

New European Commission dedicated to free market offensive

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26 August 2004

When the new European Commission President Jose Manuel Barroso announced the composition of his commission earlier this month, most commentary focused on the relative weight given to the representatives of what US Defence Secretary Donald Rumsfeld had described as “old” and “new” Europe.

Newspapers in the United States and Britain were happy because of what they saw as evidence of the diminished influence of the Franco-German axis over European affairs and particularly at what was viewed as a snub to Paris.

Such shifts in political relations within Europe were certainly manifest in Barroso’s efforts to form a new commission. Barroso himself owes his position to his acceptability to Washington, London and other pro-US governments within Europe—particularly the accession states in the east. He was nominated in June after the favoured candidate of Germany and France, Belgian Prime Minister Guy Verhofstadt, was rejected.

Verhofstadt had lined up behind the opposition of France and Germany to lending support for the US war against Iraq. In contrast, Barroso had hosted the Azores summit shortly before the Iraq war began, at which President George W. Bush, Britain’s Prime Minister Tony Blair and Italy’s Silvio Berlusconi gathered to urge United Nations backing for the US-led attack. Barroso had received a personal telephone call from Bush congratulating him on his appointment.

In forming the commission, Barroso certainly attempted to please all parties and to fulfill his pledge to apply a “healing hand” to European divisions over Iraq and relations with the US. But there is no doubt that his appointments favoured those governments considered to be firmer allies of Washington—at the expense of Germany and France.

The key post of trade commissioner, responsible for

coordinating European trade policy and negotiating trade agreements on its behalf, went to Britain’s Peter Mandelson. The discredited former cabinet minister, forced to resign twice from government in just three years, has been brought back to centre stage once more because he is one of Blair’s key adviser’s and is relied on to take a hard line on fundamental policy issues.

Following Blair’s pledge to hold a referendum on ratifying the European Constitution sometime after the 2005 General Election, Mandelson’s task will be to ensure that European policy follows Britain’s favoured model—one based firmly on the transatlantic alliance and committed to deregulation and free-market economic policies. His aim is to convince not the electorate, but Blair’s big business backers that Europe can be successfully shaped according to their interests.

Barroso rejected Germany’s demand to create a “super commissioner” responsible for industrial policy and overseeing competition, taxation and internal market policies, which Chancellor Gerhard Schröder had wanted to be filled by Gunter Verheugen. The German enlargement commissioner was given responsibility for industry and enterprise, but without any power of veto. Responsibility for the internal market went to Ireland’s former finance minister, Charles McCreevy. The Irish economy is a favoured investment location for US corporations, and its government is an unswerving ally of Washington.

France suffered a more open snub. Paris had made clear it wanted the most important EC portfolio of competition commissioner. But French commissioner Jacques Barrot instead received the transport portfolio.

Barroso’s new competition commissioner is Neelie Kroes-Smit of the Netherlands, a right-wing economic liberal who presided over the privatisation of the Dutch post and telecoms agency.

As a sop to wounded pride, Verheugen and Barrot were made vice presidents, along with Mandelson and two others. But the posts are entirely decorative.

Barroso also gave prominence to representatives of the EU accession countries. Taxation was split off from the internal markets portfolio and given to Ingrida Udre from Latvia, which adopted a flat rate tax of 25 percent almost a decade ago, whilst Siim Kallas of Estonia received the anti-fraud and audit post. Poland, the largest of the accession countries, was given charge of regional policy. Hungary's Laszlo Kovacs got energy.

Whatever real tactical differences exist between the EU member states, there is a false dichotomy informing much coverage in the US media. In hailing the ascendancy of its European allies, the *Wall Street Journal* praised not only their common commitment to support the US war in Iraq, but also to pursue "largely free market policies." Barroso was similarly praised for his "free market credentials," as was Kroes-Smit, Mandelson and McCreevy. And commenting on Barroso's appointment of Latvia's Ingrida Udre, the *Journal* described this as a clear message to France and Berlin, "that they are wasting everybody's time with their calls for a European minimum tax to stop tax competition from the East."

Whereas the dismantling of welfare and the ending of restrictions on big business has gone further in Britain, Ireland and eastern Europe, it is ridiculous to depict Berlin and Paris as bastions of economic regulation and social protection. Washington and its allies may be dissatisfied with the pace at which the old welfare state has been dismantled in France and Germany, but both President Jacques Chirac and Schröder are determined to carry out their own frontal assault on the social gains of the working class.

The German government's attempts to eliminate welfare and unemployment benefit entitlements are at the centre of Schröder's "2010" agenda and have provoked mass demonstrations, particularly in the impoverished east of the country.

Barroso's appointment amounts to a declaration of war on behalf of European and international capital against the working class. It is yet further confirmation of the final break by big business and its governments with the old policies of class collaboration.

Workers in every European state will face an accelerating offensive against their living standards in

the next months by governments that, whatever their formal political coloration, are dedicated to the imposition of right-wing economic nostrums and the erosion of democratic rights.

This cannot be fought on the basis of demands for a return to the former social and political consensus based on national economic regulation. Such a nationally based agenda only serves to pit workers in one country against their counterparts in another and so aid the efforts of big business to divide and rule.

Instead, the European working class must devise its own strategy for taking control of globally organised production and shaping it to meet the needs of the broad mass of the population. At the centre of such a struggle is the perspective of unifying the continent through a common social and political offensive of the working class, dedicated to the creation of the United Socialist States of Europe.



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