

Out of control

EU incapable to find a reasonable solution for the Greek crisis

By Peter Wahl

When this text was finished (morning of 29th of June) nobody knew, how the confrontation between Greece and the other 17 countries of the Euro-group would end. Everything is possible. The crisis has reached such a precipitating dynamics, that nobody is able to fully control the process. There might still come a last minute muddling through compromise. The fact that Obama has called Merkel on Sunday the 29th of June indicates, that there is pressure from Washington, where they want to keep Greece in the Euro for geopolitical reasons. But there might also be an insolvency and a subsequent *Grexit* either by accident or by intention.

Independently from how the drama will continue, the damage is already huge and irreversible. From outside, the situation looks like a total mess. Compared to the bunch of extraordinary problems the EU is confronted with - migration, Ukraine, Brexit, right populism, the economic crisis and unemployment in many member states - the Greek issue appears almost the easiest to be managed. Hence, seen from Rio, Tokyo or Beijing the want-to-be super power EU looks rather ridiculous.

The Greek referendum – too democratic for the EU

Looking closer, one can see an abyss of brutal power play and blackmailing by the neoliberal Goliath against the Greek David. Goliath cannot accept, that a country whose population is completely exhausted and depressed by five years of failed crisis management should have the right to democratic self-determination. The fact, that the referendum came as a shock to the Euro-group offers a deep insight into their understanding of democracy. In a statement at the finance ministers conference the Greek representative, Yannis Varoufakis, had reminded that his *“party received 36% of the vote and the government as a whole commanded a little more than 40%. Fully aware of how weighty our decision is, we feel obliged to put the institutions’ proposal to the people of Greece.”*¹ But such a reasoning seems alien to the “institutions” and the leading governments. Jeroen René Victor Anton Dijsselbloem, Dutch finance minister and chair of the Euro-group called the Greek decision *“unfair”* after Greece had refused to swallow the ultimatum he had set.² Again social democrats are on the forefront when it comes to propaganda and slander against Greece. German foreign minister Steinmeier even qualified the referendum as taking the Greek people as “hostages”.

But this should be no surprise. The eurocratic elites are used to take decisions of historic range without consulting the sovereign of democracy, the citizens. Thus the Lisbon treaty, which replaced a draft constitution after its rejection in referenda in France, the Netherlands and Ireland in 2005 or the far reaching measures of the crisis management since 2008, are implemented in a kind of permanent mode of emergency. One cannot but agree to Krugman’s comment in the *New York Times*: *“If you ask me, it has been an act of monstrous folly on the part of the creditor governments and institutions to push it to this point. But they have, and I can’t at all blame Tsipras for turning to the voters, instead of turning on them.”*³ The Greek experience adds a fresh chapter to the long story of the democratic deficit of the EU. Those, who hope since 25 years for a social and democratic EU should now definitively be disillusioned by the Greek experience.

¹ <http://yanisvaroufakis.eu/2015/06/28/as-it-happened-yanis-varoufakis-intervention-during-the-27th-june-2015-eurogroup-meeting/#more-8149>

² <http://www.tagesschau.de/wirtschaft/griechenland-verhandlungen-143.html>

³ http://mobile.nytimes.com/blogs/krugman/2015/06/27/europes-moment-of-truth/?_r=1&referrer=

By the way, it is worthwhile to read the whole statement of Varoufakis. The information policies of the Euro-Group is very intransparent. They never publish documents so that most media rely on statements of politicians, which, of course, are always biased by their strategic interests and their blame game, while the Greek position does hardly come through. Syriza also published the draft agreement, which the Euro-group refused to accept.⁴ It shows for instance that declarations in TV like the one from Martin Schulz, head of the European Parliament, that they had refrained from increasing Greek VAT, are simply not true. Either Schulz does not know what he is talking about or he is lying.

EU at a turning point

Whatever will happen with Greece in the future, the whole drama is another indicator that the EU is coming to a turning point in its history. Too many heavy problems remain unresolved, to begin with the currency. Economically it is a misconception to have a common currency for such a heterogeneous group of economies without an overarching single state. The economic crisis and the failure of the crisis management is further deepening the asymmetries. The centrifugal tendencies are increasing. Even if another referendum, the one in the UK, should not lead to a *Brexit*, there will be in any case to a loosening of rules and regulations.

The centrifugal trend will be furthered by another important development: as mentioned above, Obama has phoned Merkel to express the US interest in the case of Greece. What seems to be a trivial detail reveals a new dimension of the situation in the EU. A bon mot of Henry Kissinger cuts it short. When asked about his opinion about the EU, he used to say: *What's the phone number of the EU?* At present, Kissinger's question is answered. The phone number of the EU is nor Juncker, neither Tusk, but Merkel. In other words, the crises of the last seven years have served as a catalyst for the establishment of a German hegemony, or, as it is called in the mainstream discourse: German leadership. The problem, however, is that too many people and some governments still remember, that the German word for leader is *Führer*. Although contemporary Germany can by no means be compared to the times, when Europe was integrated under German leadership from the Atlantic to Stalingrad, the present crisis has shown, how easy the spectres of the past can be mobilised. In particular the former leaders in London and Paris are not enthusiastic about the new hierarchy. Obama is aware of that and knows that German capabilities are limited and contested by the lower ranks in the informal hierarchy. This increases the influence of the US on European issues.

The EU is in sharp decline. This will not be prevented by the recent proposal of Juncker, Tusk, Schulz, Dijsselbloem and Draghi for a leap forward in the integration of the Eurozone.⁵ This plan will not work, as most countries are not prepared to follow this pathway. In order not to fall back into complete national fragmentation it would be wise to redefine the future of the EU, the so called *finality question*. It is time to say definitively good bye to the dream of the *United States of Europe*. Instead, more flexibility internally and more openness towards the outside world are required. We need less centralisation and more diversity. This means selective disintegration in certain areas, such as the common currency and selective integration in other areas, for instance renewable energy. Opening to the outside world could mean to develop closer ties with the Maghreb region and Turkey, or taking up the idea of an economic space from Vladivostok to Lisbon, as suggested by the Prince of Darkness in the Kremlin and accepted in general by Merkel in the Minsk II agreement. We need realism instead of euromanticism!

⁴ <http://blogs.ft.com/brusselsblog/files/2015/06/Table-compromise-250615-Version-CLEAN.pdf>

⁵ Completing Europe's Economic and Monetary Union. Report by: Jean-Claude Juncker in close cooperation with Donald Tusk Jeroen Dijsselbloem Mario Draghi and Martin Schulz.