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eDossier

July 2018



Re-appropriating Europe as a Common

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Introductory Comment

Angelina Giannopoulou

TRANSFORM! AND RLF WORKSHOP AT THE MARSEILLE EUROPEAN FORUM

Half a year ago transform! and the Rosa Luxemburg Foundation co-organised a public discussion within the framework of the “European Forum of Progressive Forces” in Marseille in November 2017. The European Forum of Progressive Forces is a new space for long-term political cooperation that aims to bring together a very broad panel of left, green and progressive parties, of platforms and political movements, trade unions and social organisations, NGOs, intellectuals and citizens’ movements from all over Europe. While during 2017 the Forum took place in Marseille, in 2018 it is organised in Bilbao, Spain where the forces of the left are facing a reconfiguration due not only to the decision of the two left parties to walk the same path (Unidos Podemos), but also to the recent governmental change that brought PSOE under Pedro Sanchez’ leadership into power.

Under the title “Re-appropriating Europe as a Common” which indicates a common ground among the speakers, despite the different backgrounds they come from and the political perspectives they adopt, we held a debate guided by our strategic concern on the future of the European Union. A concern that is erupted from the disintegration processes that are occurring in Europe and benefit the most conservative and authoritarian elites of the capital. The integration, as well as the disintegration of the European Union are not neutral processes. They are defined by the political will of those in power and the balance of forces (social and political) throughout Europe. Therefore euroscepticism, but also pro-europeanism can both be class identified. What is necessary for the left forces is to work based on the concrete analysis of the concrete situation. The multiple levels of governance, the democratic deficit of various institutions, the contradictions among the elites, the asymmetrical development among the European economies and the lack of a coherent strategy of the left that listens for the European popular classes’ interests create a mosaic of power relations that is challenging and under continuous transformation.

Our invited speakers were:

Maria Karamessini, Professor for Social Policy at the Pantheon University of Social and Political Sciences, Athens

Walter Baier, Political Coordinator of transform! europe

Marianne Dufour, Member of the Coordinating Collective of Diem25

Steffen Lehndorff, Research fellow at the Institut Arbeit und Qualifikation, University Duisburg-Essen

John Weeks, Professor emeritus for economics at SOAS, London

Moderator: **Angelina Giannopoulou**, transform! europe

The critical questions that all three speakers tried to address and present a convincing answer to were the following: Despite the return to modest economic growth in the EU and the Euro group the scars of the economic crisis persist. The European Union still operates in a crisis mode. Inside the Left a debate on how to cope with the crisis of European integration has begun. What are the possible strategies for changing Europe? What is the latitude granted by the European treaties for progressive reforms and can the European Union altogether be transformed on the basis of the existing treaties? Which are the strategic implications either way? Does the Left have to choose between support of the neoliberal integration and retreat to national sovereignty? Is there a third option for an alternative plan for Europe? What might be its criteria?

This e-Dossier is the collection of the contributions of the event transform! organised and we consider it not only as part of transform!’s work on the “European Integration and the Left Strategy” Programme, but also as part of the materials of the European Forum of Progressive Forces. It is only a small piece of the debate among the actors of the left on the question of Europe. A debate that can only but be moved towards the European popular classes and the great questions of their lives.

Walter Baier:

Europe's new common sense

A PAN-EUROPEAN VIEW FOR THE GREAT CHALLENGES OF OUR TIMES IS NECESSARY

Allow me to present a few theories at the beginning of this plenary discussion in order to give a boost, that I hope will be useful, to the debate.

If 2.5 million people arriving in Europe since 2015 represent an unsolvable problem, what does this mean for the 62 million refugees worldwide?

So, the question that springs to mind is not how Europe, with its 500 million inhabitants, will be able to integrate 2.5 million refugees, but rather, how these 500 million Europeans will manage to integrate themselves in a world that will be populated by 10 billion people in a few decades.

It is understandable that this prospect, which reaches people via TV and internet, worries them.

Thereby, this is the starting point from which the left must determine its policies.

I believe that a clear stance on four issues is necessary:

1. Europe cannot isolate itself behind walls and barbed wire in the face of the world's major transformation. According to Oxfam, 14 million people per year, in poor countries, need to protect themselves against storms and floods. On the other hand, in the rich northern countries, there are only one million people. This means that people in poor countries are 14 times more likely to be displaced from their home countries due to extreme weather conditions than people from rich countries.

It's true: The world's problems cannot be resolved by migration, but only by changing the way of life and production on a global scale. And it is unlikely that this will occur in a world that is dominated by capitalism. But, this is not an ideological problem. Part of the dues that European societies must take on, after ages of colonialism and neo-colonialism, emerge in the responsibility for people who arrive at the European border in search of protection. Obtaining consent from the populations, and balancing the financial and organisational challenges amongst states in European regions, is part of the „moral

and intellectual reform“ demanded by Antonio Gramsci as an element in the creation of a new „common sense“.

2. Terrorism is a crime against humanity. Of course, overall terrorism is not a European problem, but a global problem. According to a study carried out by the University of Maryland, three quarters of deadly terrorist attacks have occurred in five countries: Afghanistan, Iraq, Nigeria, Pakistan and Syria. In contrast, only 3 percent in Western countries.

Terrorism is a secondary phenomenon of the global crisis. This is why it is not a religious problem or one related to cultural differences. To overcome terrorism and fundamentalism, the social and political problems that have emerged from them as a warped expression must be confronted.

The free trade agreements that the European Union imposes on African states destroys the livelihoods and the future prospects of entire generations. By removing just the customs duties, they lose 2 billion euros per year, leaving weak industries exposed to EU competition and destroying domestic agriculture by opening markets for cheap imports from the EU. Therefore, if we want to protect ourselves from terrorism in a sustainable manner, unjust treaties must be cancelled in order to establish fair and supportive relationships between Europe and African and Asian countries.

3. The current geopolitical situation involves great dangers, but also new possibilities. The hegemonic world order, under the leadership of the post-Cold War United States, is on the point of dissolving. But, a new, multi-faceted, world order has not yet taken shape. Will the transition towards a new world order be peaceful or violent? And will it emerge in democratic harmony amongst populations or in an imperialist rivalry between old and new military powers?

The response to this challenge on behalf of the European Commission is to transform the EU into a military union

by 2025. But with an accumulated military expenditure of 267 billion dollars, today's EU already has the potential to become a military superpower. However, in accordance with NATO and the French and German governments, military budgets of member states must now be increased to 2% of the gross domestic product. This corresponds to the enormous sum of 340 billion euros per year. This figure can only be increased by a major attack on the welfare state and the standard of living of European citizens. The transformation of the EU into a military superpower is not in the interests of European citizens:

- Firstly, because security in the world today cannot be achieved by arming, but only by disarming;
- and secondly, because the Commission's proposals are not aimed at an emancipation at all, but at a complicity with the confrontational strategy led by the United States and NATO.

We must resist this militarisation plan.

Europe and the European Union does not need defence funds. We do not need a single arms market either. And, especially, we do not need to increase our arms budget to 2% of the gross domestic product.

Couldn't we support the call against the increase of the German military budget, which has been published in Germany over the last few days and is supported by four major trade union chairmen? Why not Europeanise it and make rejecting the militarisation of the European Union a priority for our activities?

4. The issue is also political. We need a disarmament and peace plan for Europe which is realistic and well thought out.

We should urge all the European Union's member states to adopt the Treaty on the Prohibition of Nuclear Weapons, adopted last July following the proposal by the General Assembly of the United Nations. It prohibits the development, testing, production, purchase, stockpiling, transfer, direct or indirect control, and use of nuclear weapons, as well as their threat.

We should support peace movements, particularly in the United Kingdom, in their struggle against their countries' nuclear arms.

Instead of becoming a military union, the European Union should respect the non-bloc and neutral status of a significant number of its member states recognised by the Treaty of Lisbon. Perhaps military neutrality could be an option for other small and medium-sized EU states. Perhaps an impetus could be a non-violent concept of international security.

We should make a case for European denuclearisation, establishing internationally recognised and guaranteed denuclearised areas.

Of course, sustainable security cannot stem from national selfishness and competition between great powers. Therefore, it can no longer limit itself to the European Union. Europe is larger!

Security – like a classic common good – requires a pan-European view, a system of collective security which involves and takes into consideration all European states, including Russia, Turkey and all the states of the former Yugoslavia. It must respect the legitimate security interests of all parties. Why not consider a proposal put forward by Mikhail Gorbachev as European security advice?

5. We want a Europe which, in a multi-faceted world, maintains peaceful and supportive relationships with all states and regions worldwide. We want one that proposes constructive solutions to major global issues – climate change, inequality and disarmament. Such a Europe can only emerge if Europeans are able to freely and independently shape their security policies. Europe must free itself from the American security policy in the NATO context, which is become ever riskier due to its confrontational strategy.

The EU must take on an independent role in the fight for a peaceful resolution of the Israeli-Palestinian conflict, which can only be achieved on the condition of a viable Palestinian state; a fair resolution for Cyprus with the withdrawal of occupying Turkish troops; and the end of the anachronistic system of foreign guarantees.

Throughout its long history, the European left has been linked to democratic, anti-racist and civil rights movements in the United States. Our left has never been anti-American, it was anti-imperialist.

Marianne Dufour:

Towards a European democratic constitutional process

CONSTRUCTIVE DISOBEDIENCE AT THE MUNICIPAL, NATIONAL AND EUROPEAN LEVEL

Despite the return to modest economic growth in the EU and the Euro group the scars of the economic crisis persist.

I am not an economist, nor a academic, nor an intellectual, nor a politician, I am a worker and a citizen, and I grew up with leftwing intuitive values;

I had never really thought of getting involved in a political party, simply because I have never found in the national propositions, the ideals and values that I was looking for; Indeed, as I happened to work as a technician in different parts of our planet, I have become convinced that , living in a globalised world, any solutions to any crisis must also be global.

I discovered DiEM25 just after the movement was created in 2016, and realised that the trans-national and pan-European spirit that it embodied was exactly what I was looking for.

- According to our view, Europe has not overcome any crisis, but just dealt with economic spasms and successive panics ; because the crisis is multiple : banking governance, poverty, debt, environment, involuntary migration, but also we have to wonder about what our European identity is, as an addition to our local, regional, and intimate identities
- the criteria to define a crisis is not only economic, and instead of dominating the political space, economics should be considered as a tool for building a desirable society.

Today, Europe needs practical steps that can be taken to end the free fall, stabilise local and national economies, heal the fault lines between surplus and deficit countries, re-balance the Eurozone and achieve coordination between the Eurozone and other economies geographically within greater Europe (e.g. the UK, Switzerland, Serbia, Norway, Iceland). These steps need to be taken quickly and thus within the existing institutional arrangements.

DiEM25's European New Deal proposes policies within existing institutional arrangements that will bring stabilisation. And stabilisation will bring greater national sovereignty.

In the longer term, Europeans must then address the crucial question: Do we want to build and maintain an open, continental, federal panEuropean democracy in which free men and women can live, work and prosper together, as they choose? DiEM25 is committed to this: Once Europe is stabilised, a real democracy can be built at a transnational European level. This will, naturally, require a European democratic constitutional process. This will be supported by policies for democratising economic life, breaking down the division between capital and labour, incorporating shared green prosperity into Europe's institutional make up, and eradicating all forms of institutionalised discrimination.

THE EUROPEAN UNION STILL OPERATES IN A CRISIS MODE. INSIDE THE LEFT A DEBATE ON HOW TO COPE WITH THE CRISIS OF EUROPEAN INTEGRATION HAS BEGUN.

1/ WHAT ARE THE POSSIBLE STRATEGIES FOR CHANGING EUROPE?

- I'm not an historian, but I would say that the EU has always operated in a crisis mode, as the construction of Europe itself was based on only economics and trading principles - despite the periods where Europeans could feel as if everything was going well (good weather periods). There has never been a real will from our governing elites, to involve us citizens into the construction of the Europe we wanted. Worse, the governing elites sometimes discarded our opinions with contempt.

Strategies to change Europe are numerous, but in Diem25 we think that any policy, any action must come from the grassroots, the municipal level, regional, but also of course the national and European levels.

Diem25 talks about constructive disobedience : refusing to respect a treaty rule by proposing an alternative and constructive way of implementing humane and progressive policy for Europe, or at least a common policy ; for example when Wallony refused to sign the CETA agreement, or when Italy demanded a common agreement on the welcoming policy for migrants ; of course it requires a powerful bloc in order to be a credible threat, but we now know that it can work.

There are other examples of constructive disobedience at a municipal level : A network of Rebel Cities (Naples, Barcelona, Madrid, Saragossa) has imposed a de facto public management of water and public spaces, inspired by the notion of commons. Within the same movement, there is a network of "Refuge cities", which ignore the rules limiting migration flows and numbers of migrants who can be harboured: Naples, Barcelona, Marghera, Grande Synthe.

- Diem25 is also basing its strategies on local actions, on the redefinition of "commons", on the transversality of actions between the world of arts and culture and the political world, between education and innovation and more generally on the convergence of struggles.

2/ CAN THE EUROPEAN UNION ALTOGETHER BE TRANSFORMED ON THE BASIS OF THE EXISTING TREATIES? WHICH ARE THE STRATEGIC IMPLICATIONS EITHER WAY?

Diem25 is proposing an agenda:

What can be done immediately, without changing any treaties: Full transparency and democratic processes in decision-making can be implemented.

- The minutes of any official meeting should be published a few weeks after the meetings have taken place
- All documents pertinent to crucial negotiations (e.g. trade-TTIP, 'bailout' loans, Britain's status) affecting every facet of European citizens' future to be made public, rather than waiting for wikileaks to do the job
- Elections of any members of the representatives assemblies should be systematic ;
- The registry of lobbyists should be detailed and compulsory, and made accessible to the citizens

Within 12 months: Address the on-going economic crisis utilising existing institutions and within existing EU Treaties.

Europe's immediate crisis is unfolding simultaneously in: Public debt, Banking, Migration, Rising Poverty, Environment.

All these fields are currently left in the hands of national governments powerless to act upon them, whereas they should be dealt with, within european democratic institutions

DiEM25 has published its European New Deal which proposes to re-deploy existing institutions through a creative re-interpretation of existing treaties and charters : indeed, any law, reglementary text or treaty or agreement is known by its authors to be fully interpreted and turned around.

Within 2 years : A Constitutional Assembly

The people of Europe have a right to consider the union's future and a duty to transform Europe into a full-fledged democracy with a sovereign Parliament respecting national self-determination and sharing power with national Parliaments, regional assemblies and municipal councils.

To do this, an Assembly of their representatives must be created. We will promote a Constitutional Assembly consisting of representatives elected on trans-national tickets. Today, when universities apply to Brussels for research funding, they must form alliances across nations. Similarly, election to the Constitutional Assembly should require tickets featuring candidates from a majority of European countries.

The resulting Constitutional Assembly will be empowered to decide on a future democratic constitution that will replace all existing European Treaties within a decade.

3/ DOES THE LEFT HAVE TO CHOOSE BETWEEN SUPPORT OF THE NEOLIBERAL INTEGRATION AND RETREAT TO NATIONAL SOVEREIGNTY?

- Of course not!
- Should we have to choose between accepting tax havens or becoming ourselves a tax haven?
- Should we have to choose between being a terrified citizen in a closed country, with police and surveillance everywhere, or being a non-citizen in this neo-liberal, non-democratic Europe?
- Should we choose to choose between the uncontrollable powers of Silicon Valley and other Gafa's or being locked into a Chinese-like firewall?
- Should we envisage, as a nation-state, to choose our own "niche" market, so as to compete with the other nation-states' niche markets (for example the Portugal is welcoming pensioners thanks to a low tax policy, France has its luxury market, Ireland is having one of the lowest corporate tax rate etc etc...)?
- Can we accept multinational companies polluting and exploiting, or should we build protectionist walls?

nese-like" technological nationalism, on democratising the functioning of the EU and re-appropriating our Europe.

We don't want to be forced to choose between the plague and cholera, as we say in French...

We want neither a Europe of bankruptcy, incompetence and non-democracy, nor a Europe that would want to go backwards, facing xenophobia, returns to borders, protectionisms, racisms, isolationisms and nationalisms

Of course the Europe we have is very far from the Europe we want, but we are neither for this terrible Europe, nor for its disintegration; we want its transformation from the bottom, coming from the citizens, from the popular education, from the small movements all across Europe, from the local initiatives, from the trade unions.

We must take back our states, our regions, our cities. In Diem25 we think that we are in times of revolution, and that a political revolution is needed. We think that it is an emergency, and we are thousands of citizen-members of our movement, working on destroying the fiscal paradise, on creating a universal dividend, on the ecological transition, on a humane policy towards migration and refugees, on reformulating the European trade agreements on an equitable basis, on inventing an alternative between a "silicon-valley-like" monopolistic capitalism and a "Chi-

Maria Karamesini:

European unification from below

LABOR RIGHTS AT THE FOREFRONT OF A LEFT STRATEGY

TRANSCRIPT OF THE TALK AT THE “TRANSFORM! AND RLF WORKSHOP AT THE MARSEILLE EUROPEAN FORUM.

The European Union became a neoliberal project in the 1980s. From that time until now, I don't think that we in the European left had a project of appropriating Europe. We were responding, but we were not opening up the discussion to go beyond our own circles and bring it to the public, to the people. I think that we are now talking about re-appropriating Europe for the first time because Europe is at a crossroad. Re-appropriation of Europe in our understanding is a project of European unification, within the EU-sphere, which should serve the interest of the working classes along with all those who suffer from marginalisation, oppression, and discrimination. Therefore this project has to be a project from below, seeing as the project of European unification has been perceived by Europe's peoples as a project from above. Europe, the European Union, is experienced by a great part of the population as an external force.

To start thinking about our project, we should think about its prerequisites. The first prerequisite is to understand that in globalised and financialised capitalism there is no way back to national sovereignty which would supposedly give people the power to control their present and future. My conviction is that without Europe countries are left alone to struggle against the financial markets. We have no control of the present and the future. Thus a European project of EU, in other words 'European unification' – because the EU is the present EU of the 28/27 countries, and we should consider other countries entering the project as well – should be aimed at protecting us from the globalised capital and financial markets. It should contribute to regulate capitalism on a global level. It would be a more effective weapon and would derive its hegemony from below, from the interests of the people. This is the first prerequisite, which we should endorse in order to move ahead. And we should also have consensus around another conviction: that the disintegration of the European Union will unleash nationalism, bring back national rivalries, and threaten the peaceful coexistence of nations. If we stand behind these

two convictions then we can move on to convince others and work out and present a concrete project for Europe's populations to win the battle of ideas. This means that we should achieve ideological hegemony in order to win political support. This project, as John Weeks said, should be concrete. If we want to go forward we should be as concrete as possible. General principles and general slogans are not enough. We have protested and criticised the existing European Union but now we should start reflecting on how to present this project and on the role of social movements and civil society organisations in building it.

But it is crucial to understand that we are not operating in a void. The European Union is based on treaties and charters of fundamental rights. This applies to employment, industrialisation, and other areas as well. We have listened to Juncker's proposals as well as Macron's. In my opinion they should not be dismissed but be seriously discussed. We should point to the positive developments but of course point out the contradictions and inadequacies.

The battle of ideas does not consist of one corpus of ideas colliding with another corpus totally external to it. It's a debate, a discussion, which means you can use elements of your opponent's argument in your argument and introduce its positive developments in your own project. So we should not blanketly dismiss the positive elements contained in the speeches we have listened to. As to the contradictions and inadequacies, one example is the absence of anything about labour rights in Macron's Initiative for Europe. Is this an accident? By contrast, Juncker's European Pillar of Social Rights is full of positive proposals. But the neoliberal labour market reforms continue unabated across the continent. How can we explain this contradiction? It is our task to explain this contradiction. To put it succinctly, the problem is the prioritising of the economy over social goals. This is a criticism shared by many, even beyond the left.

A second problem is the kind of economic policy referred to by John Weeks: austerity and balanced public budgets as tools that are supposed to bring back economic prosperity to the continent. It is a neoliberal and monetarist approach.

This kind of economic policy also prioritises labour competitiveness over industrial policies that would give priority to productivity, structured competitiveness, and high-quality quality.

And the third problem is the colonisation of employment policy by the interests of employers. This is a debate of flexibility versus security. Flexibility is currently more important than security.

We have much to do, but I would point out this regarding the neoliberal reforms: they have not been adopted only in the crisis-driven countries of the south and the periphery under pressure of the Troika. Even in big countries with centre-left governments – in Italy in 2014 and in France in August 2016 and in September 2017 – we had very important neoliberal labour-market reforms. The common aim is to reduce labour costs and union power, and the policies to achieve this are shifting collective bargaining to the company level and the reduction of the numbers of permanently employed staff. These policies have been pursued by conservative, liberal, and social-democratic and centre-left governments alike.

The point here is that if we want to have an approach of our own we should both absorb the positive elements and, at the same time, make our differences very clear.

We defend labour rights. This is the weak link in the discourse of the ruling elites. And because people in Europe feel these problems the ruling elite is proposing changes. But if we are to create our own project and win hegemony we should hold on to this difference between us and them. Labour rights and collective rights, collective bargaining, preserving the employment contract – this is the dividing line.

Austerity of course is still a point of cleavage. But I think that we should reverse the order of importance and start from labour rights, the reversal of certain policies, policies to create fiscal space for combating unemployment and

poverty and for financing the welfare state and ecological transformation, the introduction of binding social targets on an equal footing with economic and fiscal targets in the macroeconomic surveillance process, the defence of collective bargaining, building up trade union membership, providing access to social security and social services for all, updating existing social standards, the establishment and enforcement of new social rights at the EU level, and the introduction of EU-wide social redistribution to combat poverty and social exclusion through increasing the EU budget. And this is only the start.

Steffen Lehndorff:

Democratic, social and ecological renewal of the EU

BUILDING POLITICAL COALITIONS OF THE WILLING

The invitation to this workshop raises some crucial questions: “What are the possible strategies for changing Europe? Does the left have to choose between support of the

neoliberal integration and retreat to national sovereignty? Is there a third option for an alternative plan for Europe?” This is what I am going to talk about.

1. THE ROOT OF THE PROBLEM: DIVISIVE INTEGRATION

From the early 1950s, the founding idea of what we know today as the European Union has been to develop economic integration and joint economic growth as a basis for an ever closer supranational political cooperation. It is understood that, in the context of the Cold War, the aim of overcoming the disastrous hostility between nations and to safeguard peace in Europe was focused on Western Europe. What is more, and most importantly, Germany was to be embedded in this ever closer network of economic and political cooperation in order to prevent it from being a danger for our continent again. The logic of a stepwise economic integration as a basis for European institutions paved the way to what is called today the European Single Market as the economic foundation of the EU. At certain stages of this way, roughly up to the beginning of the 1990s, the labour movement in a larger sense of the word managed to implant some social elements such as health and safety labour standards into this development. But at the same time, at least since the 1980s, the logic of a common market as a basis for political integration was more and more captured by neoliberal ideas and neoliberal policy approaches. A landmark on this road was the Maastricht treaty in 1992 which laid down — next to selective improvements regarding minimum social and democratic standards such as the rights of the European Parliament — the basics of the Economic and Monetary Union (EMU), leading to the establishment of the Euro in 1999 and the Lisbon treaty ten years after. The basic concept of the Single Market and its currency gives market competition priority over political or social regulations that may work as barriers to “free” markets. Of course, it continues to be possible at national or EU levels to establish social or political barriers to the “free market”. However, the establishment of such regulations have to comply with important barriers as the primacy of “free markets” is protected by the so-called “four freedoms” laid down in the EU Treaties (free movement

of capital, goods, services, and persons). Moreover, the criteria of functioning of the Euro are focused on price stability, low public deficit and debt, and high cost-based competitiveness — which means in practice the removal of cost-intensive social standards. The core ideas of this approach go back to the neoliberal so-called Washington consensus but its novel and unique feature is that they have been made part of a de-facto constitution which has been extensively spelled out by the European Court of Justice.

How does this impact on the problems we are discussing at this conference?

The capturing of the logic of economic integration as a basis for political integration by neoliberal politics and ideology has led to an organisation of the European single market in which member states are to compete against each other as if they were companies. You might call this “a competition union”, rather than a solidarity union which would be a union of economic cooperation and mutual support. This logic of a competition union leads inevitably to a dynamic in which sooner or later the strong economies get stronger and the weak economies get weaker. Given the weakness of the EU budget — roughly 1 per cent of EU GDP — this dynamic cannot be outweighed by EU cohesion and structural funds. What has made things even worse has been the reinforcement of the neoliberal principles since the beginning of the Euro crisis by the intensification of the Stability and Growth Pact (“Fiscal Compact” etc). The quasi-constitutional reinforcement of neoliberalism has been made the basis of the disastrous “Memoranda of Understanding” focussed on austerity and labour market deregulation. All this enhanced the increasing dominance of German economic and political power within the European Union. It has proved to be a road towards what I like to call “divisive integration”.

I wouldn't say that the economy explains all the problems we are having now within the European Union. But since the economic integration has been the single most important means of integration within the European Union so far, it has become the driving force for what we are experiencing now as the deepest crisis ever of the European Union. Divisive integration pops up in events like the Brexit, the submission of Greece over recent years (based on a publicly promoted wide-spread unwillingness to "pay for the debts of others" — a propaganda which served to cover up that the debts of banks have been shifted into the balance sheets of all Euro

zone members), the ongoing conflict over how to handle the refugees inflow, and last but not least in the rise of right-wing nationalist governments in some central eastern European countries and of right-wing nationalist anti-EU parties in mostly western and northern European countries. And I think one interesting symptom of this crisis is that for the time being there are only two major issues the EU elites can quite easily agree upon. First, the enhancement of EU military capacities - this is what Walter Baier talked about. And second, the "protection of the EU's external borders" geared to seal off the EU from the refugees inflow.

2. BACK TO THE FUTURE: HOW TO CONFRONT INTERNATIONAL FINANCIAL MARKET CAPITALISM?

In the Labour campaign against Brexit Jeremy Corbyn used the slogan "Remain and Reform", an approach I liked very much. I would have loved this approach to succeed and to be put into practice, for the benefit of all of us. Given this idea I think for all those countries which continue to be members of the European Union, the overall slogan could be to "*Rescue by Reform*". Or to put it a bit more precise, as unfortunately the word "reform" has been spoiled by neoliberalism: *The road towards democratic, social and ecological renewal is the only possible rescue of the EU*. If the policy approach is not, step by step, changed in this direction, the EU is doomed to increasingly loose support amongst European peoples and will more and more be suspiciously regarded as a distanced and harmful elite project. This decline will interact, at the level of these elites, with the transformation of the EU into a playground for the defence of so-called "national" interests and for conflicts over the supremacy of the most powerful economic actors and their political agents. To summarise, without a turn towards democratic, social and ecological reforms the EU cannot be made more attractive for large swaths of the population of its member states. I am not talking about a trendy "narrative", I am talking about practical politics.

Some on the left are asking themselves if this perspective is worth the effort, or realistic at all. Isn't it the only remaining option to escape into national ways out of this crisis? And to take this as a starting point for building a new and better European Union from scratch?

If we discuss this question we should recall the experience of the 1980s and 1990s when globalisation was used by

the ruling elites in all our countries as a scapegoat for the alleged need of labour and product market deregulations, for privatisations, and for tax cuts for the benefit of companies and the rich. Globalization was declared to create an *inherent*, that is unavoidable necessity for pushing forward neoliberal "reforms". "There is no alternative" — TINA — was the paradigmatic slogan at that time. The left-wing answer was twofold: First, we insisted on the existence of national leeway for politics, including progressive politics. True, we accepted that the leeway is getting smaller against the background of neoliberal globalization. But pointing at countries with both developed welfare states and highly efficient economies we insisted on the existence and persistence of leeway at national level. Given the shrinking of this leeway, however, we highlighted the need for international and supranational counterweights to financial market capitalism. This twofold approach has become even more important today, but within the EU, under the conditions of its neoliberal deformation, the challenge has been reshaped in a certain way: Today it is the EU which is used by our governments as a scapegoat and excuse for neoliberal "reforms". This new setting gives way to two differences to the 1980s and 90s. The first difference is that today parts of the left believe in this excuse, in contrast to what was a widely shared view amongst the left in the 1980s and 90s. Second, and even more importantly, it is true that the European Union has been used to institutionalize and even constitutionalise neoliberal thinking and policy approaches. That is, while the TINA approach suggested an *inherent* necessity for neoliberal "reforms", today the European Treaties and their interpretation by the European Court of Justice and the decisions taken by the European Council

and the Commission have *politicised* the alleged need for neoliberal approaches. Thus, the institutionalised logic of divisive integration at the EU level has politicised the conflict over neoliberalism within the framework of the EU by creating a political and institutional target to be addressed by progressive forces at supranational level.

As a consequence, the conclusion today for the left should again be a dual approach. While in the 1980s and 1990s the debate was how to develop a strategy at both national and international levels, the existence of the EU in its present shape has confronted the left with the need to develop a strategy at national, international and *supranational* levels. Roughly speaking, the strategic challenge is to change, step by step, the existing supranational set of institutions at EU level from its present — politically determined — role of a *tool* of financial market capitalism into a *counterweight* to it. This is basically what Maria Karamessini talked about.

3. THE MOST REALISTIC OF ALL UTOPIAN APPROACHES

You might call this approach utopian. I agree, it is utopian. But this applies to all left-wing policy approaches in Europe. My argument is that amongst all these utopian approaches the one suggested here is the most realistic option.

What is it that makes this approach more realistic than the option of constraining ourselves to defend the achievements of the past within a shrinking leeway at national levels, or of wishing away the existing EU and inventing a new and better one, or a mixture of these two approaches? The simple reason is that *there will never be a supranational set of institutions in Europe which is more progressive than a relevant group of its member states.*

Let's get down to earth and take the present situation as a starting point. There is no major country in the EU with a majority for progressive change, neither at home nor at EU level. There are just two countries with by and large progressive governments, namely Portugal and Greece. But unfortunately these two countries are only marginal in terms of economic and political power. They are facing the awkward "choice" between confronting the international financial markets either directly in a David and Goliath manner, or to confront them politically intermediated by the present bulwark of EU institutions and politics. As to the "rest" of the

I give some examples for this, without going into details. Supranational agreements as counterweights to financial market capitalism are desperately needed when it comes to corporate taxes, to the regulation of the financial sector, to carbon emission standards, to the support for economic reconstruction of weaker economies in Europe, to social minimum standards as barriers against social dumping within the EU, and also, last but not least, when it comes to disarmament. We need disarmament for the sake of peace in Europe by a policy of *détente*, in contrast to what's happening now at EU level. And we need disarmament also to set free economic resources for the fight against poverty in neighbouring regions of Europe, in particular in Africa. Next to a fundamental revision of the free trade policy imposed on African countries by the EU this could make the so-called fight against drivers of migration real.

EU, so far there has been no country with a political majority which would at least be prepared to give more leeway for progressive reforms in other countries. The sad experience of the conflict over Greece in recent years has demonstrated the very simple fact that we won't achieve any progress at EU level as long as we are too weak at home to force our own governments at least to loosen the isolation of a left-wing government, to give it some leeway for an alternative policy choice aimed to get out of the crisis.

The EU can't be more progressive than a critical mass of its member states. Talking about a critical mass means to talk about some of the heavyweights within the EU in the first place, about Germany in particular, but also about France, Italy, Spain, maybe also about smaller but economically important countries like the Netherlands, Belgium and the Nordic countries. Alternatively, if we are too weak to stir up things in the strongest countries, a coalition of Southern countries could create a situation which can no longer be neglected in the North. You may call that "a coalition of the willing". None of this has been achievable so far in any EU country, let alone any group of countries. Not primarily because the EU is so far away from our home affairs, but because in none of our countries — except for the two small ones mentioned — there is a majority for progressive

changes *at home* in the first place. We must not accept the EU as an excuse for our weakness at home!

We should realise that talking about reforms, in this case reforms of the European Union, does not imply something smooth. The way towards progressive reforms of the EU is a very long and bumpy road which includes many conflicts and even ruptures. Including ruptures concerning the treaties which are inevitable in the long run. There will be no reform of the treaties aimed to overcome their anchoring in free-market dogmas without harsh conflicts over their implementation. In a recently published book *attac* Austria pleads for an approach of “strategic disobedience”. I strongly

support this idea but I want to stress the starting point of such a process, that is, a political majority for anti-neoliberal reforms in one country or a group of countries which lead to a point where “rules” agreed upon at EU level and enshrined in the Treaties (such as the Maastricht criteria) must be either neglected or violated in order to remove stumbling blocks for progressive changes at national level. It is only by these conflicts that the way can be paved towards the formal revision of the neoliberal rules at a later stage. In a nutshell: *Any kind of progressive renewal of the EU needs coalitions of the willing that are prepared to push for non-compliance or even breach of rules at EU level in order to make progressive reforms at their respective national levels possible.*

4. BUILDING LINKS

To sum up, I see three key conditions for success on this long and bumpy “third way”. First, we won’t change the EU, and not even create the slightest pressure that promotes a momentum for progressive reforms at EU level, without a majority for such pressure in a critical mass of member states. The basis for this pressure can only be majorities for progressive changes at home, at national levels. So, we have to ask ourselves: What are the key elements of progressive policy agendas in our home countries, in Germany, in France, in Italy, in Spain, etc.? We have to ask this ourselves before talking about the EU! Only after agreeing on such agendas it makes sense to discuss the implications of these agendas at home for decisions to be taken at EU level. This points at the second key condition: We have to make clear what the links are between national plans for democratic, social and ecological reforms at home on the one side, and reforms needed at EU level to remove barriers for such changes on the other. And finally, third, we have to think about how to strengthen democracy at EU level, about how to create a closer link between national debates and a European public space for conflicts over progressive policy changes, over the links between progressive changes at home and at EU level.

campaigns included both pressure against neoliberal projects and pressure for more democracy at EU level. So my concluding question is, and it’s an open question to all of us: What could be the focus of the next EU-wide campaign? Will it be a follow-up to the Anti-TTIP/CETA campaign, or could it be a more positive topic like a campaign for EU-wide minimum standards in social protection? Whatever it will be, it should be a topic that brings us closer together and contributes to create a public space, a public European space which links the debates at national and EU levels.

As to this third element, I think our common experience is that EU-wide campaigns have been the most effective stepping stone in this respect so far. Let’s take the campaign against the Bolkestein directive, or more recently the campaign against water privatisation and the Anti-TTIP/CETA campaign as instructive and encouraging examples. These

John Weeks:

Democratizing Europe's economic governance

A CAMPAIGN FOR THE CHANGE OF EU'S TREATIES

THE DEMOCRATIC CASE FOR CHANGE

In principle, the European Union should be a force for peace, prosperity and social progress. It has many positive achievements to its credit, and positive general democratic values to defend and uphold, especially in this world of "post-truth" media and politics. But in recent years, a number of crucial negative developments have taken place, and the global financial crisis, followed swiftly by the ongoing Eurozone crisis, have highlighted the problems caused by the current EU Treaties in so far as they relate to economic and related issues. The structure and operation of the Euro, especially when confronted with financial and economic crisis, have given rise to the most severe difficulties.

Despite its commitment to democratic values, in one key area the European Union does not permit legitimate democratic choice, and that is the economic sphere. Because so much of the economic policy of the EU is embedded in its Treaties, which can normally only be changed if all member states agree, there is a growing frustration that the democratic will of Europe's people simply cannot be expressed if on any point it differs from that set out in the Treaties. We are convinced that much of the recent popular discontent, leading for example to the Brexit Referendum decision, is based on the refusal of the Union to accept that its economic philosophy and policies are in many respects harmful, and its determination to reject out of hand any alternative.

THE TREATIES' NARROW ECONOMIC DOGMA

The Treaties impose a very specific - and highly contested — economic ideology, which has been described as "ordoliberal". In a paper published by the European Council on Foreign Relations in 2102, the economist Sebastian Dullien and political scientist Ulrike Guérot describe this ideology:

“The central tenet of ordoliberalism is that governments should regulate markets in such a way that market outcomes approximate the theoretical outcome in a perfectly competitive market. Inflation is seen as distorting valuable price signals, hence creating high economic costs.

Ordoliberalism differs from other schools of liberalism in that it places a greater emphasis on preventing cartels and monopolies, but it keeps a number of beliefs central to other strands of economic liberalism. For example, it shares a neoliberal opposition to activist monetary and fiscal policies...”

Many who share this philosophy would go still further. Harold James, in his book "Making the European Monetary Union", says.

“Tommaso Padoa-Schioppa saw this emphasis on the independent central bank as part of a more general acceptance of 'minimum government' that made a new stage of European integration possible. As he implied, the discussion of central banking was part of a broader trend that prepared the way for what was later dismissively referred to as 'market fundamentalism'”.

And again,

“The European Central Bank was designed as a non-state actor whose primary purpose was to issue money — the kind of institution that had basically only been imagined before the 1990s by antistatist liberal economist and philosopher Friedrich Hayek and some of his wilder disciples. By the time of the monetary union, some influential interpreters saw Hayek as one of the inspirations. As Otmar Issing, the first chief economist of the European Central Bank, put it, 'many strands in Hayek's thinking... may have influenced the course of events leading to Monetary Union in subtle ways.'”

Of course, to hold ordoliberal or similar views, and try to win support for them, is a perfectly legitimate part of a democratic society. But many economists and others, the authors of this report included, believe this ideology is based on profoundly mistaken premises, leading to substandard economic results and to adverse social consequences. The great financial crisis demonstrated the falsity of many of the assumptions that underlie the theories embedded in the EU's Treaties and policy-making.

The EU's economic ideology bites deepest in relation to the Eurozone; the Treaty-based rules and policies have imposed austerity, excessive levels of unemployment, and poor economic outcomes, over many years. In October 2016, Eurozone unemployment fell below 10% (to 9.8%) — until October, and with the exception of a single month in 2011, unemployment in the Eurozone had been over 10% for more than seven years. This is a sign of failure in economic policy and theory.

The authors of this study believe that to achieve economic prosperity, the active deployment of fiscal as well as monetary policy is often required. The EU policy to reduce government spending when unemployment is high, and the economy is operating way below full capacity is self-defeating and prolongs depression or recession. Fiscal

and monetary policy should be coordinated, which means more interaction between the different authorities than current theory and law permit.

For present purposes, it is not even necessary to decide finally which school of thought is right and which wrong (though the economic failings of the Eurozone tell their own tale). The whole purpose of democracy is to allow not only the free exchange of ideas, which can and does take place, but also *to enable different democratic choices to be made.*

Fundamentally, the European Union's Treaties today forbid the peoples of Europe to choose a different economic path. The Treaty-based rules, ultimately given penal effect, require contractionary austerity in a downturn, and now (through "balanced budget" Treaties and constitutional means) prevent an activist fiscal policy. Instead, it is assumed — wrongly — that supply-side measures are the only answer.

Because so much of the economic policy of the EU is embedded in its Treaties, which can normally only be changed if all member states agree, there is a growing awareness and frustration that Europe's peoples are structurally barred from making legitimate democratic choices in relation to economic policy.

THE EU TREATIES HAVE CREATED "A CONSTITUTIONAL ORDER"

While the Treaty of Rome, which established the original European Economic Community, the modern European Union was created by the Treaty of Maastricht (1993), and since December 2009 its legal existence is provided for by the Treaty of Lisbon. The Lisbon Treaty in turn

- a. amends and renames the Maastricht Treaty as the Treaty on European Union, or TEU for short;
- b. also amends and renames the Treaty of Rome (1957), now called the Treaty on the Functioning of the European Union (2007) or TFEU.

As the EEC and later the EU developed, a mismatch was increasingly apparent between the inter-governmental Treaty form, and the apparently sovereign substance of this new transnational entity — with its own European citizenship, as well as a common currency, Charter of Fundamental Rights, and Court with overriding jurisdiction. This led

to the decision to draw up a new European Constitution, which was rejected in national referenda in France and the Netherlands in 2005. However, its actual contents were effectively maintained (almost unchanged in substance) and redistributed as amendments into the newly named TEU and TFEU Treaties.

Despite the failure of the European Constitution, the European Union today has all or most of the attributes of a "constitutional order". Its Treaties are to be seen as providing a constitutional framework. That is, they have to a large degree the functional equivalence and force of a written Constitution of a state - or of a 'sui generis' body with many or most of the attributes of a state, even if it has other attributes. This is recognized generally in academic circles; Professor Robert Schütze indeed goes further:

“Indeed, the real problem of the European Union is not whether there is a European Constitution, but that there is ‘[t]oo much constitutional law’... For in comparison to the 34 articles and amendments that make up the written constitution of the United States, the European Treaties alone contain 413 articles. The European Treaties are therefore, with regard to their length, ‘bad’ constitutional law. For it is the task of constitutions to define the very principles on which societies are based.”

Nor is this idea that the Treaties form a constitutional order confined to academics. The European Court of Justice had itself, in a formal Opinion delivered as long ago as 1991, affirmed as much in respect of the EEC, i.e. even before the EU was created:

“The European Economic Area is to be established on the basis of an international treaty which merely creates rights and obligations as between the Contracting Parties and provides for no transfer of sovereign rights to the inter-governmental institutions which it sets up. In contrast, the EEC Treaty, albeit concluded in the form of an international agreement, none the less constitutes the constitutional charter of a Community based on the rule of law.”

More recently, in its judgment in the case of *Kadi* (ECJ C402-05) of 2008, the ECJ pronounced that:

“The obligations imposed by an international agreement cannot have the effect of prejudicing the constitutional principles of the EC Treaty...” (our emphasis in each quote).

In sum, the Treaties perform a function that is so analogous to a Constitution — and in particular to a liberal-democratic state constitution — that it is wholly justifiable to assess its provisions against the norms of such states.

A Constitution in general terms sets out the institutional relationship between the different parts and levels of government and allocates competences between the different parts and levels of government. It may often set out the founders’ general values and aspirations. It frequently lays down the principal rights which the state’s citizens are to enjoy. The provisions of the Constitution are almost always entrenched, i.e. are harder to amend than ordinary laws.

All Constitutions are the product of their own time and history, and they vary greatly in length. But for all their variation, the European Union is extremely unusual and prescriptive in laying down both a specific economic philosophy (or ideology) and detailed rules based on that ideology to govern economic policy-making.

If one studies the Constitutions of democratic states, one notable feature is that, with very few exceptions, the content and details of economic and monetary policy are absent; the Constitution may set out the society’s broad goals and the procedures to be followed, but the content of the policies is left to the product of democratic debate through Parliamentary law-making (as well as day-to-day operational management).

A very few modest exceptions to this general rule are found in a few EU countries’ recent constitutions, which have taken in one or two rules of the EU post-Maastricht Treaties. A few Eurozone countries have very recently adopted so-called “debt-brake” or balanced budget amendments to their national Constitutions.

In general terms, we note that while national constitutions often include provisions laying down the procedural rules for annual budget-making, taxation or incurring government debt, they never seek to lay down the policy content. Moreover, while in a few cases the central bank is created by the Constitution, its mandate is almost invariably left to Parliamentary legislation and can therefore be changed.

In short, the EU is unique in rigidly embedding economic ideology and immutable policy rules within its constitutional order.

THE AIM OF THIS STUDY

This study offers a short set of essential amendments which would make the terms of the EU Treaties more policy-neutral in the economic domain, and enable the EU and member states, within their remits, to define and implement economic policies that are democratically chosen and appropriate to the circumstances and needs of their citizens.

We have not sought to change the basic structure of the Treaties or their foundational principles. For the purpose of this paper, therefore, we have taken as ‘given’ the general framework of the internal market, and the ‘four freedoms’ within that market (goods, services, workers, capital), but provide for some modest democratic discretionary space, e.g. in relation to state aid. We believe, however, that the internal market and the single currency are not ends in themselves but must always be seen as means to the end, the prosperity and welfare of the peoples of Europe.

We have not included proposals to increase the EU’s budget (currently around 1% of EU GDP) to a level that would enable meaningful transfers of resources (as any single currency requires) and help the Eurozone to succeed, as this does not in theory require Treaty changes. Nor have we sought to propose new democratic political structures for the Eurozone, however necessary these may be, as this goes well beyond our present terms of reference. Finally, in this list of issues not treated, our study does not address the gross failure of international and domestic financial systems; this is a topic of immense importance, but beyond the scope of the present exercise, and indeed beyond the scope of the EU alone to reform.

We propose major changes to the monetary and fiscal rules set out in the Treaties. The current fiscal rules are inappropriate and counter-productive, and the monetary policy priority on price stability alone stands as a monument to an outdated theory. As the Financial Times’ Martin Wolf has recently put it, rather despairingly:

“*The combination of weak aggregate demand with huge post-crisis divergences in economic performance has turned the eurozone into an accident waiting to happen... What the eurozone needs most is a shift away from the politics of austerity...*”

We have divided our proposed amendments into ten categories, some of which are much more extensive than others, depending on the subject-matter. We have not had the opportunity to consult widely on these beyond the members of our working group, but almost all the proposed changes reflect well-known and widely supported economic policy perspectives. In the interests of space, we have not included every amendment we have drafted — but we have drafted an “amendments working paper” from which we have taken what appear to be the most significant.

In some areas our suggested wording may not capture all the technical problems involved. The Treaties and Protocols cover any enormous range of issues and at enormous length, often with opaque and arcane language reflecting negotiations from long ago! And others who share our broad perspective on economic issues may feel there are other issues to tackle, or that our approach can be improved upon. We would be delighted to receive these ideas and proposals and aim to engage in a broader dialogue in the coming months.

We are aware how hard it is to change the Treaties, but a sustained, broad-based and widely-supported campaign across Europe in support of a specific set of well-targeted changes to the Treaties can help to change the political atmosphere and lead in due course to the necessary “paradigm shift” in economic thinking. Above all, we need to persuade progressive Europeans, working in different political groupings or none, not only that There Is A Real Alternative (TIARA not TINA!), but that the present Treaty rules and policies on economic issues are leading Europe into danger.

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<https://www.rosalux.eu/publications/bringing-democratic-choice-to-europes-economic-governance/>



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