

“EUROPE” – GONE WITH THE WIND

Whither is fled the visionary gleam

Where is it now -

The glory and the dream

The European Union is suffering from a malaise. A mood of disquiet pervades the continent’s political elites. Its symptoms are flagging confidence and free-floating anxiety. The populace of its member states is disaffected from Brussels institutions, skeptical of their national leaders and feel vulnerable to forces beyond their control – or even comprehension. These states of mind stem from disarray on several fronts: economic stagnation produced by finance friendly “austerity” policies; the influx of migrants from ‘alien” societies; fears of a mounting terrorist threat; and the demotion of democracy in Hungary, Poland, Ukraine, and Russia whose analogous tendencies across the continent frighten many and lure some.

Clearly, the European project is adrift. For those attached to the idea of an ever-closer union, the outlook is glum. For those who want the Union to

get on with doing well its stipulated tasks, the picture is not much brighter. For Euro-skeptics of every stripe, it is a field day. The prospects of Great Britain leaving the EU altogether – a real possibility - will put paid to the vision of European with political structures institutionalizing a continent whole, free and prosperous. At the end of the day, other EU members admittedly are likely to offer enough concessions to allow Cameron to make the case for staying in the Union. He doesn't have the leverage that Erdogan does, but European leaders are too fearful of the Union's unravelling not to be pliant. London has highlighted its symbolic value to the European project by providing support to Poland's Prime Minister Beata Szydlo who was called on the carpet by the European Parliament to explain her government's assault on the country's democratic institutions. The East European nationalists always feel more comfortable with the British around. Then there is the omnipresent American connection: anything that irks Washington is to be approached gingerly – especially at this moment of a fragile European psyche.

The more compelling issue is regression rather than progression. Schengen Europe that permitted free movement across national borders unhindered by passport and customs controls is a dead letter – for all practical intents and purposes. With a couple of million footloose refugees wandering the continent, that liberty is no longer tolerable – especially so in an atmosphere made fraught by the hyping of dread about jihadists bearing weapons and ill intent.

Doubts are deepened by the stark perception of leaders who are not up to the task of dealing with problems at their roots, but rather are prone to parochial bickering. For the public generally, there is only dim recognition that those features of current national leadership owe much to pressures generated by publics themselves. That said, by any reasonable objective standard, harsh judgments are validated by performance. Governments' record in handling a series of crises is discouraging. That of the Commission and the European Central Bank is, if anything, even more disheartening. In the absence of either competence or intellectual honesty, there is nothing to instill confidence.

Europe's poor economic record since the great financial crisis struck in 2007 underlies everything else. Flagging growth combined with diminished economic prospects sap confidence in the future along with belief in the ability of elites to handle other challenges. Every country's economy has been in the doldrums for better part of a decade – with the exception of Germany whose export driven economy has benefited from two systemic factors: the demand for capital goods from the burgeoning economies of Asia and the price advantage German exporters enjoy thanks to differential inflation rates which cannot be offset through currency revaluations within the Eurozone. Some members have suffered far longer, more serious setbacks than they did in the Great Depression, e.g. Spain, Portugal, Ireland, Italy and Greece. All are victims of the illogical attachment by Europe's financial and political elites to the discredited models of “market fundamentalism” and austerity crisis-

management. The only beneficiaries have been the financial interests who have been protected from the consequences of their own abuses and folly while gaining a further measure of control over the continental economy and those institutions intended to manage it.

At the end of 2014, the EU economy in aggregate was still smaller than it had been in December 2007. When we subtract Germany, the GDP for the rest of the EU is 2.5% smaller. The decline in per capita income is even greater when we take into account population growth and the shift in the distribution of national wealth toward those in the upper brackets.

Greece's Calvary pulled aside the last veil that barely concealed this unsavory reality. Beyond the specific counter-productive policy measures that ensure Greece's continued destitution, the attitude that pervaded the chambers of power in Brussels, Frankfurt and Berlin was punitive. The Troika seemed to relish the humiliation of Greece's popularly elected government – imposing terms that overtly extracted assets from the people and gave them to private foreign interests at fire sale prices. Once Greece has been stripped of its fixed assets – infrastructure and utilities – it will be no surprise were Athens to receive a bill from London demanding payment for the storage and maintenance of the Elgin marbles. To add insult to injury, the Commission now is condemning Greece for inadequate policing of its borders. Brussels (which to date is unable to devise a coherent, EU-wide refugee plan of its own) insists that

they spend more on personnel, facilities, and surveillance. Failure to do so means that the Commission will impose their own border controls answerable to them and not to Athens. All is covered with a thick layer of self-righteousness more appropriate to an inquisitional court than to an assembly of fraternal states drawing closer and closer to each other.

If the message to the Greeks (and other countries on whom was placed the dunce hat of debtors), a broader message was being broadcast to all EU citizens. It had multiple parts. First, sovereignty is a limited concept. Nowadays, EU member state are not free to manage their borders as they see fit; they have lost the power to manage their currency and, thereby, their economy; they must submit to Community appointed prefects as has occurred in Italy as well as Greece; and their elected leaders are answerable foremost to technocrats in Brussels and Frankfurt instead of voters. Those technocrats, moreover, are answerable to no one except the constitutionally enfeebled European Parliament. The EU has fashioned an overweening Mandarin technocracy that most closely resembles a Confucian Legalist utopia,

Second, democracy itself is a sometimes thing. The method for dealing with the Tsipras government demonstrated that the will of the Greek people as expressed in election and referendum carried no weight whatsoever insofar as the Troika was concerned. Mr. Tsipras himself acknowledged that in acting in direct contradiction of the manifest will of the Greek people. Is there any

reason why the populace should not see in these serial developments deviation from the fundamental principle of popular sovereignty – and outright betrayal of the collective will?

Third, subordination of the interests of the large majority of the population to the interests of Europe's dominant financial and business groups makes a mockery of the principle that the European Union's historic mission is to provide for the welfare of citizens. The truth, as made evident since the 2008 crisis crested, is that it exists above all to serve the welfare of economic, technocratic and political elites whose power is ensconced in the Commission, the European Central Bank, ancillary bodies and extra-Union institutions like the International Monetary Fund. Think of the *Troika* – which effectively displaced all other institutions and persons in dealing with the unfolding debt crisis: composed of European Bank President *Mario Draghi* (of Goldman Sachs), IMF Director General *Christine Lagarde* (Chicago corporate lawyer who has been ordered to stand trial by the **Cour de Justice de la République** for her alleged negligence as French Finance Minister in handling an arbitration award to maverick financier Bernard Tapie).^[20171122] and Commission President *Jean-Claude Juncker* (who turned Luxembourg into a financial bolt hole for tax evaders and other dubious dealers on a scale surpassing the Cayman Islands). Fittingly, it was the Troika that appointed as Prefect/Prime Minister for Italy *Mario Monti* (of Goldman Sachs), and as Prefect/Prime Minister of Greece *Lucas Papdemos* (former Vice-Chairman of the European Bank). This is not how

the European project was branded nor does it conform to the desires and expectations of most of its citizens. (Lagarde's contribution to the cause is so highly valued that all signs point to her unchallenged reappointment as head of the IMF this July despite her brush with the law).

The essence of liberal democracy is the precept that rulers are accountable to the public, and that the overriding purpose of government is to serve all of society. Europe's great civilizational compact of the post-war era embodies those precepts. To compromise them is to open a Pandora's box that endangers both the EU and the stability of its component societies.

The combination of the consolidation of ruling power in unaccountable institutions, their ineptitude in managing the European economy, and the development of a continental plutocracy which gains disproportionately from whatever wealth is produced, is weakening attachment to democratic norms.

The eclipsing of electoral vehicles for expressing the ensuing grievances could have dire consequences. Today, the political spectrum is dominated by parties of the Center-Right, the Right and the Far Right. The same trend is even farther advanced in the United States. This is true in England, in France, in Germany, and in the Netherlands. Consequently, roughly 25% of the population find themselves functionally disenfranchised. Small wonder that increasing numbers stay home on election day.

Those who find this pattern encouraging may wish to ponder the longer-term implications. For there is no guarantee that nominal power in the future will stay in the hands of the Camerons, Cleggs, Hollandes, Merkels, Rajoys, Junckers and Dijsselbloems - the reliable handmaidens and cup-bearers for Europe's true sovereigns and overseers. For the very convenience of fostering those accommodating leaders increases the risk that the future will belong to the Le Pens, Orbans, Kaczyńskis, Dahls or their even more unsavory successors as manifest in the upwelling of the Radical Right across the continent.

Economic failure and xenophobia provoked by waves of immigration – and stirred by fears of terrorism – make a combustible brew. European elites might well look across the Atlantic at the rise of Trump and other reckless demagogues sniffing at the door of the White House. Cloaked in European garb, they will appear all the more menacing. Elites may also wish to turn their gaze to Ankara for a glimpse of what an autocratic future would look like. Turkey already has been the focal point of an EU debacle when it agreed to pay Erdogan a ransom of \$3 billion in exchange for shutting down the surge of refugees that he himself had instigated and facilitated. He now is demanding a “goodwill” bonus on top of that – while dragging his heels in implementing the agreement. Like any blackmailer, he will continue to come back for more.

Turkish Prime minister Ahmet Davutoglu laid his cards on the table at Davos:

“Three billion euros is just to show the political will to share the burden. We will review it again and again because nobody knows how long it [the refugee crisis] will take.”

Erdogan is the same man who has been an accomplice to the implantation of ISIL and al-Qaeda in Syria who bedevil Europe as the source of Islamic terrorism. Yielding to blackmail was a humiliating concession that evoked images of the declining Roman Empire bribing the barbarians to stay their hand while pretending that the ransom was a subsidy to an auxiliary ally. It conforms to the pre-existing policy of the Europeans observing a vow of *omerta* on Erdogan’s unsavory doings in Syria – a policy that predictably follows a White House lead.

In a fitting gesture pregnant with symbolism, Europe’s “leader” Angela Merkel traveled to the Turkish camp to seal the deal. This unseemly and guileless display fools no one except its executors. In the eyes of publics, it chisels more deeply the image of leaders who are feckless and unreliable.*

The cost accounting mentality by which everything has its price, and that price should be the primary determinant of value, reached its logical extreme when some European governments (Denmark, Switzerland) began to seize valuables from refugees to pay for their upkeep – in violation of international norms. That raises two intriguing questions: 1) if some of those valuables wind up in museums and private collections, will the descendants of the fleeced refugees

have a legal right to bring suit for their restitution?; and 2) can a bankrupt country like Greece be commanded to seize valuables as part of the austerity program demanded by the Troika that is a condition for the extension of credits?

That is apart from the arithmetic truth that such asset stripping pretty much ensures that the refugees will be public wards longer than if they were left with some means to help establish themselves.

Even short of a major political upheaval, Europe of the EU will suffer from a diminished capacity to act decisively on its long agenda of problems while its eroding unity will be both cause and reinforced effect its policy inadequacies. The crucial element in the elaborate arrangement of transnational and national institutions embracing 28 countries is *trust*. That has been true since the first days of the European Coal & Steel Community in the early 1950s. It facilitated compromise and confirmed expectations of mutual gain. Distrust is growing at all levels: between citizenry and their elected national representatives, among national governments, between individual governments and the Commission. It can only deepen at the latter two levels as politically vulnerable leaders lean over backwards to satisfy their disaffected constituents by unilaterally invoking measures that could harm their partners. Sub-optimal performance in Brussels and Frankfurt, in turn, will aggravate the sources of grievance felt by those constituents. This downward cycle can only be broken by the strenuous

exertions of statesmen of a caliber whose absence from the scene today is a self-evident truth of European political realities.

If European leaders sometimes feel that they trudging along the Via Dolorosa, redemption lies in admitting that they have no one to blame but themselves.

What does all of this mean for the United States? At one level, the picture of a feeble, fragmenting Europe is welcome since it ensures that Washington's allies will continue to follow it obediently down whatever wilderness path America chooses to take. Their lack of will and purpose on the world stage, however anomalous, will remain a feature of the world system. Taking a broader perspective, the weakening of fellow liberal democracies – in terms of economics, dedication to civil liberties, and rejection of autocratic government – can only discredit the West as whole. For it means a collective loss of credibility and status at a time when those assets are becoming more and more valuable in the emerging context of a competition with China over the shape of international institutions and norms.

- The EU's ability to exercise influence on the world stage is handicapped by the hybrid arrangement that results from the mixing of national with supranational institutions and personnel. As to the latter, the experience of the much touted Common Foreign & Security Policy (CFSP) is that its greatest value is providing grist for the mill of doctoral students preparing dissertations. The major EU states ensure that it will remain anemic by generally appointing as CFSP's High Representative lackluster politicians.

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