

## 'Europe 1992: a market without a state' from Der Spiegel (4 July 1988)

**Caption:** On 4 July 1988, the German weekly magazine Der Spiegel highlights the dangers of a single European market where economic liberalism is more important than the social and political dimension of Europe.

**Source:** Der Spiegel. Das Deutsche Nachrichten-Magazin. Hrsg. Augstein, Rudolf ; R Herausgeber Böhme, Erich; Dr. Funk, Werner. 04.07.1988, Nr. 27; 42. Jg. Hamburg: Spiegel Verlag Rudolf Augstein GmbH. "Europa 1992: Markt ohne Staat", auteur:Schumann, Harald , p. 94-95.

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## Europe 1992: a market without a state

by Harald Schumann

What a show! Chancellors, Prime Ministers and EC Commissioners all singing from the same hymn sheet. Another five visits from Father Christmas and then, on the night of New Year's Eve 1992, the great moment will come: Europe will be somebody again.

Finished all the talk about the limits to growth, the paralysis of Europe, structural mass unemployment, the two-thirds society. No, it now echoes from every EC summit; very soon now, things will only get better.

A panacea has been discovered for all the ills of Western Europe's economic system: the single internal market for the EC of the Twelve. The apologists of the new miracle cure are vying with one another in making amazing prophesies, as though trying to shower the Old World with the contents of a veritable horn of plenty. They promise us 7 % more growth, five million new jobs and a boundless consumer paradise, once the supranational economic area extending from Lisbon to Copenhagen is finally in place.

The European Community as the carefree economic wonderland of the 1990s? This idea of a promised land is not just improbable, it is also dangerous, because it distorts our vision of the kind of European integration that is being pursued. The pro-Europe zealots of the EC Commission in Brussels, who are aiming to remove border controls on persons, goods, services and capital within not less than four years, call these 'the four great freedoms'.

Yet the freedom that they talk about is only for those who have something to sell or invest. So as to be ready for the coming battles in the global economic war, they are to be granted every possible freedom to endow the world with products 'made in Europe'. For managers, the ability to produce the same product for 320 million EC citizens is a dream come true. They are celebrating their new European era with mergers on an unprecedented scale and across every border.

There is really no cause for jubilation, because the Europe that they are seeking to establish is being bought at the price of political steps backward that are bigger than many yet realise. However far ahead some Member States may be of their EC partners in terms of social and democratic achievements, these will all be reduced to the lowest common denominator in the name of 'international competitiveness' under the pressure of unfettered market forces.

Co-determination for workers' representatives? Little will remain of this relic of the West German trade union movement in the pan-European company. What about abolishing VAT on food and children's clothing, as in the United Kingdom? The idea of this kind of luxury will have to give way to standardised tax rates. What about the stringent protection of workers from hazardous substances and the rapid recognition of occupational diseases on the Danish model? That will never ever become European law.

When it comes to consumer protection, maintaining the natural environment and the social protection of workers, what Chancellor Kohl called the 'historic success' of an economically united Western Europe will, at best, be a historic flop.

Instead of raising the EC's economic power in these vital areas at least to the level of its otherwise much-cited competitor, Japan, the architects of the new Europe are indulging in what one EC Commissioner so terribly honestly calls 'the greatest deregulation in economic history'.

The reason why this project can be carried through so smoothly and relentlessly is by no means only because the majority of the 12 EC governments are pursuing a course of economic liberalism. No single state would be likely to succeed with numerous 'deregulation' measures at national level. But what a state cannot do alone is no problem for the Council of the Twelve. This is because democracy, however much of a caricature it is becoming in the national parliaments, is totally absent from the Europe of the Twelve.

Power sharing? Separation of legislative and executive power? Political scrutiny of the administration of the state by elected parliaments? The EC system could scarcely be further removed from what every schoolchild today is taught about the foundations of democratically constituted societies as described by Montesquieu.

Just imagine if, in the Federal Republic, it were not the Bundestag but the Bundesrat, i.e. the Federal *Länder* representatives, which passed all the laws. Imagine the situation if they were not, however, bound by the instructions of their respective *Land* parliaments, that all discussions were held in camera and that, usually, nobody knew each representative's actual position. On top of that, imagine the situation if bills were drafted not by the *Länder* administrations or parliaments but by a central authority made up of several thousand officials subject to no direct political control but advised on a regular basis by a whole horde of industrial lobbyists. You would have to be a cynic to allow this kind of system to be labelled 'democratic'. Yet this is precisely how European legislation is created week after week.

The EC's legislative body is the Council of Ministers, made up of several Councils of the Member States' ministerial bureaucrats headed — usually only formally — by Ministers who are all too often unaware of what is going on. The 'EC directives' or 'regulations', as they are so innocuously called, that emerge from these meetings are binding European laws which ride roughshod over the will of the national parliaments whose only remit is to transpose them into national law. De facto, therefore, there is a growing trend for the Member States' Executive to write its own laws, behind closed doors.

Because of this 'pre-constitutional state' of the EC, as Hans Magnus Enzensberger calls it, Western European integration is degenerating into a dangerous and irresponsible project.

After all, the decisions do not simply involve a few customs simplifications at border crossings and railway stations. Far more, they are about setting a course that will decisively change living and working conditions in all 12 EC countries over the next few decades.

Consumer lawyers are already sounding the alarm about the imminent 'Wild West conditions' in the EC of the 1990s, and environmental protectors are warning of the 'biggest imaginable polluter community', while trade unionists are beginning to realise that the internal market will present them with a 'Europe of capital'. But these warnings — which are hard enough to hear anyway amidst the general rejoicing about the internal market — come up against a legislative machinery that tends to regard grass-roots resistance as a minor irritant. Whenever there is an attempt to set stricter limits to the free play of market forces on the grounds of protecting man and nature, we see this unholy alliance come into play in pre-democratic Brussels that Federal German leader writers so wrongly like to describe as a 'top-heavy bureaucracy'.

Yet the EC Commission officials are anything but idle. On the contrary — they are terribly busy drafting bills for which EC treaty law grants them exclusive authorship. The declared aim of the 12 000-strong body of officials is precisely to forestall the national parliaments in all their legislative activities. They are supported by colleagues from the 'Permanent Representatives Committee', the Council of Ministers' General Secretariat and, not least, some 8 000 lobbyists who put their view of the world to those drafting legislation on behalf of hundreds of industrial interest groups in an equally large number of advisory committees of experts.

It is only after matters have been largely settled in advance between national economic and bureaucratic interests that the public has an initial opportunity — via the European Parliament — to find out what kind of law is being drafted for 320 million EC citizens. In that forum, to which the public pays little attention, a small but diligent minority of MEPs of all parties fights a desperate battle against an all-powerful international bureaucracy which, while well aware of the real balance of powers, is forced to submit to the pseudo-democratic procedure of parliamentary hearings and only occasionally incorporates an MEP's proposal in its draft legislation.

If, despite this procedure, a draft directive that affects the economic interests of a particular industry should see the light of day, there is a 99.9 % likelihood that the decision-making Council of Ministers will reject it, postpone it for years or water it down until it becomes unrecognisable.

The Europe-wide exhaust gas emission levels laid down by EC law and the directives on worker co-determination that have been dragging on for nearly a decade are the heroic achievements of the recently increasing numbers of 'convinced Europeans' who, like the Council President Helmut Kohl and the Commission President Jacques Delors, now seek to have us believe that high priority will soon 'also' be given to the social dimension and to environmental protection.

Whatever they decide, however, if the existing system continues, the cosy ministerial meetings will always manage to find someone in their midst who can be held responsible for reducing social and environmental protection standards to the lowest common denominator. And this will always be the person who is likely to come up against the least resistance on the home front in the event of a dispute.

This system, which has no democratic legitimacy at all and which has already entailed terrible consequences in the past, will lead to disaster when border controls are actually removed. It is not even necessary for the individual countries' protection standards to be formally suspended by an EC standard. It is quite enough, even if the usual 'big steps' are taken to liberalise trade in goods and services, for everything else to be postponed ad infinitum because, we are told, alas, there are such wide differences between the individual countries. The unleashed free market forces will do the rest. When there are no signs anywhere of centrally organised controls, uniform jurisdiction, common, or at least minimum safety and consumer protection standards, a market without a state will come into being, and consumers and workers will have even less protection against an economy run wild.

At the same time, the political duty-free zone of a partly state-run Europe will give every country's law and order strategists carte blanche to set up supranational police structures free from any democratic control. Worried that the removal of border controls might also give greater freedom to undesirable aliens or even to politically motivated criminals, Ministries of the Interior and of Justice are now working, if need be even without any legal basis, on the setting-up of cross-border search systems and speedier international exchanges of data. At best, the public will learn only incidentally that a 'protected communications network' has been set up between police authorities and may only suspect that the 'Trevi Group' ('international terrorism, radicalism, extremism and violence') may well turn into the nucleus of a European police authority.

In the light of these prospects, it is even more difficult to understand how hugely ignorant national and, in particular, Federal German MPs, parties and media are of what is going on at EC level. Their level of awareness and the intensity of the debates about EC issues are in inverse proportion to the scope and significance of the decisions taken in Brussels and Luxembourg.

For instance, the EC Foreign Ministers (!) have decided, under pressure from the international agricultural and nuclear lobby, that they will permit radiation residues in food ten times higher than the current level following the next nuclear reactor accident; yet the Bundestag does not think that this is even worth debating.

For instance, members of a specially set up committee of inquiry unanimously decided to impose a moratorium on dangerous gene technology experiments; yet barely a year later this has simply become a piece of bumf because the Council of Ministers is now debating an EC proposal seeking to permit precisely these experiments.

For instance, the Bundestag's Committee on Transport is trying to plan the redevelopment of the Federal German railways, because the carriage of goods by road has reached intolerable levels. Yet, at the same time, the EC Transport Ministers are taking a 'major step forward' on the road towards liberalisation of the transport market which, in the end, is likely to double the number of heavy goods vehicles on Federal German roads.

For instance, the Federal German Constitution prevents the Christian Democratic hardliners from being able to water down asylum law; yet, at the same time, the EC Commission is drafting a directive on asylum

which will probably allow for precisely that.

What more will it actually take for the democrats in Bonn to notice that their kind of democracy is heading full tilt towards acquiring the social relevance of a Punch and Judy show?

There would be no point, however, in sounding off about national responsibilities again. The way back has been blocked for a long time now as a result of the economic integration that has already been achieved; moreover, this would be counterproductive. Seventeen million unemployed, eco-systems in collapse from the Alps to the North Sea, the economic ruin of entire regions: these are problems that the European Community will resolve either jointly or not at all.

To leave this task to the ladies and gentlemen of the individual Councils (of Ministers) in Brussels, however, would mean not to tackle them seriously at all. For this is where bureaucrats and lobbyists are building a Europe of big companies that is carrying the disempowerment of politics in favour of the economy to extremes, in the name of a short-lived Euro-boom.

Only if the respective Councils and the Commission were deprived of power in favour of a Parliament equipped with genuine powers of scrutiny, if the unions awoke from their European hibernation and if opposition politicians throughout the EC rose above the parochialism of their political debates would there be any chance of seeing a Europe built on sensible social and environmental foundations.

Otherwise, it is to be feared that the intolerable European from Oggersheim will prove right in the end: 'In the space of not more than 10 or 12 years', he gloated, 'the European Community will be unrecognisable.'