



EDITORIAL

THE LEFT IN EUROPE: THE COURAGE TO MAKE A DIFFERENCE!

The non-social-democratic Left has maintained itself in the elections to the European Parliament as a stable political force: With 36 representatives, it is capable of action in the European framework.¹ In addition, since the last legislative period, it has created structures, the transnational *Party of the European Left* and the common European Foundation *Transform* which will permit it to hold continuous common debates and give strong impulses for progressive European politics at the Brussels level, as well as in the member countries. Moreover, this is urgently necessary, since the world crisis is dramatically demonstrating to us all the destructive power of markets unleashed. The European Union has had a strategy of deregulation of markets, reduction of social protective rights, and privatisation of supply systems since the single market legislation and the Maastricht Treaty at the beginning of the nineties, and wants to continue with this policy with unhampered vigour, crisis or no.

In view of this situation, the Left is well advised to bundle its forces to place its ideas of social regulation and alternative development strategies on the European agenda. In so do-

ing, it must not only participate in the protest movements against neo-liberalism in each country, it must also forge alliances with other political forces, with certain countries, and with interest groups. In brief, in view of the dramatic nature of developments, the Left must make an even stronger effort to forge a counter-hegemonic block.

The European Union often appears as a monolithic power bloc. This is however not at all the case, and the multifariousness of the structure of the EU is by no means always reactionary. We have experienced this concretely in the resistance of particular countries to the Lisbon Treaty, but even beyond that, we have learned again and again that different national interests prevent common European policies. The point is this: If the EU is not a monolithic power bloc, and if very divergent interests exist, in which fields can we use these contradictions in order to enter into strategic alliances for progressive politics?

Since its beginnings, the European Union has always organised itself into various smaller power groupings to deal with certain policy areas. To mention only a few instances, we have seen this in European security and defence policy, in the Monetary Union, and in the Schengen area, and we are familiar with the opt-outs claimed by certain countries in spe-

¹ Negotiations with individual MEPs on participation in the GUE/NGL parliamentary group are continuing; the group's strength could in fact rise to 37 MEPs (as of mid-June, 2009).

cific policy areas. We usually criticise these exclusive clubs very intensely from the left, particularly since they are organised mostly as purely inter-governmental operations which escape even those weak democratic structuring and control possibilities which the parliaments do have. At the same time, the EU, in the course of its further growth, will not be able to avoid allowing closer forms of cooperation, both in certain substantive areas and in certain geographical regions, merely from the aspect of respecting regional diversity. The question of democracy and transparency, and also the question of the general validity of laws and regulations, will place a new dimension on the agenda once again, and the European Left will have to address this challenge.

Prof. Dr. Wilhelm Ersil, former head of the Western Europe Department of the East German Institute for International Relations, and a careful observer of the European Union, has written a basic statement of principles, in which he analyses the current structure of the EU and lays out points of departure for new possibilities to cooperate in the development of a left politics. Wilhelm Ersil introduced his theses in one of the Brussels lectures of the Rosa Luxemburg Foundation. We are sure that his work contains a great variety of suggestions for European left politics.

Birgit Daiber

WILHELM ERSIL

THE PERSPECTIVES AND CONSEQUENCES OF DIFFERENTIATION WITHIN THE EU

The European Union (EU) is at a historic crossroads which poses a major challenge, too, to left politics. To meet that challenge will require an analysis of the situation and possible perspectives for the confederation of nations, which includes the issue of potential differentiations. The present crisis is making very clear how brittle and incomplete many previous answers and forecasts have been; obviously, forecasting capability is minimal. The complexity of events and problems is ever more difficult to grasp. Precisely for that reason, a discussion of alternative policies is urgent: of the causes of the crisis of the European Union and their character; of the future path towards union; of democratisation and institutional structures; of the worldwide role of the EU; of the future of political and economic integration; of the ultimate shape of the EU and its boundaries; and of necessary solutions in various areas of EU policy. Strategic considerations for

progressive change in the EU, for alternatives to the policy of the ruling elites in politics and business, necessitate taking a long-term view, including increasing variety and differentiation within the EU. That raises questions for a left-orientated politics of integration which will also have to be considered in alternative concepts to the prevailing politics.

THE SITUATION

Within the big business dominated EU, discussion of the societal, social and democratic future, and of the distribution of power and influence between member states, is on the increase. The greatest economic and financial crisis of world capitalism since the 1930s has fully gripped the integration process, and is sharpening the societal, economic and social processes of crisis. This is occurring at a time of new radically historical changes and complex challenges. The disaster of finance capital

will only temporarily overshadow such associated contingencies as a necessary climate policy with high ecological standards, an energy and food crisis, demographic problems, and migration issues. The crisis is shaking the EU to its foundations, and is ever more drastically affecting the lives of many people. Insecurity is growing. The duration and effects of the crisis are unknown. The dangers of erosion of the EU are multiplying. New social disruptions are foreseeable. Domestic fragility, with social disturbances and stumbling governments, will characterise conditions in more than a few EU countries in future as well; in some, authoritarianism is on the rise. Xenophobia, open racism and anti-Semitism are not limited to particular countries. Parties trying to undermine the democratic foundations of society are emerging in a number of member countries. The identity crisis of integration is obvious. The EU has lost its reputation in large parts of the population. Not only increasing estrangement and lack of interest, but even large-scale rejection of the EU and its policies, and nationalistic dissociation from "Europe", are in evidence. Whatever the fate of the Lisbon Treaty, the rejection of the European Constitution in France and the Netherlands, and of the Lisbon Treaty in Ireland, reflected opposition to a neo-liberal and militaristic Europe. This dissociation by broad sectors of the population could endanger the future of the EU.²

² While the political class in its majority has assessed the reform Treaty as a historically significant breakthrough in the development of integration, the philosopher Jürgen Habermas sees "European Politics at a Dead End": "The political union came into being over the heads of the populations as an elite project, and continues to function today with those democratic deficits which derive from the essentially intergovernmental and bureaucratic character of the legislative process. A stronger participation of the citizens in the political development of an informed opinion across national boundaries has not been achieved in the course of the constitutional process." The reform Treaty, he argues, "confirms the elitist character of a political development removed from the populations." The conflict over the future of Europe, he says, is smouldering and gaining in explosive force from deep-seated clashes of interests ("Die Bewahrung Europas" [The Trial of Europe] In: *Blätter für deutsche und internationale Politik* (hereinafter: *Blätter*), 2006 no. 12, pp. 1453-1456). The Austrian writer Robert Menasse sees Europe at a historic turning point. At issue, he says, are

Progressive changes are indispensable if euro-sceptical or even anti-integrationist tendencies are not to gain further influence. However, there are also signs of increasing resistance by a broad societal spectrum to the dominant influence of big business, against neo-liberal and antidemocratic EU policies, and against efforts to force the EU even more decisively towards a neo-liberal, antidemocratic and anti-social direction. The Left Party is committed to a fundamental change of direction in EU policy.

THE DIFFERENTIATED ASSOCIATION OF STATES

Western European integration has achieved lasting results in the form of the EU. This is a historically unique formation, a regional association of economically integrating and politically cooperating nation-states. The EU is neither a confederation nor a federal state, but rather an association of states which includes communalised policies and community institutions, in which the member states have transferred important rights of sovereignty to the EU, ultimately including their currency sovereignty. Common interests, the density of integration, and the institutional power mechanisms favour a national reconciliation of interests. The network of institutions with different competences and different composition is hardly fathomable. The erosion of power of the nation state is obvious. And yet, the role of the nation-states should not be underestimated. The inter-national character of this association of states will continue to be the determining reality for a long time to come. Transnational capital has tremendous economic power in the EU, and the lobbies often exert the most deci-

decisions between a social and democratic community or a socially unbalanced turbo-capitalism (*Die Presse*, Vienna, 11 Dec. 2007). Andreas Fisahn notes that the crisis of the financial markets "could become a crisis of the EU, since it has committed itself by its treaties to a capitalism driven by the financial markets" (Andreas Fisahn, "A Prisoner of its own Treaties," in: *Freitag*, 28 Nov. 2008, no. 48, p. 8). "The French and Dutch 'no' reflects resistance to the trend towards "post-national statehood" which is being adopted with the ECT by the determinant elites (Werner Weidenfeld [ed.], *Die Europäische Verfassung in der Analyse* [The European constitution under analysis], Gütersloh 2005, p. 9).

sive influence. Declarations to the contrary notwithstanding, the social dimension remains marginal. This prevents any permanent identification of the peoples with the EU, which is indispensable for its future.

The EU, as an association of twenty-seven different countries, cannot be completely uniform. By its expansion from fifteen to twenty-seven states, its diversity has become even greater. The economic gap between most of the old members and the new ones is still enormous. Social disequilibrium and regional differences have been reduced only to a small extent, and the crisis is now hitting some enlargement countries harder than most of the older EU states. Generally, the differentiation involves many different aspects: societal, political and social, economic and cultural, regional and institutional, foreign and security policy-related. The direction in which heterogeneity in the European Union will increase is difficult to gauge, as are the consequences of that increase. *Firstly*, European capitalism is not at all uniform. The “welfare state” in its continental, British, Nordic and southern European varieties covers a broad range of differentiation. There is major divergence in the areas of economic state influence, interventionist policies, economic democracy, social partnership and codetermination. Moreover, there are demographic differences, and differences in national cultures and historical traditions.³ The political and social consequences of the capitalist crisis are not yet apparent. These differences are likely to increase as a result of the growing societal, social and political crisis – with or without the Lisbon Treaty.

DIFFERENT LEVELS OF PARTICIPATION IN INTEGRATION

The history of the EU has shown that members participate in the integration process differently. Differentiated integration is a reality,

³ Helmut Wiesenthal, Andrea Goymann, *Das soziale Europa. Eine Studie über die Bedingungen und Möglichkeiten grüner Sozialpolitik in Europa* [Social Europe. A study of the terms and possibilities of a green social policy in Europe], Heinrich Böll Foundation, July 2008.

and this has been so since the beginning of the European Economic Community (EEC). Integration projects cannot be realised in lock-step; exceptions and special provisions have always been a part of the formation process, and every Treaty amendment or expansion has involved special regulations and transition periods. In principle however, these have been restricted or limited in time, as was reflected, too, in the Maastricht Treaty. Exceptional regulations and various types of “privileged partnership” have been numerous. The euro-zone, for instance, does not embrace all member states: Sweden, Denmark, Great Britain – although London is the most important European financial centre – have not joined the EMU: a special status was granted to Great Britain and Denmark, and Sweden continues to ignore its obligation to join. Participation in the European Monetary Union (EMU) and in the European Central Bank, too, is varied; currently sixteen countries belong. Not only Denmark, Great Britain and Sweden, but also most of the new member countries – Slovenia and Slovakia are the only exceptions – are still outside it, and, while the new EU countries and Sweden have an obligation to join eventually, Great Britain and Denmark do not. In the cases of Sweden and Denmark, this reticence is the result of “no” votes in plebiscites. The economies of the EMU states were more closely interconnected on basis of the Stability and Growth Pact (SGP) signed in Dublin in 1996. The euro group, through the committee of EMU finance ministers, coordinates its economic and financial policy only to a very limited degree. All in all, however, the euro zone is an element for an EU of “different speeds”.

Not all EU countries participated in the 1985 intergovernmental agreement between the Benelux states, Germany and France on freedom of movement and abolition of the control of individuals at internal borders. Until the Amsterdam Treaty of 1997, this cooperative effort was implemented outside the treaty framework of the EU, but with the possibility for accession by additional countries. Since 1999, this Schengen Agreement has been integrated into the EU legal structure. With the exceptions of Great Britain, Ireland, Bulgaria, Roma-

nia and Cyprus, all EU states now belong to the Schengen area; moreover, the non-EU states of Iceland, Lichtenstein, Norway and, since December 2008, Switzerland, have also joined.

The obligations with regard to the Common Foreign and Security Policy (CFSP) also diverge. In the course of its second try to approve the Maastricht Treaty by plebiscite in 1993, Denmark wheedled out opt-outs for itself with the right to participate neither in the common currency nor in the CFSP, the legal cooperation structure in the field of police and judicial matters, nor the common EU citizenship (under the Lisbon Treaty, the last of these was cancelled); exceptional regulations enabled Denmark to take part in EU cooperation efforts on a case-by-case basis. A special position under the Maastricht Treaty was also granted to Great Britain, which refused to submit to its provisions in the areas of internal security (police, immigration) and judicial matters. Under the Lisbon Treaty, too, exceptional stipulations were approved for Great Britain and Ireland with regard to police and judicial cooperation in criminal matters. Great Britain and Poland obtained opt-outs in the protocol to this Treaty which limited the effect of the charter on their domestic civil rights laws. London obtained special clauses guaranteeing the complete independence of British law from the Charter of Fundamental Rights.

There are significant differences, too, in the area of the European Security and Defence Policy (ESDP); not all countries participate in the same way in this policy area, for they have different security policies and military statuses. France and Great Britain, for example, are nuclear powers. Most EU countries belong to NATO and are integrated into its military structure; recently, France has returned to the integrated military organisation. Danish reservations against participation in military cooperation have been reduced, but are still in effect; to date, Copenhagen has not participated in the European Defence Agency of 2004. Finland, Ireland, Malta, Austria, Sweden and Cyprus are neutral or pursue a policy of non-alignment, albeit in eroded form. After the

Nice Treaty was rejected in a plebiscite in Ireland in June 2001, and the EU accepted a "National Declaration" by Ireland under which the country's traditional policy of neutrality was to be unaffected by the Nice Treaty, and it would not participate in the ESDP New assurances for Irish neutrality and tax policy were to be provided in preparation for a second referendum on the Lisbon Treaty.⁴ Conflicting attitudes towards the US's Iraq War revealed disastrous splits

CONSTELLATIONS OF INTEREST

The history of the EEC/EU has seen both long-term effective and stable constellations and special relationships, as well as temporary ones; this will be the case in future, as well. Some countries and societies have close relationships for various reasons, such as those between Denmark and Sweden, or amongst the Benelux states. Since the foundation of the European Economic Community, the German-French relationship has been exclusive, the associated bilateral cooperative relationship a prerequisite for integration. The "Berlin-Paris axis" plays a leading role in all central decisions. The German-French dual alliance will remain a central power factor and a centre of gravity in the EU, even if its role has been reduced by the EU enlargement. Germany and France are still the most important partners in the EC grouping, but are at the same time the most powerful rivals in the fight for leading positions. Repeated German-French solo runs have met with criticism. At the "*Pralinengipfel*", or "chocolate summit" in April 2003, at the beginning of the Iraq War, only Belgium, Germany, France and Luxemburg spoke in favour of an expansion of defence policy cooperation outside the framework of the EU Treaty. However, the British-French relationship, too, is especially important, as is evident with the current financial crisis.⁵ The triangular

⁴ Cf. Dominik Hierlemann, Christian Heydecker, "Grünes Licht von der Insel? Zehn Fragen zu Irland" [Green light from the island? Ten questions on Ireland] Bertelsmann Foundation, spotlight europe, 2008/05, May 2008.

⁵ At a special summit at the 4 Oct. 2007, the three powers plus Italy agreed to joint efforts against the crisis of the financial market. A special meeting with more participants followed on 12 Dec. 2008, at which they agreed

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relationship between Germany, France and Great Britain is a dominating factor, since the three major western European powers together carry the main weight in the EU. As the "EU-3 Group", for example, they are involved in the negotiations over the conflict with Iran on nuclear weapons, and they recently took the initiative in picking the new NATO secretary-general. The three-way relationship displays the contradictory outlines of a common leading role in the EU. The small and medium-sized members watch each sign of closer cooperation of the "big three" with suspicion, as they fear marginalisation. The hegemonist claims of the big powers cause conflicts; they will in future, too be confronted by demands for equal rights and self-determination on the part of the small and medium-sized countries.

In January 1991, Germany, France and Poland constituted a consultation mechanism known as the "Weimar Triangle"; the expectations it engendered were, however, not realised, for their common denominator was smaller than assumed, particularly with regard to relations with the USA or to an independently active "Europe". There are traditionally close relations between Belgium, Luxemburg and the Netherlands in the Benelux Union, as well as amongst the Nordic countries in the Nordic Council, which also includes Norway and Iceland. Southern European member countries are connected by common interests centred on the Mediterranean, while the new Central European members Poland, Slovakia, Czechia and Hungary have cooperated within the Visegrád Group, which is, however, not very strongly binding; its last summit was held in June 2008.

There are also *ad-hoc* coalitions, such as the "Group of Six" (the Netherlands, Germany, France, Great Britain, Austria and Sweden), which went public as the "core Europe of net payers" in December 2003, and, in response to a Swedish initiative, called for a limitation

on the EU budget. With regard to the financial framework limit for 2007-2013, a ceiling on expenditures of one per cent of the EU's gross domestic income was demanded; the financial framework for the period 2013 to 2020 remains controversial. In July 2007, the foreign ministers of the southern European member countries called in an open letter to Special Envoy Tony Blair for an EU initiative on the Middle East conflict. Leading EU countries turned down suggestions to replace the G7s by a G4 formation of the big currency zones, the USA, the Eurozone, Japan and China, as Germany, France, Great Britain and Italy would thus have lost their national G7 representations. The "Prümer Resolutions" of May 2007 on the expansion of home affairs cooperation, particularly on fighting terrorism and international crime, an agreement of the interior ministers of the six large EU states, was of great importance. There will also be more such interest-based coalitions in future, and they will not be reducible simply to such categories as big vs. small, old vs. new members, EMU participant vs. non-participants, rich vs. poor, or ESDP/NATO members vs. neutrals. However, the smaller countries will still have little negotiating power.

CORE EUROPE

In view of the differences in the EU, its minimal ability to act, and the serious differences of interest within it, there has for some time been a debate over the pros and cons of a "multi-speed EU", and in particular over a "core Europe".⁶ That was propagated strongly in a paper presented in September 1994 by the CDU politicians Karl Lamers and Wolfgang Schäuble to the CDU-CSU Bundestag parliamentary group. In their view, a core should be formed around the German-French tandem by those EU countries which wanted to move ahead faster, particularly in questions of defence. As they put it, "This firm core would have the task of juxtaposing a strong centre to the centrifugal forces in the ever larger EU, and thus preventing a south-western group

on state guarantees for the banking system. The heads of state and government of the four largest EU countries addressed this question once again at the end of January 2008. Crisis meeting of the fifteen euro countries plus Great Britain and Slovakia followed.

⁶ Cf. Wilhelm Ersil, "Kerneuropa: Drohungen und Tendenzen" [Core Europe: Threats and trends], In: Utopiekreativ, 162, April 2004, pp. 343-354.

which would to a certain extent be under the leadership of France and would tend towards protectionism, and a north-eastern more or less led by Germany and leaning towards free world trade, from growing apart.” Many of the reactions to this paper at that time were marked by worries about hegemonist intentions and disintegrative effects. Some smaller EU states, and also Great Britain, reacted allergically to such ideas, claiming that such developments would weaken the cohesion of the EU, and could even split it, and would call the single market into question. To counter these arguments, supporters of a core Europe repeatedly emphasised that they had no intention of forming an exclusive club within the EU. A closer integration of some member states could, they stressed, take place only with the preservation of the common institutional roof, with compliance with the common rules, and the preservation of the EU legal space. Core Europe plans were repeatedly put forth during the ensuing period. This was reflected in ideas about “pioneer groups”, “variable geometries” and “several speeds”. In May 2000, German Foreign Minister Joschka Fischer spoke in favour of a “vanguard”, and former Commission President Jacques Delors expressed similar considerations around the same time. Stipulations were included in the Amsterdam Treaty (1997) for possibilities “of enhanced cooperation”. The Treaty of Nice included further-reaching provisions, as did the later constitutional treaty; they have now been established in the Lisbon Treaty. “Enhanced” or “permanent structured cooperation” in security and defence policy aims towards further militarisation, expansion of military budgets and increases in armaments. The Lisbon Treaty opens new paths towards a military core Europe. The EU is being constituted as a military power.

The Irish rejection of the Lisbon Treaty was cause for new threats to form a vanguard or pioneer group. Foreign Minister Frank Walter Steinmeier called for implementing the Lisbon Treaty in twenty-six countries, thus forcing Ireland to temporarily withdraw from the integration process. The CDU MEP Elmar Brock thought it necessary to decouple Ireland from

the integration process; single states might then work together in various areas under the model of “structured cooperation”. Luxembourg’s Prime Minister Jean-Claude Juncker said: “It is becoming ever more difficult for member states to move in one direction, so that we probably have no choice but to form a club of the few, of the integration-capable.”⁷ Italy’s President Giorgio Napolitano argued similarly: “It is time that those who want progress in the construction of Europe take the courageous decision to leave those behind who, despite all their promises, are blocking that progress.”⁸ There was even talk about the formation of a new union; those countries, it was argued, which had approved the EU Constitution should terminate the existing treaties and form a new union on the basis of that constitution. The chair of the Constitution Committee of the European Parliament, German Social Democrat Jo Leinen, pleaded for the temporary exit of Ireland from the European integration process; first, he said, the Lisbon Treaty should be implemented by those states which were ready for it. The rest might then file membership applications – at the terms of the twenty-six – and take those steps from which they expected to achieve the most utility.

Whatever the fate of the Lisbon Treaty, and whatever crises occur: core Europe projects will be established. Such plans will result in privileged and discriminated member states, and call into question the “unity of Europe”. The stipulations for “enhanced cooperation” may result in European cores or centres of gravity. Ultimately, not even constitutional restarts of the EU can be ruled out.

THE ANSWERS OF THE LEFT

In the ranks of the Left, the dominant point of view is that the potential of the EU must be used to find solutions to social, economic, ecological, cultural and global problems, notwithstanding all the obstacles. Overcoming them will require more than national approaches and coordinated national policies.

⁷ Tageszeitung (Berlin), 16 June 2008.

⁸ Ibid, 16 July 2008.

The EU is a space for political action for the defence and development of the achievements of the welfare state. "Core Europe" ideas must be rejected as projects of European big-power politics, militarisation and neo-liberalism. Such plans result in exclusion, and would split the EU; they are also linked to militarisation. They threaten to undermine hopes for a social union with a policy of equalisation in solidarity with new dimensions, and torpedoed the democratisation of the EU. The contrary ideas of liberal forces on differentiated integration are not dominant.⁹ However, core Europe ambitions and differentiated integration are not synonymous. Progressive possibilities must also be investigated, both from the point of view of the defence and expansion of welfare state achievements and for democratic socialist change in the EU, even if there are few hopes for this in the foreseeable future, if only because at present, conservative-liberal forces are dominant in twenty of the twenty-seven EU countries.¹⁰ Here, we must consider: multiple speeds, and hence flexibility in the integration process, are not something fundamentally negative. Differentiated EU development is

⁹ Jürgen Habermas, *Frankfurter Allgemeine Zeitung*, 31 May 2003: "Only the core European member states are probably now ready to grant the EU certain qualities of statehood. If Europe is not to fall apart, these countries must make use of the mechanism of the 'enhanced cooperation' decided upon in Nice, to start now with a common foreign, security and defence policy in a 'Europe of different speeds'. This vanguard core Europe must not solidify into a 'little Europe'; it must be the engine, as it so often has been."

¹⁰ The Left Party MEP Gabi Zimmer has raised some very legitimate questions which require clear answers: "Is it possible to use forms of special close cooperation within the EU as opportunities for solutions for democratic and social problem, and to at the same time ensure that no 'classes' of member countries are engendered? Can some countries and regions develop a particularly close cooperation in single fields to better solve concrete problems in the interest of their citizens and for sustainable development? Can there be such cooperation without discriminating against others? Can this provide impulses for further militarisation and an increase in competition? ... But such cooperation within the EU should not discriminate either in favour of some or to the detriment of others. And impulses should under no circumstances arise for further militarisation or an increase in competition." Contribution to the discussion at the conference on "Founding Europe anew?" by the GUE/NGL and the Rosa Luxemburg Foundation, March 2007.

unavoidable if objective conditions and particularities and the legitimate interests and points of view of sections of the population, of regions and also of countries are to be taken into account. A "multi-speed" Europe need not lead to exclusion. Differentiated integration is a logical consequence if democratic participation in decision-making by the populations is seriously desired nationally and regionally, and if such subsidiarity can be implemented. It is not necessarily a priori negative for groups of countries which wish to cooperate more closely on economic, social, ecological or home-affairs issues, given the appropriate domestic constellation of forces, with progressive political approaches. Progressive change in member states could even force differentiated integration. Different paths must be possible in the EU, so that progressive tasks can be undertaken. Differentiated developments need not contravene the principles of solidarity, economic and social cohesion, and the equality of all states and citizens in the EU. They must not be allowed to be used to escape from the requirements of the solidarity of the community system. Progressive common "assets" and the common institutional framework must not be called into question. "Enhanced cooperation" should be accepted if it is a vehicle for progressive results.

MARKET FUNDAMENTALISM OR A SOCIAL COMMUNITY OF STATES?

The perspectives of the EU depend in many respects on whether or not the path to a social state community is achieved. An effective social dimension is a key condition for further integration and for combating disintegrative dangers. A "European Social Union" will require a narrowing of differences approach and a partial adjustment of social conditions. This will be a long process, during which a weakening of national welfare systems must be prevented. For this purpose, there must be a break with the neo-liberal market fundamentalism which is impacting on the daily lives of people ever more lastingly, nationally, regionally and locally. This is a tremendous chal-

lenge, for the EU has been an engine of neo-liberal change over the past decades. Moreover, the key forces of the political class as well as the major EU institutions are continuing to rigorously pursue a course under which basic capitalist liberties in the areas of goods and circulation of capital, and the freedom to set up branches and provide all services internationally, are central. As a result, more privatisation of public services and assets, and new liberalisation moves in health services, in education and in the supply of water and energy, continue to loom, despite current signs of caution in ruling circles. The EC Treaty and the decontrol guidelines derived from it remain an iron corset which sets the member states and regions narrow limits for independent decision-making. In the Lisbon Treaty, the priority of a free market economy and free competition are once again confirmed as a priority over social rights. Scopes of action for socially just policies are narrowed even further. Fritz Scharp notes a "radicalisation of single market integration", with negative results for the European welfare states. In his view, the rulings of the European Court of Justice function as an effective tool to regulate intra-state matters, so that democratically legitimised intervention for the taming of the "free play" of market forces are blocked. "This is a European 'counter-revolution from above', with the goal of tying the hands of trade unions and member states with respect to social progress."¹¹

For a wide range of social and political forces, social progress is a permanent task in Europe. Under this premise they support having this goal confirmed as an objective of the European Union, and that the priority of fundamental social rights be confirmed in a "progress clause", with priority over economic liberties – particularly the right to equal wages and equal working conditions for the same work at the same place.¹² The beginnings of a policy of equalisation based on solidarity must be defended, for EU-wide structural and regional policies really do contribute to a moderation of

economic and social distortions. Here, too, however, flexibility and differentiated application are at issue. The possibilities for national, regional and local control of corresponding EU policies must be enhanced so that sustainable economic development and the closing of gaps between regions can be promoted more effectively, and specific interests thus better represented. The whole range of EU competition and subsidy policies, which has reached its limits under the pressure of the financial and economic crisis, must be fundamentally reviewed.

More favourable possibilities are emerging for a fundamental correction, and the EU Commission is being forced to modify its inflexible position on subsidy policy, at least towards banks, corporate groups and businesses. The "legal space for subsidies" needs to be expanded, and competition law changed accordingly. A reform of the single market conditions must allow for more differentiation, without promoting protectionist dangers. Modalities must be debated. From the point of view of the Left, the entire realm of public economy must be exempted from the rules of the single market and of competition. A harmonisation of economic and social policy should be achieved in the medium term, to protect endangered social and cultural standards. If groups of countries could commit themselves to that end, positive change could be achieved. It would be positive if certain member states could come to an agreement on higher minimum socio-political standards than those provided for the Community, and thus counter the race to the bottom in social conditions and working and living standards. Such initiatives to narrow the gap in minimum wages in all EU countries, to secure welfare state regulations of public subsistence benefits from unbridled competition and the general privatisation of public services and assets, would be important. Another task would be to raise cross-border cooperation to the European level. Groups of countries should be able to initiate processes of cooperation in certain areas, and receive additional funding for that purpose, which would create incentives for other member countries to do the same. Suitable areas

¹¹ Cf. publik 05/2008.

¹² Cf. e.g. the joint declaration of the German Confederation of Trades Unions (DGB) and the Left Party for a just and social Europe, of 2 June 2009

and scenarios should be defined for such initiatives. The reduction of income differences is a central task. One approach to a solution is seen in "social corridors", under which countries with similar standards would be grouped according to suitable rules, with the goal of narrowing gaps in their gross domestic products and their per capita social spending upward.¹³

ECONOMIC GOVERNANCE

The perspectives of the EU are closely connected to the future of the EMU, in which 320 million people currently live. The common currency engenders connections and necessities which should mitigate in favour of more political-economic equalisation. With the exception of the European Central Bank, however, there is really no common policy body in the currency area. The failure of the euro group in the current economic and financial crisis is remarkable; its economic and financial ability to act is very restricted. However, the capitalist crisis is making the necessity of trans-national action to control the banks, corporate groups

¹³ In a draft version of the European 2009 election programme of the Left Party, it is stated that: "Countries with similar social benefits quotas (ratio of social expenditure to gross domestic product) and countries with similar environmental investment quotas (ratio of investments for ecological purposes to gross domestic product) are to be grouped accordingly. Mandatory 'corridor boundaries' and implementation mechanisms are to prevent countries from reducing their shares of social expenditure or environmental investments in their gross domestic products, instead of increasing them." Attac activists suggest: "Work standards should be progressively harmonised towards the best existing standards, for working times, safety standards, holidays, maternity/paternity subsidies, non-discrimination etc. In addition, a) every member country must have the right to maintain higher standards; b) management and staff must have the right to set higher (binding) standards, which c) would enjoy priority over economic liberties, such as the right to establishment of branches internationally." "Such social safeguard systems as pensions, health and unemployment benefits must be linked to GDP ('social corridors'). Higher standards are possible, and should serve as a model for others." "Each member country may establish and maintain more ambitious rules in such areas as safety, workplace standards, the environment and protection of disadvantaged individuals and groups." "European ATTACs on the Lisbon Treaty and the European Union, with reference to the "Ten Principles", September 2008.

and international financial centres urgently clear. Neither the EU nor the EMU has the instruments of any kind of economic governance at their disposal, although for years the fact has been stated that a common currency requires a common economic and financial policy, particularly given the uneven development within the euro zone. There has been little or no economic or financial policy control. The euro group is only a loose structure. Unless the EMU becomes capable of action, and if the national economies keep drifting further apart, some analysts do not even rule out a split-up of the euro-zone. In the view of Ulrich Beck, the financial and economic crisis proved to be "the revolutionary force of conditions", which is forcing state intervention. At issue is not "greed, but rather the fact that it is precisely the unfettered, unlimited market economy, liberated from the regulations of the nation-state, which is driving its own system into an existential crisis".¹⁴ In the tense situation of the economic crisis, the French project of an economic government as a partner of the ECB has therefore gained new attractiveness. Such an institution would decide on political-economic stipulations and approve macroeconomic guidelines. Ad-hoc summit meetings amounted to a temporary French presidency in the euro group. These crisis summits were a strong signal for more unity and action, more effective than the clumsy routine summit meetings of the European Council. At the initiative of France, the representatives of the four European G8 countries met first. That demonstrated that the largest national economies effectively take over the leadership of the EU in times of crisis. This action on the part of the euro group amounted to crisis management without the Lisbon Treaty. Moreover, Sarkozy adhered to the project of an economic governance structure formed by the heads of state and government of the euro states. Great Britain, a non-participant in the EMU, argued for *ad-hoc* summits, rather than for new structures. However, new financial and economic necessities

¹⁴ Ulrich Beck, "Handeln im Zustand des Nicht-Wissens" [Action in a state of ignorance], *Frankfurter Rundschau*, 5 Nov. 2008.

which will force the euro group to action, are foreseeable. Despite intense resistance, the project of an economic governance structure can effect long-term results. Closer political-economic coordination as well as coordination of monetary and financial policy in the eurozone cannot be ruled out. With these events, a new structural element with new competences within the EU is emerging. Institutional innovations far beyond a permanent secretariat of the finance ministers are possible. The result could be a loss of importance of existing institutions, particularly the Commission. In the Financial Times, the initiative of the French president was therefore characterised as an “attempted coup”, since it aimed at a transformation of the institutional EU system.¹⁵

The Left Party does not categorically reject the project of an economic governance structure. Bundestag member Alexander Ulrich said: “An economic governance structure would have to fulfil the EU’s promise to design globalisation democratically. It would have to coordinate national reflationary programmes, conclude international agreements for realistic exchange rates, and determine the guidelines of financial policy together with the European Parliament. The [German] Federal Government, with its position of rejection, remains the advocate-general of the nationalism of competition, which is an important cause of the economic and financial crisis. If Europe does not now ensure growth and jobs by public investment, the rescue packages for banks will turn into new bad loans.” Despite warnings from Berlin about parallel structures, the French project certainly has chances for realisation over the medium term. An EMU “economic government” would carry extraordinary weight, since its participants – provided they included Great Britain – would represent the most important national economies. At any event, the increasing power of the euro group is a basis for a “multi-speed” EU. Euroland could become a new core Europe. Drastic effects on the present power structure in the EU are foreseeable. The main thing, however, is that the orientation of an economic government and de-

mocratic, parliamentary codetermination need to be closely examined.

However, even new “core groups” modelled on the EMU are being raised for discussion. In view of the increasing dependence of the EU on suppliers outside Europe for energy and also for other raw materials, and the lack of ability on the part of the EU twenty-seven to speak with one voice, energy commissioner Andris Piebalgs called for “a kind of ECB for energy”. Considerably closer cooperation in energy questions between the EU member countries is necessary. By analogy with the currency area, the commissioner favours a solution under which countries which are willing to transfer national sovereignty over energy to a superior authority would move ahead, and others could follow. “It would be the same pattern as in the case of the European Central Bank, which is also a superior authority but which is supported by the central banks in the member countries.” Likely candidates for a core-energy-Europe would be countries located near each other, such as the Benelux states, Germany, France and Austria.¹⁶ This project also shows how multifarious the EU can get

CONFLICT-RIDDEN REGIONALISATION

The regional diversity within the EU is likely to increase in various facets in future. The role of the regions remains a basic question of the democratisation of the association of states. This is a structural issue of explosive force, politically, socially, culturally and also constitutionally. In response to Brussels centralism, too, there might be an even stronger recourse to federalism, small-scale, close-to-the-people and participatory structures. The significance of the regions, and also of linguistic and cultural areas, for citizens uprooted by globalisation and integration, is growing. The prosperity gap and the disequilibrium between regions remain considerable. Even over the long term, the economy weakness of some regions, particularly in Eastern Europe, but also in such old EU countries as the Italian *Mezzogiorno* or

¹⁵ Financial Times Deutschland, 2 Nov. 2008.

¹⁶ Der Standard, Vienna, 25 Nov. 2008.

eastern Germany, is unlikely to change much. The future financial endowment of the structural and cohesion funds, and the expenditure of funds is likely to engender many debates.

As a rule, all political forces favour regionalisation and corresponding subsidiarity. That permits the variety of conditions to be taken into account better; the same is true of the different interests and points of view of various sections of the population. This requires more autonomy of regions (and municipalities), and requires a clearer division of competence between the EU, nations, and regions (and municipalities). A desire for more autonomy of regions has at various times been taken up in concepts for a "Europe of the regions". That can be appropriate inasmuch as a more effective role for the regions is called for, and the constitutional order of member states is not called into question. German-style federalism should not be recommended as a union-wide model. A "Europe of the regions" can promote particularism or even separatism.

The diversity and extent of regional and ethnic conflicts are not foreseeable, nor are problems which concern the rights of minorities. Some member states are torn by inner conflicts. In some EU countries, regionalisation is linked to demands for more self-determination, or even for independence. In Belgium, the economic and political conflicts around a constitutional reform with expanded competences for the regions – Flanders and Wallonia – and the ethnic groups may lead to new crises threatening the very existence of the entire state. The discussions about regional autonomy rights is also continuing in Spain, where it involves Catalonia, the Basque Country, Valencia and Galicia; in the former two, secessionist minorities are active. The same is true in French Corsica. In Scotland there are initiatives for an independence beyond the partial autonomy granted in 1999. In Italy, the right-wing populist *Lega Nord* pursues separatist objectives for northern Italy. The extent of the growth of further secessionist movements and future minority conflicts in other states is not foreseeable. Nationalistic parties such as the Greater Romanian Party, the British National Front, the

Bulgarian *Attaka*, the French *Front National*, nationalistic parties in Austria, neo-fascists in Italy and *Vlaams Belang* ("Flemish interests") in Belgium will solidify their influence. Conflicts involving the Hungarian minorities in Slovakia and Romania remain virulent. Russian minorities in Estonia and Latvia are demanding equal rights, which could become an international issue. The exclusion of the Romany minorities is a major issue in some countries. Worries about new nationality conflicts are reflected in the reticence of Slovakia, Spain, Romania and Cyprus on recognising the statehood of Kosovo.

EU MILITARY POWER

The manner of the use of the EU's potential for world power politics is controversial. It has great possibilities to become effective as a civil and solidarity-based force for the restructuring of international relations. For this purpose, an EU must be capable of acting and negotiating at a global level to a certain extent. Here, however, the fact cannot be ignored that the EU, as an imperial power bloc, is also an active participant in the struggle for spheres of influence, markets and resources.¹⁷ In the view of forces dedicated to peace, the potentials of the EU for the civilisation and demilitarisation of international relationships as well as for sustainable development on a global scale must be made use of. The EU has all the more possibilities to do so, the more it moves on the path of civilian development. The militarisation of the EU would limit these possibilities. Nonetheless, the key representatives of the political class are vehemently pressing for an EU military force which would be capable of military intervention worldwide. Some supporters of an EU capable of independent action link this to the goal of a "European army" formed by those countries prepared to participate. France and Germany have long worked towards an autonomous capability for decision-making and action on the part of the EU in the security

¹⁷ Cf. Elmar Altvater/Birgit Mahnkopf, *Konkurrenz für das Empire. Die Zukunft der Europäischen Union in der globalisierten Welt*, [Competition for Empire. The future of the European Union in the globalised world], Münster 2007.

policy and military area. The goal is a defence union, ultimately with joint armed forces under a unified supreme command. Some member countries still shrink back from this path. In foreign and security policy, the differences came to the fore most dramatically in the reactions to the Iraq War. At that time, this debate prompted Jürgen Habermas to demand that the mechanism of “enhanced cooperation” be used to launch a common foreign, security and defence policy.¹⁸

The Treaty of Nice for the first time made “enhanced cooperation” possible in the area of the ESDP. The Lisbon Treaty contains the regulation already found in the constitutional treaty: Those countries “which fulfil more demanding criteria with respect to the military abilities and which have entered into more stringent obligations with regard to missions with highest requirements” can give reasons for a “permanently structured cooperation” in the context of the EU.¹⁹ These stipulations must be seen in the context of the European security strategy (ESS; Thessaloniki 2003), the mandate to intensify development of defence capabilities under the Treaty of Lisbon, and the so-called “Berlin-Plus” package, which ties the EU to NATO in terms of its military activity. For the EU to be able to establish itself globally as a military power – in fact, as a leading military power – as the ESS provides, it will need independent capabilities of power projection: reconnaissance (including space-based), strategic air transport, naval forces for high seas warfare and sea-to-ground activity, and heavily armed, flexible troop units. The initial elements of the military substance for “structured cooperation” is already present, particularly in the Euro-Corps, the German-French Brigade, the Multinational Corps North-East, the German-Dutch Corps, and the battlegroups, of which thirteen are planned, 1500 strong, to be used for rapid deployment worldwide. Moreover, as an analysis by the Bertelsmann Foundation stated: “In the area of foreign, security and

defence policy, the instruments of structured and close cooperation are providing new possibilities for flexible integration, which could pave the way for a Defence Union.”²⁰

With this orientation, the EU is treading a dangerous path which will lead it completely away from its character as a “civilian power”. However, the perspectives of the ESDP, and of the “European Defence Identity”, are still uncertain. One still open question involves how the relationship of the western European military power to NATO is to be shaped in the long run, inasmuch as the transatlantic alliance has, in the view of some analysts, become obsolete, since the end of the Cold War. Obviously however, significant forces are pressing vehemently to turn a group of member states into a military power centre capable of military intervention in regional and local crises worldwide. Those countries which are willing to engage in closer cooperation in foreign and security policy are to be brought together into a group capable of acting, which, like Euroland, would be open to further membership. The assessment of this amongst peace-committed forces is not uniform. Some see such a path as indispensable for an EU wishing to engage on the world policy stage. A manifesto of the Willy Brandt Circle states: “Europe must become the fifth pole in a multi-polar world. ... The logical goal of its history thus requires efforts to bring together those states which are ready for closer cooperation in foreign and security policy into a group capable of acting, and which, like Euroland, would be open to further membership. The continent cannot be diverted by any country from the goal of assembling such a group of European countries which would speak with one voice.”²¹ However, representatives of this direction at the same time decidedly support making disar-

¹⁸ Cf. Frankfurter Allgemeine Zeitung, 31 May, 2003.

¹⁹ Cf. Gregor Schirmer, “Der Vertrag von Lissabon und die Militarisierung der Europäischen Union” [The Lisbon Treaty and the militarisation of the EU], In: Zeitschrift marxistische Erneuerung, Nr.78, June 2009, pp. 159-168.

²⁰ Cf. Cap, Janis A. Emmanoulidis: “Differenzierung im Verfassungsentwurf – auf dem Weg zu einer neuen Integrationslogik” [Differentiation in the constitutional draft – on the way to a new logic of integration].

²¹ Egon Bahr, Walther Stützle, Hans. J. Gießmann, “Zur Friedenspolitik Europas im 21. Jahrhundert. Ein Manifest, [the policy of peace in Europe in the 21st century. A manifesto] In: Egon Bahr (ed.), Weltgesellschaft. Ein Projekt von links [World society, a project of the Left], Berlin 2008, p. 264 f.

mament and armaments conversion a central concern of European policy again. Other peace-committed forces, including the European Left, are also committed to an EU which would pursue a policy of comprehensive civilian crisis prevention to counteract the causes of conflict. However, they fundamentally reject any militarisation of the European Union, oppose the establishment of a "European army", resist a militarily based world power role, and call for a civilian, non-militaristic security policy.

Such a security policy and military cooperation or integration would mean a drastic break for the EU, and would have consequences which would be difficult to estimate. Certain decision-making processes are designed to prevent a group of member states from using the principle of a qualified majority decision to function as a kind of directorate of the EU. Certainly, the envisaged "permanent structured cooperation" would lead to a two-class construct in EU security policy.

EXPANSION AND COOPERATION

The enlargement of the EU to include additional states, which could create a union of thirty or more members, will further burden its internal cohesion and call into question its existing centralism. In addition to the accession of Croatia, Iceland and Norway, too, could conceivably join during the next decade. That could stimulate traditional ties between the Baltic states and the Nordic EU countries. Despite considerable restraint, the accession of the western Balkan states is considered necessary and possible over the medium term; membership in the distant future is already being offered to them now. For Turkey, the most important partner in the eastern Mediterranean area, things are different. There is no agreement within the EU over Turkish membership, but regardless of current differences of opinion, it cannot be ruled out at present, either. Turkish membership would lead to a new centre of gravity within the EU, and would profoundly affect the relationship of

forces, power structures and internal policy conditions.

Every new expansion will reinforce tendencies for the formation of new country groups, both within the EU and between member states and neighbouring countries: in the Mediterranean region, in the western Balkans, in Eastern Europe, in the Black Sea area, and in the Caucasus. The contacts between the Visegrád states of Poland, Slovakia, Czechia and Hungary, with regular meetings of presidents, prime ministers and ministers, could certainly get closer, and include Austria, Slovenia and Croatia. The policy area of relations with the eastern neighbours has become an important field of action. Some EU countries are committed to close cooperation with central and eastern European countries, and call for the rapid admission of Ukraine into the EU. Polish-Swedish suggestions for a special "eastern European dimension" of EU policy have brought results: a multilateral forum of the twenty-seven with Armenia, Azerbaijan, Georgia, Moldavia and Ukraine. Closer Black Sea cooperation is on the agenda. This eastern partnership should be connected to an upgrading of the OSCE into a full regional organisation, and a rejection of the old bloc policies. However, the EU countries also support the expansion policy of NATO, which has its sights especially on Ukraine, Moldavia and Georgia, albeit with different time horizons. These ambitions involve the strategic considerations of the EU, which is not only pursuing independent power-politics interests with regard to Ukraine, but also in the southern Caucasus. Such policies bear the seeds of new conflicts, even if they are not identical with the anti-Russian confrontation and encirclement policy of the USA and Great Britain, which is in turn supported by the enlargement countries. Points of view differ. For example, Erhard Busek, EU special coordinator for the stability pact for south-eastern Europe, expressed his "conviction that what we need for the Black Sea area and for the southern Caucasus is more than just a European neighbourhood policy. I consider this more urgent than the Mediterranean Union. In my opinion, there must also be a Black Sea Union – of course

with a European perspective.²² Regional cooperation is being promoted, with the goal of EU enlargement. The annual meetings of the presidents of the Balkan states and adjacent countries are one approach to this. In the view of Elmar Brok, it is in the interest of the people of all Yugoslav successor-states and of the European Union for the EU to effectively help develop intensive regional cooperation in the Balkans. In order to fulfil the requirements of connections with the EU, a kind of “European Economic Area-Plus” is being proposed, in which participants in the “eastern partnership” – but not those of the Mediterranean Union – could participate. Such new expansions and regional cooperation projects will increase the diversity of the EU; its the present structures will hardly be able to channel that diversity.

The “Union for the Mediterranean” came into being in July 2008. Cooperation with the Mediterranean neighbours has been a special EU objective since the middle of the 1990s. The Barcelona Process however, the 1995 plan conceived as a counterbalance to Eastern Enlargement, with its long-term goal of a huge free trade area by 2010, was less successful. The French initiative for a Mediterranean Union was certainly not designed as any kind of para-EU, but Paris did indeed have an organisation independent of the EU in mind. Germany and other member states were dismayed about this French solo run, and refused any special institutional structure for the Mediterranean Union. Chancellor Angela Merkel warned of great “explosive forces” for the EU, were countries like France and Germany to act independently in the area of cooperation with neighbouring regions. The French project finally became one involving all twenty-seven EU states; the “Union of the Mediterranean” was founded in July 2008. If this state association becomes a project of historical import, and if the non-EU participants come to see a special priority in it, political/institutional independence and new types of links with EU mechanisms cannot be ruled out in the long run. That could lead to new patterns of operation for the representation of interests within

the EU, with different rules for coordination, which might call a number of existing habits into question.

SECURING OF DEMOCRACY

Whatever differentiated or graded integration emerges: the unity of the association of states must not be endangered. But a large number of democratic and institutional problems will be affected. The conditions with regard to equal rights and equality of all member states must remain guaranteed. A differentiated integration and expansion in the accession area could impair such democratic elements as the role of the European Parliament and the Committee of the Regions. The possibilities of the European Parliament, the national parliaments and the regional bodies to have their say, to share in decision-making and oversight, must not only be maintained, but expanded, for which new forms will be necessary. The European Parliament will have to deal with greater diversity. For this purpose, new democratic structures and modes of operation must be found, particularly if parallel structures are to arise in the EU. That would be the case if the euro group were to become a kind of economic government and the ESDP a kind of military alliance. Decision-making processes in the European Parliament are questionable when representatives participate in decisions about issues which do not directly affect their countries. Are additional parliamentary committees needed? Regardless of which differentiated integration is to become reality, the Left must always struggle to safeguard a democratic voice and parliamentary, democratic structures. Differentiated integration and expansion of the accession area could impair the roles of such democratic EU elements as the European Parliament and the Committee of the Regions.

INSTITUTIONAL PROBLEMS

Upholding the unity of the association of states and initiating differentiations – that could become an important project of the Left over the long term. Changed power constellations and modalities of political leadership would have to be taken into account. Differen-

²² Neues Deutschland, 9 May 2008.

tiated integration and the activities of groups of countries could bring about institutional problems difficult to foresee. The role and activity of the European Council and the Council of Ministers, as well as the function of the Commission will change. The relationship between participants in "permanent enhanced cooperation" in security policy and those not involved will lead to conflict. Problems will arise regarding the roles of institutions the activities of which involve all members and in which all are represented, and those which are only responsible for groups of certain countries. Dual structures cannot be ruled out. That would be the case if the euro group were to become a kind of economic government and the ESDP a kind of military alliance. If the Lisbon Treaty comes into effect, withdrawal from the EU will be possible under its provisions, since there would for the first time be an exit clause which provides that a member state could commence an orderly withdrawal over two years, during which time a withdrawal agreement would regulate its future relationship to single market, the EMU, Schengen, the CFSP and ESDP, i.e., the single economic area. The effects on the entire EU would be considerable in such a case.

SOCIAL CHANGES

In the ranks of the Left, the dominant point of view is that the EU and its structures must be open to alternative developments for societal, democratic and social change. In the longer term, that would also include transformations in member states in the direction of democratic socialism. A new historical force for change can arise from the serious economic crisis of capitalism and the crisis of the EU. The prerequisite for that are progressive change in the domestic relation of forces and corresponding policy orientation in a number of member countries. These will not be attainable without powerful national movements and Union-wide struggles of a broad range of forces against the prevailing policies. The present crisis can become a catalyst for such closer cooperation. Without powerful national, and, to the extent possible, union-wide extra-parliamentary pressure, basic democratic and

social change will not be attainable. The power relationships in the EU must be questioned by mass movements. Differentiated developments in the EU must be considered from these aspects as well. Such developments lead not only to dead ends; they can also open up alternatives.

CONCLUSIONS

The European Union (EU) is at a historic crossroads. Within the big business dominated EU, discussion of the societal, social, democratic and military future of the association of states, and the conflicts over distribution of power and influence between member states, are on the increase. This engenders tasks for the left of great responsibility, both in terms of strategic considerations and of immediate political action. Democratic, social and cultural changes are indispensable for the future of the EU, if euro-sceptical or even anti-integrationist forces are not to gain further ground. Left groupings are pressing for a basic change of direction in the neo-liberal EU policies and a social transformation of the association of states. Symptoms of increasing resistance to efforts of the political and economic elites to force the union in a neo-liberal, anti-democratic, anti-social and repressive direction are becoming ever more common. The present crisis makes very clear how brittle and incomplete many answers and forecasts are. It is nevertheless urgently advisable to take a very long view when thinking about the prospects of the association of states. Debate about an alternative politics is indispensable: about the causes of the EU crisis and their character; about necessary changes in the different areas of EU policy; about the prospects of political and economic integration; about democratisation and institutional structures; about the final shape of the EU and its borders; and about its worldwide role.

ANALYSIS OF DIFFERENTIATION

An analysis of the situation and perspectives of the EU must consider the differentiations in the EU and their long-term consequences. Strategic considerations for progressive change in the EU, and for alternatives to the

policy concepts of the ruling elites in politics and business cannot dispense with such considerations. Many questions are not easy to answer. The complexity of events and challenges is still more difficult to ascertain. Diversity is increasing. Differentiated developments are taking shape in the EU: in home-affairs and foreign policy, in economic and financial policy, in social and cultural policy, and in regional and military policy. This could also engender longer-term relations of forces which favour changes in member states in the direction of democratic socialism. The ruling elites seek solutions for the present crisis in traditional ways. If the existing path to integration is continued, intense internal and international crises which may tear the EU apart will be the consequence.

DIFFERENTIATED ASSOCIATION OF STATES

The differentiation in the European Union concerns political, social, economic and cultural, regional and institutional, foreign and security policy aspects. *Firstly*, the social and political situation is different in the member states. *Secondly*, participation in the integration process – the EMU, the Schengen agreements, domestic cooperation, security and defence – too, is different. *Thirdly*, there are both manifold stable constellations of interests, and temporary ones. *Fourthly*, the variability of political, ideological relations of forces and integration conceptions is likely to persist for the foreseeable future. The present economic, societal, social and political crisis will have consequences, with or without the Lisbon Treaty, which, while not foreseeable in detail, will in any case be serious.

POLITICAL DESIGN

In the ranks of the Left, the dominant point of view is that a social EU capable of action is part of the vision of a future Europe. In that EU, all must have the same rights, duties and opportunities. The EU is a space for political action, and must be designed politically, notwithstanding all obstacles. The institutional power mechanisms of the EU have contributed to a reconciliation of interests between

nations, and must be the point of departure for further integration. Differentiation within the EU is a reality which must be taken into account politically more consciously and more determinedly. At the same time, the unity of the association of states and the community of law must be maintained, in spite of their two-edged nature. Renationalisation and protectionism would only lead still more deeply into the chasm. Opinions as to the political perspectives of the EU, oriented towards the issue of federalism or confederation, remain controversial.

CORE EUROPE

Differentiation, the lack of ability to act, and also hegemonic claims, have sparked ideas and intentions for a “multi-speed EU”, primarily with the goal of a core Europe capable of power-politics activity. Core Europe ideas are linked to militarisation in a special way. The Lisbon Treaty opens new ways and possibilities for this. Other state “cores” based on the example of the EMU are being proposed. Developments towards an exclusive “core Europe” could result in severe conflicts in the political, economic and military, institutional, legal and constitutional spheres, which would engender different types of political behaviour.

LEFT POSITIONS

In the ranks of the Left, the dominant point of view is that European integration, the unity of the association of states, and the community of law must be defended, in spite of their two-edged nature. Core-Europe plans are rejected as projects of European big-power politics, militarisation and neo-liberalism. Such changes would lead to exclusion, and could split the EU. They would also undermine hopes for a social union with a policy of equalisation in solidarity with new dimensions, and torpedo the democratisation of the EU. Further militarisation and increased competition would be stimulated. Contrary core Europe ideas with a social and civilising orientation are not dominant. The current relations of forces make it extremely difficult to expand upon this possibility for a social and civilian perspective. The danger of treading this path,

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even from the left, and despite opposite goals, is great. That burdens the discourse and leads to great reticence in the ranks of the left.

PROGRESSIVE POSSIBILITIES

Core-Europe ambitions and differentiated integration are not synonymous. In terms of the latter, progressive possibilities must also be investigated, both from the point of view of the defence and expansion of welfare state achievements and for democratic socialist change in the EU. The left should not oppose all "multi-speed" concepts generally. They are not necessarily *a priori* negative for groups of countries which wish to cooperate more closely on economic, social, ecological or domestic issues, given the appropriate domestic constellation of forces, with progressive political approaches. Differentiated EU development is unavoidable if objective conditions and particularities, different interests and points of view of sections of the population, of regions and of countries are to be taken into account, especially if these are expressed in plebiscites. In addition, in case of progressive change in several member states, progressive solutions for democratic and social problems could become possible. "Enhanced cooperation" should therefore be accepted by the left in principle, if it can be used to obtain progressive results. Countries and regions could develop particularly close cooperation in certain fields in order to address problems in the interests of their citizens and of sustainable development.

SOCIAL DIMENSION

The perspectives of the EU depend in many respects on whether the path towards a social community of nations is trodden. A truly social dimension is a key condition for further integration and defence against disintegration. For this purpose, there must be a break with the neo-liberal market fundamentalism which is impacting on the daily lives of people ever more lastingly, nationally, regionally and locally. Narrowing and to some extent eliminating the gap in social conditions in the twenty-seven member states, and defence against social dumping, must take into account very

different social condition at the national level. Differentiated developments need not contravene the principles of solidarity, economic and social cohesion, and the equality of all states and citizens in the EU. The beginnings of a policy of equalisation based on solidarity must be defended, for EU-wide structural and regional policies really do contribute to a moderation of economic and social distortions. The task remains to raise a cross-border progressive cooperation to the European level, so that it can in the medium term become capable of winning a majority. Groups of countries should initiate processes of cooperation in certain areas, and receive additional funding for that purpose, which would create incentives for other member countries to do the same. Suitable areas and scenarios should be defined for such initiatives. The possibilities of national, regional and local control of corresponding EU policies must be enhanced so that sustainable economic development and the closing of gaps between regions can be promoted more effectively, and specific interests thus better represented. Income inequalities must be limited. That could be achieved via "social corridors", under which countries would be grouped according to suitable rules, with the goal of narrowing gaps in their gross domestic products and their per capita social spending.

SINGLE MARKET

The single market is a foundation stone of the EU. A harmonisation of economic and social policy should be achieved over the medium term to protect endangered social and cultural standards. The competition and subsidy policy of the EU is reaching its limits under the pressure of the most serious economic crisis since the Second World War. Competition law is in fact changing, and the financial assistance rules are being eased. The "legal space for subsidies" must be expanded and competition law expanded, to enable to regional economic processes to be better promoted. If groups of countries would commit themselves to this, the result would be positive change in the common single market. A reform of the interior trading conditions must make more differentiation possible without promoting protec-

tionism. Issues connected with this should be perceived from the aspect of the perspectives of the EU and consideration for diversity.

ECONOMIC GOVERNANCE

The perspectives of the EU are very closely tied to the future of the EMU. Its economic and financial ability to act is limited. The future of the politically fragile euro group is open. A split-up the euro-zone cannot be ruled out, if the national economies drift further apart. A likely result is a smaller political-economic coordination as well as coordination of monetary and fiscal policy in the euro-zone. In the long run, the project of an economic government could bring real results, despite intense resistance. This would be a new structural element within the EU, with drastic effects on its present power structure and its democratic design.

REGIONALISATION

The significance of regions, including as linguistic and cultural areas, is growing. Generally, all political forces are in favour of it. Regionalisation permits the variety of conditions to be better taken into account; the same is true of the different interests and points of view of various sections of the population. Regionalisation involves subsidiarity and structural issues of explosive force, politically, socially, culturally and also constitutionally. Regional variety could increase in different facets. The prosperity gap and the disequilibrium are still considerable. In response to Brussels centralism, too, there might be an even stronger recourse to federalism, small-scale, close-to-the-people and participatory structures. A desire for more autonomy of regions has at various times been taken up in concepts for a "Europe of the regions". That can be appropriate inasmuch as a more effective role for the regions is called for, and the constitutional order of member states is not called into question. In some EU countries, regionalisation is linked to demands for more self-determination, or even for independence. A "Europe of the regions" could promote particularism or even separatism. The diversity and extent of regional and ethnic conflicts are not foreseeable,

nor are problems which concern the rights of minorities. Cooperation between border regions can lead to cross-border structures over an extended time period.

MILITARY POWER

The manner of the use of the EU's potential for world power politics is controversial. The perspectives of the ESDP, and of the "European Defence Identity", are in many respects still uncertain. Significant forces are pressing for an EU military power centre capable of worldwide military intervention. Some supporters of an EU capable of independent action link this to the goal of a "European army" formed by those countries prepared to participate. The envisaged "permanent structured cooperation" would lead to a two-class construct in the security policy area in the EU. Those countries which are willing to engage in closer cooperation the foreign and security policy are to be brought together into a group capable of acting, which, like Euroland, would be open to further membership. Such a security policy and military cooperation or integration would mean a drastic break for the EU, and would have consequences which would be difficult to estimate.

EXPANSION AND REGIONAL COOPERATION

The expansion of the EU from fifteen on twenty-seven members fundamentally transformed the Union. The accession of Norway and Iceland in the foreseeable future cannot be ruled out. Despite considerable EU reticence, the admission of western Balkan countries, in addition to Croatia, is a medium-term perspective. However, ideas for a free trade area and special regional cooperation in the Balkans could also be realised. The admission of Turkey is not impossible, despite present differences of opinion. In order to fulfill the requirements of connections with the EU, a kind of "European Economic Area-Plus" is being proposed. While some participants in the "eastern partnership" might be embedded in it, those of the Mediterranean Union could not participate. If the latter becomes a project of historical import, and if the non-EU partici-

pants come to see a special priority in it, political/ institutional independence and new types of links with EU mechanisms cannot be ruled out. The above-mentioned trends will in any case increase the diversity of the EU; its present structures will hardly be able to channel that diversity.

SECURING DEMOCRACY

Whatever differentiated or graded integration emerges: the unity of the association of states must not be endangered. However, democratic and institutional problems will be affected. Diversity must be managed. Preservation of democracy, of equal rights and equality must be a prime concern for the Left. Regardless of which differentiated or "graded integration" is to become reality, the left must always struggle to safeguard a democratic voice and parliamentary, democratic structures in the EU.

Differentiated integration and expansion of the accession area could impair the roles of such democratic EU elements as the European Parliament and the Committee of the Regions. Flexible integration must be accompanied by a democratic structuring of the EU. The possibilities of the European Parliament, the national parliaments and the regional bodies to have their say and to share in decision-making and oversight, must not only be maintained, but expanded. The European Parliament will have to address greater diversity. For this purpose, new democratic structures and modes of operation must be found, particularly if parallel structures are to arise in the EU. That would be the case if the euro group were to become a kind of economic government and the ESDP a kind of military alliance. If the Lisbon Treaty comes into effect, withdrawal from the EU will be possible under its provisions, since there would for the first time be an exit clause, which provides that a member state can commence an orderly withdrawal over two years, during which time a withdrawal agreement would regulate its future relationship with the single market, the EMU, Schengen, the CFSP and ESDP, i.e., with the single economic area. The effects on the entire EU would be considerable in such a case.

INSTITUTIONAL PROBLEMS

Differentiated integration and the activities of groups of countries could bring about institutional problems difficult to foresee. In any case, the common institutional structure of the union will be burdened. The role and activity of the European Council and the Council of Ministers, as well as the function of the Commission will change. The relationship between participants in "permanent enhanced cooperation" in security policy and those not involved will lead to conflict. Problems will arise regarding the role of institutions the activities of which involve all members and in which all are represented, and to those which are only responsible only for groups of certain countries. Upholding the unity of the association of states and initiating differentiations – that could become an important project of the Left over the long term.

PROGRESSIVE CHANGE

In the view of the Left, the EU must be open to democratic, social change. Changed power constellations and modalities of political leadership will take shape. A new historical force for change could arise from the serious economic crisis of capitalism and the crisis of the EU. Directions of differentiated integration must be explored. EU structures must be open to alternative developments. This could also mean transformation over the long run within member states, in the direction of democratic socialism. The prerequisite for that are progressive change in the domestic relation of forces and corresponding policy orientation in a number of member countries. These will not be attainable without powerful national movements and EU-wide struggles by a broad range of forces against the prevailing policies. The present crisis could become a catalyst for such closer cooperation. Differentiated developments in the EU must be considered from these aspects as well. Such developments do not only lead to dead ends; they can also open up alternatives.

AUTHOR'S INFORMATION

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Further articles and publications of RLS:

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