

Crisis in the European Union

The failed vote of no-confidence in the European Parliament

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Just two weeks after the introduction of the euro as the unified European currency a serious crisis has shaken the institutions of the European Union.

On January 14 a vote of no-confidence by the European Parliament in the Brussels EU-Commission was narrowly lost by a 293-232 margin. Forty-two percent of the deputies present voted for the no-confidence motion. That is much less than the two-thirds majority necessary to force the commission to resign. Nevertheless it is the largest number of votes ever assembled for such a no-confidence motion against the commission in the history of the European Parliament.

For a long time it seemed possible that the motion would pass. The vote was preceded by days of conflicts, intrigues and manoeuvres behind the scenes involving such a violent clash of differences between the various parties, national interests and tactical moves that no one dared to predict the result. Afterwards commentators spoke of an "absurd theatre" that strained "the capacities of the most sober common sense".

The confrontation between parliament and the commission developed last December when the parliament surprisingly refused to ratify the budget for 1996. The reason was numerous cases of corruption which became public in the course of the year. In practice the refusal to ratify the budget had little significance. The European Parliament enjoys wide-ranging material privileges but possesses barely any of the rights accorded to a national parliament.

However the conflict then escalated dramatically. The commission repeatedly demonstrated the impotence of the parliament by arrogantly rejecting any criticism, refusing to allow deputies access to important documents, and finally suspended without notice an official who had turned over to deputies material detailing financial irregularities.

The president of the commission, Santer, a Christian Democrat from Luxembourg, challenged the parliament to openly declare its no-confidence in the commission instead

of abusing the budget debate for that purpose. In response the Social Democratic fraction, the biggest in parliament, formulated a motion of no-confidence. They did this, however, not with the intention of overturning the commission, but rather of strengthening it. The plan was to present the motion and then vote against it, thereby expressing their confidence in the body.

This encouraged the Greens, the Liberals and the Christian Democrats to formulate a motion calling for the resignation of Edith Cresson from France and Manuel Marin from Spain, two commissioners especially embroiled in allegations of nepotism and financial irregularities. This in turn was rejected by the majority of the social democratic deputies because both Cresson and Marin are members of their countries' respective Socialist parties.

Formally a decision against Cresson and Marin would have had little affect, because the parliament can only replace the commission as a whole, not individual commissioners nominated by individual countries. But once again Santer intervened and threatened his resignation if the motion against Cresson and Marin were accepted.

In hectic negotiations a compromise was eventually reached. With a large majority the parliament called a "council of experts" in order to look into the irregularities of the commission. As a few deputies then bitterly commented, in fact it had thereby deprived itself of power, because control over the management of public finances of the commission is one of the few tasks for which the parliament has responsibility.

The motion against Cresson and Martin was tossed out by a majority of 357 votes to 165--equivalent to a vote of confidence for both commissioners who had been the target for the wrath of the deputies. Nearly all the social democrats and, responding to Santer's intervention, many conservative deputies rejected the motion.

It was only as the vote of no-confidence against the entire commission came to a vote that numerous deputies

expressed their anger. In the meantime the distribution of those voting was organised along national rather than fractional lines. Nearly all of the German delegates, including the Social Democrats and the Greens, voted against the commission. They did so in opposition to the public statements made by Chancellor Schroeder (SPD) and Foreign Minister Fischer (Greens), who publicly went out of their way to declare their support for the Commission. The Spanish deputies--socialist and conservative--firmly supported the commission, which also received support from most of the other southern European countries as well as Great Britain and Ireland.

On a closer look, there is method in this madness. It was no accident that the escalation of the conflict between parliament and the commission coincided with the introduction of the euro. The transference of many spheres of authority from a national to European level, bound up with the introduction of the euro, calls for new political structures.

"With the beginning of the euro the Community has achieved a level of integration," according to the German magazine *Der Spiegel*, "which can no longer be controlled through an insidious, apparently non-political concentration of power." The aim must be "to establish a new institutional framework for the leadership of the world power Europe."

Above all, the German government is seeking such a new ordering of the European institutions. It is pursuing two aims: first of all, to increase its political influence on the EU it is demanding the removal of the unanimity voting principle for important decisions. Second, it is seeking to improve its financial status by demanding a reduction of German net contributions to the European budget.

To this end the European Commission in its present form poses an obstacle. Since its foundation 40 years ago it has developed into a high-handed bureaucracy, with over 20,000 employees, basically making its own rules. Formally the commission is subordinate to the direction of the European Council and the Council of Ministers which is comprised of government heads and/or particular ministers from the individual countries. To the extent that the European Council can only make decisions on the basis of unanimity, the commission has been able in the main to twist and turn as it sees fit. It controls an annual budget of DM160 billion, 80 percent of which is distributed in the form of subsidies to agriculture and structurally weak regions. Corruption and favouritism inevitably flourishes as a result.

As long as the purpose was to establish the prerequisites for the European single market and the currency union, Germany accepted this state of affairs so as not to deliver a shock to economically weaker countries. "In the past the necessary compromises were often arrived at because the

Germans were prepared to pay," stated the German chancellor in an interview to *Der Spiegel*. "This policy is now finished."

To this end it is not in the interest of the German government to overturn the commission. Rather it wants to put the latter in its place and make it submissive. The resignation of the commission would have paralysed the EU and blocked German plans for reform under conditions where the Germans have assumed six-month presidency of the union at the beginning of January. Therefore the chancellor and his foreign minister backed the commission while the German delegates to the European Parliament, in particular the Greens, voted almost to a man against the commission. The contradiction was only skin deep. "The crisis also had its good side"--such was the commentary of the state secretary in the foreign ministry, Verheugen. "Whoever wants political union in Europe must also want this conflict."

Also typical for the content of the dispute is the completely opposed reporting of the affair by the press in those countries hit by the dispute. The German press concentrated on the corruption affairs, described them in detail and presented the no-confidence vote as an attempt by the parliament to achieve democratic control over the commission.

On the other hand the Spanish press barely mentioned the claims of corruption and presented the no-confidence vote as a conspiracy by the Germans. According to *El Pais* it is an attempt by the net-paying member countries "to weaken the commission as an ally of Spain in the run-up to discussions over future allocations from the EU kitty". Another commentary described the affair as a "warm-up" for the upcoming debate on the financing of the EU: If it is possible to portray the commission as corrupt, then it would be easier for the richer EU members to realise their plan of reducing their contributions and cutting subsidies to the poorer countries of southern Europe.

One thing is clear from the whole affair: the introduction of the euro has not been accompanied by a new epoch of harmonious unity. The concentration of economic and political power in the hands of the most powerful business concerns and governments has intensified national and regional differences and set the stage for bitter struggles over who will get what.



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