

EU – invisible in the crisis

By Peter Wahl

Europe has become the epicentre of the Corona crisis. However, the European Union is playing hardly any role in crisis management. The crisis shows that the most important political, financial, legal and cultural resources of statehood still lie with the nation states. The EU, which has anyway been in permanent crisis mode since 2008, is confronted with even more arduous times.

223,412 confirmed corona infections and 13,535 deaths¹ were recorded in the EU when this article was completed in the morning of 26 March. You will hardly find these figures in the media. Because unlike for GDP or similar items, which make the pride of the EU, these figures tell an ugly story. In particular compared to China, which seems to have the disease under control in the meantime (81.736 infections, 3.291 deaths - and more than three times the population of the EU). And the worst has yet to come. The supercilious smugness accompanying the outbreak of the epidemic and the crisis management of the Chinese in the West is taking its revenge. *Something of that kind is just not possible here!* - is the collective fallacy of the ruling elites and their media. Only when pandemonium broke loose in Lombardy did it become clear that a tsunami was rolling our way. But by then precious time had already been wasted. You build an ark before the deluge arrives.

As the PR machinery of the EU Commission was still busy taking aim at Boris Johnson in the run up to the BREXIT negotiations a frenzied hectic broke out among the member states. Borders were unilaterally closed. Never before since the end of the Second World War were measures from the arsenal of emergency legislation adopted intervening deeply in public life, the economy and individual freedoms. Concurrently huge aid packages were announced and the French President, without losing face, availed of the opportunity to discard his neoliberal pension reform which had led to spectacular resistance for weeks on end.

After the Islamist terror and the crash of financial capitalism in 2008, the dark side of globalization has once again befallen us with all its might. However, the EU, which has always been one of globalizations most ardent supporters, is likely to be one of the losers of the present crisis. Yet again, it has become evident that its structures, its instruments and its decision-making procedures are but fair-weather constructions that have long since been incapable of meeting the major challenges of our time let alone deal with such an extraordinary crisis as the present pandemic.

Ending illusions about the EU

Not surprisingly, the supporters of "*More Europe*" complain bitterly that Brussels has been left behind in the management of the Corona crisis: "*When the chips are down, national egoisms in Europe are still stronger than any international appeal for solidarity*" wrote Martina Meister paradigmatically in DIE WELT (20.3.2020; p. 3).

Apart from the pertinence of equating EU with Europe, the fundamental misconceptions that saturates so many European policy debates has once again become apparent namely that the EU is a state just like the USA, China, India or Russia, and that it has at its disposal the corresponding scope for action. However, it must be emphasized

¹ Source: Johns Hopkins University, Corona Virus Resource Center. Own calculations

again and again that the EU is not a state but a *sui generis* entity, a unique construction, neither fish nor fowl in matters of statehood. It consists of two basic components, on the one hand, an alliance of nation states - which is nothing special and exists elsewhere - and, on the other, supranational components such as the single market or the so-called communitised policy areas of agriculture or trade.

This combination leads to a complex hybrid construction originally intended to be but a transitional phase that would eventually result in the establishment of a real territorial state, the *United States of Europe*. It is now apparent that nothing will come of this vision. Integration has stalled, and today divergent tendencies dominate. The British have walked away, internal divisions are intensifying between East and West, North and South, France and Germany, euro and non-euro members, large and small, pro and contra migration, net contributors and recipients, etc. Internal strains and centrifugal forces are increasing. In this situation this new crisis is now also crashing to the fore.

In addition, health policy has not been communitised, i.e. it does not fall within the supranational competences of the EU, but instead remains under the stewardship of the individual member states. However, this by no means excludes the ability of Brussels of applying other levers to influence the national health systems indirectly, for example, by way of competition law. By this means, in the past pressure was consistently exerted to privatize welfare services and therewith commodify health. Needless to say, neither the EU nor capitalism are responsible for the creation of the corona virus. But the inability of broken healthcare systems to cope with a pandemic such as the one we are now experiencing is strongly related to the form of neoliberal capitalism which the EU in particular has been vehemently pursuing.

This is the moment of the nation state

This crisis is the moment of the nation state. It is evident that the most important financial, legal, political and cultural resources are still concentrated in its hands. The assertion that globalization has made the nation state obsolete has yet again been debunked by reality.

One need not necessarily like the nation state, but nevertheless, one must realistically recognize that no other form of socialization of large collectives to-date has been discovered which has such a degree of potential for shaping society. Moreover, up to now, it is the only form of socialization that makes parliamentary democracy and the welfare state possible. In other words, it fulfils all the tasks that the EU does not offer.

Besides, the EU's objective is not to overcome the nation state as many of the EU fans from the left-liberal and left-wing spectrum would like us to believe. The seemingly noble aim of the *United States of Europe* is not the overcome of the nation state but its reproduction in a great power format. The Corona epidemic itself provides a striking illustration of this. Whereas on the one hand there are complaints about a lack of solidarity, on the other, where the Commission has powers as in trade policy, Brussels has issued a harsh export ban on respiratory equipment and other medical devices required for combating the virus. Let "*the others*" watch out for themselves - *EU first!* Consequently, Serbia, for example, the EU's European neighbour and membership candidate was forced to obtain medical equipment from China.

It goes without saying that the nation state also harbours dangers. It is a state and therefore it is intrinsically associated with power and domination. It is especially hazardous when the power of the state to shape society is coupled with belief in the superiority of one's own interests and the expense of others. In other words, where the ideology of nationalism comes into play it becomes dangerous. But this is not an

automatic development. Not every nation state initiated two world wars and murdered six million Jews.

Forget the Stability Pact! Now is the time for "unorthodox measures"

Although the nation state is the most important actor in overcoming the present crisis, this does not mean at all that international cooperation is superfluous. On the contrary, international cooperation is more important than ever. And not only with regard to the Corona crisis, but also concerning the global problems of the climate and environment, international economic relations, securing peace etc, etc, etc.

But to do this we must free ourselves from the straitjacket of supranationalism and break with the path-dependency of neoliberalism forced upon us by the EU. The question is whether the epidemic will bring about the long overdue paradigm shift in economic policy thinking.

Way or the other, the corona pandemic will lead to a severe recession. The economic consequences will be felt for a long time to come. It was therefore correct that some of the member states, including the heavyweights Italy, France and Germany, came forward on their own initiative and announced major rescue packages. It is clear that the Maastricht criteria can thus be forgotten for the time being, as can the stability pact's "black zero". Consequently, the Commission has now also officially suspended the Stability Pact. The likelihood that this particular zombie will celebrate a comeback after the crisis appears rather slim.

The ECB too has adopted an emergency programme for the euro zone amounting to EUR 750 billion, which will without doubt be stocked up further. We will observe how the central bank makes available quite inexhaustible funds. To do this, the money does not even have to be printed as everything is now digitalised. For their part, the non-euro countries have begun to use their currency sovereignty to implement large rescue packages.

It is still uncertain whether the ESM (European Stability Mechanism), whose function is to prevent state bankruptcies in the euro zone, can also be mobilized. Its allocation of funds is tied to austerity policy conditions. On the other hand, the ESM lies outside the EU regulatory system and is based on a purely intergovernmental agreement and could therefore easily be modified.

State interventionism will thus experience an unexpected renaissance, due to market fundamentalism being on the defensive. The exciting question is whether this can be reversed when the crisis over. Currently, one now hears statements everywhere such as, "*And after this crisis - that much is obvious - the world will be a different place*". That indeed would be nice, but how can one be so sure? The above quote is a statement from an interview with the then German Minister of Finance Peer Steinbrück in SPIEGEL weekly on 29 September 2008. In the meantime, we now know that not really all that much has changed. But perhaps this time it may work out differently and Bertolt Brecht's 1952 line of poetry will therefore finally prove to be wrong: "*The memory of mankind for endured suffering is surprisingly short.*"

Translated from German by Páid McIntyre.

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