

A critical look

# The European Union's Building

Thursday 29 December 2005, by [ROUSSET Pierre](#) (Date first published: 26 November 2004).

**Contribution presented at the Philippine Forum on the Asia-Europe Meeting (ASEM) "Understanding the Process and Potentials and Defining Civil Society Engagements", Manila, 26-27 November 2004.**

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## Introduction

There is -or there should be- a historical dimension in the building of a unified Europe. During the Nineteenth and Twentieth centuries, this sub-continent has been time and again racked by destructive intra-European conflicts, and was later split in two, all the way through the Cold War. States yesterday pitted one against the other are now together engaged in the European Union (EU), and with the integration of ten new members this year, the East/West divide begins to be bridged.

It is nevertheless hard to pretend that the European populations perceive in such a way the building of the EU. The European elections are in many countries the ones where the rate of abstention is the highest (where voting is not compulsory). The European institutions are feared more often than loved by commoners, and for good reasons: policies coming from Brussels, in Belgium, where the headquarters of the EU sit, are rarely felt friendly by the majority of people.

This contradiction between the dream (the role of the EU in European history) and the political realities (its lack of popular appeal) has to be understood. I shall try to introduce here some elements of explanation and a number of analytical arguments, which are, of course, disputable and controversial.

Let's stress first three introductory points.

**1. Which Europe?** Many politicians or analysts will try to present the issue as a simple opposition between two basic choices: Either Europe (meaning the EU as it is) or the rebirth of old, destructive nationalisms. But little can be understood if another question is not raised: Which Europe is being built or should be built? What is and should be its economic, social and democratic content? What is and should be its geographical limits (Turkey, Russia...)? There is more than one answer to these questions, which reflects various political and social points of view. There is even no unity yet among European bourgeoisies on such matters.

**2. Complexity.** Seen from Asia, Europe appears as a distinctive unit, and there is a lot of truth in

this perception. Nevertheless, seen from within, Europe's diversity is striking: diversity in languages, political traditions, foreign policies, economic setting, juridical conceptions, labor movement structures and labor laws, etc. As well, the way each national bourgeoisie is organized and relate to other European capitalisms or to North American ones varies a lot. Both for the people (the emergence of a proper European citizenry) and for the bourgeoisies (the consolidation of a unitary power structure), the process of unification of Europe could not be and still cannot be but very complex. Nothing should be considered given.

**3. Turning points.** From the Treaty of Rome (1957) on, there are elements of continuity in "European" process: for example, Europe is built top-bottom, with the economy as main pillar and in the framework of a capitalist market. But beyond appearances, there are also major turning points in the way European unity has been and is being conceived by the powers that be. What is probably the most important of these turning points came after the downfall of the Soviet Bloc. It means that what the European Union is today was not all and already determined in the 1957 Treaty of Rome! History is and remains much more "opened" than any linear presentation of the construction of Europe can let us believe.

Rather than to enter into a detailed description of the successive European Treaties and the EU institutions, I shall try to address, in this morning contribution, some few substantial issues. Namely: the implications of the early 1990s neoliberal turning point in the building of capitalist Europe; the meaning of the present polemics around the draft European Constitution and the importance of the question "Which Europe?" (rather than "Whether Europe?"); the way a European citizenry has begun to be build from below, through the recent European Social Forum process.

The issue of Europe-Asia relationships will be dealt with later, during this afternoon session.

## **I/ THE ECONOMIC PROCESS: Continuity and changes**

A draft Constitution for the EU has been adopted, in 2004, by the governments of the member states. It still has to be ratified in each country. It would be the first European Constitution. The neoliberal doctrine is inscribed in it, for it to become a constitutional obligation (!). Beyond various factors of continuity (i.e. the capitalist market as framework), this represents a radical change from the early stages of the European building process.

After WWII, the mainstream doctrine of the European bourgeoisie was not neoliberalism, and not only because of the post-war reconstruction period with the Marshall Plan! In fact, the original foundation for a new European project was laid with the European Coal and Steel Community. The ECSC was a state-lead economic policy involving a limited number of countries, like Germany and France. At that time, the politico-economic framework favored by the European bourgeoisies was very different from the present one.

The British bourgeoisie was the first one, in Europe, to oppose to the labor movement an aggressive, global, neoliberal paradigm, at the time of Margaret Thatcher. The French bourgeoisie was one of the latest to do so. In France especially, the tradition of state economic intervention was strong. It was considered normal for the government to present an indicative Five Year Plan (a different conception than the Soviet ones!) as guidelines. In the 1970s, the whole energy sector was totally reshuffled in only ten years, the production of electricity becoming mostly nuclear. It was made possible by a close cooperation between the state, private companies and the military (an example of what could be at the time named "monopoly state capitalism").

The Treaty of Rome (1957), signed by 6 countries, gave birth to the European Economic Community

(EEC). Its immediate goal was the creation of a single, "common market". To a large extent, the European project has been shaped, the following five decades, by a more and more extensive definition of what means and what implies such a "common internal market". It began by the removal of customs duties or tariffs between the member states. Three decades later, in 1987, the Single European Act (SEA) applied this removal policy to other, more or less hidden, "barriers to trade". It also added new areas to European Community competence. In December 1991, the Treaty of Maastricht further extended EC competences; established conditions for economic and monetary union (EMU), including a single currency (the Euro) and a common Central Bank officially independent from political (and democratic) control; defined stringent "criteria of convergence" (implying austerity policies) to reach these goals.

**Neoliberal turning point.** The neoliberal paradigm is, as never before, at the core of the Treaty of Maastricht. It means much more than one step further in the consolidation of the single market. The capacity of parliaments to decide on national economic policies had been progressively limited before. Now, neoliberal counter-reforms are imposed on each member states through the EU institutions in the name of a "free", "undistorted" and "unfettered" market, in the name of the "competition policy". It makes compulsory a quite peculiar, particular, version of capitalist "free market". The dynamics at work goes far beyond the economic field. The freedom of the capitalist market is raised above all other freedoms; to a point that it imposes de facto a specific, global, uniformed way for the capital to rule over societies. There are similar implications with the way WTO regulations are operating internationally. Indeed, the mechanisms now at work in the EU are contemporary and similar in neoliberal nature as with the WTO and its compulsory regulations. This is a major change from the past, when capital was ruling over societies through a broad range of different ways, appropriate to regions, countries and times.

There is a strong element of continuity in half a century of post-Treaty of Rome European project: centrality of the economic field, creation and consolidation of a single capitalist market... Austerity policies began to be implemented before the 1990s. But the Treaty of Maastricht does not express only the economic dynamics at work in international and European capitalism. It also reflect a global shift in the relationships of forces in favor of the bourgeoisie following the disintegration of the Soviet Bloc and the crisis of the socialist perspective, spoiled by the raise and fall of Stalinism. It also expresses a shift in relationships of forces within the bourgeoisie itself, with the dominance of finance capital, which means that a thin layer of big stockholders, speculators and rentiers calls the shot.

All this was not given in 1957, when the Treaty of Rome was signed. In the way the building of the European Union evolved, social and political factors played a very important role, and not only purely economical dynamics. The December 1991 Treaty of Maastricht represented a major turning point with the imposition of the neoliberal straightjacket throughout the EU. The importance of this turning point should not be underestimated.

With the 1990s, the neoliberal framework became dominant among the European bourgeoisies. It is also during this decade that the existence of the European Union and its institutions began to be concretely felt by broad layers of the population in the member states. Until then, "Europe" looked something very far from daily life. It became progressively more concrete when national legislations were systematically modified, for them to be in conformity with decisions taken at the EU level. "Europe" (or "Brussels", where the EU centers of power sit) was then identified with the implementation of successive waves of neoliberal counter-reforms, still on their way: privatizations, deregulations, attacks on social rights, erosion of civil liberties... The traditional fabric of European societies is being torn to pieces. When my generation entered the labor market, in France, a normal job was full time, long term with definite social rights attached to it. Now, it is becoming partial, short term with less and less effective social protection. Precariousness is the sign of the times in

Europe too. Difficult, in such circumstances, for “Europe” to be popular...

## **II/ THE POLITICAL PROCESS**

If economy is the central pillar in the building of the European Union, the aim was not only a single market. It was to make of “Europe” (in reality, a part only of the geographical Europe) a new power, a world power. This explains why there are many mechanisms at work which are not found in usual free trade areas, like the pooling of resources from the richest regions to help the poorest ones (the “Structural Funds” and “Cohesion Funds”), and the creation of a network of political institutions.

Two “inner contradictions” in the European post-Treaty of Rome are to be addressed here. First, one contradiction within society as a whole (between classes): it opposes the very elitist character in which the EU is being built to the need to give its institutions a democratic legitimacy. Second, one contradiction within the bourgeoisie, within the social elite itself, which opposes two conceptions of the EU: that it should remain essentially an inter-governmental process or that should become mostly a supra-national reality.

### **1. The lack of democratic legitimacy**

The overall institutional structure of the EU is quite complex and very little known by most Europeans. Here are three main political institutions, or sets of institutions:

**The European Council.** It brings together heads of government of each member state. It takes the most far-reaching decisions. On a more daily base, the **Council of Ministers** (or Council of the European Union) takes decisions in particular areas. The Councils are the most powerful institutions of the EU. These are intergovernmental bodies. Each revision of a Treaty is prepared by an Intergovernmental Conference (IGC).

**The European Commission** (in full: the Commission of the European Communities). It is made of Commissioners appointed by state governments even though they are constitutionally independent from them. It has a president and extensive formal powers: it proposes new laws; it is responsible for the day-to-day running of the Community; it verifies if the Treaties are correctly implemented.

**The European Parliament.** Since 1979, the members of the European Parliament are directly elected in each country (before, they were appointed by national Parliaments). Initially, the EP had no institutional power; it was only a consultative body. From 1970 but mostly from 1987, the role of the European Parliament increased. Together with the Council and the Commission, it became part of a process of “co-decision” in a growing number of fields. Nevertheless, it remains far the weakest of the three points of the institutional triangle; and has no say concerning issues as international treaties or the WTO.

Even with increased powers, the European Parliament remains (and will remain) a sub-parliament. In principle, a parliament is supposed to be the institution producing laws. The European one does have the power to do so. It can only negotiate (in a subordinate position) amendments to laws initiated and drafted by the Commission and the Council.

Ironically also, the role of the European Parliament is formally increasing at the time powers of parliaments are progressively limited and emptied of their substance, with the growing constraints imposed on them by EU institutions in Europe and, internationally, by the WTO-IMF.

In such circumstances, EU institutions are seen by most as un-understandable, bureaucratic and

technocratic, lacking true democratic legitimacy. The European Parliament is unable to give them this necessary legitimacy.

## **2. Supra-national or inter-governmental?**

As already mentioned, economy was the main pillar of the post-1957 European building with the creation of a single market; in that framework, it could remain mostly and intergovernmental process. But because the aim was also to build (Western) Europe as a world power, there was since the start an inner trend toward “federalism” or European “integration” with the growing assertion of supra-national institutions. The European bourgeoisies and elites were and are divided on this issue.

**Maastricht overhaul.** Nearly fifty years later, the “integrationist” project has made many inroads. From this point of view also, the December 1991 Treaty of Maastricht has been a major overhaul of the Treaty of Rome. Each new treaty reinforced elements of “federalism”. The European Central Bank (ECB), the Euro currency, the decision to develop a Common Foreign and Security Policy (CFSP), the Justice and Home Affairs (JHA), the consolidation of the Commission and its president’s power, the extension of the number of fields where decisions can be taken under a “Qualified Majority Voting” (QMV, no more requiring unanimity)... are limiting national states (and populations) rights to decide on matters traditionally regarded as fundamental to sovereignty like finances and currency, foreign policy and criminal law, etc.

At the same time, other decisions are reinforcing the inter-governmental character of the EU fabric. This is especially the case with the enlargement. The number of states involved in the process was raised from the initial six to fifteen and now twenty-five. It should still increase in the coming future. It means that the euro-zone (where national currencies were replaced by the “common” one) now embodies only a minority of the EU member states (eleven of the twenty-five). On all fields, “Europe” is much more heterogeneous than it was in the 1990s. Disparities are so great that there are not going to be overcome by limited “cohesion funds”, while the working of the capitalist market will increase intra-European inequalities between countries and regions. Is there already a dominant “European capital”, an integrated European capitalist class, or is there complex combination of alliances between (layers of) national bourgeoisies, European capital and North-American capital?

**A common EU foreign policy?** On the issue of foreign policy too, the collapse of the Soviet Union raised new EU (integrationist) ambitions. This field was traditionally under the responsibility of the Foreign Ministers Meeting in Political Cooperation; a body with no formal power, where the key word is “cooperation”. In December 1991, the Treaty of Maastricht created, as “Second Pillar” of the Union, the “Common Foreign and Security Policy” (CFSP); where the word “common” replaces “cooperation”. The 1997 Treaty of Amsterdam appointed for the first time a High Representative for the CFSP: Javier Solana, formal General Secretary of NATO! A choice which underlines both the military ambitions of the EU and its will to act in accordance with US alliance. The Treaty of Amsterdam opens the way for the EU to build joint armed forces.

But has the European Union the means of its (integrationist) ambitions? What is at stake is the capacity of the EU to become an independent power, with a strategic military capacity -a capacity to intervene any where in the world and not only in its own region. There is no budget to match such an ambition. France and UK are the two military powers within Europe, with armies active in various parts of the world and with their own nuclear might; these two states are not going to leave a foreign hand (even if European) control the use of their nuclear weapons for the sake of a “common” security policy.

To add to the problem, the United States is in fact the first European power. France has 348 nuclear heads, the UK 185 and, according to the National Resources Defense Council, the United States has

480 of them, based in eight US military bases, in six European countries: Belgium, Germany, Italy, Turkey and UK (there is no US military bases in France since it has left NATO during a long time, while staying in the Atlantic Alliance. France is back in NATO now). How to develop an independent common policy in such a situation of subordination and when most European governments do not have the will to challenge the US hegemony?

**Half-way toward where?** The European Union has already developed beyond a set of institutions which role would only be to facilitate co-operation between independent national states. But it has not yet consolidated into a proper supra-national state. It maybe only in times of crisis that it will become clear if the EU will become an integrated new power or will remain mostly an inter-governmental reality. For the time being, the answer seems ambiguous.

The integrationist process has not been stopped. But when the EU has been confronted to the Iraq crisis, it proved deeply divided along national lines: part of the countries embarked eagerly in the US lead war (UK, Spain at the time of Aznar, Italy, Poland...), others refused (Germany, France...). The EU as such proved unable to exist, while confronted to a major international political test at a time its interests are directly engaged (Middle-East is one key region of the world where Europe should in principle still have the possibility to keep some capacity of initiatives, faced to the US).

### III/ THE DEBATE OVER THE CONSTITUTION

The two issues presented just above are at the core of the present dispute on the draft EU constitution.

The European governments have adopted a Constitution for the EU, which still has to be ratified. Most commentators look at the (small) changes in institutional mechanisms, while the democratic and socio-economic content of this document may well be its most significant aspect.

The draft Constitution is not the product of a constitutional process. It was prepared by a non-elected Convention and then amended and adopted by the EU governments, in the same way as a treaty. It is as thick as a book and filled with a language no commoner can understand. It goes into details, which have nothing to do with general constitutional principles. It transforms the very specific neoliberal conception of the "free market" into a constitutional obligation, with all its implications. It is also militaristic (asking for the growth of military budgets) and pro-NATO (EU policies should not get into contradictions with NATO ones!); which means that it is pro-nuclear (nuclear deterrence being a pillar of NATO doctrine). Social rights, civil liberties and democratic freedoms are less guaranteed than in most national Constitutions.

So, how come a significant part of the European Left be aggressively campaigning for the "yes" to this neoliberal, capitalist, militarist and anti-democratic Constitution? First of all, because the leaderships of the social-democratic parties and of the major Green parties have been direct actors of EU policies and inter-governmental treaties. There was even a time when the big majority of EU governments were lead by social-democracy. The draft Constitution appears as an outcome to a process they have been deeply part of. Secondly, because these leaderships are, in majority, "federalist" or "integrationist". Even if small, the institutional changes introduced by the draft Constitution represent one more step toward "integration" and may help to avoid a short term paralysis of the EU, now that it has twenty-five member states and cannot function in the same way as when it had fifteen.

The "other Left" campaigns for a "no" to the draft Constitution. First, because of its content: it does not want the neoliberal dogma, militarism and a less than minimum conception of Rights to be

elevated at the rank of constitutional duties! Second, because it wants people to have a choice. Which Constitution for which Europe? This question has never been asked to the European people.

In some countries, the ratification of the Constitution will be done through the national Congress: people will have no say at all. In some others, it will be done through referendum. People will have to say “yes” or “no” to the existing draft, but will not be able to say “yes” to another Constitution. The right to choose is supposed to be at the core of democracy. But nowadays, this elementary right is very rarely respected.

The pro-Constitution Left argues that choices concerning the content will have to be made later. The problem is that the present draft does not leave this question open. As we have seen, it gives all the (neoliberal) answers. Moreover, if the Constitution is adopted, it will need unanimity among governments to change it. There is no process allowing people to modify the Constitution in the future.

There is a right-wing, nationalist, “no” to the Constitution, even if the main right-wing parties are campaigning for the “yes”, together with the core of the governmental Left and nearly the whole establishment. The Left, progressive, opposition to the draft Constitution is clearly different from the right-wing one. It calls for another Europe, social, democratic, opened to the world. What is at stake is for the people to regain the possibility to shape their future, to choose which Europe they desire.

#### **IV/ ANOTHER EUROPE**

Lack of legitimacy is Achilles’ Heel of the EU institutions. They have neither social (their politics being identified with social regression) nor democratic (electoral) legitimacy. They lack as well ideological legitimacy: the neoliberal discourses may have been identified with “modernity” in the early 1990s, but it has now lost its appeal. It appears for what it is: a crude expression of narrow class interests, of the powers that be.

Neoliberal forces in Europe remain of course very strong, well established. Their counter-reforms continue to be implemented, with or without legitimacy. Their strength comes for a part from the absence of a credible political alternative. The mainstream Left (essentially social-democrats and some main Green parties), when in government, have and are applying neoliberal orientations. Traditional political divisions between Left and Right are blurred. How to understand European politics when, faced to the major test of the Iraq crisis, on one hand there is an axis between Chirac (rightwing, French) and Schröder (Social-Democrat, German) and on the other hand between Blair (Social-Democrat, British), Aznar (before his recent defeat, very right, Spain) and Berlusconi (extreme-right, Italy)?

For sure, politically the present European project is in crisis, with very little popular support. But this crisis remains contained, underlying rather than open, due to the lack of alternatives.

Alternatives are now being forged within the European Social Forum’s process. That is a very new phenomenon. It is also a very difficult task to address. Because of, as mentioned in introduction, the great diversity of national situations, traditions and laws (how to formulate the demand for a European minimum wage when social conditions are so diverse, when some countries do have national minimum wages and others do not?). Because, also, the labor movement failed these last forty years to build a capacity to act in unity at the European level.

This is one of the most costly failures of the European labor movement, for which we are now paying a very high price. Beginning in the early 1990s, new European level struggles appeared, notably

with the Unemployed and the Women Marches. A decade later, the European Social Forum is offering a common regional framework where a wide range of people, mass and social movements, associations, trade-unions, networks and NGOs can cooperate.

The first European Social Forum met in Florence (Italy), in November 2002. The second in Paris-Saint Denis (France), in November 2003. The third in London (UK), in October 2004. It helped organizations and network acting on similar issues, in various countries, to meet, to know one another and to begin to act together. Links have been established with organizations beyond the EU borders (Russia...). Common agenda of struggles and calls were initiated (including on the issue of the Constitution, in spite of divergences among the trade-unions on this matter).

We are far from having rebuilt the necessary capacity of action at the European level. The task is really difficult and the result is not given. But, very significantly, it is in the framework of the ESF that this task is addressed to, concretely; that alternatives are projected. Through the experience of the European Social Forum, a European citizenry may well be on the making. And it gives hope that, indeed, another Europe is possible.