The Dangers of European Dis-Union

The “European Project” is under unprecedented stress from fissures both east-and-west (over the Ukraine crisis) and north-and-south (over the Greek and refugee crises) and it’s unclear whether the Continent’s bureaucrats can keep the European Union from splintering apart, as Nat Parry explains.

By Nat Parry

The near collapse of the Greek economy and the harsh austerity package forced on Athens by the European Union has led to increasing commentary in recent weeks on what the developments might mean for the “European project” the one-time seemingly inevitable drive on the European continent for an “ever closer union” based on principles of economic, social and territorial cohesion and solidarity among EU member states.

Far from a demonstration of cohesion and solidarity, as New York Times columnist Paul Krugman noted in a July 12 op-ed, the lesson learned over the past few weeks is that “being a member of the eurozone means that the creditors can destroy your economy if you step out of line.” In Krugman’s view, the fundamental economics are simple enough: “imposing harsh austerity without debt relief is a doomed policy no matter how willing the country is to accept suffering.”

Krugman is not alone in his bleak appraisal of the situation. In testimony to the House Foreign Affairs Committee’s Subcommittee on Europe, Eurasia, and Emerging Threats on July 14 on the topic of “The European Union’s Future,” prominent American academic Stephen Walt said that the EU, despite its past achievements, now suffers from growing tensions and several self-inflicted wounds.

Walt called the decision to create the euro in 1999 “an enormous blunder,” which was done “for political rather than economic reasons.” The euro’s early critics have since been proven right, according to Walt, with the current crisis demonstrating that the EU lacks the political and institutional mechanisms needed to make a common currency work.

The euro’s proponents had assumed 15 years ago that the currency members would never let themselves get into serious financial trouble, an assumption that was demolished by the 2008 global economic crisis the result of financial malfeasance and lax regulatory enforcement in the United States.

“Seven years have passed since the crisis hit, and the EU still lacks the political institutions needed to sustain a genuine currency union,” Walt writes.
“If Greece eventually exits, its departure will demonstrate that the euro is not irreversible, and it will raise new doubts about its long-term prospects. If Greece stays in the currency union but cannot implement the herculean reforms now being demanded by its creditors, another crisis is inevitable.”

Guardian columnist Seumas Milne says it is a misnomer to even refer to the new set of financial assistance measures to Greece as a “bailout.” In reality, he writes, it is “the imposition of new debts to pay existing creditors,” which requires the Greeks to “hand over €50bn (£35bn) of public assets” to an ‘independent’ privatisation fund.” In this way, it is more like a heist than a bailout.

The anti-democratic nature of the EU’s demands is self-evident, as the prescription being foisted upon Athens more austerity being injected into a shrinking economy and the reversal of any legislation deemed unsuitable by Brussels flies in the face of everything the Syriza party was elected to do in the historic parliamentary elections of Jan. 25, 2015.

This is why Greek leaders declared that they have been the victims of a coup d’état, with the ex-finance minister Yanis Varoufakis likening the deal to the Versailles treaty imposed on Germany after the First World War. As the details of the deal became public, the hashtag #ThisIsACoup quickly began trending on social media.

Even the International Monetary Fund hardly a bastion of left-wing economics has criticized the deal as too harsh, saying that any deal without up-front debt relief is unsustainable. “Greece’s debt can now only be made sustainable through debt relief measures that go far beyond what Europe has been willing to consider so far,” stated the IMF in its country report on Greece issued July 14.

Former IMF chief Dominique Strauss-Kahn wrote in an open letter to European policymakers that the deal they had forced on Athens was “profoundly damaging, if not a deadly blow” to European integration. Strauss-Kahn, who resigned from his post as managing director of the IMF in 2011 amid sexual misconduct allegations, referred to the EU’s deal as a “diktat” and accused European leaders of risking the integrity of the European Union by placing ideology ahead of pragmatism.

“Political leaders seemed far too savvy to want to seize the opportunity of an ideological victory over a far-left government at the expense of fragmenting the Union,” he wrote in the letter.

“In counting our billions instead of using them to build, in refusing to accept an albeit obvious loss by constantly postponing any commitment on reducing the
debt, in preferring to humiliate a people because they are unable to reform, and putting resentments however justified before projects for the future, we are turning our backs on what Europe should be, we are turning our backs on citizen solidarity,” Strauss-Kahn said.

Mediterranean Crisis

The issue of solidarity is one that has come up quite a bit recently in Europe not only in relation to the Greek debt crisis, but also regarding the Mediterranean refugee crisis, which has hit southern European countries, including Greece, especially hard in recent months.

Largely precipitated by the ongoing civil war in Syria, as well as the NATO-led intervention in Libya four years ago, the crisis of migrants and refugees crossing the Mediterranean represents one of the most glaring failures of European policies in recent memory.

The United Nations notes that the vast majority of the roughly 137,000 people making the dangerous journey during the first six months of 2015 are fleeing war, conflict or persecution, making it primarily a refugee crisis. Yet, the EU is failing to live up to its international humanitarian obligations in resettling these asylum seekers, leaving the burden almost entirely on point-of-entry countries such as Italy, Malta, Spain and Greece.

This week, EU ministers failed to reach an agreement on the resettlement of 40,000 refugees, despite pleas from southern European nations for assistance from their northern neighbors.

The southern nations have backed a quota system in which other EU nations would commit to resettle a certain number of refugees who arrive in Mediterranean countries. But the plan was rejected by several EU member states, opting for a voluntary scheme instead.

Under that voluntary proposal, interior ministers sought to relocate 40,000, but on Monday in Brussels they could only agree to 32,356 relocations in countries such as France, Germany and Ireland. Several EU members, including Austria, Hungary, and Denmark, declined to participate at all.

“This shows that a voluntary scheme is difficult to implement and whenever it was tried before, it has failed,” EU migration commissioner Dimitris Avramopoulos said after the meeting.

The remaining 8,000 refugees will be allocated by the end of the year, he said. Yet, this is still just a drop in the bucket considering that 67,500 people entered Italy so far this year, while 68,000 have arrived on the islands of
Greece, according to the UN.

As negotiations over the quota system took place in Luxembourg last month, Italian Prime Minister Matteo Renzi lashed out at fellow EU leaders for rejecting the quotas, accusing his peers of looking after only their own interests. “If that’s your idea of Europe, you can keep it,” an indignant Renzi said. “Either give us solidarity or don’t waste our time,” he added.

The UN has also objected to the EU’s lackluster response to the refugee crisis, saying that “Europe’s response to the crisis on its own shores sends a particularly important message.”

In a report issued earlier this month, the UN High Commissioner for Refugees called for a bold response in the number of places offered through resettlement, family reunification and other legal alternatives.

“These should be coupled with actions to increase intra-EU solidarity and to address root causes of displacement,” according to the UNHCR report. “In this exceptional time, Europe and the international community need to deepen their solidarity with the forcibly displaced, notably by accepting larger numbers of people in need of protection.”

The UN noted that some southern European countries are ill-equipped to handle the burden that is falling on their shoulders.

“In Greece, a limited infrastructure providing less than 2,000 reception places has meant inadequate reception conditions for new arrivals,” according to the UN report.

“Europe has a clear responsibility to help those seeking protection from war and persecution,” said António Guterres, UN High Commissioner for Refugees. “To deny that responsibility is to threaten the very building blocks of the humanitarian system Europe worked so hard to build. European countries must shoulder their fair share in responding to the refugee crisis, at home and abroad.”

All of these developments whether the lack of solidarity shown to southern European countries over the refugee crisis or the punitive vindictiveness shown to Greece over the debt crisis are having an effect on the EU’s “soft power,” largely based on the image of Europe as more progressive than the rest of the world, and in particular the alternative that it has traditionally offered to the American model.

The European Alternative
Europe has long been preoccupied with casting itself as a more enlightened version of American power, which has often manifested itself in criticism of the death penalty in the U.S. and complaints about American belligerence and unilateralism. A decade ago, European leaders attempted to unite the continent by offering an explicitly European alternative vision to the Bush-era doctrine of pre-emptive war as displayed by the March 2003 invasion of Iraq.

When the war was launched, the continent was split down the middle into what U.S. Defense Secretary Donald Rumsfeld called “Old Europe” and “New Europe” and with that lack of unity, Javier Solana, the EU’s High Representative for Common and Foreign Security Policy, found that there was little for him to do. Making the most of that inactivity, Solana and his top aide, British diplomat Robert Cooper, launched an ambitious initiative to build an international order based on effective multilateralism as opposed to the “with us or against us” approach of the Bush administration.

The resulting 4,000-word document, unveiled in December 2003, was called “A Secure Europe in a Better World.” While it had its roots in the Iraq crisis, as an attempt to counter what the EU external relations commissioner, Christopher Patten, slammed as America’s “unilateralist overdrive,” the exercise forced Europe to seek common ground and seriously consider the dangers posed by weapons of mass destruction, international terrorism, so-called “rogue states,” and the use of force.

But the Europeans were not only addressing terrorism and other emerging threats. They were also consciously offering an alternative to the perceived challenge to international order posed by the United States and the pre-emptive war doctrine of George W. Bush.

As Carl Bildt, a former Swedish prime minister, observed, it was no longer sufficient to rely on Europe’s “soft power” versus the “hard power” of America’s unmatched military and economic might. There was a need to codify how and in what circumstances Europe’s power could actually be used.

While arguably a bit vague on details, the resulting document was sweeping in its scope and its implications. In a comprehensive way, the EU attempted to clearly spell out a coherent European worldview on security matters, and collectively promote a new model for confronting the threats and challenges of the Twenty-first Century.

Now 15 years into that century, this alternative European model seems like a fading memory, with continental politics instead dominated by demands for economic austerity and a lack of solidarity on common threats. Not only is the European “social cohesion” policy in disarray, but its short-lived attempt to
establish a more progressive long-term approach to security has nearly been forgotten, overshadowed by a growing East-West divide most clearly on display in the Ukraine crisis.

Falling in Line

Notwithstanding occasional grumblings over Guantanamo Bay, NSA surveillance and capital punishment, Europe has largely followed the U.S. lead on policies ranging from regime change in Libya to the persecutions of Julian Assange and Edward Snowden to the CIA’s extraordinary rendition program, and most recently, the efforts to isolate the Russian Federation in relation to the crisis in Ukraine.

The isolation of Russia culminated earlier this month in a controversial decision by Finland to deny entry to several Russian parliamentarians on the EU’s travel ban from attending an international conference of the Organization for Security and Cooperation in Europe, being held ironically under the theme of “Recalling the Spirit of Helsinki,” a reference to the dA©tente-era signing of the 1975 Helsinki Final Act.

The European divisions on display by the ban of Russian parliamentarians from this conference were punctuated by the absence from the conference by Greece, which was necessitated by the bailout negotiations. The absence of Russia and Greece underlined both the East-West and North-South fractures in Europe.

The news of this conference, which was held on July 5-9 and tackled several important issues including Ukraine, climate change and the Mediterranean migrant crisis, was largely overshadowed in European media by the Greek debt crisis and the EU’s financial assistance package, but in many ways the fissures on display are indicative of the multiple crises facing the European continent.

As Stephen Walt argued in his recent column on the Greek debt crisis, “Every hour that Europe’s leaders have spent trying to dig themselves out of this mess is an hour they could not devote to responding to China’s rise, the upheavals in the Middle East, the Ukraine debacle, or any number of pressing domestic issues.”

Moreover, by denying liberal democratic populism a chance to succeed in the likes of Syriza in Greece (or the up-and-coming Podemos party in Spain), European bureaucrats may be ensuring that uglier right-wing populist movements are given the space they need to set roots and flourish which could ultimately prove more destructive to the European project than anything the continent is now witnessing.

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