

# Berlin summit: Blair, Schröder, Chirac press for accelerated “reforms”

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The summit of German, French and British leaders held on Wednesday in Berlin has drawn vigorous protests from non-participating European governments. Critics spoke of a “Triumvirate” and a “Directorate” seeking to impose its will on the remaining 22 members of the European Union (EU).

The Italian prime minister, Silvio Berlusconi, denounced the meeting as a “botch-up” before it had even begun. His foreign minister, Franco Frattini, condemned the summit as the “epitome of national self-interest.” Polish Foreign Minister Włodzimierz Cimoszewicz said it cannot be “that a few states prepare everything and then the others have to accept it,” while his Spanish counterpart, Ana Palacio, accused the governments assembled in Berlin of “kidnapping” the European public welfare.

Such claims are not without justification, but German chancellor Gerhard Schröder, President Jacques Chirac and Prime Minister Tony Blair sought to defend themselves at a joint press conference. President Chirac declared that “it is completely normal for three countries which produce more than 50 percent of European gross domestic product to undertake joint consultations.”

Mistrust was further fuelled by the summit proposal, made in a joint letter to the current president of the European Council, Ireland’s Bertie Ahern, to nominate a “vice president of the European Commission exclusively devoted to issues of economic reform.” During negotiations held previously for the eastward expansion of the EU, proposals to abolish the right of every member country to have its own commissioner were turned aside. This latest proposal is seen by the smaller countries as a renewed attempt to replace the principle of commissioners possessing equal rights with a hierarchical structure.

The first press reports of the proposal, stemming from Chancellor Schröder, even spoke of a “super commissioner” possessing broad powers in the fields of trade, industry, internal markets, environment and social policy. Schröder has since distanced himself from this formulation. The planned vice president should merely “exercise a coordinating function in relation to other commissioners,” as laid down in the letter to the president of the Council. Nevertheless, even according to this definition, such a minister would clearly have a superior function to other commissioners.

It is no secret that the German government is keen to fill such a post with a German representative. Possible candidates are the German “super minister” for the economy and labour affairs, Wolfgang Clement, and the commissioner responsible for EU expansion, Günter Verheugen.

Fears by smaller EU states of a “directorate” dominated press reports of the summit, but these concerns, in fact, hide a more fundamental conflict that is increasingly dominating everyday life in

Europe—the conflict between all European governments and the European Commission, on the one side, and the broad masses of working people, on the other.

The letter that Schröder, Blair and Chirac sent to the Irish president of the European Council contains all of the catch phrases used over the past few years to implement deeply unpopular measures aimed at dismantling welfare provisions. The jointly formulated aim is to transform Europe into “the world’s most dynamic economic region by the end of the decade”—and thereby overtake the US. This aim was already agreed at a EU summit three years ago in Lisbon, and now, according to this summit of three, is to receive a fresh impulse.

The letter bluntly favours “pro-enterprise policies.” There follow hackneyed phrases such as “innovation,” “modernising the European Social Model,” “abolishing regulations and reducing bureaucracy which unduly hamper competitiveness and innovation,” an active labour market policy based on “the spirit of lending support, yet demanding a matching effort in return,” “efficiency with regard to expenditure in the sphere of health,” etc., etc.

Acknowledgements of the need for more research and improved education are also included, but research is to be left to the private sector. As for promises of better education—they are contradicted by the actual policies of the governments, which include increased fees and cuts in education spending.

The new super commissioner is to assume responsibility for the realisation of this programme. “The vice president should have a right to participate in decisions in all EU projects that have implications for the aims of the Lisbon Agenda,” according to the letter issued by the three leaders.

The governments that protested most loudly about the summit have no objection to the general direction of these proposals. On the contrary, in a pre-emptive move, six of the smaller EU members sent a letter to the president of the European Council Monday in which they sought to trump the Big Three in promoting right-wing policies.

The letter was signed by the heads of government of Spain, Italy, Portugal, the Netherlands, Poland and Estonia. It was directly aimed at Germany and France, which were accused of breaking the economic stability pact that is supposed to bind all EU members and set limits on national budget deficits. The letter raised this charge, however, from the standpoint of arguing for an even more thorough “free-market” deregulation of the European economy.

Among other points, it called for a “more flexible labour market” and a “consideration of the best model for tax incentives.” This latter formulation is aimed at extending to the whole of Europe the extremely low levels of taxation on profits and high incomes that exist in east European countries such as Slovakia.

It would be very wrong to confuse protests by these governments against the “Triumvirate” with any sort of defence of the interests of the European masses. The smaller governments are, like the larger ones, unreservedly in favour of transforming Europe in line with the interests of big business. These governments simply fear that they will be pushed aside by the bigger European governments.

The Tripartite summit in Berlin shows how profoundly Europe has changed. Since its origins in the 1950s, the process of European unification has always been determined by business interests. Nevertheless, for a considerable period of time it was able to balance between social and regional differences. Selective use of the agricultural fund, regional funds and other Brussels-based financial resources served to ameliorate the most pronounced social disparities.

Today this is no longer the case. The commission in Brussels has become synonymous with deregulation, “free-market” liberalisation and the unravelling of workers’ rights. Whereas the acceptance into the European Community of “poor” Mediterranean countries such as Spain, Greece and Portugal was accompanied by billions in financial support, no such comparable aid will be available for east European countries that join the present-day EU. The well-trained but poorly paid workers in the East will be used as a lever to undermine the wages and conditions of workers in the West.

The problems are intensified by the role of the US, which in the Iraq war used its influence in Europe for the first time to divide the continent. Up until now, the US generally favoured European unification. Now it has organised a coalition against Germany and France of European nations supporting the war—ranging from Great Britain, Spain and Italy to Poland.

As a result, national interests have more sharply taken priority over joint European interests, and conflicts have grown between the EU member states. Correspondingly, there has been a declining readiness to make political or financial concessions for the benefit of Europe as a whole.

Blair’s participation in the summit was interpreted by a variety of sources as an indication that previous differences had been overcome and, two months before the EU expanded from 15 to a membership of 25 states, a new phase of European integration had begun. Such an interpretation is mistaken. There are a number of complex reasons for the temporary closing of ranks between London, Berlin and Paris, but fundamental contradictions between the three have not been overcome.

Collaboration with London is important for Germany and France because, following the Iraq war, the two nations are unable by themselves to uphold their claim to leadership of Europe. They hope that Blair will put pressure on Warsaw and Madrid to accept the so-called “double majority” for European decision-making. The implementation of a European constitution failed last year because this proposal was rejected.

London also supports the controversial decision of the EU Commission not to impose sanctions on Germany and France, although both countries have repeatedly violated the conditions of the EU financial stability pact. Smaller EU countries have been very critical of the EU decision. London does not condone the financial policy adopted by France and Germany, but it rejects the right of Brussels to interfere in national fiscal policy.

For its part, the German government has up to now rejected the path favoured by France for a “core Europe.” This concept envisages France and Germany joining forces with a number of smaller nations so as to assume the leading role in Europe, without having to consider

the interests of the rest of the EU members. Post-war German foreign policy has always made a principle of encouraging good relations with France without, however, tying Germany too closely. The aim has been to maintain “equal distance” from Washington and Paris. This is why, during the Iraq war, Schröder maintained relations with Blair at a time when the relationship between Chirac and Blair had reached a low point.

Blair sees collaboration with Schröder and Chirac as a chance to ease domestic pressure arising from his lies about Iraqi weapons of mass destruction and the David Kelly affair. He feels, moreover, that his close relations with Washington and the other European supporters of the war give him a relatively strong position in Europe.

Notwithstanding their differences, there are a range of areas where all three nations share a common interest. In 1998, London supported proposals for the construction of an independent European military strike force. But whereas France sees such a force as a means to achieve more foreign policy independence from the US, London has opposed all attempts to disassociate European foreign policy from that of Washington.

The British government has also expressly supported the construction of a pan-European armaments industry able to compete with the US. Such a development has obvious advantages for British industry, which is mainly directed towards the European market and has a big stake in the European armaments industry.

In addition to these issues, manoeuvring for short-term advantages typical of the EU also played a role in Berlin. On the day after the summit, headlines in the French press concentrated on the fact that Germany had yielded in its opposition to lowering the value-added-tax for French restaurants from 19.6 to 5.5 percent. The measure, which will cost the French treasury 3 billion euros a year, represents an electoral gift to an important constituency of the right wing in France—just one month ahead of crucial regional elections.

Perhaps the most important reason for the coming together of Schröder, Blair and Chirac is their political weakness. All three confront domestic problems: Blair, because of his lies over the Iraq war and growing opposition to his social and economic policies; Chirac, because of corruption cases dating back to his period as mayor of Paris (his closest confidante, Alain Juppé, has just been sentenced to jail, and everyone knows that Chirac himself would face charges in court were it not for the immunity from prosecution he enjoys as president); and Schröder because of the considerable opposition to his “Agenda 2010” austerity program, which has already forced him to resign as chairman of the Social Democratic Party.

The letter that Schröder, Chirac and Blair sent to the EU chairman argues in favour of a policy that is strongly opposed by broad masses of people in all three countries and has already sparked major protests. In this respect, the summit of three in Berlin resembles nothing other than a political conspiracy—directed not so much against the smaller EU states as against their own populations.



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