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Conservative Liberalism
in North and South
A Comparison

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European Conservatives and Reformists

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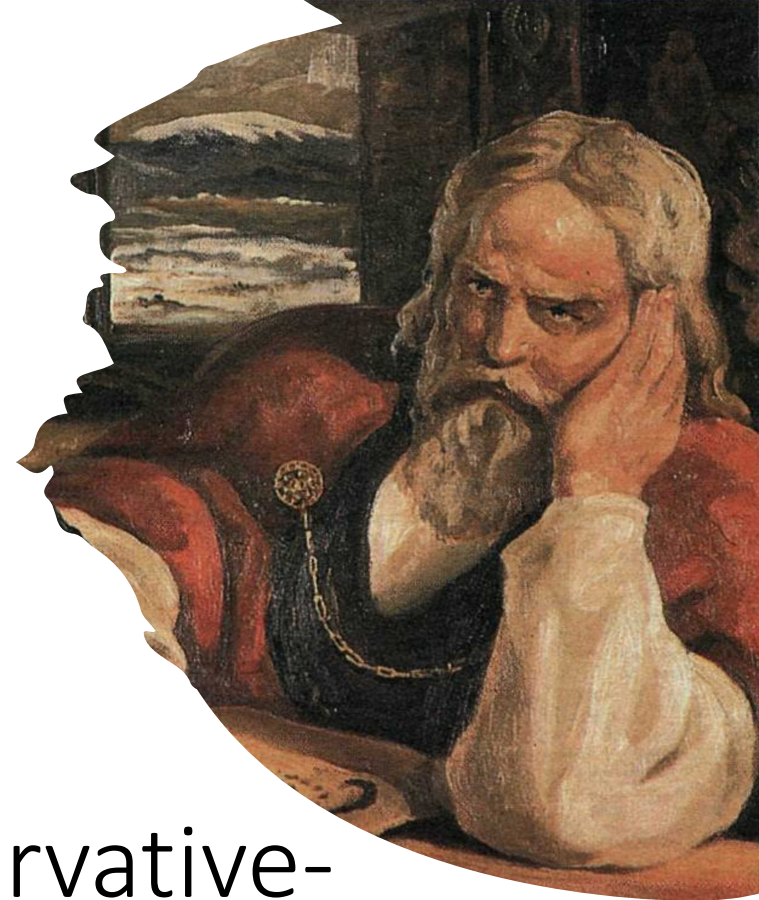
What is Conservative Liberalism?

1. Private property
2. Free trade
3. Limited government
4. Respect for traditions, intermediate associations and institutions

Classical liberalism of Locke, Hume, Smith, in support of 1688 and 1776 revolutions, defending and extending existing liberties

Conservative liberalism of Burke, Constant, and Tocqueville, in opposition to 1789 revolution, attempt to reconstruct society

Hayek most important modern thinker

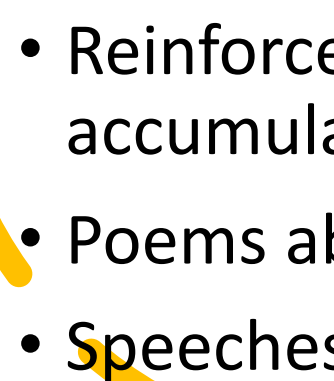


Three Nordic Conservative-Liberal Thinkers

- Snorri Sturluson: Customary law; Government by consent
- Anders Chydenius: Gain from free trade; self-regulation
- Nikolaj F. S. Grundtvig: Social cohesion through freedom



Grundtvig: Cohesion Without Commands

- Grundtvig articulated the common Nordic cultural heritage, and the special Danish variant, *danskheden*
 - Independent farmers, free speech, free trade, private property
 - Self-help, congregations, schools, farmers' cooperatives, voluntary associations, even trade unions
 - Reinforced a sense of belonging, mutual trust, cohesion, accumulation of cultural capital
 - Poems about nationality as matter of individual choice
 - Speeches about deciding borders according to choice
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Two Poems by Grundtvig

Freedom our watchword must be in the
North!

Freedom for Loki as well as for Thor.

Free is the Word in the spirit's new
world,

which the Word has created on this
earthly shore ...

Of a 'people' all are members

Who regard themselves as such,

Those whose mother-tongue sounds
sweetest,

And their fatherland love much.

The Nordic Model in International Affairs

Peaceful Secession: Norway from Sweden in 1905, Finland from Russia in 1917, Iceland from Denmark in 1918

Border Changes by Plebiscites: Danish-German border in 1920, Northern Schleswig (=Sønderjylland) to Denmark

Autonomy of Special Regions: Aaland Islands (Finland), Faroe Islands and Greenland (Denmark), Sami regions (Norway, Sweden, Finland)

Conflict resolutions by Courts: ICJ on Aaland Islands between Finland and Sweden, on Greenland between Denmark and Norway

Cooperation without Surrender of Sovereignty: Nordic Council, common labour market, no passports, support of cultural cooperation; EEA (Norway and Iceland)

Einaudi: Free Trade in a Federation

- Famous discussion with Benedetto Croce about liberismo and liberalismo
- Einaudi: Liberty cannot survive under socialism
- Insights on tax: criterion should be acceptability, not unanimity
- Taxation of capital income double taxation, punishing thrift



Einaudi on European Federation

- Why build roads, ports, canals, airports, and not allow people and goods to cross over borders?
- Confederation not sufficient, example of the U.S. until 1789 and League of Nations. Too weak (like Poland before partition)
- Federation with power to tax, a military, common currency, and legislative assembly
- Common currency would reduce likelihood of abuse of monetary power
- Federation should not suppress individual states

Problems with Einaudi's Position

- Economic integration desirable, benefits of free trade and division of labour
- Political integration not necessarily desirable, suppressing national identities
- Paradoxically, economic integration facilitates political disintegration, or smaller political units, able to benefit from division of labour
- Military alliances may be more effective than Federations, NATO more effective than EU
- Free trade areas more effective than customs unions





The Wrong Turn

- EU about economic integration 1957–1992, and political integration since then
- Political integration euphemism for centralisation
- Imposed on reluctant or hostile populations rejecting commands from Brussels
- European identity exists, but much weaker than national identities
- Grundtvig right and Einaudi wrong about national identities
- Subsidiarity Principle ignored: division of power and influence between families, local communities, congregations, voluntary associations, regions, nations

Horse Trading, not Ideals

- 1971, 4 countries apply, extensive fishing grounds
- EU decides overnight to make fishing grounds a commons, reintroducing 'tragedy of commons', over-utilisation of open-access resources
- 1990, Germany wants to unite, needs consent
- Condition: that common currency adopted, replacing the stable and strong D-Mark
- Strict rules have been broken, but CJEU has endorsed it
- European Commission and CJEU engines of centralisation





Necessary Reforms

- Move legislative power from European Commission to European Parliament
- Two chambers in Strasbourg and Brussels, turning European Council into higher chamber
- Reduce unaccountability and self-selection in European Commission and CJEU, turning Commission into a civil service and selecting judges not from euromantics but from experienced judges
- Establish Subsidiarity Court for all cases about local, national and European division of powers
- Learn from Nordic example: flourishing civil society and loose cooperation

