



EUROPE LECTURE 2013

Discussing Europe's significance

Speech K. van Wolferen – 25 oktober 2013

What does the world think of Europe? It does not much dwell on it, I am afraid.

Our continent is not doing much that makes it an entity about which one should have an opinion at all, except for its undeniable significance as an enormous market. Diplomatically it is virtually invisible; it is not a powerbroker, and it does not offer ideas about good international living that reverberate in other continents.

When Japanese, Chinese, Americans, and I suppose people from Africa and South America think about it at all, they do so as an area they may want to visit because of its sublime concentration of tourist attractions; in that respect there is no place quite like it.

When serious observers of international affairs think of Europe they most likely regard it as a realm of unrealized promise.

In the earlier stages of European unification, the unifiers and their supporters conceived of their union as something that could and would become nothing less than a good example, something to look up to and for the rest of the world to emulate. There was talk of a "new European century"; of Europe as a paragon of international virtues. One of Europe's foremost philosophers, Jürgen Habermas, wrote that after solving the problems of welfare systems and government beyond the nationstate, Europe was in a position to defend and promote a cosmopolitan order on the basis of international law.

This kind of optimism used to be fairly widespread, and some of the assumptions that went into it are still taken for granted, as I discovered at the University of Amsterdam. The claim to superior political virtue and other self-congratulation have, in fact, produced rather supercilious attitudes even now, which understandably irritate Americans and the rest.

The thinking of outsiders contrasting reality with earlier expectations is not much different, then, of what a vast number of people inside the Union think. With Europeans themselves the reality comes across as consisting more sharply of broken promises with respect to everyday matters, when they see welfare provisions dwindle, job security eroded, and proliferating nonsensical rules coming out of Brussels. The central technocracy, moreover, has helped create a smoke-screen behind which national governments may hide, and escape accountability. In the Southern nations and Ireland, things are of course much worse.

Which brings us right away to what the euro crisis demonstrates: a basic failure at the root of most of Europe's other failures.

It is, by now, fairly well-known that the architects of the euro understood perfectly well that the political underpinnings for the common currency were not there. We also know that these pioneers were confident that this gaping hole where a political fundament ought to have been would be repaired, when necessity forced their successors to get going on that.

Optimism of these architects of European unification was at the time not cancelled by the simplistic thinking of those who had convinced themselves that you can have an economically integrated Europe, an ever-growing, huge, market without political borders, where trade could flourish unimpeded, without such a thing requiring political institutions for solving the political problems that would inevitably follow from integration. Most prominent among them was Mrs. Thatcher.

I had one brief opportunity, by the way, to talk with Mrs. Thatcher personally at a symposium where this very issue had been raised, but it meant nothing to her and she gave no inkling of having any thoughts consonant with the gravity of the subject.

How can such blindness exist? One reason is the disastrous habit of separating economic and political thought. The two subjects live their own unconnected lives at universities and editorial offices. So, while the euro crisis is a political matter, it has been dumped in the laps of mainstream economists who are notoriously uninterested in historical perspective. Furthermore, and connected, is the step motherly treatment of everything that has a bearing on power. Economists are scared of the phenomenon. It upsets their models because power does not lend itself to quantification, and because it threatens their belief that they are engaged in a universal science that tells truths independent of time and place. Political scientists, although they have their noses rubbed in it all the time, also prefer to turn their backs on facts of power, for similar reasons, and because they do not want to sound like Marxists. They often use the term 'power' when they mean 'influence'.

There is of course no question that the European Union is a political entity, it cannot be anything less, but through the neglect of political necessities it is a weak and ineffective one.

In discussions about what has gone wrong in social life, the arguments are often cast in moral terms, and so it has been with the failures of Europe. When such an approach leads to a comparison of the caliber of heads of government today with the caliber of political figures in whose footsteps they follow, we may learn something. A moral investigation into motives and priorities helps explain the rather obvious fact that politicians who could make a difference today do not measure up.

But it is unhelpful to put populations under a moral magnifying glass. The frequently heard explanation that an integrated Europe does not have much of a political future since the people in the member countries cannot be expected to get on with each other because of deviating habits or lingering hostility, does not address the core of our problem.

It is more useful to look at structural factors that have helped block the European Union to deliver on expectations and promises. I want to go into two of them: they are known as Atlanticism and Neoliberalism.

* * *

The quality of a political entity is recognized on the outside by its cohesion and integrity; by its ability to deal with and act upon other political entities; in other words, by its presence in the world besides being a tourist destination and commercial giant.

What is the source of the obvious European debility as a political entity? Well, the countries who have signed up to be a part of the Union have other loyalties. And those loyalties have seriously begun to undermine the original European effort to build excellent political civilization.

The member states do what Washington tells them. Perhaps grudgingly and with distaste, but on global matters they are subservient. This passes for proper conduct among allies. But covered up is the fact that there is no alliance, at least not in the accepted definition of the term. An alliance exists for the purpose of shared goals. There was one once during the Cold War. But after the demise of the common enemy – the communist Soviet Union – the alliance collapsed because of the transformation into militarism, and the fundamentally altered priorities of its dominant member.

The United States is not the ally Europeans used to have. Command has replaced consultation. Times are long gone when any kind of public conversation between Europeans and Americans about harmful American action has a chance to resonate in American corridors of power. Europe's erstwhile geopolitical protector, the main architect of the relatively stable post-World War II international system, has become a tragic case of domestic malfunctioning and delusions of unattainable international grandeur.

America's transformed sets of purposes and methods are, to say the least, inimical to what an integrated Europe was supposed to stand for. Unfortunately European political elites have, epistemologically speaking, remained stuck in the Cold War. We are faced with an American tragedy and a blind free world.

To substitute for the erstwhile alliance are relations of vassalage, of servitude. They have of course not been formally identified for what they are. The transatlantic political arrangement would collapse if reality were acknowledged.

But as it looks at the European Union, Washington sees not one political entity, but a collection of vassals; needy subjects who, with varying degrees of reluctance, do as they are told. The Lisbon Treaty has reinforced the vassalage by not substituting a European defense system for NATO.

NATO with its subservient personnel, joint military operations, and strategic outlook is a liability for Europe. After the Cold War it has served as a reservoir of reserve troops for America's wars that are illegal by the tenets of international law, to which the European Union subscribes. Attempts to substitute new enemies for keeping NATO together have not been credible. The 'war on terrorism' is an impossibility. You cannot have a war if you cannot sit down with enemies to negotiate a peace treaty.

I am aware that the Netherlands has probably the highest concentration of Atlanticists, so it would not surprise me if I am standing before a skeptical audience here. But if what I say strikes you as exaggerated and unrealistic, this may be due to the fact that the majority in European populations are only very haphazardly informed by a press that after the Cold War has become shy of exploring to any depth changes in power relations that determine how our democracies are nowadays organized.

Neither editorial bureaux nor political elite circles are questioning fundamental "free world" assumptions. More people in high positions than you might think see this clearly enough but they will not say it out loud. Honesty would endanger their future prospects. They are rather a lot like journalists, who worry about their jobs and do not want to be marginalized.

As long as Europe continues to be a composite of separate vassals the hindrance to its further political integration will remain enormous. Again, a political entity takes shape as it responds to other powers. Effective response requires a center capable of strategic thought and action; call it a sense of political accountability. All we see now is a huge emptiness in the heart of Europe.

Europe's lamentable status is most obvious when we look at global diplomacy. The European Union is not an arbiter of global anything. It is relatively naked, diplomatically speaking, in the face of ever increasing Chinese power, and of a Russia that without question will play a role in all our future. It treats other parts of the world in a manner that suits current Washington preconceptions.

If this were different Europeans would have tuned in with the Bolivarian revolution taking place in Latin America; they would have accepted the Chinese initiative for strategic cooperation; they probably would change their attitudes toward IMF insistence on structural adjustments in keeping with the so-called Washington consensus that have worsened African poverty.

Remember when Schroeder and Chirac denied George W. Bush a Security Council endorsement for the invasion of Iraq? If at that time they had clearly explained to their own citizens and the world that the UN Charter was too valuable for the world to violate, they would by one stroke have established Europe as a primary player on the world's stage. At the moment, ten years later, Europe's global influence is, if anything, negative as it helps encourage the United States to hang on to its fantasies.

Anti-Americanism, long a European tradition, has unfortunately made things murkier than necessary. It has helped prevent honest discussion on transatlantic relations by a companion tradition of dismissing critical assessments with the charge that they are inspired by hostile sentiments. Anti-Americanism diverts attention from the tragic metamorphosis that I am talking about.

* * *

One way of gaining perspective on your own situation is to imagine what would happen if you try to extricate yourself from it.

Well, it is not easy to escape from the neo-feudalist transatlantic embrace because of the intimidation mechanisms available to Washington, and member states allow themselves to be intimidated. If you think I may have lost a sense of proportion here, please consider the manner in which in Japan the first cabinet formed by a new ruling party, which by the way ended half a century of a virtual one-party system, was in fact overthrown by Washington.

This is not generally known – except in Japanese circles who hope to achieve true national independence – but it was triggered by serious attempts of the new Japanese government to improve relations with next-door China. What you have heard about the Japanese-Chinese quarrel since then has primarily been caused by rightwing political mischief made possible because of the sudden vacuum where a new China policy was being developed.

The overthrown Japanese cabinet was getting in the way of Washington's so-called pivot toward Asia. This recently adopted approach is generally taken to be a set of policies aimed at containing or isolating China. And that, in turn, is part of a paramount aim, inherited from the neoconservatives and known as 'Full Spectrum Dominance', which drives American international actions. They are in nobody's interest, least of all that of the United States itself.

'Full Spectrum Dominance' is fantasy. It must substitute for a feasible strategy with which Washington can approach the rest of the world with positive results. Part of the American metamorphosis is a situation in which two of the most important instruments of the state, the military and

the financial system, cannot be used effectively by an American government because they are not under political control.

It greatly worried President Eisenhower that this might come to pass with the military, when he addressed the nation on TV with his farewell speech and coined the expression military-industrial complex. The reality today is a great deal worse than what Eisenhower imagined.

The connection between an uncontrolled military and an uncontrolled financial system has not been obvious to all, because of that fateful separation of political and economic frames of reference I mentioned earlier. But we need not pursue this at length to see that rather than the state controlling the financial system, things in the United States have turned upside down as bankers and their allies determine policy. And, lo and behold, thanks to a developing transatlantic plutocracy, that phenomenon has crossed the Atlantic as well.

* * *

Which brings us to the other big reason for Europe's unfulfilled promises that I mentioned – neoliberalism.

Once again, as a result of their reluctance to think about these things in power terms, economists and others who are regarded as professional explainers have not served us well. Post World War II capitalism, the kind almost all of us grew up with, has in recent decades undergone a revolution. One that has changed relations between the citizen and the state.

If on the outside a cohesive stable political entity is known by how it conducts itself among other political entities, on the inside it is known by how it treats its own people. And if it claims to be democratic the question is whether it recognizes them as citizens who matter politically. In other words, does the political entity in question see a public, and understands its responsibility for keeping public facilities in good health?

The term democratic deficit is well-known in European circles. What has had most attention is the inability of the citizens of member states to influence policies developing on the Union level. The European Parliament in Strasbourg is a fledgling institution never given a thought by most Europeans. Because national economic policies of the member states are largely supervised by Brussels, and nationally elected politicians have discovered the convenience of hiding behind European directives, European citizens have become more scathing when referring to democracy at home.

But there is something else, something actually much bigger, that ought to have attention. This is what has happened in between the level where citizens exist and the level of government.

In normal states there have, of course, long been politically significant entities between the two that in some way regulate communication between these highest and the lowest political levels of the state, political parties foremost among them. And there have long been institutions in between that are theoretically nonpolitical, in the form of business organisations, which nevertheless have in varying degrees had a significant influence on how policies are arrived at and what form they may take.

It has long been understood that there must be safeguards to make sure that these non-representative but politically significant entities do not arrogate power to a point where it eliminates the relevance of citizens on the political scene.

Because too little attention was paid to the necessary political underpinnings for ensuring orderly free-market capitalism, the European Union created a huge space for corporate power to run rampant. Hence in Europe the capitalist revolution has in some respects been pushed along further than even in the United States. Lots of arrangements that accompanied the expansion of the Union were lobbied for, inspired by, and sometimes forced through by the power of politically well-positioned corporations, which made huge profits for example through the privatization of state-owned sectors of formerly communist countries.

An immensely important development, the financialization of large parts of business, must be understood to grasp the full story. It made the rise to high political power of bankers possible, and the intertwining of their tribe with the tribe of politicians, to a point where it sometimes becomes difficult to tell them apart.

* * *

The Greeks, Portuguese, Irish, Spanish and Italians are not guilty of creating the euro crisis. What actually happened is that Europe's northern Banks had gorged on the so-called poisonous assets created by their counterparts in the United States, which rendered them technically bankrupt. Those of Germany foremost among them. The Merkel government did what governments often do when faced with unspeakable reality: it changed the subject. As a result, in no time North Europeans imagined that those Southerners had something to do with the crisis, especially Greeks who did not work hard and did not pay their taxes.

Let us place the so-called troika that has been put in charge of the crisis, in its proper neoliberal perspective. A prominent role was given to the IMF, an institution with a dismal neocolonial track record of ruining economies in Africa and South America. It had almost been pronounced dead as Latin Americans wanted to have nothing to do with it anymore. But Europe gave it new importance and with that particular move imported the American Treasury as a controlling agent. Look at the ECB, which is forbidden to function as a genuine Central Bank. And while we are at it, look at the most notorious of investment banks, Goldman Sachs. What you will see is their connecting revolving door through which the top people move on their way to new jobs.

How did all this come to be? Aside from the earlier-mentioned intellectual failures, the current situation serves a plutocracy that has emerged unhindered as social-democratic parties all over Europe believed that they had to move with the times and make common cause with financialization, while critical journalism, more and more beholden to corporate power, simply faded away. The evolving situation is very welcome to quite a few individuals and entities that are raking in lots of money.

When the credit crisis hit European shores, the transatlantic plutocracy began to determine what would happen to the euro-zone and with that the European Union. A critical mass of European politicians had been misled to take for granted that the success of Europe's economies revolved around the continued existence of the present banking system, and it was abundantly clear from the outset that the insolvent banks would be given privileged treatment at the expense of Europe's citizens.

On to current financial crisis policies that have made many, all over the world, wonder whether the politicians in charge are rational creatures. What is being rescued, or rather what is the target of the rescue attempt, are not the economies of the member states, which is what a mostly credulous European public is made to think, but the insolvent banks in France, in the Netherlands, and most of all in Germany. When German citizens complain that their tax money is wasted on

helping the Greeks, they are for the most part unaware that it is actually used for the sake of the balance sheets of their own banks. And to keep this particular set of policies going, everyone in Europe has fallen under the dictates of austerity issued by the masters of finance.

You have, no doubt, heard the expression "marketplace of ideas". It is a misconceived metaphor, popular because of the notion that markets are the ideal arbiters of what is valuable and what not. Ideas are not traded, they are not scarce, they can be multiplied at no cost to allow millions of people to swallow them, and they are rarely judged by their worth. For a proper metaphor we ought to imagine ideas as capable of creating fevers and epidemics.

The notion of necessary austerity to make an economy run better is a virus. It has spread from the United States to everywhere in Europe. It has created an epidemic that has made economies very sick. It could end the European Union if no medication of powerful sound common sense is applied in time.

Starving the public sector as a recipe for economic healing has never worked, aside from isolated cases with very special circumstances. The last time we had something resembling it was in the days of 'bleeding' or 'blood-letting' as a medical remedy for lots of illnesses. Surgeons in ancient Greece and medieval Europe believed that illness might be caused by an imbalance of 'humors' in the body, something to be cured by extracting large amounts of blood from their patients. A fainting patient was considered proof that the treatment was working. The weaker ones naturally died from this. Now, the difference between bloodletting of bygone times and the economic austerity now in vogue – and most gruesomely applied to Greece – is that bloodletting was frequently not fatal, while starving countries' public sectors leads inexorably to recession and depression.

* * *

This in short is the situation in a Europe where commentators and policymakers have been holding their breath waiting for Angela Merkel to get an election result enabling her to form a coalition that continues to combat non-existent inflation, and continues to hide the rotten state of German banks behind an opinion mist of rhetoric that blames others for what has gone wrong.

The crisis of the European Union is, in the end, a conceptual crisis. One that is being treated by officials who are intellectually crippled through presuppositions derived from ideology and made rigid by opportunism. The medicinemen and women of Europe operate within a universe of thought that has become useful to them, but that is charted with no longer valid mental maps on which revolutionary transmutations have not been registered. In the same way that the Atlantic Alliance that we grew up with is no longer, the post-World-War-II capitalism we grew up with has changed beyond recognition as well. It is the failure of Europe's politicians to acknowledge this and act accordingly that is wrecking what was once proclaimed as the most interesting and hopeful experiment in modern political history.

Europe as envisaged by its post-World-War-II pioneers is disintegrating. The solidarity that officials invoke is not there. Skeptics are likely to say that it never existed. I disagree. It was destroyed.