

The Critical State of the Union

MICHEL FEHER

For anyone who still had faith in the European Union as a partnership for peace, an experiment in post-national democracy and an abode of human rights, 2015 was a sobering year. The reckoning started in January, once Alexis Tsipras and his left-wing Syriza party won the general elections in Greece: the mandate they received from voters involved challenging the austerity programs that European institutions had hitherto imposed on Greece and, by that token, questioning the notion that a democratically elected government was required to subordinate the needs of its constituents to the claims of its creditors. After a six-month long standoff, however, and in spite of a referendum confirming the mindset of the Greek population, authorities in Athens were blackmailed into subservience. As the German Finance Minister had warned his Greek colleague at the onset of the negotiations, in today's Europe, elections, regardless of the message they send, do not have the power to alter previously established rules.

Did Alexis Tsipras have the means to reject the dictates of the Eurogroup, the collective body formed by the nineteen finance ministers of the Eurozone? Was he in a position to confront successfully the threat of a "Grexit" – the risk of seeing his country expelled from the European Monetary Union? Would Greece have been better off dropping the euro on its own accord, so as to regain its national sovereignty and emulate the defaulting strategies previously experimented by Ecuador, Argentina and Iceland? Alternatively, were there ways to wait long enough, in the face of the European Central Bank's attempts to foment a run on Greek banks, so as to call the EU's bluff – considering that forcing Greece to exit the euro was neither cost-free for its creditors nor even consistent with previously established rules? These questions will continue to haunt – and divide – the European left, at least until the next standoff between EU officials and the rebellious government of one of its member-states.

In the meantime, Greece keeps descending into destitution: the country's GDP, which had shrunk by 25% between 2008 and 2014, dropped another 0.6% in the last three months of 2015, courtesy of "structural reforms" that contract domestic demand, undermine public services and, by way of cutting down fiscal revenues, contribute to the state's insolvency. The only difference is that Syriza is now the enforcer of the measures purported to meet the conditions set by the so-called "quartet"¹ for the renewal of its bailout loans. Reelected in September on the promise that he would balance the social protection of his more fragile constituents with his commitment to deliver on the primary budget surpluses requested of him, Alexis Tsipras can only note that the mood of his European "partners" has not become more conciliatory as a result of his post-referendum surrender – quite the contrary. For the leading members of the Eurogroup have little interest in the project of reconciling what a state owes to its citizens with the service of its debt, or even in letting anyone believe that such reconciliation is possible: their agenda is simply to hammer in that the

1. The European Central Bank (ECB), the International Monetary Fund (IMF), the European Commission (EC), and the European Stability Mechanism (ESM).

latter must, in all circumstances, take precedence over the former – and thus to render the punishment of any recalcitrance sufficiently cruel and unforgiving as to deter other potential European offenders.²

Acting as the towering champion of fiscal discipline, the German government was remarkably successful in persuading its European partners that Syriza's proposals and arguments had to be met with unwavering intransigence. Even the elected representatives of nations almost as debt-ridden and impoverished as Greece – from Ireland to Portugal – refrained from questioning Berlin's contention that debtors cannot not be choosers – regardless of whether the crushing budgetary cuts demanded of them actually end up reducing their deficits. Yet, just a few weeks after Alexis Tsipras had agreed to sign the Third Memorandum of Agreement with Greece's creditors – thereby consenting to join the European partnership for perennial austerity – Germany's apparent hegemony suddenly proved less than pervasive.

While unchallenged in the realm of economic wisdom, Chancellor Angela Merkel was faced with formidable resistance when, in the closing days of August, she declared that welcoming asylum seekers on European soil – and especially refugees from war-torn Syria – was both morally mandatory and economically feasible. That the other European leaders were taken aback by her plea for hospitality is hardly surprising: for until her unexpected turn-about, the representation of immigration as a problem in need of tougher border control and increasingly dissuasive legislation had been the main area of consensus among EU member-states – Germany included. However, it is still noteworthy that the notoriously irresistible German influence, especially over its central and eastern European hinterland, did not extend to what Angela Merkel referred to as “fundamental European values.”

Indeed, in response to the Chancellor's commitment to take in up to a million refugees in 2015, the governments of the so-called Visegrad group – Hungary, Slovakia, Poland, and the Czech Republic – decided to close down their borders unilaterally. They also made clear that they would not participate in any burden-sharing program regarding the reception of asylum seekers. As for François Hollande, the French President, and David Cameron, the British Prime minister, they not only expressed their reticence to the welcoming approach of their German counterpart – vowing instead to limit the intake of refugees to 20,000 people in the next two years – but also argued for coupling any modicum of hospitality toward refugees with an even tougher approach to economic migration.

By the middle of the fall, Angela Merkel found herself increasingly isolated. Domestically, prominent members of her Christian Democratic party – and even of her own cabinet – openly expressed their discontent with her appeal to a *Willkommenskultur* – a culture of hospitality – while the extreme rightist and “Europhobic” AfD party (Alternative for Germany) gained unprecedented popular support as a result of the Chancellor's open border policy. Internationally,

2. As Yanis Varoufakis, the former Finance Minister of Greece, reported from his Eurogroup days, warning his French and Spanish colleagues about the consequences of tampering with the primacy of servicing one's debt. This, he claimed, was the ultimate motive of the German Finance Minister Wolfgang Schäuble's determination to crush Greece.

opposition did not merely come from the overtly xenophobic regimes of central and eastern Europe. Following the ISIS attacks in Paris, a number of European public officials took the position that the terrorist menace called for a more restrictive asylum policy. In Denmark, a country formerly known as liberal, a bill was discussed, and eventually passed, authorizing state agents to confiscate the valuables of refugees in order to cover the costs of their settlement. For their part, Finnish authorities chose to collect compensation in kind, making unpaid community service mandatory for asylum applicants. Even the governments of Austria and Sweden – the only two EU member-states that had initially followed Germany's lead – respectively decided to reintroduce yearly quotas for refugees and to amend their legislation so as to make asylum more difficult to seek.

Desperately looking for a compromise that would save her both from reneging on her commitments, at least with respect to Syrian refugees, and from further alienating her partners, the German Chancellor eventually opted for a dual approach. On the one hand, in spite of the accusations of irresponsibility leveled at her by her European colleagues, she held fast on her refusal to tamper with Germany's obligations under the Geneva Convention: if only on account of her country's history, she argued, setting quotas for eligible asylum seekers was simply unacceptable. On the other hand, however, Angela Merkel found it more than acceptable to reduce the number of people seeking refuge in Germany indirectly, by means of reinforcing the control of the EU's external borders.

The German Chancellor thus joined her voice to the European consensus according to which the proper response to the current "refugee crisis" involves (1) ramping up the patrolling capacities of EU agencies,³ (2) providing the various points of entry into EU territory with "hot spots" where unwelcome economic migrants will be identified and separated from certified refugees, (3) expediting the deportation procedures for those who have not been deemed worthy of Europe's hospitality, and (4) increasing the number of so-called "safe countries of origin" – namely, countries deemed safe enough to disqualify their nationals' applications for asylum.⁴ Though these measures are undeniably more likely to increase the death toll among the people trying to reach the European shores than to curb their determination to risk their lives, the rationale behind their promotion is that, with time, European citizens will get used to shipwrecks, the mass detention of asylum seekers and brutal deportation methods, treating them as no more than the regrettable yet unavoidable price to pay for their own protection.

While the collateral damage produced by armed border patrols and segregating hot spots may eventually help to desensitize the European population to the lot of refugees, in the short run, the sheer visibility of their tragedy is bound to tarnish any claim to a *Willkommenskultur*. Therefore, in order to salvage her pursuit of a workable compromise between the display of German hospitality and the shoring up of "Fortress Europe," Angela Merkel has urged her EU partners to reach an agreement with Turkey, with the goal of turning Turkish territory into a buffer zone. Under this putative deal, the government of Ankara would agree to prevent asylum seekers who transit through Turkey from continuing

3. Thanks to the creation of a European Border and Coast Guard Agency that will replace the allegedly underfunded Frontex and operate in cooperation with NATO.

4. In October, Germany included Albania and Kosovo on its register of "safe countries of origin," while in January – following the Cologne events that involved hundreds of sexual assaults largely perpetrated by North African men – Morocco, Algeria and Tunisia were also added to the list.

their journey – as well as to take in migrants deported by EU member-states. In exchange, Turkish authorities would not only be offered a resumption of the negotiations regarding a future EU membership and Schengen visas for Turkish nationals;⁵ they would also receive large sums from the EU to improve the efficiency of their border police and build more camps for the people entrapped in Turkey. Just as importantly, they would be assured of Europe's silent acquiescence to the dirty war waged by the Erdoğan regime against the Kurdish people – both within and beyond Turkey's borders.

The looming agreement between the EU and the Turkish government will certainly go some way, if it is effectively implemented, to hide the ugliest underside of European immigration policy. The facts remain, however, that Turkey already hosts more than two million Syrian refugees – twice as many as all EU countries combined – and that its border with the European Union is an extremely long and porous region. Consequently, regardless of Recep Tayyip Erdoğan's zeal and Angela Merkel's willingness to appease him, the European promoters of the so-called "Joint Action Plan" with Turkey are well aware that, given the dire prospects regarding the near future of the Middle East, asylum seekers will continue to cross the Aegean Sea and arrive in large numbers on the coast of Greece. Taking stock of this inconvenient prospect, EU officials are intent on innovating: whereas outsourcing the most sordid aspects of their immigration policy to non-member-states is a time-honored practice – in the early 2000s, a period when the Central Mediterranean area was the privileged route to Europe for African migrants, Muammar Gaddafi's Libya was the EU's partner of choice – what they are considering now is turning an actual member-state, namely Greece, into a buffer zone. Indeed, despite the wretched conditions of their economy and public institutions, the Greek authorities have recently been urged to keep a large proportion of the asylum seekers who reach Greek shores from pursuing their journey to their desired country of destination – Germany primarily, but also the UK or Sweden.

Does being treated as an internal transit country entitle Greece to equivalent compensations as those offered to Turkey – be it debt relief, the right to make more moderate spending cuts, or sizable European investments in Greek infrastructures, if only to help the Athens government host the people it is supposed to maintain (not to say detain) within the confines of its territory? Hardly. Contrary to Erdoğan, Tsipras has not been lured with Schengen visas but threatened with expulsion from the Schengen zone – i.e., threatened with another type of Grexit – if he does not comply with his country's new assignment. Furthermore, since it is quite obvious that the near-bankrupt Greek state is in no position either to fund a police force capable of patrolling its borders efficiently or to provide public services and housing – even in the form of refugee camps – for hundreds of thousands of asylum seekers, the European plan is to have EU agencies – such as the future European Border and Coast Guard Agency – take on these tasks directly, thereby depriving Greek authorities of the last remnants of the sovereign power delegated to them by their constituents. In other words, Greece's status is bound to evolve from a "debt colony" – as Alexis Tsipras used to call it, before becoming its chief administrator – to a full-fledged protectorate.

5. Schengen visas would presumably enable Turkish citizens to circulate freely across the territory of the fifteen countries in Europe's Schengen zone: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Estonia, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Czech Republic, Hungary and Switzerland. Since the summer, however, the Schengen convention has been suspended by a majority of these countries' public authorities.

Situated at the epicenter of the continent's ongoing brutalization, Greece is certainly not the only country where the toxic mix of never-ending austerity and ever-increasing inhospitality has turned the ideal of European unification – compromised as it was from the start by unaccountable decision-making and the disproportioned weight of business interests – into a grim and cruel reality. Though Portugal, Ireland and Estonia are arguably faring a little better than Greece, these poster children of the Eurogroup's gospel of fiscal discipline largely owe their slightly better statistics to the massive emigration of their own nationals since 2009 – especially among the young and educated segments of their populations.⁶ Equally disturbing is the contrast between the determination of European institutions to quell any challenge to their economic wisdom and their leniency vis-à-vis the suppression of civil liberties and publicly assumed racism that have become the templates of Hungarian Prime Minister Viktor Orbán and his emulators in Slovakia and now Poland. Worse still, with the unfolding of its new frontier management strategy, the EU seems poised to promote Budapest's little caudillo from humored “bad boy” to misunderstood visionary – at least with respect to dissuasive border control mechanisms such as razor edged fences guarded by heavily armed troopers.

How did Europe acquire these features, which the last twelve months have brought into such stark relief? The ruling elite and its apologists will claim that, notwithstanding the difficulty of finding common ground among twenty-eight member-states, EU policies represent the best, or even the only, possible response to the consequences of two unexpected events dating back to 2011: namely, the sovereign debt crisis that hit several European countries in the wake of the Great Recession and the so-called Arab Springs, whose violent aftershocks have led to the current exodus of Middle Eastern refugees. However, one could also argue – as do many of the scholars, activists and artists featured in this issue – that the sorry face of contemporary Europe owes less to these allegedly external shocks than to the ways in which the governing agencies of the European Union have interpreted and responded to them.

Indeed, as the bailing out of private banks and the chaotic fall of Arab dictators respectively increased public deficits and the northward movement of populations from North Africa and the Middle East, European policy-makers predicated their reactions on two interlocked, and equally counterintuitive, assumptions: in their view, resorting to austerity measures would facilitate the economic recovery of countries plagued by unsustainable debt and massive unemployment, while curbing immigration was necessary to preserve the social compact on a continent characterized by its rapidly aging population.

Economically, the reasoning was that Europe's prosperity, regardless of circumstances, depends on the attractiveness of its territory in the eyes of investors. Insofar as purveyors of credit tend to be lured by flexible labor markets, light taxes on capital gain, a lean public sector and loosely regulated industries, European leaders asked their constituencies to believe that the road back to affluence was paved with scarce and precarious jobs, shrinking benefits and bankrupt public institutions. Politically, however, governments beholden to investors must grapple with the risk of placating financial markets at the

6. According to the Irish Central Statistics Office, the emigration rate rose by 289% in Ireland between 2008 and 2013. As for Portugal, in 2012, about 10,000 mostly young nationals were leaving the country every month – in a country of 10.4 million people.

expense of voters. Thus, in order to ward off accusations of neglect, EU officials sought to demonstrate that, short of shielding their citizens from social and economic insecurity, they remained capable of protecting them against a different peril – to wit, the demographic and cultural menace attributed to migrants. Though inhospitality does nothing to improve the lives of Europeans, their elected leaders found that investing in border control and ramping up the deportation of undocumented foreigners was an expedient way of conveying that they could still act on behalf of the people who had elected them.

Though briefly challenged in the course of 2015, first by Syriza's resistance and then by Angela Merkel's appeal to a *Willkommenskultur*, the combination of "restorative" austerity and "protective" inhospitality devised by European authorities in the wake of the Arab springs and the sovereign debt crisis of 2011 offers a clear blueprint of what the EU stands for in the winter of 2016. Yet, the increasingly brutal treatment of Europe's own struggling populations and of newcomers seeking its hospitality still raises pressing questions regarding both the deeper roots and the sustainability of an economic and political regime preoccupied with attracting investors while repelling migrants.

Firstly, why it is that some of the distinctive features of Europe's relatively recent past – be it the attachment of its citizens to the social rights and protections of the postwar era or the fresh memory of the horrors resulting from state-sanctioned xenophobia in the interwar period – did not act as a more powerful deterrent? Or, to put it differently, when and under what circumstances did the social compromises of welfare capitalism as well as the much-vaunted association of European unity with human rights lose their currency among the managers of European affairs?

Secondly, what can the misery wrought by austerity programs and the ordeal endured by asylum seekers possibly hold for the near future of European institutions? Will the current custodians of the European project prove capable of persuading the citizenry that "there is no alternative," as Margaret Thatcher used to repeat – save for a formal blue-brown alliance between them and the resurgent extreme-right? Conversely, will they be compelled to change their ways, either under the pressure of some new "crises" – whether another financial crash, an ecological disaster, or an acceleration in China's economic downturn – or simply because investors, fickle and ungrateful as they are, will cease to regard the deflation-ridden gated community that Europe aspires to be as an attractive destination for their liquidities?

Lastly, and most importantly for anyone who believes that a regime predicated on perennial austerity and sanctioned xenophobia is responsible for the critical state of the European Union, what would constitute a winning alternative? More precisely, how might the European left overcome its symmetrical yet equally defeating propensities to compromise with the present and idealize the past, so as to develop an agenda that neither gives in to the deficit fetishism of its neoliberal opponents nor simply longs for the golden days of welfare in one nation-state? Addressing these urgent questions is the purpose of "Europe at a Crossroads."

RECOMMENDED CITATION

Feher, Michel. "The Critical State of the Union." *Near Futures Online* 1 "Europe at a Crossroads" (February 2016): <http://nearfuturesonline.org/the-critical-state-of-the-union/>