

> May 2019

DEMOCRACY A CHALLENGE TO THE EUROPEAN PROJECT

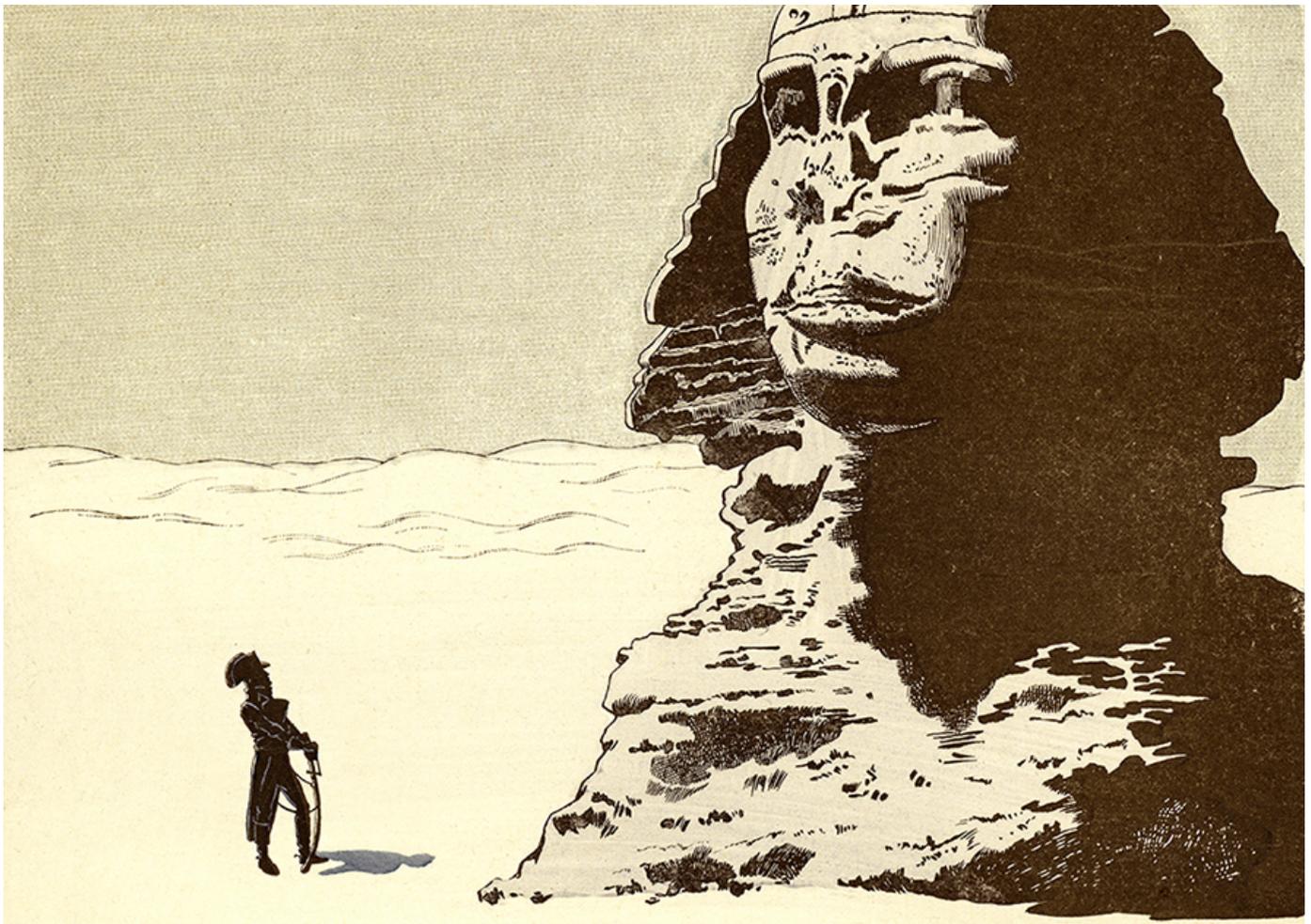
## The EU is a doomed empire

European tensions are growing. There is Brexit, a Germany without direction, and nationalist forces that aim to bend the EU to serve their own project.

---

BY WOLFGANG STREECK

---



'Confronting the Sphinx, Napoleon thought he heard it murmur the word: immortality!  
Jacques Onfray de Breville · Look and Learn · Bridgeman

**W**HAT is the European Union? The closest concept I can come up with is a liberal empire, or better, a neoliberal one. An empire is a hierarchically structured block of nominally sovereign states held together by a gradient of power from a centre to a periphery.

At the centre of the EU is Germany, trying more or less successfully to hide

inside a core Europe (*Kerneuropa*) formed together with France. Germany doesn't want to be seen as what the British used to call a continental unifier, even if this is what it is. That it likes to hide behind France is a source of power for France; I'll say more on this crucial relationship later.

Germany, like other imperial countries, most recently the US, conceives of itself, and wants others to do the same, as a benevolent hegemon spreading common sense and moral virtues to its neighbours, at a cost to itself worth bearing for the sake of humanity (1).

In the German-cum-European case, the values used to legitimise empire are those of political liberalism: liberal democracy, constitutional government and individual liberty. Wrapped within them, to be shown when expedient, are free markets and free competition (that is, economic liberalism and, in the present case, neoliberalism). The hegemonic centre has the prerogative of determining the exact composition and the deeper meaning of the imperial value package, and how it is to be applied in specific situations — so it can extract political seigniorage from its periphery, in return for its benevolence.

Preserving imperial asymmetries among nominally sovereign nations requires complicated political and institutional arrangements. Non-hegemonic peripheral states must be ruled by elites that consider the centre and its structures and values as a model for their own country, or must be willing to organise their internal social, political and economic order to make it compatible with the interests of the centre in holding its empire together. Keeping such elites in power is essential for empire to last; as the US experience teaches us, this may have costs in democratic values, economic resources and even lives.

## Keeping things together

Sometimes ruling elites of small or backward countries seek subaltern membership in an empire, hoping for support from the imperial leadership in pushing through domestic modernisation projects that their citizenry may not be enthusiastic about. The empire will welcome their allegiance and provide them with ideological, monetary and military means to keep opposition at bay.

In a liberal empire supposed to be kept together by moral values rather than military violence, this is not necessarily straightforward. The imperial centre and peripheral ruling classes may overplay their hands and make mistakes. Germany and France together, in spite of surreptitious help from the European Central Bank, failed to keep Matteo Renzi's 'reform' government in Italy in power against popular resistance. And Germany now turns out to be unable to protect Emmanuel Macron's presidency from the yellow vests and other opponents of his programme of economic Germanification.

---

*The European empire is not just liberal  
but neoliberal. In 'Europe' domestic*

## *political economies are governed by the internal market's four freedoms and by a German-style common currency, the euro*

---

A hegemonic country also faces domestic difficulties: under liberal imperialism it must be careful to make its pursuit of its national interests, or what it considers these to be, seem to advance the progress of liberal values, from democracy to prosperity for all. It may need help from its client countries for this. This never came in 2015 when Angela Merkel tried to resolve Germany's demographic crisis and reputation by substituting unregulated asylum for regulated immigration, which it had long been unable to get the Christian Democratic Party (CDU/CSU) to legislate.

Opening Germany's borders on the pretext that borders could no longer be policed in the 21st century, or that international law demanded open borders, required that the EU as a whole followed suit. No member country did. France kept silent about it; Hungary and Poland insisted publicly on their national sovereignty. As they broke, for domestic reasons, with the liberal-imperial understanding never to embarrass a fellow government, especially the hegemon, they caused Merkel a domestic problem from which she never recovered. The event also permanently split the internal-international politics of the empire between the centre and the east, adding to Europe's existing divisions: with the UK, and along its Mediterranean fault line, which had become critical with the introduction of the common currency.

Even less than other forms of empire, a liberal empire is never in equilibrium, or stable. It is permanently under pressure, from below as well as from its sides. Since it cannot intervene militarily in its member countries, it can't use force to prevent countries leaving. When the UK decided to leave the EU, Germany and France never considered invading the UK to keep it in Europe; so far the EU is a force of peace. From a German, or Franco-German, perspective, however, an amicable British departure might undermine imperial discipline, as other dissatisfied countries might consider leaving as well.

Even worse, if meaningful 'European' concessions in exchange for staying could have prevented a British exit, other countries might ask for renegotiation of the *acquis communautaire*, intended to be forever non-negotiable. So the choice for Britain had to be between remaining without concessions (the Canossa option, in which the UK would plead to be allowed to rejoin the EU with a Norway-type deal) and leaving at very high cost to itself, this despite Britain often helping Germany escape from an all-too-tight French embrace, thus balancing French statism with a (for Germany) healthy commitment to free markets. With a British exit, that balance would be lost.

### *Brexit, a historical mistake?*

France knew this and insisted on tough negotiations, with a not-so-hidden agenda to make the

British stick to their decision to leave. France, taking advantage of German concerns over imperial discipline, got its way despite German concerns over coping with French ambitions in the absence of British support, let alone the potential loss of one its most important export markets. It remains to be seen if giving in to France was a short-sighted, short-term, opportunistic, Merkel-style decision that will cost Germany dear.

As to the UK, to the extent that its decision to leave was driven by nationalist rather than anti-socialist concerns, it may be a historical mistake. Brexit would leave France as the sole nuclear power in the EU, and the only one with a permanent UN Security Council seat.

Germany's ambivalent feelings over French leadership ambitions in a more tightly integrated EU, which potentially puts German economic strength at the service of French national interests, will now find less support among the remaining membership. If and when Britain is outside, France may aspire to be the European unifier, by pressuring Germany into a French-style European state project (what Macron calls 'a sovereign France in a sovereign Europe'). Blocking such a development from the outside may be more difficult than sabotaging it from within. Remember how hard De Gaulle tried to keep the UK out of what was then the European Economic Community, arguing that Britain was not 'European' enough.

Governance of an empire is driven by geostrategic as well as economic and ideological concerns, especially on the empire's territorial margins. Border states on the extreme periphery must be stabilised not just for economic expansion, though this is essential for an empire with a capitalist economy. Where an empire borders another empire, expansionist or not, it may be willing to pay an even higher price for keeping cooperative national governments in or kicking uncooperative ones out.

National elites that can threaten to break away and change sides should be able to extract bigger concessions, even if their internal politics are unsavoury — for example, Serbia or Romania. Here, military power comes in, as distinguished from the soft power of values. While a liberal empire would find it hard to use force on a wayward populace, it may protect friendly governments by enabling them to adopt a hostile nationalist posture toward a neighbouring country that feels threatened. In return, a hegemonic power may ask for concessions, for example support on issues contested among member states. Consider the Baltic states keeping silent on the admission and allocation of refugees in exchange for Germany building up its military and deploying it so that it threatens Russia.

## No hegemony without guns

Countries and their citizens at the centre of a liberal empire may hope to rule without recourse to military power. But this is an illusion; there cannot be hegemony without guns. The Merkel government falling in line with US and NATO demands for a near doubling of German military expenditure to 2% of GDP must be seen in this context. If this goal were attained, Germany would be spending over 40% more on arms than Russia, all of it on conventional weapons.

This would probably contribute to keeping countries like the Baltic states and Poland firmly in Europe, making it less attractive for them to bet on the US instead. While it might enable

Germany to get Eastern European EU member states to give up or moderate their opposition on values issues, such as refugees or marriage for all, this would also give Russia reasons to upgrade its nuclear arsenal (as it is doing right now) and encourage countries like Ukraine to take a more provocative stance toward Russia.

---

*The choice for Britain had to be between remaining without concessions and leaving at very high cost to itself, this despite Britain often helping Germany escape from an all-too-tight French embrace*

---

France, which already spends the magic 2% on its military, might hope that doubled German military spending would detract from German economic prowess (although France also hopes for French-German cooperation in arms production and exports). More importantly, in a European army as demanded by Macron and supported by German European integrationists, a significant increase in German conventional capabilities would compensate for French weakness in ground troops, due to a disproportionate share of French military spending being devoted to the *force de frappe*, which cannot easily be deployed against Islamist militants in West Africa trying to interrupt French access to uranium and rare earths.

The European empire, German or Franco-German, is not just liberal but neoliberal. Empires impose a uniform social order on their member states, which is or resembles the social order of their centre. In 'Europe' the domestic political economies of member states are governed by the four freedoms of the internal market and by a German-style common currency, the euro, which according to the Maastricht treaty is obligatory for all EU members. In this respect, the EU conforms strictly to neoliberal internationalism as conceived and historically updated by Friedrich von Hayek. Its central idea is isonomy: identical legal systems for formally still sovereign nation states, instituted on the premise that they are required to make international markets function smoothly (2).

The Achilles heel of neoliberalism, as we know from Friedrich Hayek and Karl Polanyi, is democracy. Isonomy and a gold-standard monetary regime require that the reach of popular-majoritarian democracy into the political economy be strictly curtailed. National governments within a neoliberal empire must be able, without fear of electoral punishment, to expose their citizens to the pressures of integrated international markets, for their own good — although they may not see it like that — and for the good of capital accumulation. For this the empire must endow these states with institutions, national and international, that help them keep electoral politics at bay. To be a weak state in relation to the market, a neoliberal state must be a strong state in relation to social forces demanding political correction of market outcomes. The concept for this is authoritarian liberalism, a political doctrine whose origins go back to the Weimar

republic and the friendly encounter between neoliberal economists and the future 'crown jurist' of Nazi Germany, Carl Schmitt (3).

## Strong state, free market

Authoritarian liberalism uses a strong state to protect a free market economy from political democracy (4). In the EU this is accomplished by internationalisation: the construction of an institutional setting in which national governments can turn over national economies to rule-setting international bodies, like ministerial councils and supranational courts or central banks. They relieve themselves of the responsibilities to their citizens, which come with national sovereignty, that they can or will no longer discharge.

Among the instruments that internationalism offers is what political science calls multi-level diplomacy (5): the negotiation of international mandates that national executives can import into their domestic politics, declaring them to be immutable due to their multilateral origin. It is an attraction of (neo)liberal empire for national elites that they are able to rely on such tools, especially when a stagnant financialised capitalism can no longer generate the optimistic expectations required for its legitimacy. This is how Peter Ramsay explains why Remainers among the British ruling class fight so hard for British membership in the EU: 'Instead of the nation within, those governing elites look outwards to supranational intergovernmental arrangements for their authority ... The EU is a voluntary empire made up of states that are in denial of their national character: in denial of the fact that the state's authority derives from the political nation' (6).

Being hegemon in a liberal empire is far from easy. It is becoming clear that Germany, with or without France, will not be able to keep it up for long, and not only because overextension has always been a deadly temptation for empires, as exemplified by the Soviet Union and the US. On the military side, the popular mood in Germany is still essentially pacifist, and the constitutional prerogative of the German parliament to regulate even small details of the deployment of German troops will not be given up, not even to Macron, the glamour boy of the German political mainstream.

There will also be a need for imperial side payments to the Mediterranean countries that suffer under the German hard-currency regime, as well as for structural funds to support the Eastern European states and their pro-European political class. With France's low growth and high deficits, only Germany will be asked to chip in, and the vast cost will exceed its abilities.

Germany's far-right AfD (Alternative für Deutschland), which since the refugee crisis of 2015 has become the biggest opposition party, is nationalist, but mainly in the sense of isolationist and anti-imperialist; for this reason it is branded anti-European by German liberal imperialists. Leaving aside the AfD's fits of historical revisionism, its nationalism (in a benevolent reading) amounts to unwillingness to pay for empire, and a willingness to allow other countries to do their own thing. Consider its strong belief in appeasement instead of confrontation in relation to Russia, which it shares with the left wing of Die Linke (Left party). There are nontrivial similarities here with the Trumpist America First sentiment, which at least originally was isolationist rather than imperialist, a sharp departure from the liberal imperialism of the

*Original text in English*

---

- (1) On the question of hegemony see Perry Anderson, *The H-Word: the Peripeteia of Hegemony*, Verso, London/New York, 2017.
- (2) See Quinn Slobodian, *Globalists: the End of Empire and the Birth of Neoliberalism*, Harvard University Press, Cambridge (Mass), 2018.
- (3) See Wolfgang Streeck, 'Heller, Schmitt and the Euro', *European Law Journal*, vol 21, no 3, Hoboken (New Jersey), May 2015.
- (4) Andrew Gamble, *The Free Economy and the Strong State: the Politics of Thatcherism*, Palgrave Macmillan, London, 1988.
- (5) Robert D Putnam, 'Diplomacy and domestic politics: the logic of two-level games', *International Organization*, vol 42, no 3, Cambridge, summer 1988.
- (6) See Peter Ramsay, 'The EU is a default empire of nations in denial' [<https://blogs.lse.ac.uk/brexit/2019/03/14/the-eu-is-a-default-empire-of-nations-in-denial/>], London School of Economics blog, 14 March 2019.

TRANSLATIONS >>

[FRANÇAIS Un empire européen en voie d'éclatement \(fr\)](#)

[ESPAÑOL Un imperio europeo en vías de colapso \(es\)](#)

[ESPERANTO Eŭropa imperio disfalanta \(eo\)](#)