EU's post-Brexit plans foresee growing conflict

Alex Lantier 4 March 2017

The March 1 White Paper on Europe issued by European Commission President Jean-Claude Juncker was billed as the most significant global policy response by the executive of the European Union (EU) to Britain's unprecedented vote to leave the EU last year.

The Brexit vote last June was the first in a series of political blows dealt to the EU. Italian voters turned down a pro-EU constitutional referendum last autumn, and voters are going to the polls this spring in Dutch and French elections dominated by the rise of far-right, anti-EU parties exploiting deep popular anger at the EU's austerity policies. Should France's neo-fascist National Front (FN) take power on its anti-euro and anti-EU program, the prospect of a collapse of the EU and of its central Franco-German axis is very real.

Above all, the election of Donald Trump as US president, and his denunciation of the EU as a tool of Germany to strangle other European countries, showed that the main historic driver of attempts to unify European capitalism—US imperialism—is divided over the EU. During the election campaign, as the Obama administration and the EU stoked conflicts with Russia over Syria and Ukraine, Trump explicitly raised the possible use of nuclear weapons in Europe.

Juncker's document shows that the leaders of the EU executive, which is especially close to Berlin, have nothing to propose to address the ongoing social collapse and drive to war. While it tries to put the best possible face on the situation, it paints a devastating, deeply pessimistic picture of the EU. The five scenarios that it forecasts, in broad and vague lines, foresee escalating divisions and political disunity inside the EU's existing borders, and advocate trying to paper them over with calls for rearmament.

"For generations, Europe was always the future," the

document begins, having noted in its foreword that on March 25, EU leaders will meet in Rome to commemorate the 60th anniversary of the 1957 Treaty of Rome that launched attempts to integrate capitalist Europe. Today, however, the EU is unmistakably the past: as the White Paper admits, its population faces a prospect of war and relentless social decline.

The document warns of vast foreign dangers, including both "wars and terrorism in the Middle East and Africa" and the ongoing "build-up of troops on our eastern borders." It does not add that the leading EU powers participated from within the NATO alliance in creating these dangers—through a decades-long campaign of wars for regime change in Iraq, Libya, Syria, and beyond, and since the 2014 NATO-backed putsch against a pro-Russian government in Ukraine, after which they launched a vast military build-up on Russia's borders.

In line with multi-billion-euro military spending increases by Germany, France, and beyond, as well as the recent return to the military draft in Sweden, it bluntly calls for massive rearmament and war preparations. It writes, "Europe cannot be naïve and has to take care of its own security. Being a 'soft power' is no longer powerful enough when force can prevail over rules."

This drive to war goes hand-in-hand with escalating fears of a new global economic break-down rooted in a collapse of free trade. Noting "doubts over the future of international trade and multilateralism," the document foresees that "standing up for free and progressive trade and shaping globalisation so that it benefits all will be a growing crisis."

One of the main causes of the growing discrediting of international capitalism and trade, the White Paper admits, is the social collapse left behind by the aftershocks of the 2008 economic crash. "Addressing the legacy of the crisis, from long-term unemployment to high levels of public and private debt in many parts of Europe, remains an urgent priority. The challenge is particularly acute for the younger generation," it states. "For the first time since the Second World War, there is a real risk that the generation of today's young adults ends up less well-off than their parents."

The White Paper forecasts a constant relative decline of Europe's demographic and economic weight: its share of world population is expected to pass from 25 percent in 1900 to 4 percent in 2060, and its share of the global economy from 26 percent in 2004 to under 20 percent by 2030.

The White Paper outlines five vaguely defined strategies for how the remaining 27 EU member states could try to remain together: "carrying on", "nothing but the single market", "those who want more do more", "doing less more efficiently" and "doing much more together".

The fact that "carrying on" with the agreements signed before and just after Brexit is only one of five options—and one that would not prevent the EU's unity from being "tested in the event of major disputes," the White Paper asserts—underscores the enormous fragility of the EU. The White Paper foresees the distinct possibility that the EU might collapse into just a "single market" free-trade zone.

The press and political commentators pointed out that the appeal to continue uniting only those "who want more" would lead to the formation of a "core" EU and the de facto relegation to second class status or outright exclusion of countries who do not "want more" of the EU.

Hungarian Economy Minister Mihaly Varga explicitly denounced this possibility, warning that "strong actors" could try to sideline others, producing "social unrest" in states left behind. "There's a real threat that [those] who favour a two-speed Europe will say that those who're in the euro area are in, and those who are out of the euro are out," he declared.

At the same time, there are increasing indications that key euro zone member states could decide to abandon the euro currency. Besides the possibility of a FN presidential victory in France, the Dutch parliament has commissioned a report evaluating the pros and cons of the euro for the Netherlands, and Italian bank

Mediobanca published a report in January claiming that Italian public debt servicing would not be harmed by Italy's exit from the euro.

Amid the crisis of European capitalism, institutions built over decades, ostensibly to avert a new war between the European powers like the two world wars of the last century, are collapsing. The great contradictions of capitalism that the great Marxists explained would provoke international revolutionary struggles a century ago, at the time of World War I and the 1917 revolution—above all, between global economy and the nation state system—have returned.

Reacting to the White Paper, the press pointed to deep divisions and electoral crises in Europe, concluding that they kept Juncker from proposing anything more definite or ambitious for the EU.

With the White Paper, *Le Monde* wrote, Juncker is hoping to "take back control of a ship that has been navigating heavy waters for several months. The federalist is constrained and forced to become a realist."

Mujtaba Rahman of the Eurasia Group risk consultancy said, "Juncker's proposals aren't going to be particularly ambitious. Germany and France disagree about what to do with the Eurozone, and states in Central and Eastern Europe want more powers to return from Brussels following Brexit. That sets clear limits on what Juncker's plan can achieve."

The *Financial Times* of London cited a report by Italian consulting firm MacroGeo, titled "Europe in the Brexit and Trump Era: Disintegration and Regrouping."

The report, the FT wrote, "asserts that the EU in its present form is most likely going to decompose, even if pro-integrationists such as Emmanuel Macron, the French independent centrist, and Martin Schulz, the German Social Democrat, win this year's elections. 'By the 2021-22 electoral cycle, the EU might be entering the last five years of its 'real' existence,' the report says."



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