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**European Union**

# **A crisis of legitimacy**

- IV Online magazine - 2004 - IV360/1 - Autumn 2004 -

Publication date: Friday 1 October 2004

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**Following its enlargement to incorporate central Europe on May 1, 2004, the European Union (EU) appears plunged into ever more serious crisis. The very high abstention rates at the European elections on June 13, 2004, especially in the new member states, accentuate a crisis of legitimacy just as a new constitutional Treaty proposes to transform the neoliberal project into law. A Treaty which, far from transcending "old" and "new" Europe, replaces the "community method" with "enhanced cooperation", or a permanent division of countries involved in the project of European construction between a central nucleus of member states and a periphery subjected to a regulatory process in the name of a liberalized single market.**

[[https://internationalviewpoint.org/IMG/jpg/european\\_union.jpg](https://internationalviewpoint.org/IMG/jpg/european_union.jpg)]

Few illusions about a citizen's Europe can remain when the citizens themselves turn their backs on the process, abstaining massively from voting or voting in protest against the economic and social counter-reforms of the Lisbon strategy. [1] Prodi was right when he said, "Many Europeans consider that the Union does not measure up to their hopes and do not see why they should bother to vote". But the president of the German construction trade union, Klaus Wiesenhügel, was also right when he pointed out that "those who lower taxes and at the same time reduce the social benefits of the weakest cannot expect the least approval from our quarter. The problem is that the SPD has abandoned its fundamental values".

The European social rebellion initiated by the public sector strike in France in 1995 - followed by demonstrations of the movement for global justice, general and sectoral strikes in numerous member states and huge mobilizations against the Iraq war - has become a contradictory combined and uneven political project. But it expresses the rejection of the neoliberal project and a clear identification of who "they" are. The serious problem that this movement faces is that it is still not capable of identifying an "us".

The project of European construction began during the Cold War around a social pact between the European oligarchies and the trade unions under social democratic or Christian Democrat leadership and was founded on a myth of the "European social model" which procured it popular legitimacy set against the terrible memories of European wars and the political and social poverty of "actually existing socialism". This social pact was explicitly broken by the European oligarchy in the Maastricht Treaty in 1991 and replaced by a neoliberal project which has taken form at Amsterdam (1997), Nice (2000) and finally through the European Treaty which transforms it into law.

In exchange, the oligarchy has offered the European union leaderships of the ETUC - co-opted to a large extent inside the national state apparatuses and the Brussels bureaucracy itself - the perspective of a growing "communitization" of social policies once the necessary structural reforms to ensure the European economy a preponderant place on the world market and to restore competitiveness in relation to the USA and Japan have been introduced.

If we add that the political project of a neoliberal Europe breaks with the right of citizenship - which constitutes the kernel of bourgeois liberal ideology - and installs an enlightened technocratic despotism, embodied by the Commission and the European Council, the crisis of popular legitimacy which has been expressed so forcefully in these European elections is easier to understand.

To use the old terminology of Lukács, the "[working] class in itself" of the second world economy - still united socially and politically - is beginning to doubt the dominant ideology, the coherence of the European neoliberal project, its compatibility with its own immediate interests. But it remains prisoner of its social imagination, forged in the post-war

social contract, although for the new generations this is no longer a direct, lived experience, but a kind of institutional heritage.

To identify itself in relation to “them”, to become a “class for itself”, European workers need an alternative project of European construction at the political level. If they coordinate their resistance struggles, they could rein back temporarily or sectorally the neoliberal project. But to defeat it, they need to constitute alternative political instruments, with an electoral impact that can change the relationship of forces.

These European elections have shown that we are still far from that. The alternative left overall has not been capable of assembling a vote that would express in an independent manner, in terms of a “class for itself”, the long cycle of mobilizations started in 1995 but particularly intensified during the last three years. This vote was massively expressed through the old political instruments when they were in opposition, like the French Socialist Party or the Italian Olive Tree, or through support for minor partners in social liberal coalitions, like the German Greens, or above all through abstention. In other cases also - such as the UK, the Nordic states or central Europe - this was expressed through a significant “anti-European” vote, dominated in most cases by right populism.

## Neoliberal EU at crossroads

We have analyzed elsewhere the strategic character of the crossroads where the project of neoliberal construction of the EU finds itself. [2] This is a crossroads marked by the necessity of a qualitative leap in terms of the institutional articulation of the interests of the various European oligarchies in order that the EU be able to compete on the world market, integrate the countries of central Europe, establish clearly its influence as a regional power in the bordering zones and establish an autonomous foreign and military policy. All this is essential in the framework of inter-imperialist competition. It requires establishing a basis of legitimacy, and this is what the neoliberal European Constitution was supposed to do. Nevertheless, things have not worked out according to plan.

First, the economic recession which began in 2001 is already in its fourth year, limiting the room for manoeuvre of the governments of member states. Budget deficits have accumulated in Germany, France, Italy, Portugal and Greece as well as the UK, and the governments are attempting the first wave of social counter reforms proposed by the Lisbon Strategy. The Commission, transformed into the guardian of a Stability Agreement that Prodi has denounced as “imbecilic”, demands accelerated rhythms of restructuring and the reduction of deficits (with 21 million unemployed and rates of growth of around 1.5% of GDP). An especially weak Commission, which was discredited when the majority of ECOFIN [the Economic and Financial Affairs Council, composed of the economics and finance ministers of the member states] rejected its possible sanctions and imposed a “flexible and cyclical” interpretation of the Agreement, a rejection that amounted to freezing its application. To complicate things further, the signs of economic upturn in the second quarter of 2004 now face the perspective of a sustained increase in energy prices, a progressive raising of interest rates in the US and a slowdown in growth of the Chinese economy - all things which reduce the margin of European exports on the world market, exports which had grown by 11.9% in the course of the last year. With much weaker internal demand the European economy could again go into recession, without having really emerged from the last one, and at the decisive phase of application of the Lisbon Strategy.

Secondly, the division between the “new” pro-Atlanticist Europe of the Letter of the Eight and the “old” Europe of the Franco-German axis, provoked by the Iraq war, far from having been attenuated after Zapatero's victory in the Spanish elections of May 14 and the joint vote on UN resolution 1546 on Iraq, has been reopened again in the last phase of the negotiations on the constitutional treaty, concerning its structural character. This division has for nearly a year blocked the taking of essential decisions inside the European Council. But when it seemed that the Franco-German axis had regained its hegemony, imposing on the G-8 its orientation in the Middle East, the division reappeared again with more force - and this despite the internal political crises in the UK, Italy and Poland - in the

form of two different projects of European construction; that of a European power on the one hand and that of a Europe limited to the single market on the other.

Thirdly, the social and political protest movements reached probably the culminating point of the cycle opened in 1995 with the huge demonstrations against the Iraq war on February 15, 2003 and the strike wave in France in May-June of the same year, accompanied by important trade union mobilizations elsewhere in Europe (such as those of IG Metall and Verdi in Germany, or the recent strike at Fiat-Melfi in Italy, to cite only two cases in the key member states). The political impact of these mobilizations and their electoral effects is able to rapidly if not immediately reveal itself, as was seen in the spontaneous demonstrations on May 13 in Spain in front of the offices of the governing Popular Party, in the massive disaffiliation over a few months of German SPD members, and in the current demand for immediate general elections in Portugal.

The combination of these three factors has marked the limits of the European neoliberal project, putting it in crisis. It is in this light that we should interpret the European elections, the approval of the constitutional Treaty and the installation of the Barroso Commission.

## The European elections

What was absent from the first European elections after enlargement was precisely any European debate. The electoral campaigns were marked by the internal political situation of the member states, even while they are ultimately determined by the three factors described above.

The lack of a European constitutional treaty did not exactly help. In the initial schemas of the Commission, the elections of 2004 should have shown explicit support from the citizens of the member states for those parties which supported the constitutional treaty, projecting the image of a convergence of European public opinion in a new legitimacy constitutive of European citizenship. The European Parliament thus constituted would express its ideological majority by the ratification of a President of the Commission designated by the European Council.

The hindering of the constitutional negotiations by the division between “new” and “old” Europe torpedoed the development of a massive prior campaign in the media, to which both the Commission and the member states had envisaged assigning significant resources. That did not stop changes to electoral practice in numerous member states so as to guarantee the success of the conservative and social democratic parties and reduce to the minimum the representation of the smaller parties, especially those most critical of the current process of European construction.

Given the disappearance of the European context of the elections and the transformation of these into a way of expressing a protest vote against the governments currently in power, why should those governments promote participation? On the contrary, the majority of EU governments were most interested in as low a turnout as possible in order to delegitimize the protest vote. As for the opposition parties, they had every interest in centring their campaigns at their own states, not the European level, to render more explicit the vote against their particular governments.

The exceptions to this were the Greens, the anti-European parties and to a lesser degree the alternative left. In the case of the Greens, it was because of the hegemony exerted by the German party and Joschka Fischer. As a subordinate member of a coalition with the SPD, the Greens had every interest in differentiating themselves so as not to suffer the effects of the protest vote against Agenda 2010, while they developed a discourse as distanced as possible from German reality, speaking on the terrain of European construction as a counter-power to the US. The

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anti-European populist parties, such as the UK Independence Party (UKIP) in Britain, the Vlaams Blok in Belgium, the June List in Sweden, the June Movement in Denmark, the Czech ODS, the League of Families or Self-Defence in Poland, stressed the importance of EU enlargement so as to justify their criticism of and rejection of the EU.

The alternative left could base itself on the discourse of “another Europe is possible”, a discourse emerging from the European Social forums, and common criticism of the draft constitutional treaty. But it was incapable of articulating this common discourse in a positive sense and presenting an alternative model of European construction for workers and peoples. This was partly because of the existence in the same political space, to the left of the social liberal parties, of two strong “anti-European” components: the Communist parties of a more traditional ideology (the Portuguese, Greek or Czech, to take three key examples) and the majority of the Nordic radical left, who fight for their countries to leave the EU. And it was partly because the two European political instruments of the alternative left - the European Left Party (ELP) sponsored by the Italian PRC and the conferences of the European Anti-capitalist Left (EACL) - proved impotent: In the first case because the ELP was founded on a minimal agreement without sufficient scope to develop a credible European discourse beyond the national identities of its components; In the second case because the EACL did not succeed in accumulating a sufficient organizational critical mass, despite a more coherent ideological discourse to be found in its Manifesto. [\[3\]](#)

However, the level of abstention at these elections constitutes in itself an expression of the gravity of the crisis of legitimacy and the democratic deficit of the EU. Participation in these elections has fallen from 63% in 1979 to 58.5% in 1989 and, as the neoliberal project strengthened with the treaties of Maastricht, Amsterdam and Nice, it has fallen from 56.8% in 1994 to 49.8% in 1999 and 44.6% in the current elections. The figures are impressive in the new member states of central Europe, where average participation was only 26%. In Poland, the biggest of the new member states, it was only 20.7% and in Slovakia it collapsed to 17%. The introduction of the euro, the Lisbon strategy, the enlargement of the Union and the effects of the Convention - the heritage of the Prodi Commission - have led to a fall of more than 5% in average participation across Europe at the very moment where the legitimating of the European neoliberal project is more necessary than ever.

The punishment inflicted on the EU governments for their neoliberal policies in applying the Lisbon strategy is also impressive. The German SPD registered the worst electoral result since 1945, with 21.4%, while the Christian Democratic opposition scored more than double that (44.6%). In France, the right is divided and was drubbed for the second time in three months by the Socialists. The Olive Tree in Italy was 10% clear of Forza Italia, which in order to stay in government, depends increasingly on Fini's National Alliance. In Britain, Blair lost 5% and the Conservatives nearly 8%, while the Liberal Democrats gained 5% and UKIP 9%. In Denmark, the social democratic opposition swept aside the parties of the ruling right wing coalition. In Sweden, the governing social democrats lost nearly 14% in relation to the parliamentary elections, equal to the amount scored by the June List. In Portugal, the PS beat the parties of the governing right wing coalition by more than 11%. In Poland the ruling Democratic Left Alliance (SLD) was beaten by three right wing formations. The same thing happened in the Czech Republic and Hungary with the social democrats the losers, while in Estonia it was the social democratic opposition which defeated the governmental right.

Finally the Eurosceptic, sovereignist or right populist vote, particularly important in the UK, Belgium, Sweden, Denmark and the Czech Republic, won a representation of 10% in the European Parliament and its two parliamentary groups, the Union for a Europe of Nations Group (UEN) and the Group for a Europe of Democracies and Diversities (EDD) overtook overall in number of seats the Confederal Group of the European United Left-Nordic Green Left (GUE/NLG).

The new European Parliament, despite its lack of legitimacy, leans clearly to the right. The European Popular Party won 272 seats and the Liberals 66, which leaves them only 29 seats from an absolute majority in a chamber of 732 deputies. The social liberal left disposes of 201 social democratic seats and 42 Green, while the GUE/NLG for now only has 36 seats (while waiting to integrate some Euro-deputies from the new member states). At the institutional

level, despite the abstention, the protest vote against neoliberal policies and the Eurosceptic vote, the European Parliament has become a bastion of the neoliberal project. The slight increase of power conferred by the constitutional treaty on the Parliament will serve to strengthen this support, beginning with the appointment of a conservative like Durao Barroso at the head of the Commission.

# Franco-German summit and European Council

Immediately after the European elections Chirac and Schröder met at Aix-la-Chapelle for a new Franco-German summit to agree their position at the European Council of Brussels from June 17-18, which was to end the negotiations on the Constitutional Treaty.

But the agenda of the meeting was dominated neither by the treaty - on which the two parties had already long reached agreement - nor foreign policy - because they had already expressed their common position on Iraq and the Middle East at the G-8 Summit at Sea Island five days previously.

Instead, the Franco-German summit discussed how to combine the maintenance of the policies of social counter reform (rejected by the electorate) with a new industrial policy of selection of "industrial champions" which, in an independent manner from the strategy of Lisbon, would accelerate the process of restructuring and the merging of big European multinationals and which would boost internal demand for production goods while the international market looked sombre.

The new strategy of restructuring from above of the European monopolies was conceived in recent months as a response to growing competition on the world market with US multinationals. The clearest precedents have been the big European aeronautics company EADS and the Galileo project. But the French government was perturbed when Siemens tried to take over Alstom's turbines business and blocked the operation through new state aid approved by the Commission on May 17. On the other hand, France agreed a joint industrial policy with Germany, whose first result is to be the creation of a large European multinational in the sector of naval construction (with the merger of the Germans ThyssenKrupp and HDW with the French Thales and DCN).

The protests of the commissioner-in-charge of the internal market, the Dutchman Bolkestein, once the agreement of the commissar for competition Monti had been given, only served to focus the Franco-German summit on the second essential point of their agenda; how to ensure that in the new commission the economic policy of the Union and the policy of competition will stay in the hands of the Franco-German axis.

The European Council at Brussels under the Irish presidency began in a climate of emergency and pressure to approve the constitutional treaty after the European elections and to constitute a new Commission capable of dealing with the accumulation of strategic tasks. The electoral results had reduced to a large extent the room for manoeuvre of the main protagonists, in particular Tony Blair. Britain's "red lines" on taxes, foreign policy and defence, the application of the Charter of Fundamental Rights and the British contribution to the community budget were irremovable. But the Franco-German axis has imposed "enhanced cooperation" as the motor of the process of European construction after enlargement, and this allowed it to continue the economic and political integration of the EU centre - Euroland - facing a periphery which is subject to the process of intergovernmental negotiation on the single market.

The "old" Europe is thus exerting its hegemony over the "new" Europe, with the aim of ensuring its competitiveness in relation to the United States on the European market itself [\[4\]](#) as well as institutional control of the EU - which had

been in large part guaranteed with the division of votes agreed with the Treaty of Nice, [5] but which will be further codified in the constitutional treaty. For this reason "old" Europe has demanded that blocking minorities are only possible through a coalition of four of the five biggest member states of the EU, through the formula of the double majority of 55% of member states and 65% of the population of the EU. While waiting for this formula to come into force, control of the key posts of the Commission is essential, as is depriving the UK of one of its two allies, Italy or Poland - now Spain has been reincorporated into the Franco-German axis thanks to Zapatero. Poland being particularly unstable politically and dependent on the US, Prodi's centre-left challenge to Berlusconi is thus transformed into a Franco-German tactical objective.

The non-ratification of the constitutional Treaty by the countries of the periphery - the UK is defined now as such with the rest of "new" Europe - could lead to the exclusion of the UK from the heart of the process of European construction, provided that the member states of the central nucleus adopt the new Treaty.

This underlines what is at stake in these referendums. The UK is the negative paradigm on this terrain, because Blair has been incapable of calling a referendum on joining the euro with any possibility of success and it seems unlikely that he can win another one on the constitutional Treaty after the results of the European elections. But France also has problems because of the critical position of vast sectors of the Socialist Party, not to mention Poland and other new member states. Schröder has already said that there will be no referendum in Germany and that ratification by Parliament will suffice.

## The new Commission

If the Irish Prime Minister, Bertie Ahern, managed to bring the negotiations on the constitutional Treaty to a conclusion, he could not broker an agreement on the new president of the Commission and the division of portfolios within it. With the Treaty agreed, it now becomes crucial to know who will interpret it over the next five years, and to whose benefit.

In the European Council, old and new Europe mutually vetoed their respective candidates, the Belgian prime minister, Verhofstadt, and the British commissioner, Patten: Verhofstadt was accused of being a dangerous federalist and a sectarian partisan of "enhanced cooperation"; Patten was opposed, with some justification, for not speaking French and not belonging to a member state of the euro. The other candidates preferred to pull out rather than be vetoed. Only Solana found unanimous support as future minister of foreign affairs of the EU, capable of executing the requisite somersaults while "moderately" criticizing Bush's foreign policy with the prior and explicit agreement of Colin Powell.

Ahern found a solution by applying the formula of lowest common denominator and seeking a candidate sufficiently weak so that new and old Europe could continue their conflict. By presenting the candidacy of Portuguese Prime Minister Durao Barroso at the extraordinary European Council of June 29, Ahern limited himself to asking if anyone objected. Faced with silence, Barroso was designated as new President of the Commission, to be ratified by the European Parliament on July 22.

A Maoist militant in his youth, then a young Turk of the Portuguese right, negotiator of the peace agreements in Angola that enabled UNITA to survive, host of Bush, Blair and Aznar in the Azores before the Iraq war, Barroso is primarily responsible for the economic and political collapse of Portugal over the last two years.

His strict application of the Stability Agreement has increased the rate of unemployment in Portugal from 4% to 7% of the active population. He has imposed a savage policy of reduction of the budget deficit, a freeze on civil service

wages, a 2% increase in VAT, a blockage of public investment leading to a reduction of GDP by 1.3% - the worst result of the entire OECD. And he promised the "Financial Times" that he would tie himself like a modern Ulysses to the mast of his ship "to resist the sirens who wish to destroy us with their seductive song in favour of public expenditure and more bureaucracy".

Barroso has thus escaped economic, social and political crisis - leaving its management to the right wing PDS-PP coalition after a serious defeat in the European elections - to lead what he says will be a "strong" Commission. Blair rightly considers that Barroso's presence at the head of the Commission is a guarantee that the "Community method" is definitively blocked. For Chirac, Schröder or Zapatero, Portugal's dependence on structural funds, on the Common Agricultural Policy and Spanish investment is an anticipated guarantee of his submission and his understanding. It would not be possible to find a candidate who better symbolizes the crisis of the project of the neoliberal construction of the EU.

## Perspectives for an alternative left

The electoral results for political forces situated to "the left of the left" varied a good deal between member states, another sign of the absence of any political projection of the movement for global justice.

The Communist parties, both the most traditional and anti-European parties - like the Portuguese and Greek parties - and those who have experience of participating in social liberal coalition governments - like the French CP - while seeing their representation reduced, generally scored between 5% and 7%. They kept the fidelity of a social base in those sectors of the working class eroded by demography and the restructuring of traditional industry. The CP of Bohemia and Moravia, based in the workers' bastions in the north of the Czech Republic that have suffered a rapid restructuring, scored 17% and became the second biggest party in number of votes, is an exceptional case.

Of the three big pluralist left formations in southern Europe - Rifondazione in Italy, Izquierda Unida (IU) in Spain and Synaspismos in Greece - only the first increased its score (6.1%) and won more seats (four). The two others fell back, especially IU. The same was true for the ex-Communist and Green left in Sweden (but not in Finland or Denmark). The Portuguese Left Bloc won its first Euro deputy and Respect in England and Wales obtained some decent local results. In this panorama, the results of the LCR-LO coalition (2.6%) constitute a setback for the French anti-capitalist left.

For practical reasons the majority of these forces will be organized in the European Unitary Left (GUE). But despite the re-election of Francis Wurtz (PCF) as president of the group, internal tensions will make a common political projection very difficult. The German PDS - which in regional coalitions with the SPD applies social liberal policies - has proportionally increased its weight inside the group. The more traditional CPs are strengthened by the six Czech Euro deputies. With four deputies, Rifondazione, notwithstanding it counting on the support of two more deputies - from Spain and from Greece - loses weight proportionally, and this will reduce its room for manoeuvre as the European Left Party is launched. [6] Furthermore, the strategic differences between the organizations of the Nordic left, which are coordinated in a specific platform, and the rest of the alternative left increased throughout this campaign, rendering the development of a global perspective more difficult.

There are still points of support for such a perspective, despite the different strategic orientations, such as opposition to the constitutional Treaty and a "no" campaign in the referendums on ratification, support for the movement against the occupation of Iraq and in solidarity with the Palestinian people and the struggles of resistance against the Lisbon Strategy.

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Despite results which are disappointing in relation to the work of the alternative left in the social movements since 1995, everything indicates that this movement will continue a long cycle of accumulation of forces and that ever more important trade union sectors will enter into struggle against the policies of the Lisbon Strategy. So it is really urgent that we deepen the strategic debates on the "Left of the left", starting from specific cultural traditions and national situations and giving them a European context.

This debate must include analysis of the international situation and characterization of the current cycle of struggle; a balance sheet of the participation of a sector of the Communist and Green parties in social liberal governments under social democratic hegemony; the nature and the evolution of social democracy; the policy of the united front in the social movements, the construction of plural coalitions to the left of social democracy and their relation to the social democratic and Green parties, especially when they are in opposition; and the problem of primitive accumulation of forces of the revolutionary left so as to be able to intervene in all these areas.

This is a debate that cannot be avoided and which runs through all the political forces to the left of social democracy, and even the left currents inside it, at different levels of evolution under the pressure of the social movements. The revolutionary left has every interest in pursuing this debate to the end, in a unitary manner, while seeking unity of action at both the member-state level and at the European level.

The conferences of the European anti-capitalist left have been a humble but useful forum to begin this work, developing a more or less coordinated intervention in the European social movements, the Social Forums and the resistance struggles, as well as a programmatic convergence which has been taken up in a series of common Manifestos. This heritage could be fundamental in the coming years to prevent a sectarian division of the social movements, above all the social Forums, and continue to build step by step a European anti-capitalist alternative. Are we up to it?

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[1] See G. Buster, "[The Lisbon Strategy](#)", IV 359, May/June 2004.

[2] See G Buster, "[At the Crossroads](#)" and "[The Spirit of St Denis](#)", IV 354, November 2003.

[3] See "[Anti-capitalist Manifesto](#)", IV 359, June 2004.

[4] As shown again at the EU-US summit at the end of June in Ireland, the main focus of inter-imperialist competition is none other than the "Atlantic economy". 50% of the profits from foreign investment in the US originate in Europe. In 2002 European investment in the US was a trillion dollars, or two thirds of foreign investment as a whole. Transatlantic trade reached a record figure in 2003, growing by 7% to 395,000 million dollars.

[5] According to the Nice Treaty, the qualified majority requires the support of 13 of the 25 member states, representing at least 62% of the population and 72% of the votes at the European Council. The UK, Italy and Poland could thus constitute a blocking minority with the support of a small country, as can France, Germany, Spain, Belgium and Portugal.

[6] See [article](#) by François Vercammen in this issue.