

Constituent Machines

Wolfgang Streeck

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Wolfgang Streeck: Usually, the European Union is described as a historical achievement that makes it possible for the peoples of Europe to live together in peace. My impression is that in the last ten or fifteen years this has completely turn the other way around. Especially after the crisis of 2008, we now see that the way the European Union works, and especially the way the European monetary union works, is a source of great conflict and discontent among the European peoples. Never since the Second World War did we have a situation in which a united Europe was so disunited as it is now, on economic policy, on monetary policy, on the question of how to deal with refugees, on the question of national sovereignty vs. the role of the European Union institutions and so on.

My short take on this is that if we want to restore the peace making function of the European institutions, we have to, again, think about where we are going, this European integration, what the purpose is, what the finalité, as the French say, of the European integration really is. Right now, our governments and the functionaries in Brussels refuse to discuss this. And they refuse it because they think that then all sorts of new ideas could come up which could endanger their careful constructions and they don't notice that these constructions are beginning to break apart on their own. So, it's a thorough debate of the relationship between Europe as an institution and the European countries as national states and where do we want to end with the integration process. Is it going to be a united superstate? Or is it going to be a cooperative arrangement between sovereign democracies? That's the choice that I see.

Museo Nacional Centro de Arte Reina Sofía held a lecture and a seminar conducted by Wolfgang Streeck within the framework Constituent Machines: Constituent Power, Biopolitics, Democracy. After a reflection on the social mobilisations, constituent assemblies, and processes of political innovation experienced in Latin America over the past few decades, the new lectures that compose Constituent Machines: Constituent Power, Biopolitics, Democracy will now turn the spotlight on Europe. Due to both the constrictions imposed by neoliberal institutionalism and governance, and the lack of suitable forms of administration to manage the current social complexity, the European Union faces the challenge of thinking and organising constituent processes located inside a markedly transnational and post-national reference framework.

Some of the things that the European politicians consider problems may be already part of the solution. That is, a large number of people in the European member countries who are beginning to take Europe seriously, that is no longer to simply accept what people are doing at a European level, but to begin to think about how it may affect them and what consequences it has for their democracies and for their countries. European politicians see this as a problem because Europe was basically... or Europe in the European foundational sense was basically created under the guides or under the protection of what the literature called "a permissive consensus". What happens in Brussels nobody really cared about, and so they could do what they wanted, and essentially everybody elected their own national government and Brussels was far up. Then, at some stage in the process things that were being decided in Brussels or at a European level became to cut deeply into the social fabric of the member countries, which was the moment when the "permissive consensus" ended and the politicization of European integration began. Which is seen as a problem by the "Junckers" and "Schulzes", and whoever, to me is a solution, because essentially the European Union was created as a mechanism that should not be a subject to democracy but should be a technocracy that would be governing the European economy from the top and suspend the influence of national politics on the European economy, competition law and all of these things. So, today people begin to notice this and they begin to ask the question: What is going to be the role of our democratic states and of our trade unions and of our communities in this emerging large European structure that consists of the European Court of Justice that is aiming at enforcing competition law of the European central bank? Nobody understands what this people are doing and of the European commission that is not elected but appointed and pretends to have a parliament but the parliament is not even allowed to pass legislation.

I think the common currency for the very different economies of Europe is something that cannot work. Different countries have different traditions in the way that use money to pacify the domestic conflicts and to achieve some level of egalitarian, or at least quasi-egalitarian, prosperity in their countries. So, in Italy you always had a high rate of inflation because it had strong trade unions; in Germany you cannot have inflation because Germany is a totally export oriented country; in France you always had a public deficit because the French state is the driving force in the French economy and needs to be able to organize public investments through a credit in order for the French economy to function. You can add more facets to this. If you impose a common currency on this, a currency is not just the bank notes and the coins, it is a regime: Who is allowed to create money? How much inflation are we going to have? How is the relationship between private banks and the central banks? What sort of political influence would you allow for governments to have on this central bank? And so on and so on and so on. Which is a very complex institution if you have a common currency for countries that function in such different ways and have so many different economic interests then you get conflict. And the conflict in the European monetary system these days is between the North, who wants their currency to function as though it was a German currency, and the South, which wants the Euro to function as though it was a Southern European currency. You can also say a hard currency vs. a soft currency. Let me say that having the soft currency is not a moral defect; it can be a good idea to have a soft currency because it is not money that decides, it is the prosperity of the people.