

Ins and Outs

WOLFGANG STREECK

19 JANUARY 2021 — POLITICS

For several years now, a serious effort has been under way in Brussels to learn nothing from Brexit, and the way things are it may well be successful. What could have been learned? Nothing less than how to shake off the late-twentieth century technocratic, anti-democratic, elitist chimera of a centralized European neoliberal empire and turn the European Union instead into a group of friendly sovereign neighbour states, connected through a web of non-hierarchical, voluntary, egalitarian relationships of mutual cooperation.

The internal life of the European Union is unendingly complicated and uniquely opaque, but one principle applies throughout. To understand it you must grasp the domestic politics of three key member states, Germany, France and Italy, and their complex trilateral relations. There is no supranationalism here at all, or only as a veil behind which the real action, national and international, takes place. France sees Europe as an extended playing field for its global ambitions; Germany needs the European Union to secure production sites for its industries, markets for its

products, and low-wage workers for its domestic service sectors, as well as to balance its relations with France and the United States; and Italy needs ‘Europe’, in particular Germany, for its survival as a capitalist nation-state and economy.

The British never really understood this. Even the famously formidable British diplomatic service found the Brussels underbrush utterly impenetrable. While Thatcher hated the EU – too foreign for her taste – Blair believed that by turning it into a neoliberal restructuring machine, together with Chirac and Schröder, he could become its Napoleon: the Great Continental Unifier, this time from without. Little did he know. France and Germany let him walk into the Iraq war alone, as adjutant of his American friend, George W, and subsequently into his demise. And Cameron learned in 2015 that even Great Britain, used to ruling the waves, was unable to extract from Merkozy the tiny concessions on immigration that he thought he needed to win the referendum of 2016 – called after all to cast British membership in stone. There was no consideration in Germany of the effect on the British vote of Merkel’s open borders in the summer of 2015, letting in one million refugees, mostly from Syria, driven from their homes by a civil war deliberately left hanging by Germany’s American friend, Barack Obama. For Merkel, this was an ideal opportunity to correct her image as ‘ice queen’ acquired in the spring of the same year when she had let it be known that ‘we cannot take in everybody’.

Mystification was mutual. On the Continent nobody believed that the Cameron government could lose its referendum gamble. The only Brits to which the

‘European’ educated classes ever talk are from the British educated class, and these were for widely different, often incompatible reasons in unqualified love with the EU. For the Euro-idealists on the liberal left the EU was a preview of a political future without the blemishes of a political past, a constitutively virtuous state if only because it was not yet a state at all, uniquely desirable for people who saw their own post-imperial country in need of a moral refounding from above. Others who knew how Brussels works must have laughed up their sleeves – in particular a political class which had long cherished the possibility of moving difficult subjects directly into the bowels of that inscrutable Brussels Leviathan to be dismembered beyond recognition. This included the post-Blair Labour Blairists. Having lost power, and facing a working class that they in good British tradition found not quite up to snuff, they were happy to import a residual social and regional policy from Brussels – knowing full well that Brussels was unable to deliver anything of importance, not least because British governments, including New Labour, had pulled the teeth of the ‘social dimension’ of the ‘internal market’ by subjecting it to the sacred imperatives of economic ‘competitiveness’. Nobody realized that this was bound to backfire the moment people began to wonder why their national government had left them unprotected in the social desert of global markets, having turned over responsibility for its citizens to a foreign power and a foreign court.

When Cameron lost, left to his own devices by Merkel and Co., the shock was profound, but then EU politics resumed as usual. France saw an opportunity to unearth its original concept of integrated Europe as an

extension of the French state, with the special purpose of locking Germany into a French-dominated alliance. In case Britain changed its mind and the Remainers got their way after all, the return to the flock had to be humiliating enough to rule out any possibility of future British EU leadership. Negotiations on a divorce settlement were to be led on the EU side by the French diplomat Michel Barnier, one of the outstanding technocrats of the Brussels scene. From the beginning he played hardball, doing little to help the referendum revisionists on the British side. But neither was Britain to be let go easily. Here Germany chimed in, keen to uphold discipline among EU member states. Macron and Merkel insisted that the divorce settlement had to be expensive for Britain, preferably including an obligation to accept Internal Market rules and the jurisdiction of the EU court forever, even outside the EU. For Germany this was to show other member states that any attempt at renegotiating their relationship with Brussels would be futile, and that special treatment either inside or outside the Union was entirely out of the question.

It will fall to historians to uncover what really happened between France and Germany during the negotiations between the EU and Britain. There is no democratic, or presumably democratic, political system on earth that operates as much behind closed doors as the European Union. The German national interest in maintaining international discipline notwithstanding, the German export industry must have been equally interested in an amicable economic relationship with post-Brexit Britain, and it must have informed the German government of this in no uncertain terms. No trace of this was visible, however: neither in the negotiating

strategy of Barnier nor the public pronouncements of Merkel. Very likely, this was because Germany at the time was under pressure from Macron to use the British departure as an opportunity for more and stricter centralization, especially in fiscal matters – an issue where Germany’s reluctance to agree to arrangements that might in future cost it dear had met with the tacit support of the British, even though the UK was not a member of the Eurozone.

As the deal-or-no-deal day approached and the usual ritual of negotiation until the last minute unfolded, it appears that Merkel finally threw her weight behind the demands of Germany’s export sector. The United Kingdom had now been sufficiently humiliated. During the final negotiating sessions Barnier, while still present, no longer spoke for the EU; his place was taken by one of von der Leyen’s closest aides. Toward the end France used the new ‘British’ coronavirus strain to block traffic from Britain to the Continent for two days, but this could not prevent the deal being closed. Johnson’s brinkmanship was rewarded with a treaty that he could reasonably claim restored British sovereignty. He paid for it with a lot of fish, mercifully obscured by the further unfolding of the pandemic.

What are the consequences of all this? France hired 1,300 additional customs officials to be deployed to interrupt economic relations between Britain and the Continent, including Germany, any time the French government feels that the deal’s ‘level playing field’ is no longer being maintained. France and Germany succeeded in scaring other countries, especially in the East, out of claiming the settlement with the UK as a precedent for their aspirations for more national

autonomy. Pressures inside the EU for a more cooperative and less hierarchical alliance didn't even emerge. And Merkel's successors will have to navigate an even more complex relationship with France than in the past, having to resist Macron's embraces without British succour and in the face of the uncertainties of the Biden administration in the US.

As to the United Kingdom, for the Lexiters Parliament rules again, unconstrained by 'the Treaties' and the European Court, and British citizens finally have only their own government to blame if something goes wrong: no responsibility without responsiveness. Moreover, the Remainers – the euro-revisionists – seem to have given up, at least for the time being, although they may continue to look for other protections against strictly majoritarian parliamentary government. There is also the possibility of Scotland breaking away from the UK, as the Scottish National Party might mop up pro-European sentiment with a promise to apply for the empty British seat at what will by then be King Emmanuel's Round Table of 27 knights. This would amount to turning Scottish national sovereignty over to Brussels immediately after having recovered it from London, forgetful of the mixed historical experience of Scotland with French allies and rulers. As long as there is in Brussels a reasonable prospect for Scottish entry, forget about Brussels learning from Brexit. On the other hand, unlikely as such learning is in any case, one might just as well leave the matter to the good sense of the Scots.