

Lionel Jospin's "Euro speech": European integration process falters

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Barely a decade after the signing of the Maastricht treaty, paving the way for the introduction of the euro as the single European currency, efforts to integrate Europe politically have come to a standstill. In speeches on policy principles, government leaders from Germany and France—whose close cooperation is essential for the success of the Maastricht accord—have made it clear that there no longer exists any common view of the shape Europe is to take.

Gerhard Schröder, Germany's federal chancellor, introduced his plans for Europe's future in a motion debated at the SPD (Social Democratic Party) conference at the end of April. Following up on a speech delivered by Foreign Minister Joschka Fischer at Berlin's Humboldt University a year earlier, he called for the development of the European Union (EU) into a "genuine European federation".

According to Schröder's idea, European institutions are to be strengthened at the expense of the national governments. He wants to expand the EU Commission into a "stronger European executive" and grant more rights to the European Parliament. The Council of Ministers—consisting of representatives of the national governments and till now responsible for major decision-making within the EU—is to be transformed into a second parliamentary chamber modelled on the German *Bundesrat*.

In a speech held before a specially invited audience on May 28, French Prime Minister Lionel Jospin delivered an open rebuff to this conception. He said that France and other European nations would not be able to accept the idea of a federation in which European countries had the status of the German or US federal states. "I have hopes for Europe, but I remain bound to my nation. My political view is that Europe should be built up without France being pulled down," he added.

Jospin sums up his own idea of Europe in the formula "a federation of nation states". He wants to maintain the Council of Ministers—representing the national governments—as the central decision-making body and make it even more powerful. On the other hand, the Commission is to remain a purely executive organ and the parliament is to

play merely an advisory role.

In contrast to Schröder, Jospin wants to extend the jurisdiction of the European Union still further. Consequently, taxation policy is to be centrally controlled and economic policies coordinated among EU partners. In this context, Jospin talks about a "European economic government"—something the Germans see and reject as an attack on the independence of the European Central Bank. The financial press in particular is reacting angrily to Jospin's conceptions. The *Handelsblatt* describes his plan as an "undistilled and detailed programme for an anti-liberal EU project".

There are also differences of opinion in relation to agricultural and structural policy, though these stem from financial considerations. Schröder wants to shift responsibility for these areas—consuming the greatest part of the EU budget in the form of subsidies—back from European to national levels. This would provide relief for the German national budget. The country pays in substantially more to the EU than flows back to Germany as subsidies. At the same time, the financial claims of future East European members would be reduced. But Jospin, fearing the loss of subsidies for the huge agricultural sector in France, wants to maintain the EU's jurisdiction and authority in this domain.

Both Schröder's and Jospin's recommendations have met with fierce opposition in the United Kingdom. Prime Minister Tony Blair, still incapable of bringing himself to decide in favour of the single currency, is basically against any further moves towards centralisation or expansion of EU judiciary powers. He is even believed to have tried to get Jospin to postpone his speech till after the British general election in order to prevent opposing Conservatives and Eurosceptics in his own ranks from seizing on any further arguments to be used against him in the hustings.

The disagreements between Schröder and Jospin primarily concern the future form and tasks of the European institutions. Similar differences of opinion had existed on earlier occasions, but these were always overcome—sometimes only after years of tough negotiations.

This time the row is concealing fundamental problems that cannot be resolved so easily through compromise.

On the one hand, Jospin's standpoint is influenced by France's traditional fear of German hegemony in Europe. Germany's economic, strategic and demographic weight has increased enormously since reunification and the planned eastward expansion of the EU. In one of the models for future federation, Germany would be able to take advantage of this newly acquired status and play a dominant role. Jospin's national state model presents France with a better chance of counteracting German ascendancy. The EU summit in Nice last December almost foundered on this question because Germany and France were unable to agree on the weighting of votes in the Council of Ministers.

A more important reason for the faltering of efforts towards European unification, however, is the social polarisation of Europe. The austerity and consolidation measures agreed at Maastricht have led to a sharpening of social conflicts and tensions that are undermining the stability of the various governments. Short-term national problems are increasingly occupying the centre stage and this, in turn, is intensifying the centrifugal tendencies within Europe.

Jospin's open rebuttal of Germany's plans for Europe is, to an important extent, connected with the mounting crisis within his own coalition government, which is threatening to collapse a year before presidential and parliamentary elections are due.

Faced with growing unrest among the population on account of spending cuts, the dismantling of social services, sackings and declining working conditions, it is above all the Communist Party (PCF) that is coming to grief. It is fast losing influence and internal factional conflicts are tearing it apart. For a long time merely an insignificant fringe group in France, the Greens have overtaken the PCF to become the second strongest party in the governing coalition. In the local elections in March, the PCF lost many of the strongholds where it had filled mayoral and administrative posts for decades.

Apart from this, its competition—the so-called “radical left”—has grown in importance. For some years now, the *Lutte Ouvrière* organisation (LO—Workers' Struggle) and the Communist Revolutionary League (LCR) have consistently achieved election results of around 5 percent. The PCF is still winning 7 to 8 percent. Since 1999, the LO and LCR have had six representatives in the European Parliament and they gained 62 municipal mandates in March this year. Thus, with an average result of 6.2 percent, they attained a peak of 19 percent in some municipalities.

Both the LO and the LCR claim—misleadingly—to be Trotskyist. Both have long since renounced the perspective

of the Fourth International, founded by Trotsky and having as its aim the independent mobilisation of the working class and its international unification. The French radical groups defend a programme of reform, as did the Socialist and Communist parties in former times. They are mainly active within the trade unions, where they are instrumental in supporting the bureaucracy.

Nevertheless, the increase in their vote is a sign of the radicalisation of the masses, which is bound to present the Jospin government with enormous difficulties. The Communist Party has responded to its new challengers by posturing more radically themselves. After the local election, it blocked a part of the government's social legislation that it had previously supported in its first reading. Jospin was only able to avoid defeat in this matter and a possible collapse of the coalition by delaying the vote for two weeks.

The issue of European union is also causing the governing coalition great difficulty. It is deeply divided over the matter. Jospin has already lost one of his coalition partners—Jean-Pierre Chevenement's extremely nationalist oriented citizens' movement—because it considered his concessions to the European Union and his statute of autonomy for Corsica went too far. The PCF also have reservations about the EU, while the Greens are vehemently committed to strengthening its powers. Daniel Cohn-Bendit, spokesman for the French Greens in the European Parliament and close friend of German Foreign Minister Joschka Fischer since their radical youth in Frankfurt, is vigorously advocating the German conception of a European federation.

The planned eastward expansion of the EU will dramatically sharpen social tensions within the European Union. In line with budgetary provisions for the period from 2000 to 2006, 80 billion euros (\$68bn) are available for the support of the 10 new members to be incorporated into the EU over the next five years. This sum constitutes a good tenth of the whole EU budget.

Direct payments to the agricultural sector, amounting to a third of the EU budget, will remain reserved for the old members. This will amount to a deathblow for the underdeveloped farming sector in Eastern Europe. Germany's *Süddeutsche Zeitung* newspaper concluded: “As a result of this, the future EU threatens to become a two-class society, which will have common political institutions—but ones whose social and economic foundation will be fragile.”



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