



## The EU Cannot Be at the Mercy of the Few

**A small group of farmers blocking an important trade agreement highlights the EU's vulnerability to the “tragedy of the commons”.**

A friend of mine has a beautiful villa in France overlooking the bay of Cannes. It's not the only villa on that street. There are many other magnificent ones like his. Living on this street comes with a catch, however, which can be described as “the tragedy of the commons.” Despite the idyllic setting, the residents act according to their own self-interest, behaving in a way that is contrary to the common good of all the neighbors. The street that connects all these magnificent villas is not part of the public road system of Cannes. It is private, and therefore should be maintained by the residents through a common agreement. But reality is harsher. To reach my friend's house, using a four-wheel drive is highly recommended. Raising the issue of ever-deepening potholes with other villa owners, my friend told me, had been a waste of time. Many refused to contribute to the needed road repairs. Although it could be argued that the unwilling owners made a rational economic decision, it has a paradoxical and detrimental effect on the common good: a shared road that provides the only route to each villa.

The “tragedy of the commons,” an idea made widely known by Garrett Hardin, an American ecologist and philosopher in 1968, is a problem that occurs when individuals exploit a shared resource independently according to their own self-interest to the detriment of the common good of all users. In my friend's case, the obvious solution to the “tragedy of

the commons” — self-regulation by the community that was affected — didn't occur. Although we would like to think otherwise, community management isn't an infallible way of taking care of shared resources. All too often, rational beings, seeking to maximise their gains, cause collective disaster by damaging what they all depend on. They are not willing to recognise that an abuse of the common resource is contrary to people's long-term, best interests.

The “tragedy of the commons” reminds me of the present row about **the derailed Comprehensive Economic and Trade Agreement (CETA trade)** between Canada and the 508 million people in the European Union. In this instance the Belgian government was unable to overcome the objections of Wallonia — the french-speaking region in the country's south — to signing this agreement. The leader of Wallonia, Paul Magnette, is on record saying the deal is bad for Europe's farmers and gives too much power to global corporate interests. What this standoff means is that the representatives of 3.5 million people are holding 504.5 million of their neighbours hostage. Given the present malaise within the EU countries concerning Brexit and the immigration crises, this derailment is far from needed. What's more, this incident sets a terrible example for the credibility of the EU, the world's largest trading bloc. It raises serious questions

Visit **INSEAD Knowledge**  
<http://knowledge.insead.edu>

about its reliability as a trading partner. Countries wanting to deal with the EU are going to be extremely cautious, as they will never be sure which way the wind might blow.

### **Heroes or villains?**

This incident makes me wonder what has been going through the minds of the Walloon MPs. How are they rationalising their actions? Have they considered the bigger issues that are at stake? Of course, some people may see them as heroes resisting the pressure of all the other stakeholders, in particular the bureaucrats in Brussels. Some interpret their actions as a heroic stand against the perils of globalisation.

The question of the “tragedy of the commons” remains. What could be done to transcend narrow self-interest? Did these Wallonia MPs forget (as did the Brexiteers), the incredible benefits of being part of the EU? Did they reflect on the fact that the members of the EEC have had no wars internally for more than sixty years? Did they ask themselves, given the troubled history of Europe, how much peace is worth? Do they recognise how their children benefit by being part of an entity like the EU?

This incident, like many others, raises questions about the governability of the EU. Is it possible for a union consisting of 28 countries to find common ground? Is a different approach needed to manage its complex group dynamics? Do other measures need to be put into place to prevent the “tragedy of the commons?”

### **Overcoming Wallonia**

To prevent the “tragedy of the commons” EU governance needs to find the right balance between centralisation and decentralisation. Structural rearrangements of the “commons” may be needed to prevent individual interests from derailing processes for the common good, such as trade agreements. History, at the national level as well as in our local neighbourhoods, shows that it is not sufficient to appeal to people’s common sense. “Rational” decisions by one constituency may lead to unexpected irrationality, unless some form of sanctions is in place.

A number of political economists have suggested that the only way to solve the problem of the commons is greater centralisation. To prevent tragedy, some form of coercion will be needed, however distasteful this may sound. Indeed, this would seem to be the most effective way to ensure an equitable, just, and “rational” distribution of the advantages among all holders of interest in the commons that make up the EU.”

Visit **INSEAD Knowledge**  
<http://knowledge.insead.edu>

### **Group behaviour**

When a community becomes too big or too unstable to provide a closely tied social network, we seem to have little choice. Finding the best outcome on issues pertaining to the “commons” necessitates a deep understanding of the psychology of large group behaviour and thorough consideration of the advantages and disadvantages of a specific decision, the EU/ Canadian trade agreement being a clear example. Administrative systems will protect the commons from the kind of disasters as the possible failure of this trade agreement represents. To argue that no decision can be taken without unanimous agreement among so many stakeholders is a pipe dream. Like it or not, to make the EU work will necessitate giving more power to Brussels, an anathema to many European countries.

Such a shift in power should not be a win-lose situation. Europeans who resist greater integration would be wise to consider the benefits of what it means to be a European. Identifying with Europe doesn’t mean giving up one’s own, more local identity. a national *and* a European identity can co-exist. The friction wrought by CETA would pose less risk to all if Wallonia’s MPs were more courageous in accepting the contradictions that come with being a member of the European trading bloc and work towards becoming true Europeans.

As a community, we cannot have it all. No community can allow excessive freedom of the few to create collective doom. Throughout history, every culture has devised effective systems to make sure that the “common” would be taken care of equitably and responsibly. The best systems regulate resources with the goal of maintaining sustainability. To make the EU a workable institution, we need to find ways to take advantage of our relational rationality and have social coordination rules (based on fair process) and practical structural arrangements and systems to make the EU work.. If we are not able to put these into place, we may end up destroying the great European project for the gain of a few.

***Manfred Kets De Vries*** is the Distinguished Clinical Professor of Leadership Development & Organisational Change at INSEAD and The Raoul de Vitry d'Avaucourt Chaired Professor of Leadership Development, Emeritus. He is the Founder of INSEAD's ***Global Leadership Centre*** and the Programme Director of ***The Challenge of Leadership***, one of INSEAD's Top Executive Development Programmes. His most recent books are ***“You Will Meet a Tall, Dark Stranger: Executive Coaching Challenges”*** and ***“Telling Fairy Tales in the Boardroom: How to Make Sure your Organization Lives Happily Ever After.”***

Follow INSEAD Knowledge on [\*Twitter\*](#) and [\*Facebook\*](#)

**Find article at**

<https://knowledge.insead.edu/blog/insead-blog/the-eu-cannot-be-at-the-mercy-of-the-few-5004>

**Download the Knowledge app for free**



**Visit INSEAD Knowledge**  
<http://knowledge.insead.edu>