

# EU summit in Ypres: The end of the European Union in its current form

**Peter Schwarz****26 June 2014**

The president of the European Council, Herman Van Rompuy, is opening today's EU summit in the Belgian city of Ypres. The 28 heads of state and government are due to pay tribute to the hundreds of thousands of troops who died on the battlefields of the First World War around the town in Flanders. "It will be a moving ceremony as we will be testifying to what Europe is: a project of peace, solidarity and cooperation", Van Rompuy commented.

In fact, Ypres is likely to be a symbol for the opposite: national discord, social conflict and war; and for the end of the European Union in its current form.

In the run-up to the summit, the conflict over who should be the future president of the European Commission escalated to a point that makes any compromise virtually impossible. British Prime Minister David Cameron is determined to prevent the election of former Luxembourg government leader Jean-Claude Juncker, who is supported by the majority of the EU parliament and of government heads. A vote, which Cameron will lose, seems inevitable. For the first time in the history of the EU, the influential head of the Brussels bureaucracy with its 33,000 employees will not be determined by consensus.

A humiliating defeat for Cameron would strengthen opponents of the EU in the UK and could initiate the country's exit from the European Union. This would severely disrupt the balance of power in the EU. The political influence of France, and especially Germany, would increase in the short term; in the long term, however, the departure of the third largest economy in the EU would exacerbate tensions between the two countries. Both Paris and Berlin have repeatedly relied on London in the past to out-maneuver their neighbor.

Cameron has become a victim of the genie he himself released from the bottle. In order to stanch the influence of the anti-EU UKIP party and EU-skeptics in his own

Tory Party, he has denounced Juncker as the embodiment of European "federalism". The British tabloid press has eagerly taken up the theme, with the *Daily Mail* describing Juncker as a man "notorious for fanatical federalism" and someone who has "pursued with dogged determination a vision of political and economic union which defies popular will, cultural identities, democratic principles and the merest common sense".

This is a gross exaggeration. The Luxembourg Christian Democrat, who in his 19-year reign transformed the Grand Duchy with its half million inhabitants into a tax haven for banks and large corporations, shares similar views to Cameron on many political issues. As head of the Euro Group, Juncker played a key role in rescuing ailing banks with billions of euros in public money. The British charges against him contain a kernel of truth, however, in that he is suspected of placing the interests of the euro zone countries above those of the City of London.

What bothers Cameron in particular about Juncker is the fact that he was proposed by the European Parliament for the post of president of the Commission. Cameron is of the opinion that the head of the Brussels bureaucracy should be nominated exclusively by the heads of state and government as representatives of nation states, rather than by the parliament, a central EU institution.

For the first time, the largest groups in the European parliament entered the European elections this year with leading pan-European candidates and had agreed to only elect the candidate of the victorious faction as Commission president. Now, above all, the Social Democrats are insisting on compliance with this agreement. All social democratic government leaders and the German SPD support Juncker, the leading candidate of the conservative European People's Party (EPP), which is the largest faction in the new parliament.

When, following the European election, German

Chancellor Angela Merkel (CDU), cautiously distanced herself from her own candidate, Juncker, in order to appease Cameron, she was confronted with accusations that she was deceiving the electorate. Attempts to budge Cameron by offering another high-ranking EU post failed. The British prime minister is now completely isolated; only the authoritarian Hungarian prime minister, Viktor Orbán, continues to support him.

The media has responded with a string of comments on the “tactical error” of Cameron, who had maneuvered himself into a corner with his “bullish” behavior, plus criticisms of Merkel, who should never have agreed to the choice of Juncker as leading candidate in the first place. Behind the growing tensions, however, are more than tactical errors. The consequences of the international financial and economic crisis have strengthened centrifugal tendencies in Europe. Under the pressure of recession and growing social tensions, governments are increasingly placing their national interests first.

The Ypres summit takes place in the shadow of May’s European elections, which saw a massive popular backlash against almost all the ruling parties in Europe and the EU as a whole. Well over half of the electorate stayed away from the ballot box, while a fifth voted for parties that criticize or reject the EU. Under conditions where the Social Democrats and the European left support the EU, right-wing, nationalist parties were able to profit from the anti-EU sentiment. In the UK, UKIP emerged with the biggest vote, and in France, the National Front.

While the UK increasingly distances itself from the EU, the proponents of a strong EU are reacting to the election result with fresh attacks on the working class. This is the essence of the dispute over the future handling of the Stability Pact, which, along with the controversy over Juncker, dominated the run-up to the summit.

French President François Hollande and Italian Prime Minister Matteo Renzi, both Social Democrats, have expressed their support for Juncker—but only under the condition that the stringent austerity targets of the Stability Pact be applied more flexibly. They have the support of the German SPD chairman Sigmar Gabriel, who is Economics Minister in Merkel’s grand coalition. Gabriel took part in a meeting of Social Democratic government leaders earlier this week in Paris to prepare the EU summit.

The goal of the Social Democrats is not to stop the massive social cuts made in recent years. On the contrary, the relaxation of austerity targets is aimed at giving necessary time to implementing massive reforms to the

labor market, thereby improving economic competitiveness at the expense of the working class. Renzi has set himself the goal of catapulting Italy from 65th place in the world competitiveness rankings of the World Bank to 15th place. His role model is the “Agenda 2010” introduced by SPD Chancellor Gerhard Schröder (1998-2005), which created a huge low-wage sector in Germany.

The *Süddeutsche Zeitung* summarized the plans of the Social Democrats as follows: “Governments ready to impose noticeable changes on their citizens—e.g. loosening up the protection against dismissal, abolition of automatic pay increases or reducing subsidies—should get more time to reduce budget deficits and debt.”

SPD leader Gabriel illustrated this process with an example: If a government lowers wage labor costs, thereby making labor cheaper and forsaking revenues of €20 billion, this sum should be included in the deficit calculation, he said in Paris.

European governments are aware that this will provoke massive social resistance. On the eve of the summit, and largely ignored by the media, the relevant European ministers adopted provisions for implementing a so-called “solidarity clause”, which regulates the Europe-wide deployment of military, police and other security forces in crises which have a “serious impact on people, the environment or property”. This includes control of protests and riots.

Also on the agenda of the Summit is the signing of the economic part of the Association Agreement with Ukraine. Refusal to sign this agreement led to the coup against former Ukrainian President Viktor Yanukovych, which was spearheaded by fascists and backed by the EU.

Originally the summit was also to decide on increased sanctions against Russia. Following a retreat by the Russian president, however, this will probably not take place. With the signing of the Association Agreement, however, which binds Ukraine tightly to the EU, the summit will make clear that the EU is maintaining its aggressive offensive against Russia.



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