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The EU after Ukraine

by Wolfgang Streeck

War is father of all, and king of all.

—*Heraclitus*

Assuming that the history of the European Union begins with the European Economic Community (EEC), which was formed in 1958, it has now lasted almost two-thirds of a century. It started out as a six-country alliance jointly administering two key sectors of the postwar economy, coal and steel, making it unnecessary for France to repeat the occupation of the Ruhr Valley, which had contributed to the rise of German revanchism after World War I. In the wake of the industrial strife of the late 1960s, and following the entry of three more countries, the United Kingdom, Ireland, and Denmark, the EEC turned into the European Community (EC). Dedicated to industrial policy and social democratic reform, the EC was to add a “social dimension” to what was on the way to becoming a common market. Later, after the neoliberal revolution and the collapse of Communism, what was now renamed the European Union (EU) became both a container for the newly independent nation-states in the East eager to join the capitalist world, and an engine of neoliberal reform, supply-side economics, and New Labourism in twenty-eight European countries. It also became firmly embedded in the American-dominated unipolar global order after the “end of history.”

The European Union of the past three decades has served as a regional microcosm of what came to be called hyperglobalization.¹ Indeed, it was in a significant way a smaller-

sized, continental model for the integrated global capitalism that was the ultimate objective of those subscribing at the time to the Washington Consensus. The EU offered a borderless internal market for goods, services, labor, and capital; rules-based economic governance was upheld by an almighty international court, the European Court of Justice (ECJ); and a common currency, the euro, was managed by an equally almighty central bank, the ECB. The arrangement closely matched the Hayekian idea of an international federation designed to limit discretionary economic policy—an almost perfect approximation of what Hayek called isonomy: identical market-liberal laws in all states included in the system.² This no-more-political economy was ruled by a politically sterilized combination of technocracy—the ECB and the EU’s pseudo-executive, the European Commission—and what might be called nomocracy—the ECJ—under an in practice unchangeable de facto constitution. The latter consisted of two treaties,³ unreadable for the normal citizen, among twenty-eight countries, each of them entitled to veto any change.⁴ Anchoring the whole project within the global financial system dominated by the United States, the treaties provided for unlimited capital mobility, outlawing capital controls of any sort not just within the Union but also across its borders.⁵

That this construction suffered from what came to be euphemistically called a “democratic deficit” did not go unnoticed. Indeed, among insiders in Brussels, the joke is often heard that, with its current constitution, the European Union would never be allowed to join itself. In recent years, efforts were made by the European Commission and, in particular, the so-called European Parliament to fill the democratic gap with a politics of “values” to be enforced by the EU upon its member states. Human rights, according to contemporary Western interpretations, would serve as a substitute for the debates over political economy that had become excluded from the Union’s political system. Above all, this involved educational interventions in the countries of the former Soviet empire to convert governments, parties, and peoples to Western European liberalism, economic but also social, if need be by withholding part of the fiscal handouts that are intended to support these countries’ transformation into bona fide market-economies-plus-capitalist-democracies. Increasingly top-down educational programs of this sort, the mandate for which was derived from ever-more extensive and indeed intrusive interpretations of the declaratory sections of the EU treaties, culminated in a crusade against so-called anti-Europeans, identified by social scientists and political spin doctors as “populists.”⁶

With time, the de facto centralization and depoliticization of the Union’s political economy has inserted a hierarchical center-periphery dimension into the Union. The “rule of law” instituted as the rule of an all-powerful court; the formally rule-based but in practice increasingly discretionary economic policy of the politically independent

European Central Bank; and the sanction-supported reeducation in European “values” have led the EU to increasingly resemble a *liberal empire*, in both an economic and cultural sense, the latter as legitimation for the former.

BEFORE UKRAINE: CRITICAL FAULT LINES, FORESEEABLE FAILURE

Empires are at a congenital risk of overextension, in territorial, economic, political, cultural, and other respects. The larger they get, the more it costs to keep them together, as centrifugal forces grow and the center needs to mobilize ever more resources to contain them. After the global financial crisis of 2008 and its spread to Europe after 2009, the EU and EMU began to fracture along several dimensions, their economic, ideological, and coercive capacities for integration becoming increasingly overtaxed. On the EU’s *western* flank, Brexit was the first case of a member state leaving a Union that ideologically considers itself permanent. There were many factors involved that contributed to the outcome of the Brexit referendum, which have been widely debated for almost a decade now. One major reason (less spectacular but certainly more fundamental than many others) why British membership proved unsustainable was a profound incompatibility of the British *de facto* constitution, and its parliamentary absolutism, with Brussels-style rule by judges and technocrats. Another reason, of course, was the inability and indeed unwillingness of Brussels to do something about the long-term neglect by British governments of the disintegration of the country’s social fabric.

Turning to the *south*, entrenched national ways of doing capitalism proved incompatible with the prescriptions of the EMU and the Internal Market, leading Italy in particular down a path of prolonged and by all indications irreversible economic decline. Attempts at reversing the trend either through “structural reforms,” according to neoliberal prescriptions, or via the ECB and the European Commission bending the anti-interventionist rules governing Monetary Union, silently tolerated by the French and German governments, failed dismally. By now it has become clear that even the European Union’s Corona Recovery and Resilience Facility (RRF), and the subsidies it will provide to Italy, will not halt Italian decline either.⁷ Among other things, the Italian case shows that an effective regional policy aiming at economic convergence is even less feasible among, as compared to within, nation-states.

Furthermore, on the Union’s *eastern* periphery, countries carry a historical legacy of cultural traditionalism, political authoritarianism, and nationalist resistance against international intervention in their internal life, the latter reinforced by their experience under the Soviet empire. Efforts to impose western European mores and tastes on these

societies, especially when accompanied by threats of economic sanctions (as in the case of the Union's so-called "rule of law" policies), caused "populist" opposition and resentment against what was perceived by many as an attempt to deprive them of their newly recovered national sovereignty.⁸ Conflicts in the European Council over cultural issues went as far as western heads of governments more or less explicitly urging their eastern colleagues, in particular those from Hungary and Poland, to exit from the Union if they were unwilling to share its "values."⁹ Combined with the threat of economic sanctions, this in effect amounted to nothing less than an attempt to bring about a regime change in fellow member states.

Finally, in the *north*, efforts of the European Union to preserve a memory of its older ambition to develop a "social dimension" are regularly resisted by, of all countries, the Scandinavian member states, who insist upon their tradition of labor market regulation, including wage regulation, by collective bargaining rather than by state law. Recently, this resulted in some Scandinavian trade unions threatening to exit from the European trade union confederation, which they complained had not sufficiently respected their established national practice.

Further fault lines, both old and new, exist within the center of the liberal empire, due to the fact that the European Union does not have a member state powerful enough to be its single hegemon. Instead, there are two leading countries, Germany and France, neither of which can alone dominate the Union. While each needs the other, they are unable to agree on central structures, interests, and policies of an integrated Europe. Traditionally, Franco-German differences are seen as deriving from differences between their national varieties of capitalism, with France cultivating a tradition of statist *dirigisme* and Germany insisting on its postwar invention of a "social market economy." As a result, France and Germany tend to be at odds in European Union and European Monetary Union policy, with France, among other things, favoring a more expansionary and politically discretionary fiscal and monetary policy.

More recently, especially after Brexit, differences in foreign and security policy have also come to the fore. While they already existed in the 1960s, they were thrown in sharper relief, first by the end of the bipolar world after 1989 and then by the fact that, since Brexit, France is the only European Union member state with nuclear arms and a permanent seat on the United Nations Security Council. Because France is unwilling to share either, Germany's nuclear dependence on the United States, which keeps roughly forty thousand troops on German soil, together with an uncounted number of nuclear warheads, effectively stands in the way of "European strategic sovereignty," as the French call it—a transfer of strategic sovereignty to "Europe" that is acceptable to French

national security doctrine only under French leadership. Moreover, while France has strong interests in Africa and the Middle East, German national interests, as they relate to Europe, focus on Eastern Europe and the Balkans. As a result, disagreement, if carefully concealed, is endemic between the two would-be drivers of what is sometimes euphemistically called the French-German European tandem.

MORE UNITY THROUGH LESS UNITY?

Before the war in Ukraine, there were two radically different projects in the air, or at least conceivable, for how to prevent the impending disintegration of the European Union, due to overextension and overintegration. One may be summarized as a strategy of *more unity through less unity*, or of retrenchment—if not territorially, then functionally—by rolling back some major elements of the EU’s “ever closer union of the peoples of Europe.” Among others, it was the American sociologist Amitai Etzioni who had for some time advocated retrenchment as a way of deblocking European integration.¹⁰ In many ways, his proposal was reminiscent of older concepts of an integrated West European state system as a Europe à la carte, or even as de Gaulle’s “Europe of fatherlands.”¹¹ What these notions had in common was a vision of a regional state system on the model of a cooperative rather than an empire, as recently outlined by Hans Joas in an important book on “Europe as a peace project.”¹² In it, Joas refers to a debate on the possibilities of international peace between Carl Schmitt and the German historian Otto Hintze in the 1920s and 1930s. Schmitt believed that peace in a global region could be assured only by a central imperial power free to impose order on its periphery, its dependent states, essentially as it saw fit. His real-world model of a viable international order, incidentally, was the American hemisphere under the Monroe Doctrine. Arguing against him, Hintze, who had studied the German tradition of cooperative associations (*Genossenschaften*), insisted on the possibility of a social order based on voluntary cooperation within a framework that obliged participating countries to recognize each other’s independence, or sovereignty. In various ways, this model came close to that of the Westphalian Peace of 1648, after the Thirty Years’ War, with the creation of what later came to be named the “Westphalian state.”

What would a European Union à la carte have looked like, if it had ever become a reality? It would, generally speaking, have provided for more local, in the sense of national, autonomy, instead of insisting on political-economic uniformity among member states, with less centralized and hierarchical institutions and more space for national sovereignty.¹³ The European Commission would have been turned into something like a platform for voluntary cooperation among member states, dropping its aspiration to grow into a pan-European executive; the same, mutatis mutandis, would

have applied to the EU Parliament. The role of the European Court of Justice would also have to be significantly reduced: it would no longer be a constitutional legislator in disguise, in charge of everything it chooses to be in charge of and intervening at its pleasure into national states, national law, and national politics. In some ways, a European Union of this sort would have looked like the Nordic Council formed by the Scandinavian states in the 1950s. Members are Denmark, Finland, Iceland, Norway, Sweden, the Faroe Islands, Greenland, and Åland. The bloc knows no equivalent to the European Court, the EU Parliament, or the European Commission. While member states keep borders open between them, they continue to have their own economic and social policies.¹⁴

In many ways, rolling back integration in order to preserve it was from the beginning an unrealistic project, if it could even be called a project at all. Most likely, to have any chance, it would have had to be preceded by a massive breakdown of the European Union, due to intensifying disruptions along its fault lines and, very likely, a state bankruptcy of Italy. None of this could have been ruled out, and *more unity through less unity* might have been realistic as a reconstruction project after an institutional collapse, rather than as a policy of reform to prevent such collapse. Under existing rules, it would have required an extensive treaty revision agreed to by all twenty-seven post-Brexit member states, some of them needing approval by popular vote. The practical impossibility of a meaningful revision of the governing treaties may be considered an essential feature of a European integration project intended to be irreversible (thereby unintentionally detracting from its democratic legitimacy).

INTEGRATION BY MILITARIZATION?

Another potential way out of the overextension malaise was suggested by a group of retired German politicians, from both major parties, led and inspired by the philosopher Jürgen Habermas. Among its members was Friedrich Merz, then chairman of the board of BlackRock Germany, a sidelined, longtime rival of Angela Merkel. (Surprisingly, Merz was recently resurrected to be Merkel's successor as leader of what is now Germany's main opposition party, CDU/CSU.) In October 2018, the group issued a public appeal titled, "For a Europe based on solidarity: Let's get serious about the will of our Constitution, now!"¹⁵ Among other things, the group urged the creation of a European army ("We demand a European Army"), given that "Trump, Russia and China" were "testing ever more severely . . . Europe's unity, our willingness to stand up for our values together, to defend our way of life." To this there could be "only one answer: solidarity and the fight against nationalism and egoism internally, and unity and common sovereignty externally." Creating a European army was to be the first step toward a

“deeper integration of foreign and security policy based on majority decisions” of the European Council. The group argued that a European army did not require “more money” as “the European NATO members together spend about three times as much on defense as Russia”;¹⁶ all that was needed was an end to national fragmentation, which would make for “much more defensive power without additional money.” (No reason was given for *why* this was needed, given that the countries in question were already spending three times as much on their military as their designated enemy.) Moreover, “since Europe’s defenses are not directed against anyone, the creation of a European army should be linked to arms control and disarmament initiatives,” an effort in which Germany and France, “the founding states of Europe,” should take the lead.

Like *more unity through less unity*, European state-building through militarization, somewhat reminiscent of the Prussian model,¹⁷ never had a chance. This was in spite of the fact that on the surface, when its proponents pleaded for a “common sovereignty” for Europe, they were obviously catering to the French taste, as expressed in Macron’s 2017 Sorbonne Speech, given a day after Angela Merkel’s last reelection.¹⁸ Also, by leaving open who the enemy was against which Europe needed to be defended, it did not preclude something like European equidistance to Russia and China, on the one hand, and “Trump” on the other, which would in principle be welcome in France. Moreover, NATO was never mentioned, and certainly not its revised doctrine, adopted in 1992, extending its mission worldwide to include “out-of-area” operations such as, presumably, humanitarian interventions in fulfillment of an alleged “duty to protect.” In addition, by arguing that the new European army would not need higher defense spending, the appeal implicitly rejected the American demand that European NATO members, especially Germany, should increase their military expenditures to 2 percent of GDP—which for Germany in 2018 would have meant an increase of no less than 50 percent.¹⁹ Note that the first time that NATO had, following American pressure, discussed the 2 percent target was at a summit meeting in Prague in 2002. This was the same meeting at which the alliance opened accession talks with Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia, and confirmed an open-door policy for eastern Europe, including Georgia and Ukraine, against strong public objections by the Russian government.

Even more importantly, the document failed to address the issue of nuclear arms—not least, one is led to believe, to make it possible for the German Greens to join the cause. Nevertheless, had the project ever become real, for Germany—committed to not having nuclear arms, and indeed forbidden to have them under the Nuclear Nonproliferation Treaty of 1968—a European army entailed the risk of having to replace American with French nuclear protection. That risk would have seemed as unacceptable in Germany as

was the idea in France of sharing its nuclear force with “Europe,” meaning Germany sailing under a European flag. At bottom was the fundamental question of the extent to which a European army would be, or would have to be, integrated in the command structure of NATO—in effect, its “interoperability” with the military of the United States. Since Germany’s rearmament in the 1950s, the Bundeswehr has been fully integrated in NATO, and the United States would likely have insisted that any European army, in particular its German contingent, would be integrated in NATO as well.

Had the Habermas appeal touched upon the nuclear question, it would have become obvious that, superficial similarities notwithstanding, it was incompatible with core elements of the French European security project. Like the United States, France wanted (and wants) Germany to spend more on defense. Rather than strengthening transatlantic American power, however, Germany’s additional spending was to fill the conventional gap in the French military caused by the high costs of its nuclear force, so as to enable “Europe” to better serve French ambitions in Africa and the Middle East. For “European strategic sovereignty” of this kind, some form of detente with Russia would be helpful. A Eurasian settlement would, however, be at odds with American expansion through NATO on the Russian periphery. For the United States, the aim was to integrate the former Communist countries of eastern Europe into an American-led “West.” Making Europe through NATO take an adversarial position toward Russia would ensure European dependence on an alliance with the United States in the bipolar world growing out of George H. W. Bush’s “New World Order.” For France, to the contrary, a European army was of interest precisely to the extent that it would extract Europe from the close embrace in which the United States was holding it, among other things by keeping non-nuclear Germany dependent on American nuclear protection.

AFTER UKRAINE

War is the ultimate stochastic source of history, and once it is underway there is no limit to the surprises it may bring. Still, even though the war in Ukraine seems far from over at the time of writing, one may feel justified observing that it has put an end, at least for the foreseeable future, to any vision of an independent, non-imperial, cooperative state system in Europe. The war also seems to have dealt a death blow to the French dream of turning the liberal empire of the European Union into a strategically sovereign global force, credibly rivaling both a rising China and a declining United States. The Russian invasion of Ukraine seems to have answered the question of the European order by reinstating the model, long believed to be history, of the Cold War: a Europe united under American leadership as a transatlantic bridgehead for the United States in an alliance against a common enemy, then the Soviet Union and now Russia. Inclusion in

and subordination to a resurrected, remilitarized “West,” as a European subdepartment of NATO, seems to have saved, for the time being, the European Union from its destructive centrifugal forces, without however eliminating them. By restoring the West, the war neutralized the various fault lines where the EU was crumbling, some more and some less, while catapulting the United States into a position of renewed hegemony over western Europe, including its regional organization, the European Union.

Above all, the reintegration of the West under American leadership settled the old issue of the relationship between NATO and the EU in favor of a division of labor that established the primacy of the former over the latter. In an interesting way, this seems to have healed the division between continental Europe and the United Kingdom that had opened in the course of Brexit. As NATO rose to supremacy, the fact that it includes the UK together with the leading member states of the EU restores a prominent European role for Britain through its special relationship with the United States. How this affects the international status of a country like France was recently illustrated by a strategic agreement—the so-called AUKUS pact—between the United States, Great Britain, and Australia. Under AUKUS, Australia canceled a 2016 deal with France on French diesel-powered submarines, instead committing itself to developing nuclear-powered submarines together with the United States and the United Kingdom—an event that showed France the limits of a French-led EU as a global power.

Regarding the EU, the rise of NATO implied its decline to the status of a NATO civil auxiliary, subservient to American strategic objectives, mostly but not exclusively in Europe. The United States had long thought about the EU as something like a waiting room or a prep school for future NATO members, especially those neighboring Russia, like Georgia and Ukraine, but also the western Balkans.²⁰ The EU, for its part, had insisted on its own admissions procedures that included lengthy negotiations on national institutional and economic conditions that had to be met before formal accession. This was to reduce the burden that new countries would impose on the EU budget and to ensure that their political elites would be sufficiently “pro-European” so as not to rock the common boat. To the United States, with its geostrategic objectives, this typically appeared as overly pedantic if not obstructionist. Indeed, France in particular had resisted and still resists excessive “widening” of the Union, afraid that it might stand in the way of its “deepening.” From an American perspective, burden-sharing with European countries meant that the latter were responsible for the provision of economic incentives for new states to join the West, and for helping them build the economic base of westernization, for example through financial subsidies assisting aspiring member states in achieving social stability in a Western, liberal, democratic sense.

With the Ukrainian war, the American vision of the EU as a temporary home for future NATO members is rapidly becoming reality. Any negotiated settlement of the war will likely preclude Ukraine's accession to NATO in the near and not-so-near future. Fast-track admission to the European Union could be offered in compensation, not least because it would secure funds for repairing the damage caused by the war.²¹ It also seems likely that France will no longer be allowed to block the accession of countries like Albania, Bosnia and Herzegovina (one country), North Macedonia, Montenegro, Kosovo, and Serbia (provided the European subsidies can make its political elite change its mind and turn "pro-European"). Depending on how the war develops, there may even be some sort of membership-like affiliation in store for Georgia and Armenia, all of which is likely to make significant demands on the EU's budget without making the EU any easier to govern.

In addition, during the war the European Commission was and continues to be in high demand as an agency for planning, coordinating, and monitoring European economic sanctions against Russia and, to be expected soon, China. Ultimately, sanctions imply a profound reorganization of the extended supply chains of the neoliberal age and the New World Order, in response to the multipolar world that is about to emerge, with its renewed emphasis on economic security and autonomy. What has for some time been an agency promoting globalization will then, in important respects, turn into one devoted to de-globalization—the latter up to a few weeks ago thought to be no more than a leftist (or maybe populist) absurdity. Shortening supply chains is a function less of government than of technocratic expertise, difficult enough given the high level of economic interdependence inherited from hyperglobalization. Politically, which sanctions are to be imposed, and which international supply chains are still to be considered safe, remains for national governments to determine; or more precisely, for their now principal organization, NATO, as controlled by its strongest nation-state, the United States, to determine. An example is the wrangling about German purchases of Russian natural gas and their replacement with American liquified natural gas. Since NATO does not have the necessary expertise in economic matters to assess the effects of sanctions on Russia, on the one hand, and on Western Europe, on the other, the EU will continue to be needed as an administrative service provider in the management of a newly politicized European economy.

Finally, not to be underestimated, the EU is likely to play a major part in the generation of public money for rebuilding Ukraine once the war has ended. The same holds for the provision of financial support to other countries on the European periphery that will be candidates for European Union and, ultimately, NATO membership. The capacity of the EU to serve as a receptacle for public debt that is politically less noticeable—as in the

case of the Corona Recovery and Resilience Fund, the first manifestation of the Commission's Next Generation EU (NGEU)—is likely to be permanently and extensively drawn upon for mobilizing European contributions to the long-term nonmilitary costs of the war, including for example the resettlement of Ukrainian refugees.²² (Experience suggests that the American contribution will be limited to and end with the military hostilities.²³) For this, special services of the ECB will also be needed, as they were in the fight against “secular stagnation” and, later, the pandemic. NGEU debt does not appear in national budgets and is for this reason less politically controversial. This is similar to the ECB's purchases of government debt as a form of indirect state finance, in the context of quantitative easing, in circumvention of the European treaties.

LIABILITIES OLD AND NEW

The new functions that have accrued to the EU as a result of the Ukrainian war, and in particular in the course of its subordination to NATO, are far from resolving its old problems; in the longer run, in fact, they may add to and exacerbate them. On the EU's western flank, the United Kingdom has, via its close alliance with the United States under NATO, returned to the European flock with a vengeance, although more like a lieutenant than as one foot soldier among others. In the south, there is no reason to believe that NATO supremacy will help improve Italian economic performance; to the contrary, sanctions and shortened supply chains are likely to impose additional costs on the Mediterranean economies. These are certain to demand compensation—not from the United States but from the EU. Its rich member states, however, will be preoccupied with raising their defense spending to meet NATO demands, not to mention financing the accession of more EU member states on their way into NATO. Competition for EU subsidies, in particular for the EU's “Cohesion Fund,”²⁴ will further increase because of the new, war-related needs of eastern member states, for example the hosting of Ukrainian and, if the Western sanctions begin to bite, Russian refugees. Plans of the EU Parliament and the Commission to cut financial assistance to countries like Poland or Hungary for deficiencies in the “rule of law” will become increasingly obsolete as cultural conflicts between “liberal” and “illiberal” democracy will be eclipsed by the geostrategic objectives of NATO and the United States.²⁵

As the costs of “cohesion” increase, a shift in political power inside the EU may be imminent in favor of the Union's eastern front states, resulting in higher financial obligations for the countries of the rich northwest. While western European cultural education exercises have begun to appear petty in the face of millions of Ukrainian refugees arriving in a country like Poland, the United States has little reason to force its eastern allies to cater to German or Dutch liberal sensitivities. Efforts to make financial

support for post-Communist countries conditional on their adherence to “democratic values” will come to naught as long as the United States is satisfied with their adherence to NATO and their willingness to fight the good pro-Western fight. As the United States, in its administration’s own words at the time of writing, is preparing for a war lasting several years—which is only logical if the goal is regime change in Russia—a country’s willingness to host American troops, planes, and missiles must take precedence over the EU treaties’ (or the ECJ’s) fine print of democratic conditionality. With the European Union facing a war lasting an uncertain number of years, its eastern front states are likely to dominate the common political agenda. In this they will be supported by the United States, with its geostrategic interest in keeping Russia politically, economically, and militarily in check. Ultimately, this may result in the United States, acting through its eastern European allies and NATO, growing into the place of the EU’s all-too-often divided dual leadership, the French-German tandem.

AMERICAN DREAMS

One of the many remarkable developments around the Ukrainian war is how the dismal record of recent American military interventions has almost completely disappeared from European public memory. Until only a few months ago, the disastrous end of American nation-building in Afghanistan was a frequent theme for the European commentariat. Also present, if more in the background, were Syria, with Obama’s “red lines” first drawn and then forgotten; Libya, which was abandoned after being turned into a living hell; and Iraq with a conservatively estimated two hundred thousand civilian deaths since the American invasion. Nothing of this is mentioned these days in good European society, and if it is mentioned outside of it, it is immediately branded as an anti-American diversion from the evils committed by Putin and his army.

As the tensions increased around Ukraine, visible in the massing of Russian troops on the Ukrainian borders, western European countries, apparently as a matter of course, handed the United States power of attorney, allowing it through NATO to act in their name and on their behalf. Now, with the war dragging on, Europe, organized in a European Union subordinate to NATO, will find itself dependent on the bizarreries of the domestic politics of the United States, a declining great power readying itself for global conflict with a rising great power, China. Iraq, Libya, Syria, and Afghanistan should have amply documented the American penchant to exit if their, always and by definition well-intentioned, efforts in other parts of the world fail for whatever reason, leaving behind a lethal mess that others must clean up if they require a minimum of international order at their doorsteps. Astonishingly, nowhere in western Europe is the question asked what will happen if, in 2024, either Trump is reelected—which seems not at all impossible—or

some ersatz Trump is elected in his place. But even with Biden or some moderate Republican, the notoriously short attention span of American imperial policy should, but does not, seem to enter into the strategic calculations, if there are any, of European governments.

One explanation that is too rarely invoked for the recklessness with which the United States all too often enters into and exits from far-flung military adventures is its location on a continent-sized island, away from those places where it might feel an urge to provide for what it considers political stability. Whatever the United States does or does not do abroad has few if any consequences for its citizens at home. (Iraqi troops will never march into Washington, D.C., and arrest George Bush to deliver him to the International Criminal Court in The Hague.) When things go wrong, Americans can retreat to where they came from, where nobody can follow them. There is, if only for this reason, an enduring temptation in American foreign policy to be guided by wishful thinking, deficient intelligence, sloppy planning, and a fickle tailoring of international policies to domestic public sentiments. This makes it all the more amazing that European countries should, apparently without any debate, have so completely left the handling of Ukraine to the United States. In effect, this represents a principal turning the management of his vital interests over to an agent with a recent public record of incompetence and irresponsibility.

What will be the war aims of the United States, acting for and with Europe through NATO? Having left it to Biden to decide on its behalf, Europe's fate will depend on Biden's fate, that is, on the decisions, or non-decisions, of the U.S. government. Short of what the Germans in World War I called a *Siegfrieden*—a victorious peace imposed on a defeated enemy, as probably dreamed of in the United States by both neocons and the liberal imperialists of the Hillary Clinton school—Biden may go for, or even prefer, a drawn-out stalemate, a war of attrition keeping both Russia and western Europe, in particular Germany, engaged with each other. A lasting confrontation between Russian and Ukrainian, or “Western,” armies on Ukrainian soil would unite Europe under NATO and conveniently oblige European countries to maintain high levels of military spending. It would also force Europe to continue wide-ranging, indeed crippling, economic sanctions on Russia, as a side effect reinforcing the position of the United States as a supplier of energy and raw materials of various sorts to Europe. Moreover, an ongoing war, or almost-war, would stand in the way of Europe developing a Eurasian security architecture of its own, inclusive of Russia. It would cement American control over western Europe and rule out French ideas of “European strategic sovereignty” as well as German hopes for détente, both presupposing some sort of Russian settlement. And not least, Russia would be occupied with preparations for Western military interventions,

below the nuclear threshold, on its extended periphery.

Very likely, a protracted confrontation over Ukraine would force Russia into a close relationship of dependence on China, securing China a captive Eurasian ally and giving it assured access to Russian resources, at bargain prices as the West would no longer compete for them. Russia, in turn, could benefit from Chinese technology, to the extent that it would be made available. At first glance, an alliance like this might appear to be against the interests of the United States. It would, however, come with an equally close, and equally asymmetrical, American-dominated alliance between the United States and western Europe, where what Europe can deliver to the United States would clearly exceed what Russia can deliver to China. Something like a stalemated phony war in Ukraine could be in the interest of a United States seeking to build global alliances for an imminent battle with China over the next New World Order, monopolar or bipolar in old or new ways, to be fought out in coming years, after the end of the end of history.

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NOTES

¹ This concept is from Dani Rodrik, *The Globalization Paradox* (New York: W. W. Norton, 2011).

² F. A. Hayek, *The Constitution of Liberty* (Chicago: University of Chicago Press, 1960).

³ The two treaties are the Treaty on European Union (TEU) and the Treaty on the Functioning of European Union (TFEU), the former also called the Maastricht Treaty, effective since 1993, the latter the Treaty of Rome, effective since 1958, both altered many times, for example by the Treaty of Lisbon of 2009. Moreover, according to Wikipedia, “there are 37 protocols, 2 annexes and 65 declarations that are attached to the treaties to elaborate details, often in connection with a single country, without being in the full legal text.”

⁴ In May 2005, a proposed “Constitution of the European Union” failed in a French referendum, after 55 percent of voters rejected it. The turnout was 69 percent. The rejection was attributed in part to the French government having made the mistake of distributing a copy of the draft constitution, hundreds of pages long and impossible to understand for nonspecialists, to every French household.

⁵ According to Article 63 of the Treaty on the Functioning of the European Union (TFEU), “all restrictions on the movement of capital between Member States and between Member States and third countries shall be prohibited,” the same applying to “all restrictions on payments,” again both “between Member States and third countries.”

⁶ Article 4, Section 1 of the TEU states that, “In accordance with Article 5, competences not conferred upon the Union in the Treaties remain with the Member States.” According to Article 5, Section 1, “The limits of Union competences are governed by the principle of conferral. The use of Union competences is governed by the principles of subsidiarity and proportionality.” The European Commission and the ECJ have for some time been trying to get around Treaty restrictions of this kind by deriving specific powers for themselves from general clauses like, for example, Article 2 TEU: “The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of

persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.”

⁷ The RRF was set up in July 2020 to dispense €750 billion to member countries, proportionate to the losses they were found by the European Commission to have suffered from the corona pandemic. Italy is the leading beneficiary, with €192 billion (€69 billion in grants, the rest in loans). The RRF is the first time that the EU was allowed by its member states to take up debt; the fund is entirely debt-financed. To get a sense of its effective magnitude, note that Germany, responding to American complaints over it not having spent enough on defense, set aside in early 2022, in a matter of a few days, a debt-financed fund of €100 billion for upgrading its military, to be spent immediately. This is more than half of what the entire country of Italy was allocated by the European Union, to be spent until 2023 (which turned out to be technically impossible).

⁸ On the politics of the “rule of law” controversy see Wolfgang Streeck, “Ultra Vires,” *New Left Review Sidecar*, January 7, 2022; Wolfgang Streeck, “Rusty Charley,” *New Left Review Sidecar*, November 2, 2021.

⁹ At an EU summit meeting in June 2021, the Dutch prime minister, Mark Rutte, under pressure at home from a scandal over illegal punitive measures taken by his government against welfare recipients, told his Hungarian counterpart, Viktor Orbán, that Hungary had to leave the EU unless his government withdrew a law that bans schools from using materials seen as promoting homosexuality. From a Reuters report:

Several EU summit participants spoke of the most intense personal clash among the bloc’s leaders in years. . . . “It was really forceful, a deep feeling that this could not be. It was about our values; this is what we stand for,” Rutte told reporters on Friday. “I said ‘Stop this, you must withdraw the law and, if you don’t like that and really say that the European values are not your values, then you must think about whether to remain in the European Union.’”

¹⁰ See Amitai Etzioni, *Reclaiming Patriotism* (Charlottesville: University of Virginia Press, 2019), 142 ff.

¹¹ Also in this category is the “Europe of different speeds” idea, which was intensely and successfully opposed by the EU’s eastern European countries.

¹² Hans Joas, *Friedensprojekt Europa* (München: Kösel, 2020). I have greatly benefited from Joas; see Wolfgang Streeck, *Zwischen Globalismus und Demokratie: Politische Ökonomie im ausgehenden Neoliberalismus* (Berlin: Suhrkamp, 2020). An English translation is forthcoming from Verso.

¹³ See Streeck, *Zwischen Globalismus und Demokratie*.

¹⁴ According to its website, “The Nordic Council of Ministers is the official body for inter-governmental co-operation in the Nordic Region. It seeks Nordic solutions wherever and whenever the countries can achieve more together than by working on their own.”

¹⁵ Hans Eichel et al., “Für ein solidarisches Europa—Machen wir Ernst mit dem Willen unseres Grundgesetzes, jetzt!,” *Handelsblatt*, October 21, 2018.

¹⁶ SIPRI, the Stockholm International Peace Research Institute, reports Russian military spending in 2018 of \$62.4 billion. The UK, France, Germany, and Italy, the four largest European NATO members, were together spending \$175.2 billion in 2018, 2.8 times as much as Russia.

¹⁷ As the French statesman Count Mirabeau allegedly put it in 1786, the year Frederick II of Prussia died: “Other states possess an army; Prussia is an army that possesses a state.”

¹⁸ “In Europe, we are seeing a two-fold movement: gradual and inevitable disengagement by the United States,

and a long-term terrorist threat with the stated goal of splitting our free societies. . . . In the area of defence, our aim needs to be ensuring Europe's autonomous operating capabilities, in complement to NATO.”
Emmanuel Macron, “[Sorbonne Speech](#),” September 26, 2017.

¹⁹ According to Statista, Germany in 2018 spent 1.2 percent of its GDP on its military, amounting to \$44.7 billion. Targeting 2 percent, as asked by NATO, would have been equivalent to \$74.5 billion, i.e., \$12.1 billion more than Russia.

²⁰ After the accession of Croatia in 2013 and Montenegro in 2017, Serbia, North Macedonia, and Albania are currently official candidates for membership. Bosnia and Herzegovina and Kosovo are waiting in the wings.

²¹ In the past, Ukrainian requests for admission led to nothing as Brussels plainly felt the country to be unfit for membership. Strong doubts were expressed on the democratic nature of the Ukrainian state, the role of its oligarchs and their political power, and the treatment of minorities, including the Russian-speaking one in the eastern provinces; there also a perception of rampant corruption. In part this may have been pretense, however, and the real reason for the rejection may have been the country's poverty, which would have imposed an enormous additional burden on the EU's internal finances, in particular its various assistance funds. The war may now override such concerns by making them less publicly presentable.

²² Projections by the Ukrainian government of the costs of repairing the damages caused by the war as of now are as high as \$2 billion.

²³ For example, in February 2022, the Biden administration confiscated one half of the frozen assets of the central bank of Afghanistan, deposited with the New York City branch of the Federal Reserve, to be set aside for the survivors of 9/11 and their lawyers. The impounded funds amounted to \$3.5 billion. A few weeks later, an international donor conference organized by the United Nations, together with Germany, the UK, and Qatar, tried to raise \$4.4 billion to help end mass starvation in Afghanistan, where the Taliban had returned to power after the American departure. Only \$2.44 billion was contributed by the forty-one nations that were in (virtual) attendance.

²⁴ The EU's “Cohesion Fund” supports member states with a GDP per capita below 90 percent of the EU average, “to strengthen the economic, social and territorial cohesion of the EU.”

²⁵ The politics of European “rule of law” are complicated. Since the beginning of the war the Commission seems to have postponed if not silently cancelled legal proceedings against Poland for its politicized judiciary and corrupt spending of EU money. This was different with Hungary, whose semi-dictatorial leader, Viktor Orbán, was reelected for the third time on April 3 this year, with a popular majority of 53 percent, bigger than in any of his previous elections. Unlike Poland, Hungary under Orbán has remained on a speaking relationship with the Russian president, Vladimir Putin, perhaps also because of discrimination in Ukraine against a sizeable Hungarian-speaking, pro-Russian minority. Immediately after Orbán's election victory the Commission started proceedings against Hungary, albeit only on the less severe of two alleged infringements, basically accusations of official corruption. The politicized nature of the matter is blatant as the EU Commission and Parliament are not particularly concerned about corruption in member states like Malta, Cyprus, Bulgaria, Romania, Slovenia, and Slovakia, which differ from Hungary and Poland not in their legal, or illegal, practices but in that their governments always vote “pro-European” in Brussels, as determined by the Commission. Incidentally, compared to the likely next member, Ukraine, a country like Hungary may be as clean as, say, Sweden or Denmark.