

European Ideological Civil War Laid Bare In Davos



A fierce battle is under way for control over the EU project

By [Ambrose Evans-Pritchard](#), in Davos

19 JANUARY 2017 • 3:44PM

Europe's leaders lashed out at each other in Davos in an inflamed dispute over how to stop the EU collapsing, laying bare the festering divisions that will plague the European project long after British withdrawal.

"The whole idea of an ever-closer Europe has gone, it's buried," said Dutch premier Mark Rutte, dismissing calls for full political union as a dangerous romantic fantasy.

"The fastest way to dismantle the EU is to continue talking about a step-by-step move towards some sort of superstate," he said at the World Economic Forum.



Mr Schulz called it profoundly misguided to give up the dream of political union

His comments went to the heart of a fierce battle under way for control over the EU project, and provoked an impassioned counter-attack from Martin Schulz, the European Parliament's president.

Mr Schulz called it profoundly misguided to give up the dream of political union and retreat to the nation state. "If it's Angela Merkel, or Mark Rutte, or whoever else, they must have the courage to say that we need ever-closer union more than ever in the 21st century, and without it the EU has no future," he said.

Mr Schulz accused Europe's ministers of subverting the EU in a "double game", agreeing to measures behind closed doors in the EU's council of ministers and then denying any responsibility once they return home. "This is destroying the European spirit."

He accused prime ministers of arriving for meetings at the Justus Lipsius Building in Brussels and proclaiming before they even enter the door that they are there only to protect their own narrow interest.

"We have some members sitting inside the European Parliament trying to destroy the EU from within. They are drawing EU salaries, and one of them is running for the presidency of France," he said.

Frans Timmermans, the European Commission's vice-president, said there was a "fundamental ideological confrontation going on in our EU". He called on Europe's leaders to stop hiding behind subterfuge and pick their side, rather than blaming Brussels for everything. "You need to show your cards, show where you stand," he said.



Divisions over Europe are emerging. Pictured: armed members of the Swiss Police monitor Davos

Professor Hans-Werner Muller from Princeton University said the EU was unlikely to disintegrate in any formal sense but there was a real risk that it will instead dissolve from within. "We will still have the Treaties, but they will not be observed," he said.

He accused Hungary and Poland of acting like rogue states inside the EU, abusing the rule of the law with a "brutality" not seen in democratic Europe since the Second World War. "For them it is even better than Brexit. They get all the money, but they don't obey the rules. If the EU does not do anything about it, trust is going to break down," he said.

Overshadowing it all is the North-Side divide within the eurozone that continues to pit two irreconcilable narratives against each other. The chasm has not been bridged. If anything, it is getting worse.

"Everybody must abide by the rules. Too many countries are not doing what is necessary. In the end this will have a devastating impact on European integration," said Mr Rutte, the self-assured voice of the Northern bloc.

"France and Italy are not implementing reforms. There is always a lack of trust if countries don't do what they promise to do," he said.

The glib comments are certain to grate of the nerves of southern leaders, and show that there is still no common understanding of what went wrong a full eight years into the eurozone's economic depression.

The North still refuses to accept that the crisis was caused by destabilising capital flows, and insists on a one-sided adjustment that forces the South to claw back lost competitiveness through deflationary austerity.



Italy's finance minister Carlo Pier Padoan has repeatedly blamed the EU authorities for pushing Italy into a banking crisis

Nobel economist Joe Stiglitz said this strategy had led to a contractionary bias for the eurozone as a whole and was ultimately unworkable. None of the hard decisions required to make monetary union work have been taken. At the end of the day, there is still no fiscal union or pooling of debt. EMU remains a broken half-way house.

Italy's finance minister Carlo Pier Padoan has [repeatedly blamed the EU authorities](#) for pushing Italy into a banking crisis that could easily have been avoided. "The problem with Europe, is Europe," he told Davos earlier this week.

Emma Marcegaglia, head of the pan-EU federation BusinessEurope, told the *Telegraph* that it sticks in the craw to hear some countries talk about EU rules. Germany has been running a chronic current account surplus of 9pc of GDP in open breach of the EU's 'macro-imbalances' edict, damaging to the cohesion of monetary union. Nothing is ever done.



Frans Timmermans, the European Commission's vice-president

"There should at least be some symmetry. Why isn't Germany being punished? We can't go on like this, it's not sustainable. Some people say Germany should leave the euro," she said.

Martin Schulz said it was absurd for politicians in the North to keep peddling the bogus morality tale that the South got into trouble because they are feckless and too lazy to work. "These are all lies, and this is what is leading to huge lack of trust," he said.

The Commission's Mr Timmermans said his squadron in Brussels would soldier on and perform their thankless task, a whipping boy for everybody. "We're like the football club Millwall FC: 'nobody loves us but we don't care'. We have our task to do, and we do it," he said.

The scapegoating has become a family joke in his home. When his son comes down to breakfast, his opening words are: "Good morning, you faceless bureaucrat."

There are some good emails in response to this article. Here is the longest and also the best:

Hurricane Jack 19 Jan 2017 4:41PM

As the idea of its time is left behind in a quickly changing world, the EU elites watch with horror and disbelief, confounded by the collapse of their idealist Utopia and the ugly truth of reality. When fingers are pointed and blame cast, trust dissipates like a

mist blown in the wind and then each to their own interests and the recriminations start.

Michael Deacon, in a separate article, on which he invites no comments, believes the EU has no option but to punish Britain in response to Brexit but the cat is out of the bag. Self harming punishment or not, in the wake of the Brexit vote, the continual growth of the UK economy and Theresa May's clearly expressed vision, the world can see Britain's potential unshackled from the backward bureaucracies and Machiavellian political intrigues of the EU. How many other countries are looking at Britain with envious eyes and harbour a desire to trade freely with the UK, EU or no EU. The edifice won't crumble if the EU doesn't punish Britain as Deacon Pontificates, it is crumbling already. Martin Shultz can see it; he even describes the rot that is eating within but there is clunking irony in his pronouncement that it is profoundly misguided to give up on the dream when it is in fact profoundly misguided to believe and die for a lost cause. He envisions an enemy within, terrible people drawing a salary while acting to destroy the EU but fails to see that his enemy are component parts of his machine. There are no enemies at play; the wheels are simply flying off the cart, the component parts increasingly wanting to go their own way.

The EU's arrogance peaked during David Cameron's infamously failed renegotiation and the subsequent eloquent orations about how difficult it will be for Britain to leave and negotiate with a powerhouse such as theirs. Their collective ego, their puffed up arrogance was well and truly popped when the British people cast their vote.

The countries of Europe, instead of listening to the hot air emanating from a failed elite, should now create a new council to discuss how the countries of the former EU continue to trade and preserve peace in a post EU world.

