

Only Transnational Politics Can Break Europe's Deadlock

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As yet another crisis struck, the European Union seemed headed for a return to the worst moments of the Eurozone crisis. The lack of a coordinated response to the coronavirus-induced economic shock rekindled existential fears about the EU's future. However, against all odds, Angela Merkel and Emmanuel Macron came together to clear the way for an EU recovery plan with a 500-billion-euro proposal. Who will receive the money and on what terms is still to be determined. For some, this belated solidarity came after the damage was done. Euroscepticism is not new in France or Italy, and, whether appropriate or not, it remains a legitimate position. Over the last decade, criticism of EU policies and institutions has gradually given way to an insidious anti-German sentiment. In this analysis, Edouard Gaudot and Shahin Vallée investigate the grounds for this growing mistrust, while insisting upon politics at the European level as the only way out of this impasse. Germany's sudden shift is welcome but the structural challenge for Europe remains the same. Only transnational politics and democracy can overcome the preponderance of national governments.

It was a bombshell. On May 5, 2020, Germany's constitutional court ruled that the European Central Bank's quantitative easing programme may violate German law. Beyond technical debates on monetary policy, the ruling raises a fundamental political question. Is the European Union a simple association of states bound together by treaties that each national constitutional court can challenge? Or is it a sui generis legal and political construction, the goal of which is to gradually create a transnational political community, a functioning and legitimate democracy, potentially laying the foundations for a Hobbesian state?

Despite the high hopes after the fall of the Berlin Wall, the institutional framework forged by European treaties from Maastricht to Lisbon has not produced the democratic, solidarity-based political union promised. In the standard world of democratic choices, power is put on trial in elections, with the electorate handing down the verdict and penalties as judges. For international institutions, there is no such moment. For the European Union – a blend of differentiated federalism, international diplomacy, intergovernmental institutions, and democratic parliamentary bodies – the result is diffuse accountability that cannot be punished at the ballot box, and that always allows the buck to be passed.

In France, as elsewhere, some are hoping that this umpteenth crisis will be the final blow for the European Union: the end of the federalist dream, a long-awaited chance for freedom from strict treaties, and a return to greatness for national sovereignty. But while this trial may be justified, the alternative remains vague. What should replace the failed multilateral framework? What should replace the European Union? The interdependencies that the public health crisis has brutally exposed will not disappear by simply withdrawing from international or European institutions.

Resolving the "German question"

Europe may be impotent, divided, trapped by its dogmas, and partially captured by private interests, but a path towards the profound transformation of its institutions and politics remains open. But, as power in Europe is diffuse and horizontal, it is a winding path. The inability to understand this route is at the heart of France's continental failures. Emmanuel Macron is steadfast in his belief that European politics is to be conducted exclusively at the European Council, through Franco-German agreements negotiated behind closed doors. The outcome, as outlined one year ago, is "Europe's double deadlock".

As a result, if we define the sovereign as the one who ultimately decides, in particular in times of crisis, then European sovereignty lies for the most part in Berlin, not Paris or Brussels.

Post-Brexit, Europe is rediscovering the centrality of the "German question". Germany stands between two key groupings. On one side, the New Hanseatic League, strengthened by Britain's departure, has become the linchpin of Nordic neoliberal and German ordoliberal resistance. On the other sits the Visegrád Group, structured around the illiberal nationalist governments of Poland and Hungary. France, however, is hesitant in its relations with its Mediterranean partners and has proved unable to build lasting alternative coalitions, usually ending up isolated rather than central.

As a result, if we define the sovereign as the one who ultimately decides, in particular in times of crisis, then European sovereignty lies for the most part in Berlin, not Paris or Brussels. Reunification, enlargement, the Eurozone crisis, the refugee crisis, and now, perhaps, the coronavirus crisis: at each major turning point, Germany emerges stronger, more influential and assertive. This throws both Europe and Germany's relationship with the rest of the continent out of kilter. Germany cannot internalise its new-found power as a "benevolent hegemon" would, yet at the same time, cannot bear to relinquish it. Fundamentally, Germany continues to see itself as a small country whose actions influence neither Europe nor the world.

Europe cannot imagine itself without Germany, and Germany cannot imagine itself outside of Europe.

In France, and southern Europe more generally, criticism of Europe quickly turns to condemnation of Germany. Yesterday, Brussels was a Trojan horse for neoliberal globalisation in the service of American multinationals. Today it serves the interests of German ordoliberalism. Despite the questionable shortcuts, this theory is supported by empirical evidence. Structural forces on the continent have undoubtedly served German economic interests. The *Mittelstand*'s integration of eastern Europe into its supply chain; the euro's relative undervaluation favouring exports; and the flight of financial and human capital towards Germany during the crisis, reducing borrowing costs and increasing the capacity of the German economy, have all been powerful accelerators of German economic divergence and dominance.

The German question is therefore unavoidable for France, even more so than for its partners. With domination when Germany is too strong and a dangerous geopolitical vacuum when it is too weak, the German question has been at the heart of the modern European order since 1648. Europe cannot imagine itself without Germany, and Germany cannot imagine itself outside of Europe.^[1]

Understanding Europe's problem with Germany

To resolve the German question, we must understand not just Europe's problem with Germany but also Germany's problem with Europe – and take it seriously.

Crucially, Europe is a way for Germany to both carry and free itself from the burden of memory. A prisoner of the continent, Germany clings to the European Union to atone for its bloody past. Public opinion and the political class constantly declare their faith in Europe and the sacredness of the Franco-German relationship. Nevertheless, the feeling that Germany does a lot for Europe is widespread – too much if you ask far-right Alternative für Deutschland (AfD) voters – and the country is no longer prepared for this redemptive work to come at the cost of German economic interests or its perception thereof.

In the debate over a European response to the COVID-19-triggered economic collapse, it was striking to see Social Democrat foreign affairs and finance ministers echoing the Christian Democrats by continuing to promote a model of integration in which the Bundestag is a parliament primus inter pares. Though Angela Merkel's longevity as German chancellor distorts the picture somewhat, it is important to note that Germany's political big three have all been in power over the past 15 years and have formed a cross-party consensus on the status quo. The AfD, which would like to see Germany leave the euro at the very least, is left as the only challenger.

Despite its successes, from reunification to control over the Eurozone, federal Germany harbours doubts. Various in nature, these doubts are shared by the political elite and society in general. These concerns must be understood and taken as seriously as possible by Berlin's partners.

Germany's strategy, shared by all of its political class, is two-pronged: minimise costs while maximising control over debtor member states to limit contingent risk.

The doubts are democratic above all. The failure of the European constitutional treaty in 2005 came as a huge shock and was seen as an incomprehensible French betrayal of the shared project. The Treaty of Lisbon that followed was judged by many, including Germany's constitutional court, as not going far enough in democratising European institutions. The not wholly democratic nature of the European Parliament, due to the under-representation of certain countries, is today a core reason for Germany's reluctance about the transferral of more sovereignty and money to the EU.

They are also financial. The Eurozone crisis laid bare the fundamental contradiction of the Maastricht Treaty. The compromise that underpins the treaty was shakily built, accepted by France to persuade a hesitant Germany to join the single currency, built on the absence of budgetary solidarity. Such solidarity was not up for discussion in Germany without first implementing political integration and economic convergence (the Bundesbank's cherished "coronation theory"). What the Eurozone crisis revealed was that the much-feared "transfer union" was inevitable and would happen anyway in some shape or form.

Germany's strategy, shared by all of its political class, is two-pronged: minimise costs while maximising control over debtor member states to limit contingent risk. This mindset might be perfectly justifiable for a concerned creditor, but in European politics, it creates a destructive spiral, the risks of which (rise of the far right, political discontent, and centrifugal forces) Germany cannot fully see, nor indeed escape.

Germany also suffers from strategic fears which have been exacerbated by European integration. Enhanced

European military integration challenges two shibboleths deeply rooted in Germany's post-war identity. The first is that of a largely demilitarised Germany with a staunchly non-interventionist foreign policy. The second is guaranteed American protection that allows Germany to act like a large, non-aligned Switzerland. This position has twice been called into question – during the conflict in the former Yugoslavia, and in the Iraq war – but without major geopolitical consequences. Today, a newly aggressive Russian foreign policy and American disengagement are forcing Berlin to rethink its stance on the use of the military and its place in a European context.

So entrenched are these foreign-policy orthodoxies that it is hard to believe a simple change of government in Germany would change the fundamental disposition of what has gradually become the Empire of Middle Europe. In the brief coalition negotiations held in autumn 2017, even the German Greens showed they would probably sacrifice a large part of their European agenda for their climate priorities.

Transnational politics is here to stay

Bypassing the German roadblock is desirable, not just for the rest of Europe, but for Germany too. The faint signs of transnational politics are becoming more visible and gradually making this bypass possible. The 2019 European Parliament elections confirmed the decade-long trend towards a Europeanisation of domestic politics. With turnout up and transnational issues on the agenda, this renewed interest in continental democracy owes much to the “bad boys” of the European story. Matteo Salvini and Viktor Orbán manufactured crises with Europe at their centre and, in Europe as everywhere, it is through crisis that history is made.

The institutional dysfunction and appalling spectacle of failed national responses notwithstanding, this public health crisis has revived the trend towards European public opinion.

The successive phases of the past decade's Eurozone crisis raised continental awareness of our political interdependence. Never before have a vote in the Bundestag, a judgment from Germany's Constitutional Court, the formation of a government in Finland, or a referendum in Greece had such an impact on our domestic politics – and received so much coverage in the press, even though mainstream outlets offering a European perspective are still sorely lacking.

The institutional dysfunction and appalling spectacle of failed national responses notwithstanding, this public health crisis has revived the trend towards European public opinion. By addressing public opinion in nations other than their own and clashing with each other openly rather than behind closed doors, European leaders are beginning – slowly – to do politics at a continental level.

Emmanuel Macron, after having routinely limited his European policy to the sterile dynamics of the Franco-German relationship and a syncopated tango with the Chancellor, has accepted the need for coalitions of convenience. The Sibiu Summit of May 9, 2019 was one of the first attempts to skirt the German obstacle with an alliance between Belgium, Denmark, Luxembourg, the Netherlands, Portugal, Spain, and Sweden that demanded strong commitments on ecological transition. In a matter of weeks, this coalition imposed most of its agenda on the rest of the EU, despite Berlin's reluctance. A similar dynamic played out prior to the European Council meeting on March 26, 2020, when a coalition of nine member states, skilfully blending North and South (France, Italy, Greece, Spain, Portugal, Slovenia, Belgium, Luxembourg, and Ireland) and political leaders from Left and Right, called for a unified response to the COVID-19 crisis and the issuing of common debt.

But what could have been the starting point for a new European strategy was just a fleeting mood. When the March 26 meeting finally took place, the coalition fell apart and the French finance minister Bruno Le Maire (who had always opposed this coalition, even more so the idea that it could represent an effective vanguard) returned to his role as Germany's best partner to force a compromise that ran against Italian interests. The refusal to endorse the Spanish call for a 1.5 trillion euro stimulus broke the coalition's unity in the Council, which, in its usual diplomatic fashion, camouflaged the profound disagreements at its heart by asking the Commission for a new proposal.

For a truly transnational politics, we need to stop masking disagreements with diplomatic language. When two finance ministers – the Netherlands' Wopke Hoekstra and Italy's Roberto Gualtieri, the main adversaries at the Eurogroup meeting of April 7, 2020 – return to their respective capitals and one explains that the conditionality attached to access to European Stability Mechanism has been abandoned, while the other explains that it still holds, the problem is that they are both right. As critical commentators such as Wolfgang Münchau repeat, the job of European diplomats is to find wordings that allow each country to interpret the message in its favour. Bruno Le Maire confirmed as much: “There is no good agreement without good constructive ambiguity.” But politics is not about allowing both sides to save face. It's about recognising conflict and resolving it without pretence.

We should not be resigned to fudging: this systematic retreat is not inherent to the functioning of the European Union, nor is it inevitable. It speaks to an inability to “read”, interpret, and mobilise shifts in European societies, their debates, and their moods. When it comes to public debate and opinion, contrary to the common assumption, German public opinion is not opposed to coronabonds. That cowardly backing down and the paralysis this causes is permissible is chiefly due to the lack of a European theory of change and the focus on a “diplomatic” politics at the expense of transnational politics: the only politics that can shift opinions, allegiances, and power relations in Europe.

Transnational politics based on the multi-dimensional construction of constant and shifting alliances is the key to European change.

The forces of European disintegration are adept practitioners of transnational politics. A campaign poster featuring Marine Le Pen and Matteo Salvini together beneath the slogan “Across Europe, our ideas are coming to power” illustrates this perfectly. The strong links between a regional political party, the Bavarian Christian Social Union, and Viktor Orbán's ruling party in Hungary in relation to the German car industry and particularly Bavaria-headquartered Audi are clear and well documented. The New Hanseatic League is another example of effective coalition-building. Created in February 2018 by the finance ministers of Denmark, Estonia, Finland, Ireland, Latvia, Lithuania, Sweden, and the Netherlands, the grouping promotes fiscal conservatism in the European institutions. This political alignment goes beyond their common interests as Eurozone members to include two Eurozone non-members, plus Ireland, which was once subjected to the infamous troika regime and Greece-style adjustment programmes. The coalition is built on a convergence of public opinion between these countries on monetary policy, the European budget, and attitudes towards southern countries, and manifests itself in political solidarity across these major issues.

Transnational politics based on the multi-dimensional construction of constant and shifting alliances is the key to European change. It requires a form of mutual engagement with civil society across national and cultural borders. What's more, transnational politics is already at work everywhere, shaping the continent for the better, as in the case of environmental movements, and for the worse, as in the case of racist and xenophobic militias and Brussels

lobbyists.

As a strategy, it goes beyond coalitions in the European Council and Parliament, creating European political parties, or waiting for the emergence of transnational lists at the next European elections. A European political party would make it easier to effect change, but for the time being, these structures remain coalitions of national forces subject to the vagaries of domestic politics.

Walking the winding path

The path towards European integration is obviously different to that taken in the creation of a national political community. The issues are, however, comparable: it's about building a political community. The creation of solidarity between individuals who would not ordinarily be natural partners.

Whether or not you believe in the unsurpassable nature of the nation state, the public health crisis has revealed that Europe has reached an unprecedented degree of interdependence. It remains, however, that the *affectio societatis*, the institutions, the vision, and the political culture necessary to provide the level of solidarity that these economic, environmental, and social interdependencies call for is still lacking. The choice is now either to radically reduce interdependence or to increase solidarity. Yet leaving shared institutions and “deglobalising” will not reduce our mutual dependence in areas such as climate, migration, and health. Faced with transnational challenges, choosing to increase solidarity would appear to be the most appropriate and desirable option. But there are not enough transnational political entrepreneurs to push for such solidarity. The Social Democrats are divided and impotent, the Christian Democrats are paralysed, torn between Merkel and Orbán, the Liberals are fine with the status quo, and the Greens are lacking in numbers and often in quality.

Despite the EU's mistakes and failures, nobody can describe a world without it, nor explain why this world would be desirable. Conversely, neither does anyone have any idea how to think about, much less implement, the programme of reforms needed to make the European Union a political project that offers hope. Instead, we have collectively strayed into political posturing that mixes condemnation and resignation.

Albert Hirschman argued that there are three responses to an institution's failures: loyalty, exit, and voice.^[2] While the loyalty of national governments has not produced the desired effect, exit from the institutions will neither address their underlying flaws nor the new problems this would create. Which leaves voice. But this cannot be limited to the institutional and national spheres. To break Europe's deadlock, we need to tear down a German wall once more. We can only do so through the Europeanisation of voice. Through transnational politics.

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^[1] Michael Korinman (1990). *Quand l'Allemagne pensait le monde. Grandeur et décadence d'une géopolitique*. Paris: Fayard.

^[2] Albert O. Hirschman (1970). *Exit, Voice, and Loyalty*. Cambridge, MA: Harvard University Press.



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