

# An Ideal, not a Place: A Euro-Critic's Case for the UK Remaining in the EU

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Michelle Everson Sa 11 Jun 2016

## Order in chaos

Even as it is wholly ill-informed, the Brexit debate is dominated by a battle for facts. In the one corner, those determined to catapult the UK out of the Union have been evermore inventive (mendacious) in their pursuit of figures that 'demonstrate' the unbearable strains of integration upon the UK population / Exchequer. In the other, Vote Remain's assertion that a No vote will lead to economic shock is better backed up by reputable research, but the campaign is nonetheless careless, failing to highlight that all economic prognoses contain their own uncertainties. The debate has been sadly misdirected as each side seeks to assert its own 'statistical truth'. By contrast, no attention is paid to visions of how the global world, the EU and the UK within it, might be ordered for the good. Yet, while in any objective analysis cost-benefit analysis of EU membership must simply falter within the complexities of the balancing of trade or social benefits against their regulatory costs, our age of economic globalisation is urgently demanding our conceptual attention: what are its challenges, how can we tame economic powers that ignore national boundaries, is there a common good within this global world and, if so, how might we defend it?

For a present-day generation of European peoples, a generation long distanced from the absolute certainty of a post-war generation determined never again to break the peace, and, in its youthful global outlook, even less inclined to commit to a culturally-foreclosing European federalism, there is only one possible ideational vision of the EU to which they might commit: the search for an order in chaos, for a form of governing beyond closed national communities; an order which defies the inequalities created by unconstrained markets and capital, and an order which seeks also to establish justice, democracy and solidarity outside once-comforting but now illusionary territorial (national) sovereignties. The European Union of 2016 is not the European Economic Communities of 1958, having morphed from an international community of market building into a supranational body of ever closer Union between its peoples. Nor is the Union of 2016 a happy or uncontroversial one, as efforts to save the Euro feed the pressure for 'more Europe', but simultaneously undermine the political and social values that must always be a part of the European project; a pressure that is only intensified by the migration crisis.

Yet, throughout its history and still today, the European project has been the drawing board for a sustainable ideal of civilised internationalism. That Europe is and always will be beset by its own contradictions of equalisation and boundary-drawing, or that it seems, currently, to be complicit within rather than controlling of the economic forces that are threatening globally to overwhelm all human (non-economic) self-determination, are happenings that cannot be denied. At the same time, however, Europe's current malaise cannot and should not be taken as reason to walk away from the best enunciated and most practised iteration of the search for order in chaos offered by any post-national organisation now operating on the global stage. Instead, we must learn from Europe's failures in order to fight *within* the EU for all of the advantages of order in chaos; for opportunities of human innovation on the one hand (rights of engagement within markets), and for the securities of self-determination on the other (rights of control over markets).

## What can we learn from European malaise?

In my time, I have been patronised by the very best of them, including in the late 1990s, by Horst Krenzler, an *eminence grise* of the founding European Commission and, at that time, Chair of a working group on Eastern EU Enlargement. Acting as Rapporteur for a mixed group of functionaries and academics, my frustrations with the all-too-perverse implications of sealing the liberated futures of newly re-instated nations by requiring them to submit wholesale to the established EU economic rule book, boiled over into the high-pitched question: 'Why

can't we just give them a Marshall Plan?' An outburst of general laughter followed, and then, 'Young lady [I was young then], no-one will pay for it!'

A perception that latter-day surrender of the Union to economic utility rationalities was precipitated by the unforeseen geopolitical earthquake that followed the fall of the Berlin wall, has much to recommend it. The final surrender of the *Deutschmark* to the long-resisted Euro within the 1992 Maastricht Treaty was the price that Germany had to pay for its Reunification. By the same token, the EU's decision to alter the rules of the game of accession to the Union by requiring the nations of Eastern Europe to adopt all European market regulation *prior* to beginning membership negotiations, cemented the enduring paradigm, whereby Eastern Europe is required to compete itself to economic parity with member states, thereby simultaneously undermining Western labour and welfare rates. However, if full truth be told, however, the destructive potentialities of economic rationality had already begun to afflict the European Economic Community a decade earlier as the rhetorical dominance of Thatcherism and Reaganomics extended throughout the Continent, colonising market integration logics to lever out distinct varieties of European capitalism from complex national patterns of sometimes corporatist, and sometimes welfarist economic-political organisation.

Campaigners for Brexit are obsessed to the point of absurdity with the safeguarding of a national sovereignty that is a simple chimera in our contemporary world of global economic interdependence. They pay little if any attention to the historical paradox that, whilst the then European Court of Justice had established its legendary doctrine of the limitation of national sovereignty as early as the 1960s, a palpable loss of national territorial control only emerged with the success – originating at *national* level – of programmes of new economic liberalism in the 1980s. Far more than majority voting in the Council of Ministers, it was this new predominance of the liberalising economic-political mind that created a beginning of the end of human self-determination, be that self-determination national, European or global. That markets are never simply markets became very clear to me with regard to my then field of PhD study: the integration of private insurance and finance markets. Comparing German with UK provision, I was disquieted by the happy coincidence between demands for the capital-generating efficiency promised by a single European finance market and the concomitant integrative unravelling through legislation and case law of decades-old national regulatory schemes with all of their underlying interest accommodations between consumers, industry and national economic policy. In this case the already-liberal UK was not to be an immediate loser as the axe fell instead upon a competition-dampening scheme of German financial regulation, which had escaped the reformist zeal of the Federal Republic's economically-liberalising post-war Finance Minister, Ludwig Erhard, and which seemed instead to a more corporatist strategy of controlled inward investment. Yet, as the 1990s also brought with them a sea-change in European competition policy away from range of market offer and towards economic efficiency, and Germany's local investment banks (*Landesbanken*) were also prised out of their state-supported role of structural financing, we were all very soon to pay a high price indeed for the rolling out of a level competitive field by means of the flattening of distinct, nationally-embedded economies.

The example may be a small one, but it was replicated across the Single Market, and also gains in core significance when seen in the light of sovereign debt crisis and the EU's own austerity regime imposed in order to shore up the Euro. A powerful analysis squarely lays the blame for the anti-democratic and economically self-defeating regime of New Eurozone Economic Governance on the shoulders of the German organising ideal of 'ordo-liberalism'. Working with the powerful mantra of 'never again', ordo-liberalism, it is said, seeks still, in an unfortunately-displaced act of memory politics, to fight the bogey of hyper-inflation experienced in Germany in the wake of the 1929 Wall Street crash, asserting its supreme goal of the constitutionalisation of monetary stability within new technocratically-European crisis law.

Contrary to the explicit terms of the European treaties, financial succour may be given to the debtor nations of the Eurozone, but – with the full blessing of the Court of European Justice – will now necessarily be subject to the imposed brutality of an economic conditionality which gives even the International Monetary Fund pause for thought. The hands of the European Central Bank are concomitantly tied, such that it cannot engage in the inflationary policies that might save the weakest members of the Eurozone from unbearably austere pain. Finally, permanent austerity is cemented within and beyond a new European Fiscal Compact, as its members are required to constitutionalise a debt brake, and its non-members, or their politicians, seize on the rhetorical

attractiveness of a financially self-restraining government to garner votes from a public bludgeoned in to believing that there is simply No Alternative. Germany reaps and Greece weeps: painful German remembrances dictate the rules of the Eurozone game such that all who dream of a different way of doing things are left bereft of political voice in their vain battering against a tight mesh of legal and technocratic inevitability.

So far so German, but a slightly more nuanced tale may also be told: '*Zutiefst undeutsch*' is my increasingly exasperated cry each time I stagger out of a plane in Berlin or Frankfurt. This is all so unGerman. All those things that used to irritate me as much as I prized them: the ridiculously restricted shopping hours balanced by service from an assistant who knew, after years of apprenticeship, exactly which vegetable peeler I might need to tackle my slightly woody asparagus; the sense of innovative ambition frustrated by centuries of craft and guild tradition counter-posed in equal measure by continuity and security. All gone, or going, in the blink of an eye, or in the 30 years of an equalising and disembedding bastardisation of capitalism that has seen German financial institutions ejected from their drearily-constructive roles of fostering engineering enterprises from Dresden to Detmold to be launched, ill-prepared, upon a global financial market ruled by a myth as insane as it an opiate for those masses who have been ejected from their economic vocations into zero-hours contracts: Capital will beget Capital, world without end, Amen. Take a look at the destructive role played by *WestLB*, once the most stable of donors of venture capital to Wolfgang in Wuppertal, in the Irish housing, and ask yourself this: did Germanness or unGermanness cause financial crisis in the first place?

So what have we learned from Europe? That it is bad, or that it is good? In its ideological substance, it is neither, but it has been held captive for the past 30 years by an economic rationality that was born and nurtured at national level, is now dominant on a global stage, and is often seized upon by equalising institutions as a short cut to European integration. Yet, within the EU, we do at least have *institutions* – institutions that have betimes resisted bastardised capitalism, the measured 1980s European Court of Justice being a case in point. It is this that distinguishes Europe from the still-uncivilised global stage; meanwhile, European institutions provide us with the best framework within which we can begin the fight back. Brexit campaigners would have us believe that with its sovereignty restored, the UK will bestride a global stage, operating autonomously and serenely within the World Trade Organisation here, and calmly concluding bilateral trade agreements there. The delusion is absolute: neither the WTO, nor international treaties possess ameliorating institutions; the Investor Protection principle – now being successfully resisted by the *institution* of the European Parliament within bilateral trade negotiations between the EU and the US (TTIP) – is not only the *sine qua non* of all existing bilateral trade agreements, but also the final bonfire of the vanity of national sovereignty, establishing the absolute primacy of all trade interests and requiring signatory states to compensate economic forces who have been so sadly inconvenienced by their (social as well as economic) regulatory protections.

## **The crisis in economic liberalism: A common ground for the fight?**

Confirming the worst suspicions of Eurosceptics, I once met [Gisela Stuart](#), acceptable face of the Brexit campaign, on a bit of junket in Vienna and was suffering the effects of a sparking little *Zweigelt* when she voiced to me her concerns about the democratic futures of the Union. It was the time of the European Convention to which Gisela was a UK parliamentary delegate, helping to prepare a shiny Constitution for the Peoples of Europe. Being then as now of a cynical frame of mind I was more relieved than upset by the eventual failure of the European Constitution and the subsequently more functionalist approach taken by Commission and member states to EU governance in the Lisbon Treaty. In my travels around Europe, the only committed federalists I have ever met have been members of the Federalist party (go figure), and some (but definitely not all) EU employees. In Puglia, Carla looks to the *Regione* when her vines fail, in Manchester, Martha collects plates of royal weddings, in Germany, Christian rejoices when Werder Bremen avoids relegation. The daily experience of the vast majority European peoples is one of political, cultural and emotional attachment to the local, regional or national level. Although the visions of a democratically-federal Europe proposed, amongst others by great minds such as Jürgen Habermas, offer an immediate solution to problems of democratic deficit within Europe, precipitate federalisation would only de-legitimize itself. Bismarck and Garibaldi are long dead: today, the only sustainable European federalisation would be one that felt in the soul as strongly as it is born in conviction.

Nevertheless, Gisela Stuart now makes a telling point. For the left, she argues, the EU is a lost cause. The

majority of European governments are formed by right wing parties, the European Parliament voted to be led by Jean-Claude Juncker, not by Martin Schultz. *Fazit*: the left can never defeat the dominant economic rationality of the right within the Union. Now, this is all perhaps true, but vitally so, only insofar as the dominant economic rationality that now governs the EU, as it does the globe, is a natural appendage to the right. And here, returning slowly to our much-maligned German ordo-liberals, we might state that all is not as it seems, or that Gisela Stuart is wrong to dismiss the potential for revolution within EU institutions. She is wrong because she has yet to understand the depth of a current crisis that is not simply a crisis of capitalism, but is rather a crisis that challenges the entire political-social edifice of economic liberalism. Seen in this light, the left might yet have common cause with the right within the European Union.

Since financial crisis, I have found myself with some strange debating bedfellows, including Conservatives and Christian Democrats of many hues. Our shared ground has been a desire to consign the rhetorical usage of the catch-all hate-term 'neo-liberalism' to the dustbin: blindly hating capitalism, or those facets of capitalism we feel are bad does little to extricate us from economic malaise. Contemporary crisis has its roots in very many distinct movements, not just in the unbridled rent-seeking of private actors, but also – in a term coined by the political scientist, Colin Crouch – within a 'privatised Keynesianism' promoted by Governments of the left and of the right that is predicated on substitution of a putatively-endless supply of self-generating private capital for the fiscally-engendered revenues of the now economically-castrated nation state; a process which still continues, albeit now subject to Central Bank oversight of private money creation. Neo-liberalism, when used to denote a rampant state of market nature, first misses the immediate point that the *systemic* failure of capitalism is not only being overseen, but is also being promoted, within an exponential growth of regulatory oversight that is dedicated to the service of the chimera of efficiently-perfected competition. Secondly, and far more importantly however, it also misplaces the fatal underlying alienation of all of our dominant economic rationalities from our human condition.

If one thing unites the disparate strands of bastardised capitalism, it is their social amorality, or a denuded worldview that is exhibited either in their belief that man is no more than an economic animal flourishing or failing as markets dictate, or in their contrary reification of 'scientifically-constructed' and market-fostering regulation, and concomitant denial of any (Hayekian) uncertainty in the affairs of the market or of man: 'if only we can identify the right logarithms, Capital will always beget more Capital, Amen.' This is all so very far from a first incarnation of the term neo-liberalism in 1930s Paris as a *moral* response to the communist and fascist challenge then being made not only to free markets, but also to the liberal framework of *social constitution* within which classical economic liberalism had always suspended them. It is also light years away from a first and enduring clarification of this defensive liberalism in the Berlin of 1938. It is a world away from the rebirth of a cornered but still battling economic liberalism within the ordo-liberal work of lawyers and economists, steeped in Lutheran tradition, such as Franz Böhm and Walter Eucken, the latter of whom also bravely resisted Martin Heidegger's determined attempts to Nazify the University of Heidelberg.

For absolute clarity's sake, I am of the left, and run screaming from vast tracts of ordo-liberal writing. Nonetheless, it is not the individual precepts of ordo-liberalism that are at issue here, but rather its *idealised* view of economy within society, a model more recently enunciated by one last living link with the beginnings of the movement, the Hamburg Law Professor, Ernst-Joachim Mestmäcker. The Economic Constitution of ordo-liberalism:

*'constitutes the political potency of the economic realm ... but not with an eye to offering up this realm to the democratic regime; instead, it does so in order to place the democratic regime in a position from which it might disinterestedly achieve its tasks of securing justice and social welfare. The role of the Economic Constitution is not one of securing the priority of the economic. Instead, its role is one of enabling the exercise of independent state action in a framework of respect for the economic and political autonomy of citizens.'*

In his final Collège de France lectures, Michel Foucault distinguished ordo-liberal thinkers from what he termed 'anarcho-liberals' (read Milton Friedman). Ordo-liberals, so he argued, had an abiding fear of social forces and

hence sought to suppress *all* revolution and reaction by means of their pre-emption within a constraining narrative of constitutionalised freedom. And, indeed, for a collectivist left, this distinction must inevitably mutate into a critique of the forces of conservatism with a small 'c' who would deny socialist governments the full use of the political potency of the economic realm. Yet, today, in the face of alienating economic rationalities that have forgotten, or choose to ignore the fact that the market exists *within* society, the painful irony of the left enjoining in a battle to overcome crisis *within* economic liberalism is perhaps ameliorated. In its ordo-liberal form, the moral language of economic liberalism is one that we can recognise and engage with. More importantly, it is a moral language of political self-restraint which has proven itself accommodating to the demands of counter-posing forces of social tradition and of the left. The success and stability of Germany's post war economy – *and social settlement* – was not the work of ordo-liberals alone, but rather the joint graft of ordo-liberals (Ludwig Erhard), social (Konrad Adenauer) and social democrats (Willy Brandt) in their shaping of a now sadly-unravelling composite variety of German capitalism – a sometimes frustrating, but always democratic, culturally-rooted and socially-embedded capitalism.

## More order, but less Europe

My vote for Europe is not a vote for its current malaise of totalising economic rationalism, for its political abdication, or for its heedlessness for the dispossessed of Lisbon. It is a vote for the European Union *qua* its status as institution; an institution unique within a global mass of bilateral trade agreements that is bestridden, at the point of its judicial application, by the equally-disembedded economic thinking of the WTO. However imperfectly, the EU, *qua* institution, is open to the voices of cultural and social self-determination *and* to those voices of economic value that are similarly traduced within dominant economic rationality. Hobbes is *very* long dead: In their rush to resurrect fairy tales of sovereignty, Brexit campaigners, would have us abdicate at the global level, all potential for the re-establishment of political and social self-determination over the economy. We, by contrast, should take our fight for the soul of economic liberalism to Europe.

Mrs Thatcher's axe-man, Norman Tebbit, tells an interesting tale of his own disenchantment with the European project. As a pilot, working together with European colleagues to ensure airline safety, he was seized by their commonality, liberated by the ease of communication between pilot-experts solving shared technical problems. Only later did he worry that this enthusiastically-technocratic group had become divorced from the masses still locked in more generalist national cultural discourse. To this I answer: yes, you are right, Norman, but only insofar as you are utterly wrong. In academic jargon, 'epistemic communities' of shared expertise are major culprits within democracy-denuding technocratisation processes, as well as within the near collapse of the global financial system. Yet, in the medium of Ryanair-facilitated movement around Europe, in the Europeanisation of media discourse and of consumer, environmentalist and economic pressure groups, the far broader conversation amongst European peoples can be heard, and is similarly exciting for its commonalities, rather than made discordant by its differences.

What do the peoples of Europe want? They want what we all want: economic and political autonomy, welfare and an effective means of their realisation. In a globalised age that is as terrifying as it is exciting, people want an order of opportunity and of security; and therein lies the common 'European' cause for those of the left and of the right. The joint project for those with tradition and for those who wish to break free from their own cultural confines, the shared programme for those who wish to make use of their new opportunities and for those who prefer their own four stone walls. Yet, this want will never be satisfied, this order will never be created, where we continue to sacrifice ourselves to the totalising powers of a dominant economic rationality that is as socially-amoral as it is delusional. By contrast, *our* first sacrificial victim in the effort to save European economic liberalism and re-establish civilised EU order, must be the idea of economic efficiency, the founding myth of bastardised capitalism. Who on the streets of Athens believes that the unbearable pain of myriad ruined lives can be made good in the maybe never-to-be fulfilled promise of future riches? Also, and perhaps more significantly so, what price the economic opportunities of the farmer or the supplier forced out of business by the price-cutting imperatives of 'perfectly efficient' competition between ever more fast concentrations of economic power? The second sacrifice follows from the first, and for the foreseeable future at least must be given in a commitment to *less* rather than more Europe.

In European economic constitutionalist mode, we can create circumscribed rights of cross-border economic opportunity and can reverse the surrender of a once-decentralising European competition policy to the efficiency demands of global markets. Yet, by the same ordered token, where the primary locus of political, cultural and emotional attachment remains local, regional or national we must curtail European re-regulatory impulses, no matter how attractive. The complex of ordo-liberal, corporatist and social-democratic interest that still, to a certain extent, defines life in Bochum would go down like a lead balloon in Birmingham. *Vice versa*: the National Health Service, the one major survivor of Britain's post-war universalist welfare tradition is still met with as much incomprehension in Europe as it is in the United States. It is certainly possible that, with time, Europe will find its own way to embed a European economy within a European society. In the meantime, however, this, like European federalism, is just a very pretty dream. The remnants of our national economic traditions left to us are sometimes irritatingly quaint, but they are still the greatest expression of 'independent state action in a framework of respect for the economic and political autonomy of citizens,' and must be determinedly defended within the institutions of the Union.

## European borders: a paradoxical sting in the tail

A couple of weeks ago, as we were stuck in Rome's eternal traffic jam, an Italian friend of mine told me a story I recognised with a sliver of pain. In the early 1970s, his parents took a year in London and he found himself enrolled at a primary school in Richmond. He had no local cultural knowledge and no English. The school assigned him a mentor, a little girl of mixed Italian-British heritage, to translate. The problem in this arrangement was the fact that up until this time the little girl had done all in her power to hide her Italian heritage from her playmates, keeping her mother away from the school gates and denying all icons of culture that were not 100% British in origin. Her mortification was absolute. My friend's embarrassment was total.

Being of much the same age and having grown up with a German mother in Chingford, I immediately recognised the pathology; albeit that I always deployed a reverse psychology, dealing with inevitable issues by flaunting my Germanness. No one who didn't grow up in those grey and xenophobic days can truly understand the frustrations of living within the imagination-stagnation of a culturally-enclosed space, and worse still of a cultural space that was far past its sell-by date: Sunday afternoons of interminable repeats of British war films often found me pleading with the *Luftwaffe Kommandant* on the television not to give Douglas Baader his legs back. At a personal level, and even though I am sometimes shocked by lawlessness of the Italian-Polish mushroom wars now playing out in Epping Forest, I am grateful beyond measure that Europe is at home in London. Yet, by the same tokens of location and age, I am now a middle-aged Londoner and wholly aware that the xenophobia of the 1970s and 1980s was not, or was not even primarily reserved for Europeans. As successive waves of immigrants joined my world, the ineptitude of a UK time-warp that never allowed Germans to shed their Swastikas, paled into insignificance in the face of the casual British offensiveness towards the 'rest of the world'. Those days are not yet over, but London is at least now more globally inclusive than it has ever been.

So what of Europe, with its by-now painfully apparent, increasingly rigidly enforced and often inhumane territorial borders? Is Europe now defining itself as a stagnant, culturally enclosed space? This question is particularly relevant for a younger generation, with a heightened global outlook that makes no distinction between friends or cultural goods from Sydney, Warsaw or Mombasa. It is also a moral question if seen from the standpoint of the righting of the enduring structural wrongs of historically engendered economic development inequalities: Is an ideational programme of distinctly *European* economic ordering, a retrograde step of global injustice?

In this latter regard, I cannot overcome paradox, and can only answer within the realms of my own experience and outlook. For me, Europe is only an ideal and not a place. At the same time, I cannot but feel that, as in the case of EU Enlargement, a global market justice that is founded in the precept of competitive labour advantage, or the notion that I will correct my own disadvantaged position by working for less than you do, is not justice at all, but a recipe for the abasement of the whole of the human condition. If, in its tentative and messy mastery of the innate tensions between a human desire for economic opportunity and a human want for cultural security, the European Union manages to provide at least a hint of a new model for the globalised economy; if it reminds the world that markets must exist within rather than take dominance over society, it will have done more than we might ever have expected of it.

Professor Everson is hosting a week long debate on 'Europe at the Crossroads' at Birkbeck College from the 13<sup>th</sup>-17<sup>th</sup> June. For details and to book your place, please visit the ['European Law on Trial'](#) website.

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