

# European Union leaders agree to treaty in Lisbon

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The leaders of 27 European Union states met in Lisbon on October 18 to ratify a pro-business “Reform Treaty.” The treaty is due to take effect in 2009.

The agreement is the latest stage in a prolonged effort by European leaders to push through a treaty aimed at increasing the powers of the non-elected EU bureaucracy in Brussels and enable the EU to extend its influence as a major trading, political and military bloc on the world arena.

The treaty agreed in Lisbon originated as the Treaty for a Constitution for Europe (TCE), which was first drafted in Rome in late October 2004. The avowed aim of the Rome treaty was to ratify the centralisation of EU institutions in the form of a pan-European constitution, which would create the best conditions for deregulating the economies across Europe in the interests of big business and finance. It was the product of a process that began with the passage of the Maastricht Treaty in 1992.

A number of EU states passed the TCE Constitution document by means of votes by national parliaments, but when the document was made public and subject to popular referendums in the summer of 2005 in two longstanding EU member countries—France and the Netherlands—it was voted down by significant majorities, despite an enormous political and media campaign in favour of its approval.

In France, then-President Jacques Chirac organised the printing of millions of copies of the treaty, which were sent to the majority of households. In the ensuing debate, it became clear that the treaty was nothing less than a neo-liberal manifesto for improving the balance sheets of Europe’s major companies and banks at the expense of the welfare, wages and working conditions of the vast majority of the European population. When it came to a vote, the French electorate decisively turned down the document. A few days later, the same process was repeated in the Netherlands.

The most important decision made by European leaders in Lisbon was that there should be no repeat of the 2005 debacle. The new “Reform Treaty” document will not be presented to the electorate. This time, ratification of the document will be restricted to votes by national parliaments, with the exception of Ireland, which has pledged to carry out a popular vote.

Since 2005, European leaders have met on a number of occasions to rework the original document. In June of this year, the EU heads of state met for 34 hours of talks under the chairmanship of Germany to produce a revised document that, in fact, contains only a small number of superficial changes.

Following a proposal made by French President Nicholas Sarkozy, the treaty agreed in Lisbon will no longer be called a constitution, and proposals for a flag and European anthem have been dropped. Nevertheless, the pro-business, neo-liberal orientation of the document remains essentially unchanged.

According to the British *Economist* magazine: “The document is similar to the constitution, with only the ornate preamble and symbolic measures such as a European flag and anthem being jettisoned.”

Prior to the Lisbon summit, a host of European countries had registered differences with the proposed document.

Italy demanded more influence in the European Parliament, with President Romano Prodi insisting on 73 seats, instead of 72, in a reduced parliament (i.e., the same representation as Britain).

Poland, which had upset the discussions in June with a propaganda campaign levelled against its neighbour, Germany, insisted in Lisbon on its so-called “Ioannina” clause, aimed at preventing major powers such as Germany, France and Italy from dominating the European agenda.

Austria demanded the suspension of legal action by the EU over its quota restrictions for students from other EU countries, and Bulgaria protested it would accept the European currency only if the name “euro” was replaced by the Bulgarian version, “evro,” in legal documents.

Despite the proliferation of demands, some of them petty, by a number of member nations, the assembled heads of state were able to reach a compromise in the relatively brief span of seven hours. It was clear there was agreement on the fundamental orientation of the treaty.

The 259-page, 49,000-word Reform Treaty contains 12 protocols and several dozen declarations, which have legal standing under European law. It is unlikely that many of the deputies voting on the document in the ensuing months and years will ever read it carefully in its entirety.

Like its predecessor, the new document stresses the necessity of accelerating the process of economic “liberalisation” in Europe.

Article 188c calls for “uniformity in measures of liberalisation,” which suggests that the rate of privatisation throughout Europe should be based on the pace adopted by the most rapidly “liberalising” EU economy.

Protocol 6 of the Reform Treaty declares that “the internal market as set out in Articles 1-3 of the Treaty on European Union” must be based on a system whereby “competition is not distorted.”

The treaty goes on to empower the EU to take action to end these “distortions.”

A further boost to the neo-liberal economic bias of the document is contained in Article 188b, which states that the EU “shall contribute to the progressive abolition of restrictions on international trade and foreign direct investment, and the lowering of customs and other barriers.”

The pro-business orientation of the document, aimed at creating the best trading conditions for European multinational companies—whose interests are represented by 15,000 professional lobbyists in Brussels—was summed up in a comment by the *EUobserver*. This publication wrote: “The European Commission is set to reiterate its key message that in a global economy ‘openness is not a one-way street.’” In other words, Europe will take all the measures necessary to ensure that European companies can compete with such low-wage rivals as India and China.

In addition to its adherence to a “free market” economy, the Lisbon agreement retains other essential aspects of the original constitution document directed towards giving the European Parliament and the European Commission (the latter of which is a non-elected, appointed body) new powers to push through policies.

New voting rules have been adopted to enable decisions to be made by a majority, instead of a unanimous vote, and a smaller EU executive is established to overcome potential logjams to decision-making. In addition, the EU Parliament will be reduced to 750 members (from the current 785), and an exit clause is introduced for nations wishing to quit the EU. Following objections by Poland and Great Britain, both countries are exempted from any legal obligation regarding the EU’s Charter of Fundamental Rights.

One particularly significant aspect of the Reform Treaty is its emphasis on the development of an effective foreign and military policy for the European Union. European countries such as Britain, Germany, France and Italy are already intervening on a number of international military fronts, including Afghanistan, Africa and Lebanon, and, in the case of Great Britain, Iraq.

In each of these countries, there is a debate on to how best to achieve greater independence from the US and NATO in pursuing military aims. The Lisbon document addresses this issue by calling upon all European nations to strengthen their efforts towards the creation of an effective military force, while increasing cooperation in the so-called “war against terrorism.” The document makes clear that European nations must give priority to expanding their military budgets—a proposal that inevitably means the further dismantling of Europe’s social welfare system.

A new European office is to be created dedicated to the pursuance of an independent European foreign policy. The existing posts of foreign policy chief and EU external relations commissioner are to be merged to create a European “high representative” with responsibility for developing EU foreign policy guidelines.

While European leaders and much of the media sought to present the Lisbon agreement as a “breakthrough” and triumph for democracy, the opposite is the case. Following rejection by significant sections of the European population, EU leaders are attempting to reintroduce essentially the same treaty by the back door.

The relative speed with which European leaders arrived at their agreement in Lisbon makes clear that the fundamental divisions within Europe are of a class, rather than national, character. Heads of the EU states representing the spectrum of official politics were all united on the necessity to build an EU based on the principles of the “free market.” At the same time, unelected European institutions are to be given more powers to implement their pro-business agenda in the face of increasing popular resistance.

The deal struck in Lisbon will, however, do little to overcome the conflicts between rival national bourgeoisies or advance Europe as an independent political power.

In two major European states, the election of leaders—Angela Merkel in Germany and Nicholas Sarkozy in France—who favour closer links to the US acts as a brake on the drive to strengthen Europe’s status as a world power. And while the centralisation of power contained in the Reform Treaty creates new possibilities for both powers to press ahead with a so-called two-speed Europe led by France and Germany, the two countries have been at loggerheads in recent months on a number of important economic and political issues.

Italy is wracked by continuing political crisis and a fragile coalition government, and in Great Britain, the new prime minister, Gordon Brown, is under pressure from big business and media circles, as well as the Conservative opposition, to conduct a referendum on the new treaty. Although it is established Labour policy to hold a popular referendum on an EU constitution treaty, Brown is arguing that such a pledge is no longer applicable because the new document no longer refers to a constitution.

Some media commentators have drawn attention to the problems that still remain to be resolved after the deal in Lisbon. Writing in the *Süddeutsche Zeitung*, Martin Winter applauds the concentration of power in Brussels and the increased emphasis on foreign policy, but declares that an overall vision for Europe is lacking.

Winter advocates closer collaboration between France and Germany to drive forward the European project, and stresses that further political and military measures are necessary if Europe is to seriously challenge the leading role of the United State. He writes: “Only when the Europeans not only criticise the American style of dealing with crises and the threat of terrorism, but begin to apply their own model involving an integration of diplomacy and military and civil instruments, will they acquire the global authority which they have long dreamed of.”



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