

André Brie, MEP, August 2006, Contribution for a book publication by the Norwegian Socialist Left Party

EU: Neoliberal power block, break-up or field for a common left project?

With the policy up to now, the European Union will fail

Despite the significance of the two popular referendums and the social movement carrying them, the French and Dutch No to the Constitutional Treaty of the European Union did not trigger off the crisis of the European Union, but only blew it up to even greater importance. It may be, following the most recent Euro Barometer survey, that the support for EU membership in the different populations has risen again by 5 points to now 55%; yet, the abstinence at the European elections, the disinterest, the prejudices and the ignorance remain large, nationalist attitudes are on the rise in most EU countries. The political and social consequences of the enlargement of 2004 are not taken care of. The Lisbon strategy that had been to turn the EU, until 2010, into the “most dynamic” economic region of the world has failed in that respect and, on the contrary, is used mainly as an effective vehicle for the destruction of the European social state model. The “Common Foreign and Security Policy” is solemnly sworn by in every speech and in every document, but the governments are far away from the readiness and the capacity for a common foreign policy in almost all decisive questions.

The political class of EU Europe – be it conservative, liberal or social-democratic – is lamenting. It bemoans the No of the French and the Dutch population and its own helplessness in dealing with it, it complains about the crisis of European integration, mainly, however, about the apparent lack of affordability of the social state. The greatest shame is the nonsense about the lack of alternative of social cutbacks, by which “Europe” is supposed to be made ready for competition on the global market. Ever since Margaret Thatcher in the 70s gave out the TINA slogan “There is No Alternative”, the thesis of the lack of alternative and mainly the policies ideologically justified that way, those of an anti-social rollback have become commonplace of the ruling European policy – in the EU just as in its member states.

“If the left only dared...”

I cannot discuss here the Norwegian or other Scandinavian positions on European integration. These are other conditions and experiences. For the Left in many countries of the European Union, in France, Italy, Spain, Germany, but also in many new member states, there follows the urgent question, whether it wants further integration, what kind of integration it wants, what answers it has to the grave challenges. On the German Left as well, there are anti-European positions that partly are defended with arguments worth to be taken seriously. I share the criticism of the EU-European reality, of the dominance of market radicalism for the whole developmental direction of the EU (the Treaties of Maastricht, Amsterdam, Nice, the Constitutional Treaty, the service directive to name only some important examples); of cutting ourselves off from the South of the world; of the restrictions of citizens’ and human rights, of the acute deficit in democracy; of the power-political ambitions in international relations and the extremely underdeveloped readiness to align the European foreign policies with the strengthening of the UN, international law and

multilateralism nor the will to orient it towards a cause-oriented and effective civil conflict prevention. Resistance of the Left against this policy is urgently required and must become much clearer, publicly effective and lasting in its impact. Yet in my opinion, the disintegration, no longer improbable, and the re-nationalisation of Europe and a secret joy on the Left about the failure of the European Union are neither adequate nor responsible alternatives. First of all, at its end, there would also stand a neoliberal and socially destructive European free trade zone, which – in distinction to the EU – would not only allow only difficult and inadequate, but no democratic and social possibilities for affecting policies at all. Third, I believe that integration could be a strategic chance for the European social states under the conditions of market-radical globalisation. Just like in the 19th and the early 20th century, the national state was the political room for the workers' movement and other forces for tying up Manchester capitalism, so it could be the European Union today (next to the states that continue to be important, their civil societies and the national social and political struggles). Of course, at present, 40 or even 50 percent of the gross social products of EU member states are realised by way of international trade; in the German case, for example, 4/5 of that within the EU. It is a huge economic space, quite capable of supporting an interior market, which might be used to prevent the return of laissez-faire capitalism by way of neoliberal globalisation, to maintain the various European social state models as well as to supplement them and continue to develop them on a European scale.

Still there are more or less strong points to which one could link such a policy. Despite the already achieved destruction of significant social and democratic achievements in Germany, Austria, France, and other countries, the influential US economist Jeremy Rifkin is correct as a matter of fact, when in answer to a journalist's question: "How should the 'European dream' be paid? Europe after all takes its bearings from the US economic model – for instance, in the matter of the Lisbon goals", he answers: "That is a mistake. In Europe, I hear again and again: a strong economy and the social state stand in contradiction to each other. In statistics about growth-oriented economies, the North European countries always lead. Their secret? They reformed their social state..." Yet one more thing is remarkable in Rifkin's comparison between the USA and Europe: "You are discussing rights that we do not even know about: pensions, protection of motherhood for instance. Human rights and sustainability play a major role in political discourses. The European dream relies on cooperation. Therefore, it also fits in the global world – in contrast to the individualist American dream." ("Die Presse", Vienna, July 20, 2006). One may oppose to Rifkin that the European reality is not that way unfortunately, not the reality of the European politics, but also hardly the reality of the prevailing European discourses. This may be right, however, it changes nothing to the fact that the Left, in a social and democratic changing of European discourses and realities might find a more lasting place than in isolated resistance, quite as Michael Krätke, professor at Amsterdam University, proposed: "The 'European social model' still has its future ahead of it. The European Left could make it its hallmark, its common project if it only dared to." ("Widerspruch (Contradiction). Contributions to Socialist Politics", Zurich 2005, issue 48).

In the above-mentioned survey, it shows itself that there is for that also a basis – even if rather abstract still – among the populations. As particularly central challenges for European integration in the coming years, there are considered: **First**, the modernisation and democratisation of society, its institutions and mechanism and in connection with that the constitutional process; **second**, the dealing with

candidates for EU membership as well as possibilities and limits of enlargement, and **third**, the social dimension of Europe, which encompasses such aspects as the fight against unemployment and poverty or maybe the continued development of the “Lisbon strategy” as well.

A regulatory framework for neoliberalism instead of a constitution for the people

The rejection by the Left of the constitutional treaty as presented, in my opinion is justified and well founded. It is also undisputable to me that the European Union needs a constitution. A “Constitutional Law” that stands in the tradition of the American constitution of 1787 – the oldest, still valid written constitution of the world - and in the tradition of the French revolution. Far-reaching rights of sovereignty and other rights have been transferred to the EU, yet the citizens have not received legally claimable individual rights face to the EU institutions and effective democratic possibilities for co-determination. Eighty percent of the decisions of the German Federal Parliament and 60% of the decisions in German local councils are based on Brussels treaties and directives or are significantly influenced by them. Without a constitution, Europe is threatened by disintegration and anarchical re-nationalisation. It may not solely be a case of eradicating the weaknesses of the Nice Treaty. A European constitution must secure the rights of the citizens as well as a sweeping democratisation of the EU. It must be the basis on which Europe can support a peaceful, more social and environmentally more compatible world policy. The diversity of nations and cultures, of political experiences and religious views, last but not least also of the constitutional traditions themselves must be reflected in a European constitution. And it must convey to integration a lasting renewed identity and fascination and contribute to overcoming the growing gap between “European citizens” and European politics.

It is noteworthy that almost two thirds of those asked in the most recent Euro Barometer pronounced themselves for the project of a European constitution. This means that opinions on that matter had hardly changed. The question whether the treaty as presented meets approval was apparently, for caution’s sake, not even asked. In a separate survey of last year, almost half had pronounced themselves for a renegotiation of the text; even clearer was the rejection at the referendum in France and in the Netherlands (May 29 or respectively June 1, 2005) with ca. 55 or respectively 61 percent no votes.

Although the rejection was of course also affected by specific national reasons, the asocial character of the EU constitution had been seen by broad parts of the population (in France, the text had been distributed to all households; discussions and forums took place on the topic). Clearly, a few well-sounding passages may not deceive us as to the fact that the document is founded on a neoliberal concept. Thus, you will find in the first, rather declaratory part of the treaty notions such as social protection and justice or full employment. In the decisive third part, however, there is not a question any longer of “social market economy” (Art. I-3, paragraph 3), but only of the principle of “an open market economy with free competition” (Art. III-177). Currency policy is concentrated on the guarantee of price stability – and limited to that (Art. III-185). These are practical recommendations to politics with foreseeable, fatal consequences. In the case of the Basic Right Charta, the governments, who finally had decided on the treaty text, even drew the emergency brake: With the admittance of the “Explanations on the Charta of Basic Rights” as a protocol to the

Constitutional Treaty, the legal obligation of the fundamental social rights in particular was considerably weakened.

Surely, advocates of the constitution will respond that maximal demands cannot be pushed through in such a paper and that one should not take everything to heart. I am clear that a compromise character of the constitutional treaty is desirable. Yet the mentioned aspects are essentials that may not be abused for deals of exchange.

That concerns last but not least security policy. The constitution foresees not only military interventions, also outside the union territory, but actually – in unique fashion – permanent rearmament as a common objective. On the contrary, the means of peaceful conflict resolution and conflict prevention are underemphasised. How to reconcile this, however, with the reference by the constitution to the UN Charta that places the focus on non- military intervention and foresees the employment of troops only as last resort and under strict obligations?

The goal to turn this constitution into the basis of neoliberal politics in Europe has in no way been abandoned by the governments despite the “chilling period” following the votes in France and in the Netherlands.

Enlargement as a challenge

The constitutional debate has immediate effects also on future entries into the EU- yet another strategic challenge of integration. He or she who advocates further entries (as do large parts of the Left in the EU member states) will also have to commit to the necessary and very essential institutional reforms of the EU and their democratic shaping. Undoubtedly, mechanisms, institutions and voting procedures in the EU that were originally created for half a dozen states are not suitable for future enlargements. They are already no longer working for today's, several times enlarged community. That has to do above all with the fact, however, that existing relationships of power in Europe are supposed to remain untouched and national interests continue to dominate. What today one likes to call – with reference made to the flunked constitution - the lacking “enlargement capacity”, the entry candidates are now supposed to carry the can for.

It is particularly dramatic that these states, in a huge act of will, have submitted to the requirements of the EU and have fulfilled the so-called Copenhagen criteria that set high obstacles to joining, yet hardly any attention was paid to the national conditions and interests of the candidates. Mainly, however, the EU is lacking a strategy on how to deal with further applications to entry. I consider additional entries to be right if the people concerned wish so and demands for democracy, human rights and other criteria are fulfilled. Thus an EU membership of states of the Western Balkan could certainly mean a decisive contribution to the drying out of the conflicts simmering there. Precisely, the last couple of months have shown, however, that the way of these states into the EU is not even. The high standards that Brussels applies to the cooperation of these countries at the international tribunal for the former Yugoslavia must also be applied in cases of other violations of people's and individual human rights. By way of the factual silence and the lack of action, for instance, concerning CIA abductions in Macedonia or other illegal activities by US- American secret services in joining states that are apparently tolerated by the governments of these countries, the EU Commission and the Council have attested to their own poverty. That these secret service practices are also tolerated in the EU, let it be mentioned here only in passing.

For Turkey as well, the perspective of joining the EU, at least for some time, has been a decisive motive for long overdue democratisation efforts. Undoubtedly however, opinions are divided precisely on an entry by this country. Fact is, however, that the European Union is in no way an exclusive or even “Christian- occidental” club. In accordance with the treaties, the EU is open to every European country. Even though the larger part of Turk territory lies in Asia, this criterion applies to her without any doubt: Turkey for a long time has been member of the European Council and of the Organisation of Security and Cooperation in Europe as well as other European institutions. That was never put into question.

At the same time, however, in the “case of Turkey”, very grave problems are apparent: Despite a number of positive developments in the last couple of years, human rights and the rights of minorities are often and often massively violated in Turkey. In particular the situation of women and of Kurds continues to be cause for worry. Elementary political freedoms such as the right to freedom of opinion and the press, fundamental democratic standards such as the civilian and parliamentary control of the military are not really realised. Torture continues to be on the agenda in Turk prisons. Many laws, supposed to change such problems, are not being implemented. The social and economic gaps in the country are also dramatic. On average, Turkey reaches 22 percent of the per capita income of the 15 old EU member states. The developmental level of the South East of the country inhabited mainly by Kurds is still lower by far. Moreover, Ankara holds on to the occupation of Northern Cyprus and practically does not recognise the sovereignty of the Republic of Cyprus, a member state of the EU. Without serious, comprehensive and practical changes in Turk policy, without the complete fulfilment of the Copenhagen criteria, Turkey may not become member of the EU.

Social policy at the sidelines

New enlargement rounds, according to the Euro Barometer of spring, are refused by a large part of the population (42 percent of those asked are against); this apparently has less to do with political aspects than with the justified worries of the people about an uncertain economic and social future in EU Europe. Moreover, the facts do not really contribute to calming the concerns: In the beginning of 2006, following the official EU statistics, 18.4 million people in the EU were out of work.

The – practically missing – social policy in the EU is the third major problem area of European developments. The central problem of EU policy, seen the clearest in the Maastricht treaty and in the constitutional draft, has always been that social policy was always understood at best as attachment, instrument or a certain cushioning of market developments. This also holds for the “Lisbon strategy” started in 2000. What many national governments do not dare say with this kind of openness – at the European level, the US-American social system became the guiding image and by the vehicle of EU policy was also pushed through at the level of the nation states: denunciation of the social state as obstacle to business activity and competition, privatisation and capital market orientation of social prevention, deregulation of the labour markets. In one decisive point, however, the EU puts its stakes differently than the USA. While Washington directs its financial and economic policy at its own interior market, the EU Commission and the European governments wage on the global and market-liberal world market and the cost competition of the member states against one another rather than on the use and development of the large European

interior market, European interior market demand and a common solidary economic, social and cohesion policy.

Officially, the Lisbon strategy emphasises the connection between growth and employment and social cohesion. The “social reforms” demanded and now implemented in the whole EU, however, aim at reshaping the social state following the principle of “individual responsibility”. That means, for example, in the area of old-age security, the limitation of the public pension system to anything but a basic security immunising against poverty, all the more so, since the priority orientation towards a capital-covered private and business-level old-age insurance is to serve mainly the creation of a European financial market. In the health system, one takes course towards the supply solely with “medically needed” obligatory services as well as increased co-payments. Even though at the spring summit 2006, the strategy was still reaffirmed, the employment political objectives at least have largely been given up in reality. On the whole, no shift towards lastingly sustainable systems can be recognised in the “reforms” in the social sector, but the Europe-wide retraction of the state from collective care.

This way, to me, the circle closes: Who in Germany or in France fights for the renewal of the social state must take account of and accept European integration as the decisive space for this struggle. Who does not want to give up the project of European integration, must and can find it only in the perspective of a European social union. Without a fundamentally changed European economic policy instead of the “New Economy” of the Lisbon process, this won’t be possible. Social cohesion, social security, and ecologically lasting development must be its social policy goals and its integral part as well. The basic features of the policy mix necessary for that are obvious:

- | cooperation on economic policy between the European Central Bank and the economic and fiscal policies of the member state and their wage policy,
- | a more relaxed monetary policy,
- | a productivity-oriented wage policy,
- | a sustainability strategy oriented towards the interior market,
- | a fiscal policy that strengthens public investments, science and research and education as well as development of human resources,
- | a consequent equalisation policy,
- | a social union with European minimal standards for social benefits, wages and business taxes that are gradually adjusted towards the upper end in corridors.

That would be a real reform in the EU. In the context of a lasting democratisation of the EU that must be fixed in a common constitution and an enlargement policy on the basis of fairness and equalisation, the EU has great chances. In this direction, there would also lie a left-wing European responsibility and chance.