#### **Breaking Europe's Double Deadlock**

Article by Edouard Gaudot, Shahin Vallée June 14, 2019

Between disobedience and intergovernmentalism lies an untrodden but effective path to changing Europe: carefully built alliances and smart use of power where you wield it. Many people were predicting a shake-up in European politics after the May 2019 elections but even with a new balance of power the groundwork for a fundamental break could well be missing. Two years ago, Emmanuel Macron looked like the man to change Europe. Here, Edouard Gaudot and Shahin Vallée chart the French President's course to reform Europe and the opportunities missed. Crucially overlooked was that – as formations such as the Visegrád Group and the New Hanseatic League show – it is not the French and German governments that drive Europe, but transnational politics.

Europe is deadlocked: this is increasingly consensual. The most ambitious plans for reform have been dashed on the rocks of strong institutional inertia. In this state of affairs, two opposing strategies dominate the debate in France, and find echoes beyond: there is the position of La France Insoumise (Jean-Luc Mélenchon's radical-left movement), which advocates disobeying and breaking away from European treaties; and there is the approach of La République En Marche (Emmanuel Macron's centrist formation), which favours intergovernmental negotiation in general and Franco-German negotiation in particular. Both are dead-ends and, while diametrically opposed, both suffer from the same flaw: an inability to think about and do transnational European politics.

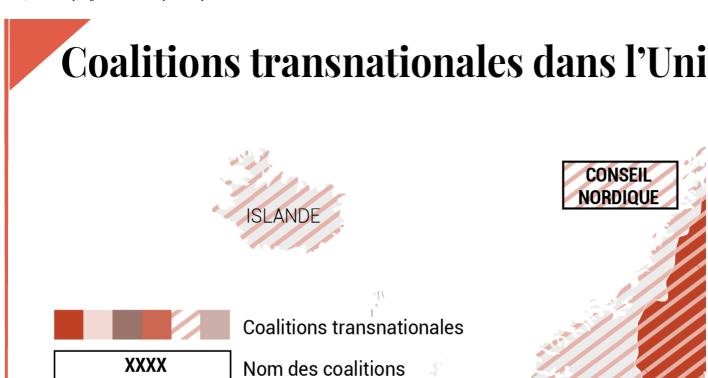
There is broad consensus on the nature of this deadlock, and it has three aspects:

First, there is the weight of the Council and negotiations between member states – particularly the largest, like France and Germany – which tries to exert a sway over other partners that is perceived as increasingly undue. Indeed, the Franco-German engine has broken down in part because of the chronic imbalance between France and Germany which has jammed the normal functioning of the EU. This imbalance has broken the community method in which confrontations between competing national interests are ultimately arbitrated by the European institutions, and has led to a strategy of attrition from opposition coalitions, like the Visegrád Group (Czechia, Hungary, Poland, and Slovakia) on quotas for relocating refugees, or the New Hanseatic League (a Dutch-led Northern alliance also including Denmark, Estonia, Finland, Ireland, Latvia, Lithuania, and Sweden) on reforms to the Eurozone and taxation. Faced with these effective alliances, the Med7 group of Mediterranean countries appears largely symbolic, lacking a figurehead and incapable of taking strong common positions. Yet it still exists and could still be mobilised if only France did not fear the perceived demotion of being associated with such a group.

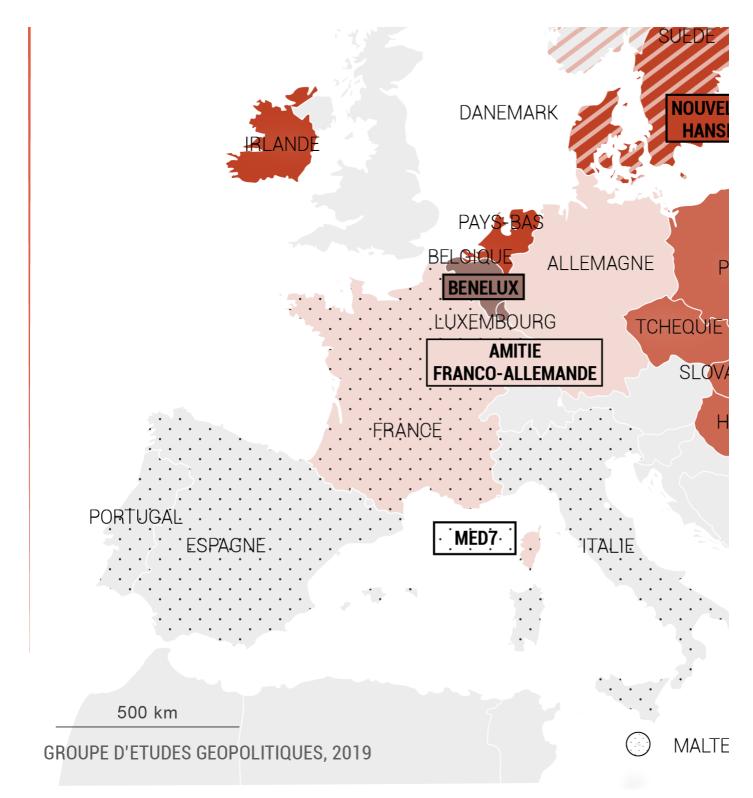
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Second, the persistence of unanimity rules and the repeated rejection of the solidarity principle on issues where sovereignist stonewalling is particularly painful and dangerous – taxation, foreign and defence policy, [11] border management and migration policy, corruption and rule of law – have undermined the European Union's functioning and caused a crisis in government, showing that Europe is incapable of acting collectively in all the areas it should.

Lastly, behind these state actors lies the poisonous and corrosive influence of vested interests and lobbies. Using their close ties with governments, European institutions and MEPs, these lobbies work hard to block any ambitious policy for environmental or social change. They intervene directly in democratic processes, going well beyond simple consultation or advocacy to which, theoretically, organised civil society is usually confined.



www.greeneuropeanjournal.eu 1/6



The risk of a Europe asphyxiated by immobilism and the status quo is very real and clearly perceived by its citizens. Faced with this risk, that there are calls for radical change and fresh attempts to overturn the existing order through wholesale rejection of the European Union is understandable. The idea of unilateral defiance, of disobedience, is flourishing.

www.greeneuropeanjournal.eu 2 / 6



Calls for disobedience usually mask an inability to move things and create political power dynamics in Europe that go beyond rhetorical posturing. This raises a difficult question: how can the European Union break the deadlock that paralyses it? Behind this lies a more profound question about forms of sovereignty, about the relevant venue for expressing political dissent in Europe and the very possibility of transnational democracy.

While part of the French political and intellectual spectrum today presents disobedience as a new weapon, it is in fact already a favourite tool of many member states. The French government did not wait for the word to become fashionable before breaking European law on a regular basis. These infringements, such as ignoring the <u>nitrates directive</u>, suspending <u>free movement of people</u>, exceeding <u>European fishing quotas</u>, or breaking air quality <u>laws</u> are futile and opportunistic acts of disobedience – simple expressions of domestic vested interests – because they are not part of an overall political strategy for change.

The issue of budget rules is one that inflames passions. These rules have shown that they cause more problems than they solve. By taking on an almost "constitutional" nature, they freeze and depoliticise policies that should be amendable in the event of changes in government or economic conditions. But the infamous Stability and Growth Pact, designed to strengthen and institutionalise budgetary rules, could be criticised all the more easily since it contains a review clause that required its enshrinement in EU law from 2017 onwards... which has still not been complied with. Rather than fudging the issue by introducing arbitrariness into common rules, it would be preferable to revoke an intergovernmental treaty considered unfit for purpose and completely rewrite the treaty when it is communitised. But this strategy would have required the acceptance of friction in the Franco-German relationship and, on this subject at least, the building of a coalition dominated by southern European states and led by France.

The novelty in this approach lies not in breaching treaties but in establishing transnational power dynamics that are not just measured against the yardstick of conflicts between member states on the Council and bilateral diplomatic negotiations (between France and Germany in particular). The fundamental problem in the European political space is that power dynamics are complicated because they involve multiple actors, not all of them states. In this context, it seems unwise to reduce European politics to simple confrontations between national interests, in other words, between member states in a position of strength and those in a position of weakness. This is exactly how European politics degenerates into superficial diplomatic games and a major part of European politics – the one overlooked by diplomats and negotiators – is ignored.

Modelling the Franco-German relationship on the idealised image of its glorious predecessors is to forget that Europe – and above all Germany – have changed profoundly.

This European political stage is under construction, or at least that is what two recently launched political forces are betting on: VOLT, a young platform that is generational, somewhat liberal-democratic and resolutely committed to European integration; and the Democracy in Europe Movement, DiEM25, of former Greek finance minister Yanis Varoufakis. Present in eight countries at the 2019 European elections, VOLT lacked a strong European figurehead and a substantive manifesto. DiEM25, on the other hand, which has a foothold in 11 member states and ran candidates under the slogan "European spring" in eight, was hamstrung by the weakness of its national chapters and representatives. Despite their difficulties in the face of political stages that are still structured nationally, these two experiments – comparable in both form and ambition – signal the emergence of a European political stage and suggest further developments ahead. VOLT did ultimately achieve a breakthrough in the May 2019 European Parliament elections, picking up one seat in Germany. DiEM25, however, did not, although they were on the cusp of the threshold in Greece, unexpected momentum that the movement hopes to carry into the July snap election announced by Prime Minister Alexi Tsipras after a poor showing for the ruling party Syriza.

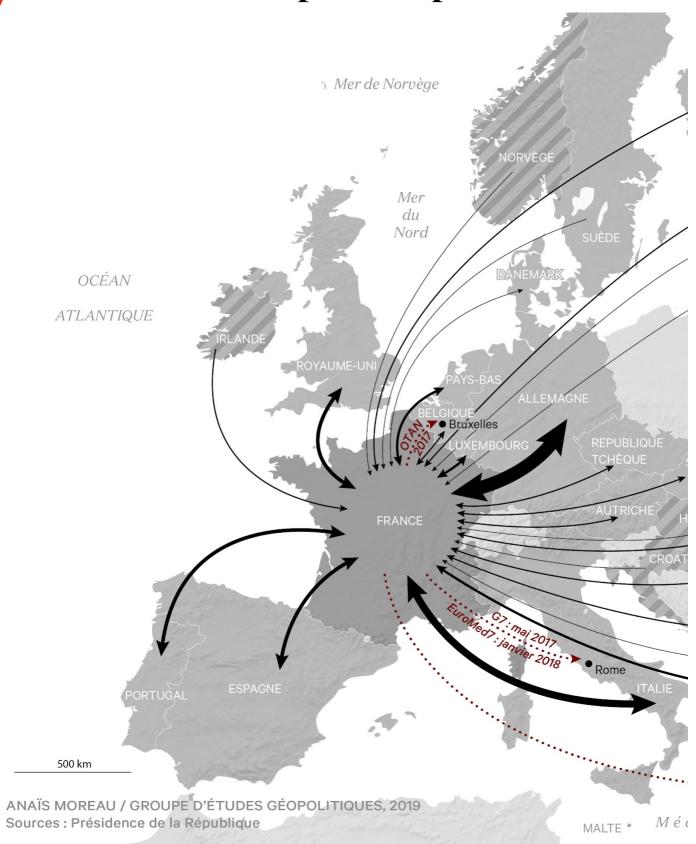
We should not conclude from their difficult beginnings and electoral results that it is impossible to establish this type of power dynamic. Moreover, the role they wish play in the European Parliament could be key in determining the future of the transnational idea. Changing how the EU works will inevitably require the gradual Europeanisation of our national political stages and directly addressing public opinion in other countries to leverage the similarities and affinities of different European political families. Without being as intrusive as the Italian government's support for the *gilets jaunes*, or as ham-fisted as François Hollande and Angela Merkel's backing of Antonis Samaras, the right-wing Greek leader defeated by Alexis Tsipras in January 2015, it is possible and, indeed, now necessary to do politics transnationally.

#### French stalemate

It is here that the problem with France's current European strategy is most acute. Emmanuel Macron concluded that the European political stalemates of his predecessor were the result of his chronic inability to create a relationship of trust with Germany. Once this was restored, the old Franco-German engine could again provide the drive and direction that the continent needs. Preoccupied with his obstinate pursuit of a bilateral diplomatic relationship that turned out to be sterile, Macron neglected the rest of the continent and ignored the natural allies with whom he should have worked to further his European reform proposals. What's more, when it comes to two major European partners, Italy and Spain, the French President has boxed himself in by seeking exclusive, fragile and ill-advised alliances (with what was a soon-to-be-defeated Matteo Renzi in Italy or Ciudadanos in Spain). In Spain, this alliance, which became exclusive just as Ciudadanos started fishing for hard-right votes in response to the Catalan crisis, isolated Macon's La République En Marche (LREM) and prevented any real cooperation. Lastly, the decision to enter into an unnatural political alliance with Vox, an openly Francoist party, discredited Ciudadanos and with it LREM's strategy towards Spain.

But it would have been possible to create bold political reconfigurations wherever the opportunity arose. In Spain, through dialogue with PSOE (the centre-left Socialist Workers' Party), ideologically closer on Europe, and having come to power in precarious conditions; in Italy, with all the factions of the Partito Democratico (the centre-left Democratic Party) or young pro-European movements like Più Europa (More Europe, a liberal Europeanist party) rather than exclusively with a politically marginalised Matteo Renzi; in eastern Europe with the Civic Platform and feminist movements in Poland, and by uniting the divided opposition in Hungary; in the Netherlands and Germany with the Greens, who would have bolstered LREM's environmental credentials, showing there was more to them than the empty sloganeering behind "Make the planet great again". And finally, what of the slowness in grasping Scandinavian and central European political realities that helped keep Paris locked in an embrace with an overly cautious Berlin?

# L'activisme européen du président Macro



www.greeneuropeanjournal.eu 4/6

The obvious mistake was to have chosen to do European politics in the wrong place: in the Elysée Palace, Aachen or the *Bundeskanzleramt*. As the standard bearer of an institutional system and centralised culture, of a diplomatic corps convinced that European affairs are decided in the corridors of European institutions, Emmanuel Macron failed to understand that to get Germany to budge, it would take more than a friendly tête-à-tête with a chancellor that he nonetheless has probably charmed more than anyone else. Germany has a highly decentralised political system and culture, and a multipolar society in which civil-society organisations, trade union, business leaders and intellectuals continue to shape public opinion, making them key stakeholders in European change.

Modelling the Franco-German relationship on the idealised image of its glorious predecessors, like De Gaulle/Adenauer or Mitterrand/Kohl, is to forget that Europe – and above all Germany – have changed profoundly. It is to ignore the rest of the continent in an attempt to impose, if not French ideas, then at least a Franco-German compromise that has been perceived by many of European partners as an arrogant expression of hegemony, automatically provoking atavistic responses of defiance in the face of France's ambitions.

Instead of including stakeholders independent from the French government (think tanks, non-profits, intellectuals, non-French MEPs) in an attempt at mobilisation for change, which could and should have been an exercise in transnational democracy and reshaping the European political landscape, the French president squandered the momentum generated by his stirring speeches at the Sorbonne, Athens, and Aix-la-Chapelle. He let his big, energising idea of democratic conventions become, in the hands of member state governments and the European Commission, just a parody.

Doing European politics means identifying its places of power.

The European Parliament could be one, although not the only such place. Its ability to provide opposition remains seriously underused, for the wrong reasons. It could nevertheless become the place where, in the face of deadlock, revolts are fomented; it could become a political actor unafraid to oppose, to fully exercise its institutional prerogatives by not hesitating to block the vote on the new Commission if certain key pieces of legislation are not first introduced. The political value of a parliament can be measured by its ability to say "no" to the executive (and to raise taxes, but that is another problem entirely). However, to play this card, you must first build a team of experienced parliamentarians able to marshal a group and build the bridges necessary for assembling a majority coalition. LREM's list seems utterly incapable of achieving this goal, a goal which should have been a central plank of the new French president's strategy for gaining power and influence in Brussels.

What Europe needs is a strategy for change in which robust confrontation has a role to play and unilateral action may be necessary if part of a collective goal for reconstruction.

The Council, the body that represents member states (without whose agreement nothing important is done), is also clearly one of the places of power where an attempt to break deadlock can be made. One strategy, used to great effect by General de Gaulle in his day, is the empty chair policy, a move of brutal confrontation, which led to the 1966 Luxembourg Compromise and the creation of the Common Agricultural Policy. There are areas in which a combination of unilateral action and European action could break the current inertia. We could imagine a unilateral response in the area of taxation, for example. Like in Denmark or the United States, tax could be based on nationality and applied to revenue from both capital and labour. A strict ban on the opportunistic use of headquarters relocation by companies would allow national revenues to be taxed more directly, something that the EU is cautiously moving towards for GAFA (Google, Apple, Facebook, and Amazon) to prevent abusive tax optimisation. Of course, this aggressive approach, typical of the French arrogance decried by European partners, would be harder to pull off in today's 27-member EU. But planned intelligently, in concert with other member states, and to protect a truly European interest, it could work. Beyond *ad hoc* unilateral action, building offensive and defensive coalitions seems necessary. The French president's first attempt to build a coalition around the issue of the environment at the Sibiu summit on 9 May 2019 (two years after coming to power) is to be applauded. It remains to be seen whether this coalition will be effective and prepared to apply serious pressure on its partners, or will turn out to simply be pre-election tokenism.

Finally, power dynamics can also be created by tackling major policy areas. Trade policy, for example: even though it is decided supranationally rather than by member states, it can be blocked, principally through a refusal to ratify future trade deals. Future ratification of trade deals with Japan, Indonesia, Malaysia, Australia or Mercosur, to name but a few, will offer such opportunities. Indeed, even when these battles are lost in EU institutions, the possibility for domestic opposition remains. The Walloon Parliament adopted this tactic under its then president, Paul Magnette, to block the ratification of CETA, the EU-Canada free-trade deal, and thereby obtain substantive changes to the agreement. Although CETA is today provisionally in force, France could still consider blocking its ratification and demand new clauses on environmental or social protection. Furthermore, from the very start, France should have opposed the re-opening of talks on a free-trade deal with the United States – which are currently underway following German pressure – rather than waiting until the last minute.

In short, while European disobedience is often a dead end, impotence and paralysis are not the only alternatives. State disobedience poses fundamental problems if we really want to create a European legal, political and democratic order. Instead, what Europe needs is a strategy for change in which robust confrontation has a role to play and unilateral action may be necessary if part of a collective goal for reconstruction. In the absence of a strategy that breaks out of traditional diplomatic channels and forces the embrace of a transnational politics, frustration with the status quo will eventually force the abandonment of the project to create European sovereignty and democracy, and see an abrupt return to the nation-state model.

III The requirement for unanimity has not so much prevented common lines, rather it has stopped them from emerging and, in certain cases, forced member states to act alone. That's the difference between Iraq in 2003, Georgia in 2008 and the invasion of the Crimea in 2013. But the Chinese and American questions today show how difficult it is to find common positions. https://corporateeurope.org/en/power-lobbies/2019/02/captured-states

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www.greeneuropeanjournal.eu 5/6

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