

<https://internationalviewpoint.org/spip.php?article625>



Europe

Pseudo debates, capitalist offensive

- IV Online magazine - 2001 - IV333 - July 2001 -

Publication date: Monday 16 July 2001

Copyright © International Viewpoint - online socialist magazine - All rights reserved

Those who leaf through the newspapers of the years 2000 and 2001 in 10 or 20 years time will not fail to be impressed by the intense debate on the construction of the European Union (EU) which has taken place over this period.

[<https://internationalviewpoint.org/IMG/jpg/eubuilding.jpg>]

German foreign minister Joschka Fischer began it in May 2000, showing unprecedented audacity in proposing a staged advance towards a federalist Europe. French president Jacques Chirac gave his reply a month later (June 2000), insisting on the role of the nation states. British Prime Minister Tony Blair pitched in from Warsaw (on October 6) raising the slogan of "Europe superpower yes, super-State no!" and making a powerful call for the historical unification of the continent. Three weeks later, Belgian Prime Minister Verhofstad returned the serve, emphasising the federalist tone of the future Belgian presidency of the EU (in the second half of 2001).

The debate reached its apogee when, on May 28, 2001, French prime minister Jospin responded promptly to his German comrade Schroeder - who had not hesitated to use the platform of the conference of the Party of European Socialists [parliamentary group of social democratic parties in the European Parliament-ed.] to take the offensive by presenting an institutional flow chart so federalist that it came as a severe shock to the French political microcosm.

[<https://internationalviewpoint.org/IMG/jpg/jospin.jpg>]

Jospin

Undoubtedly there are people today who also think that the debate is rich, polarised and interesting. It is nothing of the sort. Arranging the various speeches in schemas, and seeking the content behind the schemas, one notes that each protagonist carefully avoids answering the other, that the terminology and definitions vary slightly from one text to the other and that the proposals are generally intentionally incomplete.

Dominique Moisi (of the French Institute of International Relations), organic intellectual of the French state on EU matters, does not beat about the bush: "the debate remains deliberately ambiguous. With good reason. It is only by wrapping political ambitions in an ambiguous vocabulary that one can arrive at a consensus in Europe (...) Far from promoting debate, the dominant preoccupation of the European leaders is maintaining popular support while remaining sincere on the future. [1]"

Indeed, this pseudo-debate has served to fill space, be profiled, optimise a particular relationship of forces, hide true intentions or simply continue to get nowhere fast (according to the famous advice of former EU Commissioner Jacques Delors). That does not mean that there are not genuine discussions in high places, behind closed doors. Or that what is said and written publicly is arbitrary. Quite simply, they do not want to clearly put their position and to submit it to the people! We can distinguish three rationales, which explain this voluntary opacity.

The weight of internal politics

There is, initially, the determinant weight of internal politics, in particular governmental stability and parliamentary elections.

The most obvious example is Tony Blair. From his election in 1997, he did not hide his ambition to play a leading role at the head of the EU, which would obviously involve monetary union.

However, faced with the scepticism and hostility of the people (big British and multinational capital being clearly for), he had to temporise and win a second term (now achieved).

Thus, for four years, he has dodged the question of the Euro, vilified European federalism, rejected any idea of economic government, demanded the purging of the Brussels bureaucracy, and opposed any EU intervention into capital-labour relations.

Schroeder is more at ease, but not without problems. In a recent text, he seems to favour an unambiguously federalist EU: the European Commission should become the government of the EU, the Council of Ministers would form a second chamber of Parliament, and the European Parliament would also play a full role.

Referring to the German model, he favours a redistribution of power to the regional level (with the renationalisation of agricultural policy). The media affect to be unaware that this text is a resolution of the Social Democratic Party for the parliamentary elections of 2002; it aims to cut the ground from under the feet of the Christian Democratic opposition (CDU/CSU) while casting the net wide (among pro-Europeans and regionalists of the Lander-German provinces).

Moreover, Schroeder, as head of government, did not even defend this text at the congress of the Party of European Socialists, which moreover did not centrally debate Europe! [\[2\]](#)

There are other examples demonstrating the extent to which the politicians' futilities can override the fundamental needs of the dominant classes. Thus, Jospin was frankly put out by the publication of the German position on the eve of his own declaration on the EU. This was reflective, coherent and fairly complete, certainly the most serious of them all. It is a real attempt to trace an institutional flow chart in synch with the current degree of "Europeanisation" of the various societies and the major problems that have to be resolved immediately. If it lacks vision, as the European journalists complain, it is at least relevant.

Moreover, even before (!) the British elections of June 7, Denis MacShane (MP and adviser to Blair on European affairs) said that from the political and institutional point of view Tony Blair was on the same wavelength as Jospin! [\[3\]](#)

And he concretely entered a possible agreement: a close collaboration of nation-states as the basis of the EU; reinforcement of the councils of ministers who lead European policy; the association of national Parliaments in monitoring policies - an idea of Blair's taken up by Jospin.

The word "Constitution" causes problems in Britain, but if, instead, one called for, let's say, a Charter of Competence, there would be no longer a problem. That didn't stop Blair making a discreet request to Jospin to put off his speech until after June 7, so that the formula of a Federation (!) of nation-states would not jeopardise the result of the British elections!

All this obviously stands in the way of an objective, broad and well-argued debate, the development of a vision, and, especially, the participation of the public.

The rivalries between states and their clientele

The second rationale disturbing the debate is the rivalries between (large) countries and their need to impose in

practice the interests of their respective states or bourgeoisies, while protecting the existing framework of the EU. Nice is the example that will remain in the history of the EU. To arrive at equitable decisions it is necessary to share representation in the Commission, the Council of Ministers and the Parliament equitably between member countries.

Starting in advance from clearly objective criteria, discussed publicly and adopted democratically, the approach is completely legitimate. It becomes sordid only from the moment where all is carried out in opacity, in terms both of the rules of the game and the criteria.

In fact, the relationship of forces is the fundamental rule. The governments of the various countries (especially the large ones) sustain themselves on a cocktail of "nationalism" and "Europeanism". And alliances are needed to gain majorities or, still more difficult, unanimity.

Until 1989-90, the famous Franco-German axis, legitimised by the calamitous history of the 20th century, had constituted a stable centre of gravity in the EU, reconfirmed at the foot of the Berlin Wall by the Kohl-Mitterand agreement on the Euro.

However, since the mid-1990s, seasickness sets in. The cause is the new dynamism of the EU and the beginning of a true supranationality, that is an abandonment of national sovereignty (the management of the single market and the Euro). Hence a new question which from now on underlies the whole development of the EU: who controls supranationality? And, consequently, what extension should it be given?

Thus is opened the era of specific coalitions between governments. With this paradox: the stakes grow, and with them, the instability.

Blair opened a breach in this apparently solid axis by forming an alliance with Schroeder, under the aegis of the third way. Admittedly, at the beginning it constituted an ideological document. In reality, it was just as much intended to be the constitution of an Anglo-German intergovernmental axis directed against France and Jospin.

Jospin's European isolation over a period of some two years gave a new impetus to neo-liberalism in the EU, because the French government had to protect itself from an awakening social movement.

The new Franco-German rapprochement pushed Blair to form an offensive neo-liberal alliance with Aznar (Spain) and Guttierrez (Portugal), with Amato (Italy) supporting them more discreetly: Schroeder approved but without committing himself; Jospin resisted.

That allowed the adoption of the agenda of big business at the Lisbon Summit. Blair's triumph was celebrated in London (and, more discreetly, in the boards of directors of the big multinationals).

Germany is always obliged to hide its economic power behind masks. That of European federalism suits it well: it conceals German-national ambitions and allows the weaker countries to be carried along.

The chaotic and arrogant behaviour of Chirac reflected well on Schroeder, master of the future orientations of the EU, paradoxically allowing him to draw in the smallest countries (Belgium, Luxembourg, Netherlands and so on). Chirac boasted pathetically that France had succeeded in concluding a historic treaty.

An undisclosable goal

The third rationale which prevents a real and democratic public discussion is that the true goal of the EU cannot be disclosed to the people and the working classes of Europe: to create a supranational state apparatus at the service of the big European capitalist groups.

The Europeanist elite regrets it! Suddenly, the dominant classes have a big problem in imposing sacrifices on their people to get the material means for the implementation of this policy. However, an attempt in this direction had begun in the midst of the "humanitarian war" in the Balkans.

At the time, Europe as great power seemed a good substitute for the slogan of the social Europe, completely contradicted by the brutal neo-liberal policy. But the EU is not the United States! On this level Blair, the sabre-rattler against Iraq and Serbia, is certainly the most at ease. Hence his leitmotiv: yes to the EU as superpower, no to the super-state!

France is already less affirmative and hides readily behind its universal values, playing militarily on the anti-American string. What about Germany? It has succeeded, thanks to the support of the Green ministers, in sending its army outside its frontiers for the first time since 1945, but it is some way from being able to openly remilitarise. Its history haunts it. With its enormous economic weight, demanding a powerful Europe sounds suspect ...

The popular problem of legitimacy for the EU as it exists and projects itself is very real.

The proof of it is Ireland: its economic miracle is running into disaster. Inundated with subsidies, state of the art technological investments, exemptions and exceptions that have made it the most dynamic country in the EU with an amazing economic growth.

It is also the country of flexibility run amok, of galloping social inequality, uprooting of communities. The Irish people have used the referendum that the Irish government (and all the EU) thought to be won in advance, to reject neo-liberal policies, to defend the pacifist tradition, to defend their way of life.

This spectacular rejection led, as could have been expected, to the arrogant reaction of the heads of the EU: the train will not stop, we continue! The despotic and manipulative logic of the EU is infernal: incapable of calling on the people to settle things democratically, it can only advance by media manipulation, lies, and secret diplomacy.

There are real dissensions and conflicts on real questions of power and material interest, but also real agreements on the broad outline of the EU's institutional framework and its desirable evolution.

The enlightened elite

First of all, there is a basic (unstated) agreement, to exclude the people from the democratic right of deciding on the EU's social and political nature, and its institutional structure. The maximum democratic choice that would be allowed is a referendum at the end of the process.

Moreover, even that will depend on the country, because in general it is national Parliaments who decide, quickly and without making much noise about it.

Instead, there will be advertising campaigns and a pedagogic approach: the enlightened elite will explain to the people who do not understand yet. In any case, the real constitutional and constitutive question will not be debated: how do the people of Europe want to live together?

All this is completely in conformity with the text of German foreign minister Joschka Fischer in May 2000. He envisaged a kind of democratic assembly (more or less decision-making) after the completion of European construction (in 10-20 years). Jospin, in his text, mentions the word democracy a total of four times.

But in the decisive chapter, the European institutions are to gain in coherence and effectiveness, not in democracy! What is envisaged is a European convention (designated by the governments, national and European Parliaments and civil society) to debate, the decision remaining in the hands of the states with ratification by the peoples (through a take it or leave it plebiscite).

The text of the German SPD (attributed a little too quickly to Schroeder) proposes to organise a public discussion on political objectives (excluding the other objectives, social for example) of the EU, on the structures and the mechanisms of decisions. Where and how? Within the national Parliaments and the European Parliament.

A consensus emerges nevertheless in high places, on the urgency of addressing what is modestly referred to as the democratic deficit. The institutions should be more transparent and democratic. However, it is by no means about a reproduction of the current national parliamentary models.

The proposals advanced in fact recognise the indigence of the current European Parliament. The easy way would be to complement the current European Parliament with a second chamber made up (of a selection) from national Parliaments.

The proposal of the SPD, which envisages the transformation of the Council of Ministers into a second chamber of the European Parliament, appears highly eccentric.

What Jospin proposes is not a Parliament which adopts laws, votes on the budget, sanctions the executive, debates on all the fundamental and current problems of the societies and intervenes in everyday life. It amounts to a fusion between the directly elected European Parliament and the national Parliaments in their entirety, forming a kind of European congress which would define the main trends of European policy, and which would meet once or twice a year!

A supranational leadership

The real problem for the European dominant classes is to create a supranational structure of leadership, capable of deciding and acting quickly in a dangerously unstable world in the essential fields of a state. To give this task to the Commission (by definition supranational!) is in contradiction with the inter-state nature of the EU.

It is true that big Capital insists on the role of the Commission, because this latter is its privileged interlocutor (for lobbying, in particular the writing of European directives) and it is directly in charge of supervising the correct operation of the single market.

But the true objective of the EU, including the big capitalist groups, is to reinforce its daily state policy in the EU and

the world. That necessarily implies a supranational capacity starting from an intergovernmental mechanism.

It is the road that the Council (of ministers) and the big states have recently taken by designating Xavier Solana, as their high representative for foreign affairs (Mr CFSP, for common foreign and security policy).

That leads to frictions with Chris Patten, the member of the Commission who deals with the same area. Recently, the Belgian finance Minister, Reynders, has (re)proposed, by analogy, the designation of a Mister Euro, high representative of the Council of Ministers, as interlocutor with the European Central Bank and spokesperson of the Council of Ministers of Euroland [EU countries subscribing to the common currency, Euro-ed.].

Of course, if these two characters were also Members of the Commission (as Prodi has tactically proposed), while remaining responsible before the Council, which has Executive authority, and if these types of nominations multiply (for example for defence and the future European army), the Commission would be absorbed or at least dominated by the Council. It would have an oddly hybrid composition.

The problem is not abstract any more: the first test, and it is a serious one, is control of overall economic policy, in turbulent times. On this level, the vacuum is worrying from the point of view of the bourgeoisie. This latter could intervene more quickly than is thought if the Euro were in difficulty.

The European Central Bank (ECB) is limited formally to control of inflation. It is a strong supranational structure, strictly independent of the political structures of the EU. Which also means without guarantor on the institutional political level.

There is certainly Ecofin (the Council of Finance Ministers), which watches over and can penalise the governments, which deviate from the Maastricht criteria and the stability pact.

But from the legal point of view, it has nothing to do with the ECB, which concerns only the members of the monetary union (i.e. excluding the United Kingdom, Denmark and Sweden). Hence the creation in improvised style of a council of 'Euroland'.

However, economic policy remains decentralised. Some of its components, like competition and trade policies, are dealt with at community level (or the Commission handles them).

On the other hand, the Council of Economic Ministers decided, (in 1997, following the demonstrations in Amsterdam against the new treaty) to found a co-ordination on the application of labour market reforms (the 'broad guidelines for economic policy') and by a strong checking mechanism (peer pressure, that is the agreement to bend voluntarily to the pressure of fellow ministers). But confined to the checking of reforms, it is not comparable to an economic government able to respond with an overall coherence.

A small constitution

Another point on which there is consensus is that a Constitution is needed for things to function well. Suddenly, a taboo has been broken. The British are horrified by the idea, given that they have always survived without a written Constitution. For the French, a Constitution makes sense only in connection with the existence of a nation, non-existent on the European level ... Pragmatism seems to carry the day.

There will be a rationalisation of what EU jargon calls the "community patrimony". This set of rules in force in the EU - 80,000 pages! - covers everything from the fundamental rules of the EU to the measures of application of agricultural policy and the single market.

This little constitution would cover values, the sharing of powers between the various levels of decision-making, and, more generally, establish a consistency in these thousands of standards. It is not obvious that the values are assimilated to inalienable rights, with all their implications!

But it is already understood by its defenders that this European Constitution - undoubtedly a historic first! - should not be democratically subjected to a vast debate in a constituent assembly, elected by all the peoples of Europe, who send their mandate(s) for debate and discussion at the European level and then decide each in their own country on definitive adherence to the Constitution proposed for Europe.

The public pseudo-debate, the chaotic aspects of certain summits, the incoherence of the European institutional structure, a very embryonic consensus between governments which does not succeed in concretising an institutional project, and a limited and precarious legitimacy, all this should not induce an error: the EU has succeeded in constituting the biggest single market in the world, accompanied by a monetary union.

Its supranational construction is only just beginning. It is neither finished nor consolidated, but neither is it fragile to the point of being shipwrecked by the first storm, as some on the radical left still think.

It is then necessary to grasp the significance of the leap that the EU is preparing to make in the two coming years: enlargement to the east (from 2002 or 2004), the introduction into circulation of the euro (at the beginning of 2002), the establishment and possible activation of the Rapid Intervention Force, the completion of the single financial market, the continuation of large scale privatisations in energy, telecommunications, the post office, transport ... It is this evolution which will be determinant in settling the conflicts between governments and shaping the evolution of the institutions of the EU. Unless the social movements throw a spanner in the works.

This new widening and deepening of the EU will take place in an economic and socio-political situation clearly different from that of the last ten years. The economic conjuncture is slowing down and could be transformed into recession, the first of the total economy, according to the British weekly magazine *The Economist*. Already - and more quickly than in the past in the cycle - the big companies are resorting to restructurings and massive dismissals to protect profits and defend their stock exchange capitalisations.

Social resistance is sharper, more visible and more consistent than in the years 1985-1995. Will we see a repetition of the sequence 1980-1990: international economic recession (1980-81), launching of the single market (1987-1993) and the Euro (1992-1995)?

The Euro will be by far the first priority for the dominant classes and the EU apparatus, whatever the sermons about enlargement to the east. It is nothing less than the biggest monetary operation in history: in the 12 member states, 14 billion notes and 50 billion coins (24 times the weight of the Eiffel tower) will be distributed. The stakes are colossal for the very existence of the European Union and its credibility, inside and outside.

Its currency represents a very significant material and symbolic power for a state and its citizens. To give up one national currency for another is a factor of uncertainty, even of instability. Already changes in the same currency, such as a change of exchange rate, create a shock wave that only dies out very gradually. There is the technical difficulty of calculating and appreciating the new prices, with the fear of making a mistake.

Hence, the risks of a more general loss of confidence, particularly affecting the more marginalized and poorer layers of the population.

Consumers can begin to behave strangely: buying fewer or cheaper products for fear of error; using big supermarkets rather than small traders and so on. Illicit, illegal or criminal savings, which on all the evidence represent colossal sums, tend to be spent rather than exchanged, which would generate a boom before January 1, 2002, followed by a depression in consumption during 2002.

For the EU, the issuing of notes and coins constitutes an enormous advertising operation: 300 million inhabitants will be "Euroised"; at the head of the EU, they hope that they will also be Europeanised.

It is a gamble: in history, it is generally a state power equipped with a popular legitimacy that creates a currency. In the EU it will be the reverse.

The Euro should (it is hoped) give legitimacy to a state that hardly exists in the popular mind. The introduction of the Euro coincides with a marked economic slowing up. The problem of economic government is likely to be posed more quickly than is thought.

Enlargement to the west!

"Great Britain cannot escape the elementary truth that its prosperity and its security are closely linked to the decisions which are taken on the European continent. It must take its full place there to shape these decisions". [\[4\]](#)

A few days before the British elections, the voice of British high finance spelt things out to Blair, about to win his second term as Prime Minister. It was not a question of forcing his hand. Blair's campaign already exists in outline: the slogan (Better a wage in Euros, than unemployment benefit in sterling), a campaign director, leaflets, support, the tactics to divide the Tory party, and so on already exist.

There remains the question of the date of the referendum: undoubtedly in autumn 2002, at the latest at the beginning of 2003 (the putting into circulation of the Euro on the continent will have taken place). Blair does not have the right to fail: it would be to defer the schedule for a decade! A disaster for the dominant class!

It is hard to predict, today, the precise evolution of the economic situation and the future political climate. But a 'yes' victory would provide a powerful impetus to the EU: a considerable victory for the European bourgeoisies with a rise in power of the imperialist EU, a reinforcement of the euro (the weight of the pound sterling) and monetary union in general, a powerful impulse towards economic, financial (the City of London) and monetary concentration, and a concentration of the growing political regime at the head of the EU.

On the eve of the new Intergovernmental Conference (IGC) of 2004, the recasting of the EU institutions will take place in a completely different context from that of Nice (and of Brussels).

This being said, there will be new contradictions which will appear, or the same ones but within this new framework. To start with, the entry of the United Kingdom would certainly reinforce the confederal character of the EU.

It will certainly be the occasion for a reform of the ECB (if this did not take place before). In addition, Britain occupies

a very particular place in Europe through its history, its economic structure, its place in the world: less integrated economically in the EU, the UK has, of all the countries of the EU, the closest links with the United States.

The reinforcement of the EU will thus be accompanied by a stronger heterogeneity in the circles of EU power. There will be - indeed there is already - a very strong synergy between the Big Three (Germany, France, the UK) on the development of the financial services market.

The Swedish presidency, whose official watchwords were enlargement, education, ecology, was especially marked by a considerable widening for the development of the financial capital as well as a new push on privatisations.

The breakthrough is spectacular. Projects that were under discussion for 15 to 20 years are coming to fruition today. Thus the legal status of the European limited company and the modalities of its activity: the structure of the company, standards of bookkeeping, regulation of mergers and acquisitions between companies, the control of financial groups, the tax regime according to the place of establishment, as well as the creation of an integrated market of transferable securities (shares, bonds). This transcendence of the fragmentation of the financial markets in Europe will immediately facilitate new alliances and new mergers of companies.

It also aims to radically lower costs and to attract capital that prefers to go to the United States where the financial markets are better organised and less expensive.

Under the aegis of Lamfalussy, the leadership structure of this market is shielded from any hint of control: everything is settled between the Commission and the Council of Ministers, the European Parliament being completely excluded!

Finance capital, thus free of any worry, is all the more excited over some more good news: in the final analysis, Schroeder succeeded, on May 11, in breaching the system of state pensions (as a benefit) by introducing for the first time an element of capitalisation into their financing.

The Social democrat Schroeder thus erodes the first great conquest of the Welfare state introduced by ... chancellor Bismarck, he who had banned the glorious German social democracy at the end of the 19th century!

Old age pensions and living allowances constituted, in 1998, close to half (45.7%) of the whole of social protection, that is to say 12% of the GDP of the EU! A windfall for the banks and the insurance companies!

And the enlargement to the East? Yes, it will take place, it's understood! Kohl and Chirac, in their time, had promised that Poland would join in the year 2000. Today still, there is a persistent blur, even a voluntary ambiguity. The Stockholm Summit indicated that the travel warrant of the negotiations could lead from here to the end of 2002.

This declaration allows the governments of the countries of the East to continue the campaign for membership. But as Jospin and Schroeder have indicated, it is not a question of a deadline. The decisive criterion remains the capacity of the candidate countries to conform to the "community patrimony". Indeed, this problem is immense. [\[5\]](#)

Initially, because the negotiations on some essential questions (agriculture, environment, property regime, democratic regime and state of law) have not yet begun!

Then, the application of the criteria of joining (that is the transition to globalised capitalism under the constraints of a

neo-liberal policy) will lead to increased social inequality, heavy with social and political crises.

Finally, to deaden a little such a threat, other means will be necessary than those of the current EU budget (according to some calculations, it will be necessary to multiply by 5 to 8 times the EU budget which, today, is in reality 1.1% of the EU's GDP).

Impact of enlargement

In a more general sense, enlargement (whether it succeeds or fails, or remains somewhere between its two extremes), will have an impact on the relationships of force between current member states, on their requirements (e.g. Spain's fear of partly losing its subsidies from the regional funds) and on EU institutions as such (e.g. the chaos at the Nice Summit).

Big European capital is undoubtedly a winner with enlargement, because these countries adhere to the rules of the single market. There are also geopolitical reasons, in particular the rivalry with the United States, which plays NATO against the EU, and the prospect for the big European groups to take part in pole position in the programme of privatisation, which is on the agenda in Russia. But does this enlargement imply membership of the monetary union? And when?

In reality, one already sees "Euroisation" at the monetary level: the Euro being the currency of reference in the majority of the countries and the mark the concrete currency.

But what place will they occupy in the ECB, for example? The enlargement of the EU towards the East raises frightening questions for its state apparatus because of the number of countries and their economic and social heterogeneity.

Then, one must put the question: how enlargement, which is a prolonged process, including after formal membership, will influence the EU which is primarily concerned with the success of the Euro and the insertion of the UK in monetary union? And all that in a severely unstable international economic context.

More than in the past, the EU will need a leadership to meet this ineluctable new crisis of growth, programmed by the calendar.

When the ruling class rules

It is not by chance that we witness the rise in power on the political scene of the dominant class. If there is no true European bourgeoisie, comparable to what exists on the national level, these latter have a powerful instrument: the European Round Table of Industrialists (ERT). [\[6\]](#)

It laid down a 10 point programme at the time of the Stockholm summit: development of new qualifications for the new Europeans (sic!) introduction of the experience of companies into education; rise in the level of teachers and their wages; reduction of taxes to finance the costs of further education; stimulation of venture capital; improvement of the performance of democracy and the effectiveness of governments and the public administrations; completion of the single market.

The ERT also requires the continuance of current reforms of pension systems (that is the development of pension funds to the detriment of benefit-based systems).

This activity became stronger and more visible from the Lisbon summit onwards. Already the World Economic Forum, held in January 2000 at Davos, had symbolised the triumph of the e-economy (a term which has since mysteriously disappeared in the media and the specialised articles) and of the United States, in particular through the presence of Clinton.

At Lisbon, European social-democracy - with the exception of Jospin, who resisted for one night - adopted the neo-liberal agenda in its entirety: create all the conditions in the EU so that it becomes the most powerful economy in the world (thanks to the new technologies) and full employment, through the active social State.

Since then, the measures of application of this summit have been unfailingly followed up by the ERT and other European employers' groupings (EuroChambers, Eurobanks).

Meanwhile the employers' organisations are interfering openly in the political game, each according to its national traditions. In France, Medef behaves without reticence as a true extra parliamentary political party, demonstrating in the street, attacking the trade unions and the government and so on. In Italy, the meetings of Confindustria resemble a political assembly, parallel to the Italian Parliament.

In Britain, the big companies have entered the fray with committees and petitions (in particular, around membership of the euro). Recently the leaders of the three principal organisations of the business world [British Chambers of Commerce, Confederation of British Industry and the Institute of Directors] launched an unprecedented common attempt to impose new financial rules on the government, and more broadly to maximise their political influence (Financial Times, March 22, 2001).

Meanwhile, the Belgian viscount, Davignon, a key figure of the European capitalist class (Atlanticist diplomat, ex-European commissioner for industrial policy, director of the Societe Generale, Belgium's real ruler for 150 years until the 1980s) ran an opinion column in several European newspapers (in particular Le Monde) to announce to EU employers that from now on there was a status of European limited company and ending with an appeal: Employers, mobilise!

Progress at workers' expense

In the ten years since 1991 the EU has made enormous progress, marking one important and unpredictable victory (mainly on the backs of the working class): to constitute the only true single market in the world which has succeeded in giving itself a single currency.

It launched a battle to transpose its economic power onto the state-political level, in the service of the big multinational capitalist groups. In the midst of this success, inter-state co-ordinations (councils of ministers) have been multiplied and strengthened. Thus the EU has built itself between two crises of growth.

The, sometimes chaotic, conflicts between member states at EU Summits belie the increasing width and coherence of these political co-ordinations - neo-liberal, of course - through what EU jargon of the calls the processes, established at these summits.

Although barely visible, they now form the centre of gravity of the EU's daily policy which increasingly influences national policies. To quote only two of them: that of Luxembourg, which deals with reform of the labour market and that of Lisbon, which imposes the active social State. Once decided upon, implementation follows, along with the setting up of criteria, relations, decisions, under the monitoring of the Commission.

The Nice summit was chaotic and has discredited the EU. However, at the same time, the dominant classes have been served: enlargement to the East has been voted on (and EU structures adapted accordingly) and the application of strengthened co-operation facilitated (allowing, legally, member states to advance more quickly in collaboration on certain areas or subjects, avoiding delays and reinforcing the central core of the EU).

The Stockholm summit made it possible to embark on a new wave of privatisation from the second half of 2001 onwards. The Gothenburg summit encountered the difficulties of enlargement to the east.

Nevertheless, from now on the way is open for an integration of financial markets. The dominant classes will be mobilised for a sizeable new offensive, knowing that political and economic turning points are on the horizon.

[1] Financial Times, June 4, 2001.

[2] See the colourful but disappointing description in *Democratie et Socialisme*, the journal of the Gauche Socialiste (left socialist) current of the French Socialist Party.

[3] Quoted in *Le Soir*, May 29 2001.

[4] Leading article, Financial Times, June 1, 2001.

[5] See the very complete dossier in *The Economist*, "Europe's magnetic attraction, Survey", May 19, 2001.

[6] The ERT (European Round Table of Industrialists) is composed today of the 46 principal companies in Europe, which exploit 5 million workers in Europe and elsewhere, and have a total turnover of 950 billion euros. Founded in 1983 because of the weakness of the UNICE which, in the manner of the European Confederation of Trade Unions (ECTU), is a grouping of national employers' confederations, the ERT allows a direct intervention by the big groups. As Jacques Delors says: "If I wanted the creation of the single market to become the spinal column of my presidency (of the Commission), I needed the support of the business world. The UNICE was unable to play this role. To discuss with the ERT was simple and direct" (interview in the Financial Times, March 20, 2001).