

Brexit: Why Should Labour Support the Undemocratic European Union?: The Case to Leave

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The origins of the European Union (EU) are, in many ways, inspiring and almost miraculous. Co-operation in the iron and steel industries between France and West Germany was built on an economic strategy that gave not only dignity, but some power to workers, through the balance of power in corporate governance which gave a parity to capital and labour. It recognised a mutual interest between nations that had engaged in two abominable wars in the previous forty years. Co-determination in industry underpinned co-operation. Extending this to uphold a non exclusively commodity status for agriculture, was also, in its way, sublime. France and Germany retained human scale agricultural production and slowed the trend toward the elimination of the small holder.

The agricultural and iron and steel treaties that formed the basis of the [Common Market](#) were built around bilateral agreements between France and Germany and did more to improve the lives of 'workers and peasants' than the Soviet Union ever could. This is not coincidental. This was a Europe that had been unable to resist Fascism and in the late 1940s and 50s Communism was an imminent reality. Germany itself was divided and the outcome of that contest was yet to be decided. European banking and business elites had a great deal to fear, and to lose, and they shared power with unions and the church in order to do things differently. That was the basis of the social market economy in which Christian and Social Democracy agreed to a decentralised resistance to the domination of finance capital and a centralised state in the new Federal Republic of Germany. Unfortunately, probably from the outset, and certainly by the Rome Treaty of 1957 a Jacobin tradition of unmediated space, emptied of decentralised institutions had asserted itself, particularly through the head of the High Authority, that became the European Commission, [Jean Monnet](#). He asserted that economic exchange and legal uniformity would, over time, produce political unification.

Post-WWII Origins

The tragedy of the European Union is that the post-war German political economy was not the basis of the European Union which was instead based on unfettered movement within a legally homogenous space. This however, only became apparent over time. In its initial form, pig farm and pig steel subsidies underlay the rhetoric of subsidiarity, solidarity and status that formed the basis of the consensus that guided the European Economic Community in its growth and consolidation in its first thirty years. It recognised that in order to resist the domination of the market it was misguided to think that an exclusively national policy could be pursued. Instead it was necessary to have a mutual policy between states that could uphold some degree of stability and security for workers in order to avoid the perils of the great depression, unemployment and the subsequent political polarisation that

led, ultimately, to the victory of Fascism.

The Church and Trade Unions played a fundamental role in underwriting that consensus. It was a modest and a mundane politics that had the remarkable distinction of actually working and delivering rising prosperity, social peace and a genuine redistribution of power and wealth. Germany spoke of the 'economic miracle' and France reflected on its 'three golden decades'. Following Fascism and as an alternative to Communist dictatorship and occupation it was a magnificent achievement.

Britain Joins the Common Market

Germany and France extended the invitation to Italy, and the Benelux countries and that made a lot of sense. The signatories of the Treaty of Rome went to the Vatican to receive a blessing from the Pope. This is the high point of Christian Democracy. Peace, prosperity and partnership were the watch words and such was the nature of its growth and logic that Britain, searching for a post-imperial identity, became beguiled, and after much French opposition was invited to join. Under the leadership of Edward Heath [British Prime Minister from 1970 to 1974], who had a genuine feeling for the fate of Europe, Britain did join the Common Market, as it was called for a long time. It did not go well from that time on as the Common Market was not based on a shared political economy.

Britain is an island and was always at an angle to Europe. It avoided the continental territorial struggle for domination and developed a maritime rather than a landed economy as well as distinctive political institutions based upon the balance of powers within the Ancient Constitution.

Charles de Gaulle [President of France from 1958 to 1969], in continuation with Napoleon, thought that all Britain cared about was free trade and the primacy of the City of London. He argued that the British State could never agree with either the administrative directives favoured by the French or the institutional co-operation embodied in the German Social Market.

The difference between territorial rule underpinned by an army and central directives and a maritime economy based on the Navy and free trade was what was at stake in the Napoleonic wars. In boycotting Britain and building a Europe of administrative conformity Napoleon continually blasted Russian, German and Austrian leaders for continuing to trade with Britain, which as a maritime power traded with the world. Napoleon's career ended when he voluntarily boarded a Royal Navy ship and was taken to a faraway island where his board and lodging was paid for by the City of London. Despite the conclusive result of that conflict it was not the end of the argument.

The political and economic systems of Britain and France was very significantly different. Britain had dispensed with its peasantry during the last stages of enclosure and the Corn Laws, it had embraced the market at home as well as free trade abroad. On joining the Common Market the very unhappy marriage of Napoleonic directives and free trade objectives began which threatened the European Community's earlier achievements of agricultural protection and worker participation. The Common Market, or European Economic Community as it then became known, had been built on a substantive conception of an economy based upon agriculture and industry, land and labour. Britain, in contrast, brought a model of a financial and services based economy in which free movement rather than social partnership was the primary goal of political union.

The vision pursued by the founders of the EU was one of economic self interest, (subsidies, protection and investment) and lofty aspiration, (peace, prosperity and justice). It was predicated on a Europe without borders where mutual economic interests would lead to perpetual peace. A soft Kantian Marxism underpinned the European Union from the start, in which economic interests and a legal order would displace local institutions and national politics. This enabled West Germany to pursue a policy of national unification without being nationalist. The new nation would be absorbed within the framework of the European Union which would constrain German domination. The price of its unification was the acceptance of the French and British alternatives as the ideological framework for the EU's identity.

The Single European Act of 1985 marked the move from the Common Market to a single market, from a mutual space to a neutral space governed by an imposed harmonisation. It is the move to political and economic union in which the market lays down the law to politics. When national governments dissent, they are removed, as was the case with the imposition of 'technocratic' government on Italy when it could not meet the [Maastricht](#) criteria.

The Fall of Communism and the Triumph of the Market

Before 1973, when the Common Market framework embraced countries of a roughly comparable economic level, whatever the regional disparities, the consequence of a single market not simply in goods but in people was not immediately apparent. Some opted to move around Europe but the divisions of language and practice mitigated against the levels of migration seen in the last decade. The overall preference for a manufacturing oriented economic policy was shared. The arrival of Britain, however, changed that; the arrival of Greece, Spain and Portugal, each conceived as a transition to democracy and free markets from the grip of right wing authoritarianism, strained it. Greece became a constant, corrupt drain on the reciprocal nature of solidarity. The immigration from southern Europe to north became more pronounced, but there was a counter movement in terms of retirement and holiday homes. The EU held its momentum as an institution that served the interests of both business and workers and which upheld peace.

The fall of Communism proved fatal for the development of the European Union.

The tension between its origins as a substantive coalition of interests with an interest in a form of economic organisation that did not treat people and nature exclusively as commodities (the Polanyi model) and its goal of creating a political union with a common fiscal, monetary and economic basis (the Hayek model) reached a turning point with the fall of the Berlin Wall. It was the face of Hayek and not Polanyi that was presented to the East.

The coalition between churches and unions which underpinned the post-war social market in Germany was curiously echoed by the Solidarity Movement in Poland which was itself a Catholic Trade Union and drew upon the 'traditions of the church and the labour movement' to resist communist rule. Its first priority was to join the European Union as a path to prosperity and as a defence against Russia. The price of admission, however, did not include worker representation on boards, regional banks, farm subsidies, an industrial policy or a vocational labour market. In contrast it was based on the shock therapy of Thatcherism. Within the framework of a resurgent market ideology led by the United States and entrenched in the IMF and World Bank, Thatcher's Britain rather than Kohl's Germany defined the meaning of Europe. Germany exported its goods, but not the good of its economic system.

The European Union had been unable to articulate any of the features of the Social Market Economy as part of its identity which came to be entirely defined by free markets in labour, land and money. Fiscal discipline was the only part of the social market that had any external meaning, it did not include co-determination in industry between labour and capital, a vocational labour market or regional banks. Germany became dominant without ever becoming hegemonic. It did not extend its system to Europe. The 'permanent crisis' had begun because a free market in people, nature and money is a utopian fantasy that demands a politics of resistance. Capital has a tendency to centralise and exert a pressure to turn human beings and nature into commodities. Democracy and politics, and most particularly Labour Politics, is a crucial way that society resists this through establishing a political community, a non-commodity status for people, and some constraints on the domination of the rich and the demands of deregulation.

The lunacy of including countries with a level of wealth far below that of the founder members in an economic space predicated on the free movement of people did not occur to economists who shared an orientation toward thinking in terms of undifferentiated space with no history. A strange way of conceptualising European history and so it was that the mass migration from East to West began and the ability to develop specific strategies for national economic development became illegal under European Law.

Europe became far more Napoleonic than Catholic, far more administrative than institutional, more formal than substantive. In short, the European Union, through its hostility to institutions, tradition and place and its upholding of unmediated movement through space, became hostile to all that was best about European civilisation based upon self-governing cities, universities, churches and an embedded economic system. The EU became a threat to Europe and this has taken a constitutional form in which fiscal orthodoxy subordinates democratic politics.

As it stands the European political economy is rigged toward the interests of capital and its irresistible centralising tendencies. It upholds the commodification of labour through free movement and it is hostile to national industrial policies as an impediment to competition. The hovering of this Government in response to the potential disappearance of the British steel industry is consistent with European directives concerning subsidy and open markets. The European Union tries to constrain politics within a framework of fiscal, monetary and political union that is hostile to democracy as a means of resisting the domination of capital and asserting the primacy of politics and the ability to change things.

The Choice Before Labour?

Is this really something that Labour should be supporting?

Labour was different to other European Social Democratic Parties in that it was never aggressively secular and was not divided by confessional fissures. Its founding act, the [Dock Strike of 1889](#) was brokered by the Salvation Army and Cardinal Manning. It was never a revolutionary party that became more peaceable but was, from the start, committed to extending democracy within the inherited constitution. It also had a base of support among the working class that secured British democracy from Fascism and Communism and that was because of its paradoxical nature, as conservative as it was radical, as patriotic as it was nationalist. The greatest failure of New Labour is that it led rather than resisted the definition of the European Union as a neoliberal project and did not develop a constructive alternative to the status quo. It seemed incapable of distinguishing between

internationalism and globalisation.

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As the European Union becomes more general, abstract and administrative it will naturally side with capital and directives, viewing politics itself as populist. The reaction is already present within each European State. When I was in Berlin last weekend the Alternative für Deutschland (AfD) had surpassed the Sozialdemokratische Partei Deutschlands (SPD) in the polls. When reason itself becomes desiccated and exclusively rational, severing itself from institutional judgement and historical experience it turns all forms of resistance into demagoguery and madness. And yet, democracy is the European way of resisting the outrageous claims of capitalism to own, commodify and de-contextualise human beings, nature and all civic institutions. The tension between democracy and markets can no longer be resolved at the level of the EU, which through its inverted definition of subsidiarity in which the larger subsumes the smaller, is hostile to democracy, distinctive local and national institutions.

A stronger alliance with other European States is one of the reasons that we should consider leaving the European Union. There will be a need for greater military and security co-operation that should be properly international, as should common action on the environment. If the logic of ever closer French and German integration is what they want, then Britain should not stand in its way. All the indications, however, are that it is a huge folly that undermines democracy and strengthens the power of capital in eluding accountability and renouncing reciprocity with labour.

There should, at the very least, be a serious conversation within the Labour Movement as to whether we wish to be part of this.

For many years the European project has served as an alternative to Labour having a serious politics of national transformation, of building the coalitions necessary to constrain capital and strengthen democracy. It was a national political weakness that led to the enthusiastic embrace of the EU and it remains a refuge from domestic political defeat. Labour should be robust in supporting free and democratic trade unions throughout Europe, in championing a balance of interests in corporate governance and strong civic self-government with a deep partnership between universities, cities and firms. The question is whether being part of the EU hinders this. Britain is already outside the Eurozone and the Schengen agreement. It is gratuitous to remain part of a political union that is so hostile to diversity and democracy and so disposed to the consolidation of big capital that it has become a remorseless machine for the liberalisation of trade and the disintegration of society, in which the demand for liquidity has dissolved solidarity. Perhaps it is time to think again.

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