Soviet outpost to a high-tech, knowledge-based economy. The biggest challenge for many European nations right now is to resist the powerful Brussels establishment, who continue to churn out reams of legislation to further solidify European integration.

—Sally McNamara is Senior Policy Analyst in European Affairs in The Margaret Thatcher Center for Freedom at The Heritage Foundation. This speech was delivered June 10, 2007, during a conference entitled “The Collapse of Europe, the Rise of Islam, and the Consequences for the United States” at Pepperdine University in Malibu, California.

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