

The European Constitution and the Left*

TAKIS FOTOPOULOS

The EU Constitution^[1], which is supposed to express the values and aims of the EU - now comprising 25 European States - is presently going through the process of ratification by its members. In practice, this means that the political elites (through Parliament) decide in principle the future of European peoples and occasionally the peoples themselves are asked to express their view on the constitution through plebiscites, which are again controlled by the political and economic elites (through their control of the mass media). The outcome of these plebiscites is therefore a foregone conclusion whenever the elites are united in their aim to pass the constitution. Any doubt about the outcome arises only in cases where there are internal divisions within the elites on their stand towards the constitution (the French case), or in general towards the EU (the British case). Not surprisingly, it is precisely in such cases that some sort of meaningful discussion takes place in the mass media about the nature of the EU and its constitution and, therefore, peoples are left relatively free to decide. No wonder that it is these same cases which potentially produce negative results for the elites. But what is the nature of the EU and its constitution?

At the outset, it should be made clear that the EU constitution does not affect the present character of the EU in the slightest, as it was determined by the existing Treaties which established the EU in the first place (Single Act, Maastricht, Amsterdam etc). These Treaties were adopted by the elites, which again did not usually even bother to ask the electorates to decide directly on them through plebiscites! It is, therefore, clear that the EU will not cease to be the political and economic expression of capitalist neoliberal globalisation at the European level, whether the Constitution is eventually ratified by all member-states or not. The nature of the EU is made clear by the draft constitution itself anyway, when it declares that one of the EU's basic aims is to "encourage the integration of all countries into the world economy, including through the progressive abolition of restrictions on international trade" (Article III-292 (e)). The only significance of the Constitution is, therefore, that it constitutionalises the existing neoliberal character of the EU in order to frustrate any future attempt to reverse it by "sett(ing) in stone the diktats of free trade and establish(ing) the rule of the market once and for all", as an analyst^[2] put it.

In this problematic, the reformist Left's stand, which rejects the constitution because of its 'extreme neoliberal' character but does not also reject the system of the market economy which led to it or, less still, the EU itself (since the same Left has already adopted the Treaties on which the EU was founded —despite the objections it has raised about their content) is clearly hypocritical. Particularly so since it is well aware of the fact that any rejection of the constitution today would simply imply a return to the existing status quo, until a restatement of the same values and aims (perhaps expressed in a vaguer and not explicitly neoliberal language) were approved by all member-states! It is, therefore, clear that the reformist Left only turned against the EU Constitution because its ratification

would have made it abundantly clear how utopian the Left's demands and slogans were that "another world and another Europe are possible" through reforms of the existing system. As I have tried to show elsewhere,^[3] there is no possibility whatsoever of a radical change to the present character of the EU within the system of the internationalised market economy. Neoliberalism is neither a capitalist plot nor a simple policy option: instead, it reflects the structural changes of the market economy and the corresponding needs of transnational corporations which dominate world markets today. It is, in other words, a systemic phenomenon which marks the incompatibility of statism with the intensifying internationalisation of the market economy, as the latter was expressed by the post-war opening of commodity markets and the consequent opening of capital markets finally institutionalised by Thatcher and Reagan.

The EU Constitution would have been completely different had it been formulated 30 years ago, during the period of the socialdemocratic consensus, and would have expressed the need for a pan-European state interventionism of a Keynesian kind which would have taken the place of the hitherto Keynesian nation-state interventionism.^[4] However, this era has gone forever, since the accelerated internationalisation of the market economy has rendered this kind of state interventionism inapplicable even at the continental level. The neoliberal trend inevitably became dominant in the EU – i.e. the trend which restricted the EU's executive power solely to providing a homogeneous institutional framework which permitted unobstructed business activity, with some provisions for the protection of labour and the environment carefully formulated to be compatible with competition and free markets. This trend was institutionalised by the Single Market Act and the Treaties which followed it, and which were subsequently incorporated into the EU Constitution.

The main aim of all these Treaties was to neutralise the 'institutional barriers' to free competition which had been introduced by the socialdemocratic consensus: the expanded public sector and welfare state which restricted competition and competitiveness correspondingly, state interventionism aiming at full employment, the Trade Unions' 'restrictive practices' (i.e. sympathetic strikes etc), as well as the public corporations, which did not always act on the basis of micro-economic criteria to raise economic efficiency. Similarly, the symptoms of these institutional barriers had to be dealt with, i.e. inflation and the huge public sector deficits which the significant expansion of statism had inevitably been creating. In consistency with this logic, the Constitution explicitly states that the economic policies of the Member States and the Union "shall entail compliance with the following guiding principles: stable prices, sound public finances and monetary conditions and a stable balance of payments" (Article III-177). In contrast, full employment constitutes only part of the wishful thinking which is abundant in the EU Constitution, since not only is any direct state intervention in aggregate demand ruled out, but also no alternative mechanism to achieve these objectives is envisaged, of similar effectiveness to the Draconian anti-inflation mechanisms established by the European System of Central Banks, the Stability Pact etc.

The EU and its Constitution, therefore, do not signify the integration of peoples, or even the integration of States, but just the integration of free markets «where competition is free and undistorted" (Article I-3, par 2) and any state aid "which distorts or threatens to distort competition" is ruled as being incompatible with the internal market! (Article III-167, par 1). This, despite the well known fact provided by historical evidence and economic theory that free competition among unequal parts always widens the gap between them —a fact

which necessitated the creation of the EU 'Structural Funds' for the development of the weakest parts in the Union, something which did not, of course, prevent the decomposition of their productive structures as an inevitable outcome of the opening of their markets.

However, free markets do not only mean "the free movement of persons, services, goods and capital" which the EU Constitution characterises as 'fundamental freedoms' (Article I-4, par 1). They also mean 'flexible' labour markets, i.e. the elimination of obstacles to the free determination of wages and an "adaptable workforce" (Article III-203), whereby the millions of unemployed are just struck from unemployment statistics through the massive expansion of part-time and low-paid "employment". This is the case in the British neoliberal 'miracle',^[5] as a result of which the social-liberals of the Labour Party are currently celebrating the "elimination" of unemployment as a basis for their election campaign!

Finally, to make things even clearer, the EU Constitution formally institutionalises the exclusive competence of the Union on all matters which directly or indirectly refer to the open market economy with free competition, as well as to commercial and monetary policy (Article I-13), while at the same time making any independent state fiscal policy impossible (Article III-184). And, as the icing on the cake, the participation of all member-states in the anti-terrorist 'wars' of the transnational elite is declared an act of 'solidarity' (Article I-43, par. 1)!

* This is based on an article which was first published in the fortnightly column of Takis Fotopoulos in the mass circulation Athens daily *Eleftherotypia* on 16/4/2005

[1] "Treaty Establishing A Constitution For Europe," *Official Journal of the European Union* (16/12/2004), C 310/1.

[2] Bernard Cassen, 'Europe: no is not a disaster', *Le Monde diplomatique* (April 2005).

[3] See T. Fotopoulos, *Towards An Inclusive Democracy*, (Cassell/Continuum: London/New York, 1997) ch. 1 and "[Globalisation, the reformist Left and the Anti-Globalisation 'Movement'](#)", *Democracy & Nature*, Vol. 7, No. 2 (July 2001).

[4] See The European Commission, *The Challenges Ahead: A Plan for Europe* (Brussels, 1979) which was explicitly founded on a form of 'indicative planning'.

[5] See e.g. Heather Stewart, 'The hidden army', *The Guardian* (19/11/2001).