

Social Europe, legitimate Europe: the inner and outer boundaries of Europe

A Lipietz

CEPREMAP-CNRS, 142 rue de Chevaleret, 75013 Paris, France
Received 18 January 1992; in revised form 12 May 1992

Abstract. The legitimization of Europe as a 'homeland' does not depend only upon formal democracy, but upon a social compromise, as the example of the unification of Germany has shown. But this unification of a social Europe matches two problems. (1) The different nations constituting the EC are already engaged in different paths. Legitimation of the EC requires more integration of its social governance. (2) The other countries at the boundary of the EC (Eastern Europe, Turkey, Magreb) are very different. Their integration would mean disintegration; the integration of the EC without them would exclude them.

The author explores this paradox of 'integration/exclusion' from the social, political, and cultural point of view. The risks of a new boundary 'Europe/barbarians' (across the EC itself) will be outlined. Some suggestions will be made.

9 November, 1989. The joy of a liberation, the one of Eastern Europe, the end of the East-West tension.

February, 1991. The horror of a self-estimating war, the crushing triumph of the north of the world against a southern country ruled by a dictator.

Summer, 1991. Yugoslavia explodes, then the USSR, Europe divides anew. The Italian police push the Albanian exodus back into the sea, with as much hostility as Thai soldiers sending back boat-people. In the face of the chaos brewing on its southeastern flank, the European Economic Community closes down like an oyster on the precious pearl of its prosperity.

A new frontier falls down between Western Europe and its Eastern side, a new wall of shame, a wall of selfishness. Europe does not call its 'Eastern brothers' to join its model any more. The whole of Europe is not a 'legitimate Europe' any more.

1 Introduction

Don't let us be idealistic. Holy selfishness is the supreme law of any community. Being geographically in 'Europe' is not a passport to membership of a European community, nor is the closeness of a territory to the EC. Moreover, southeastern candidates wanting to join the EC are not necessarily honourable, nor is their adherence necessarily a good thing for their citizens. In short, there exists a lot of valuable argument against enlargement of the EC. Yet this sharp boundary, at the very heart of Europe, between prosperity and chaos, is both inconsistent with European ethics and dangerous for peace in Europe.

We shall first revisit the shock of 1989 in Europe (section 2), then scrutinize the reasons for the strength of the European economic centre, Western Germany (section 3), and the preexisting weaknesses in the EC (section 4). Then I will turn outside the EC (section 5). Preexisting tensions inside the EC will appear to threaten integration of this 'exterior' and could even lead to the exclusion of entire regions (section 6). In my conclusion, I shall emphasize that only through the conquest of a new inner frontier could Europe build the conditions for an opening to its outer frontier.

2 A new dawn?

On 9 November 1989, Europe became once more the focal point of history. Not, as too often in the twentieth century, shaking the world with its quarrels, covering it in blood with its conflicts, or astounding it by the enormity of its crimes; but, for once, as a symbol of peace, reconciliation, and liberation. The demise of the Berlin Wall meant the end of forty-five years of tension and hatred, of mourning and despair, of powerlessness and humiliation. The spontaneous rejoicing at the Brandenburg Gate gave a meaning, forty-five years on, to the handshakes of US and Soviet soldiers over the dead body of Nazi Germany. But the symmetry had already been broken when crowds of East Germans, smiling or fearful, broke out to overwhelm their Western relatives with hugs and kisses. The end of the divisions of Yalta was also the complete capitulation of Stalinist state capitalism to the blandishments of the Western mix of neoliberalism and social democracy. Not just the period of the Cold War, but also the historical period started by the October Revolution were closing, in the bitter taste of widespread disarray.

This cloud of bitterness, for those who had believed in Communism, was soon thickened by sickening smells emanating from the ruins of Eastern Europe (antisemitism, populism, unbridled materialism coming face to face with reactionary spiritualisms), and by the renewed arrogance of Kohl's Germany. However, what we must first recall is the series of celebrations which, just after the bicentenary of the French Revolution, greeted the overthrow of 'Communist' dictatorships, from Poland to Rumania. What collapsed during these glorious days was a totalitarian system in the East, and the basis of the Soviet-American dominion over Europe. We owe this double liberation primarily to the East European people themselves, who since 1953, in Berlin, Budapest, Warsaw, and Prague, had never given up hope; we owe it to the underground activities of many decades, and to the crowds who year after year learned how to challenge the army and the militias, right up to the nonviolent East German revolution of Autumn 1989.

We owe it also to people in the West, who in the 1980s, from Sicily to Ireland, united in their hundreds of thousands to reject Euromissiles and the Satanization of Eastern Europe. By highlighting the crisis of the consensus on NATO nuclear defence, and in showing Soviet leaders that because there were pacifists in the West as well as in the East, the Soviet Union no longer needed an expensive buffer zone, West European peace movements did infinitely more for the liberation of their East European brothers than did the thousands of megatons in Polaris submarines or on the Plateau d'Albion in Southern France.

This must be the first conclusion to be drawn from what has happened: the final condemnation of nuclear blackmail, of the ignoble slogan of supporters of nuclear deterrence 'better dead than red'. The Polish people were right not to commit suicide in 1981. The emergence from 'totalitarianism' was just as difficult, but just as certain, as the end of Franco-style or Pinochet-style 'authoritarianism'. The struggle for freedom will never be based on the annihilation of humanity. The modernization of nuclear weapons is henceforth unjustifiable.

It is, after all, the whole global geostrategic framework which has been recast. All the institutions of the Cold War—NATO and the Warsaw Pact—as well as the European Community, had to be looked at again. This is the major focus of the 1990s, after the shake-up of 1989.

The consequences of the current upheavals are, in fact, impossible to calculate, even in the economic field alone. We are reminded of the work of the youthful Keynes, his first major work after World War I, *The Economic Consequences of the Peace*. Nobody today is as talented as he was, and the problems are infinitely more complex. Let me, however, at least try to point out the problems.

In the literal sense of the title of Keynes's book, the speeding up of the arms race played an important part in the economics of the 1980s. It ruined the Soviet Union and the US federal budget, and provided a stable and predictable market for high-tech industries. This was the cause of the US 'double deficit' in its budget and trade balance. The deficit created a natural outlet for Europe and the 'Japanese coprosperity sphere'; and it caused no trade-balance problems there, as a domestic boom would have done. US debt, however, pushed up interest rates and, together with Third World debt, threatened world financial stability.

There is no longer any reason for the nuclear arms race today. Thus, thousands of billions of dollars are potentially available to boost welfare growth, settle debts, and fight against the world ecological crisis. But let us not get carried away. Geostrategic conservatism is still powerful. It has the support of military-industrial lobbies stressing the loss of jobs if military levels are cut, and overestimating the difficulties of a planned reconversion of the arms industry. These views would be supported if the break-up of the Soviet empire led to fresh tension; it could even provoke new tension, as was proved by the Second Gulf War. The end of a nightmare does not prevent death spasms. In the disorientated Europe, which is groping for a new order, ethnic tensions and national ambitions will again take centre stage.

Ethnic tensions are based on the grave danger that the economic and governance crisis in Eastern Europe could not be solved, including in countries such as Poland and Hungary which have chosen early the path of liberal productivism (on liberal productivism, the dominant Western model of the 1980s, see Lipietz, 1989). Already, after initial democratic euphoria, the old demons of authoritarian populism are again rearing their heads, in alliances (unthinkable yesterday, but so logical tomorrow) between bureaucratic conservatisms and national, even religious, chauvinisms—an alliance between the right wings of the Communist apparatus and former opposition groups. The danger is that new powerful states will assert themselves in this way and in direct hostility towards 'outsiders'—Rumanians against Hungarians, Baltic peoples against Russians, and everybody against resilient Jews. The fading of the nuclear apocalypse will begin a new age of 'small wars' against a background of suffering, such as are endemic in Northern Ireland or the Spanish Basque country.

As for *national ambitions*: here one thinks of a Germany of eighty million people. From an economic giant and a political pygmy, Germany has suddenly become an economic superpower and a political giant. In recent times, its strength has threatened by demographic decline. Suddenly, it could contemplate gathering under its wing not only East Germany, but also Austria, no longer ruled out by its neutrality, and all remaining ethnic Germans from the other side of the former Iron Curtain, providing markets and skilled or cheap workers beyond its needs.

3 The new German question

We can see here the lack of perception by intellectuals of the 1980s when, raising fears of German hegemony, they rejected an enlarged neutralist Europe in favour of an Atlanticist one. From now on, this fear can be dissipated by only the counterbalance of a Europe stretching beyond Germany to the small nations of 'Mitteleuropa'. Beginning in Autumn 1989, meetings between Italy, Yugoslavia, Hungary, and Czechoslovakia heralded the return of the prewar 'little entente' between nations springing from the breakup of the Austro-Hungarian Empire, the ancient barrier to the ambitions of Prussian Germany.

It is true that Germany strikes fear in people's hearts. At that level, a subjective feeling becomes an objective fact; the underlying causes of this need to be understood.

It is not enough to be frightened of a unified Germany. What is crucial is to understand why West Germany was so strong on its own. Although 1989 saw the final victory of Western market capitalism over Eastern state capitalism, forty-five years after their joint defeat of Nazism, there was also a more subtle victory—by one kind of market capitalism over another. Ten years after the ultraliberal offensive in the former masters of the world (the United States and Great Britain), the debate over the sharing out of the spoils of 'socialism' reveals one crucial fact: these two countries plus France, despite their nuclear weapons, have no contribution to make because they are weak and debt ridden. The new division of the world is between the poles of Japan and Germany.⁽¹⁾

With the crisis of the old Fordist model of development, characterized by *Taylorism* as a technological paradigm and by 'rigid' wage contracts, two ways out were in fact possible.⁽²⁾

(1) One way was by '*flexibilizing*' the wage contract, by extending the 'secondary', precarious, low-paid, segment of the labour force, which was necessarily low-skilled and hence barely involved in its own work. This implies remaining within the Taylorian paradigm. This solution, a defensive one from the point of view of capital, could be labelled 'neo-Taylorist'.

(2) Another solution was the *reform* of the organization of labour, through negotiated involvement of workers into the struggle for quality and productivity. This negotiation may be carried out at the individual level (then it is quite consistent with a broader neo-Taylorism), at the level of the firm (this is the Japanese case), at the sector level, or at the territorial (national or regional) level. These strategies may be considered as 'offensive', and, with reference to the (now disputed) Swedish model, the most socialized version may be labelled 'Kalmarism'. Moreover, models with negotiated involvement allow for direct management by the workers of the *just-in-time* principle (*kanban*), though they do not imply it, whereas neo-Taylorism implies a centralized management ('*material requirement planning*'), which is must less efficient.

This major split of the former Fordist paradigm obviously opposes the USA and Japan, but it also cuts through Europe (opposing the Iberian Peninsula to Scandinavia), it cuts through the EC (opposing the United Kingdom and Germany), it even cuts through countries (as in Italy). Contrary to Europe at the time of the Rome Treaty, based on a common adherence to the Fordist model, Europe in the 1980s is characterized by a *divergence* of strategies out of crisis, a 'two-tiers Europe', a 'leopard-skin Europe', with, at the top of the 'good side' of Europe, Western Germany.

With sixty-five million people, West Germany had half the population of Japan. In 1989, its exports were worth US\$382 billion, giving a trade surplus of US\$81 billion, compared with Japan's US\$77 billion. This was achieved, as everyone knows, with a standard of living for wage earners which is incomparably higher than in Japan, and without any particular specialization in new technologies. Germany comes off best without electronic chips, and with a labour force among the most expensive in the world!

What Japan and West Germany realized first and foremost (and before them Volvo in Sweden, at its Kalmar plant) was that workers need to be involved in the

⁽¹⁾ During the Second Gulf War (in 1991), the 'economic losers' (the USA, the United Kingdom, France) tried to get revenge by pretending to be 'sheriff' vis-à-vis the South. By begging for a fee from Japan and Germany, they just appeared like '*condottieri*' selling mercenary services to prosperous cities (see the English postface to Lipietz, 1989).

⁽²⁾ On Fordism and its crisis, see Lipietz, 1987. On present ways out of crisis, see Leborgne and Lipietz, 1992.

productivity learning process, in the search for quality, and in the management of production flows. 'Kanban' is superior to 'material requirement planning' because 'negotiated involvement' was superior to neoliberal 'flexibility'. And behind this was the victory not only of a particular conception of unionism, but also of the intelligence of a certain kind of employer.

Besides its more efficient industrial organization and R&D, Germany's social superiority lay in the fact that the 'Kalmarian' capital-labour compromise was more widespread there than in Japan. German superiority is based on a wide network of collective-sector agreements, drawn up at the regional level then decentralized down to comanagement committees. As in the United States, German unions in the 1970s at first resisted this, to protect jobs. But in the 1980s, with unemployment at 10%, they mounted a counteroffensive of subjective involvement by workers in return for shorter labour time. This was an approach with a long pedigree—already in 1925 the DGB (German Labour Union Confederation) was saying that high wages, short hours, rational methods of production, and rational organization of the economy are the prerequisites of German economic progress and competitiveness (Coriat, 1990).

This industrial-sector unionism has extracted the promise of a thirty-five-hour week for 1995, but it has certain drawbacks: it excludes 'poor' sectors such as services, and it favours a dualism to the detriment of women, Turks, and future 'brothers from the East', just as did 'Untermenschen' in the past. The Swedish union movement has gone a stage further, and tries to extend its protection to all sectors of society (at the risk of 'overheating'), while business moves back to the German model (sectoral negotiations).

Germany is not 'the' alternative model, and Japan even less, even though Germany is socially more 'advanced'. These countries have shown the productive possibility of development models based on negotiated involvement. Everything will depend on the level of solidarity towards which social pressure will lead them. For, without solidarity, of course, negotiated involvement leads to a wage-earning aristocracy sustaining a new imperialism.

It is for this reason that there is a new fear of Germany, just as in Asia there is a fear of Japan. It is not that the Germans have a Nazi chromosome in their makeup. They are simply rich and powerful, like the North Americans. Germany needs to be feared like Mexico and Canada fear the United States—no more and no less; except on one point! The United States does not lay claim to Lower California or British Columbia. Kohl, however, to gain extreme-Right support, refused for some months to recognize the Oder-Neisse line as the Polish-German frontier, and then became the most unpopular man in Europe. Brandt's Germany was a beacon for Eastern Europe; Kohl's Germany was a nightmare. It is not that Kohl was like Hitler, but that he was like Reagan, ignoring his West European partners, humiliating his East European clients, and sacrificing the external image of his country to the demagogic manipulation of support by the most reactionary part of his electorate.

The way in which he imposed German unification is significant. In December 1989, it was still hoped that the democratic revolution in East Germany would recreate the Eastern *Länder* on a different model from Western materialism. The hesitations of the Communist prime minister Mōdrow disheartened the East Germans and they resigned themselves to unity at any price, which is their right. However, Kohl added fuel to the flames by saying, 'Stay where you are and I'll buy you out. In the meantime, do not do anything excessive!' If this was the case, they might as well emigrate immediately. Moreover, monetary unification improved nothing. The sudden linking of such divergent price systems and levels of productivity

raised tensions even more, ruined thousands of industrial concerns in the East, and sent the unemployed fleeing westwards.

When the United States under Truman helped the economic recovery of Europe and Japan, it set up 'air locks' consisting of a right to protectionism, currency nonconvertibility, and gifts and loans under the Marshall Plan. Kohl did the exact opposite—he provided no help for economic recovery, but scooped up the remnants.

This absurd situation cannot last. The eastern part of Germany will have to be rebuilt, with living standards and investment financed from the West. Germany could find the money either by raising taxes in the West (on capital for example, which is taxed at a very low rate), but Kohl's voters would not like this, or by issuing money at low interest rates which would fuel inflation, but the Bundesbank would not like that. In effect, Kohl bought out East Germany without putting money up front, like a Wall Street raider with junk bonds. Everyone can see that it has to be paid for at some time in the future, the German capital-labour partnership will be eroded, and interest rates will go on rising to the detriment of the whole of Europe, from Italian investors to young French couples.

This is the German problem. The Single Act and later the Maastricht compromise unified the European economy, but no provision was made for European democratic unification. Because of this, economic policy and the daily life of Europeans are determined by the dominant state—Germany. It is not the fault of a people who wanted to be unified; it is primarily the faults of those who wanted to build Europe exclusively through the power of money.

4 The premature crisis of the European Community

Beyond this, it is the very structure of Western Europe which is challenged by any move towards a 'big Europe' that includes 'middle Europe'—that is, all of Eastern Europe except the Soviet Union. The breakup of the Soviet Union happened in 1990, but it is unlikely that its peoples, except for those in the Baltic States, could join Europe in the foreseeable future. However, a predictable crisis of the EC became clear throughout 1989, quite independently of events in the East.

I have pointed out elsewhere (Lipietz, 1989) that the project for a large single market in 1993 contained a major contradiction. A single market for capital and goods without common fiscal, social, and ecological policies could not fail to set off a downward competition between member states, each needing to bring their trade into balance. To deal with the threat of 'social dumping', Delors counted on a push *after* the event by unions in peripheral and social democratic countries to impose common statutory or contractual bases throughout the Community.

This has not happened, despite the (half-hearted) protestation of the European Parliament. Attempts to harmonize VAT failed. However, the lack of harmonization on capital taxation is much more serious. To provide for the free movement of capital after July 1990, the European Commission proposed, in February 1989, a 15% levy at source on income from savings. This was not much, but is better than nothing. On 1 June 1989, Germany abolished its own tax! The result was, to quote a speech by Charasse, the French Budget Minister, that "France reacted by slightly reducing its withholding taxes on savings". In effect, in France after 1 January 1990, income from mutual money-market funds are free of tax up to FFfr 25 000 (US\$4500) a month, more than most wage earners receive! We are therefore moving towards a Europe where only wage earners and consumers will be taxed.

Even more serious was the surrender over social Europe. In September 1989, the European Commission proposed an insipid Social Charter. On 22 November 1989, the European parliament, the only representative body of European peoples, voted for 'a minimum base below which the Council would not go'. This was a

synthesis of everything that wage earners had achieved in Europe, including the right to a minimum wage, 'the gradual harmonization of social welfare benefits at the highest level', the participation of workers in technological decisions and the organization of work, and so on. However, in December 1989, the members of the European Council (apart from Thatcher) adopted the Commission's Charter, in an even further diluted form—and the press did not even published it! The Parliament, which had stated that if this Zero-Charter was adopted it would block the Single Market, did not react. The thirty-nine Green members prepared a motion of censure against the Commission, which could have been passed if the Left—Social Democrats and Communists—had voted for it. But the plan came to nothing.

In essence, Europe, at present emerging and confirmed in the negotiation at Maastricht (in December 1991), will be unified only for the sake of capital, to allow it to escape from state control; that is, from the tax authorities and from social legislation. We cannot say that this Europe is 'apolitical'. It has a policy—that of Bonn, with a few concessions. And it may be that the Monetary Union will confer all power in monetary matters on the Bundesbank. What this Europe lacks is the democratic control which alone would allow the interests of the vast majority of Europeans to be represented and allow, therefore, the Community desired by Europe to coalesce round a grand compromise. For, today, only 'social matters' mould the Community consciousness, as was seen in the debate on German unification. The danger of a Europe that is two-speed in social matters has become great, with the rich regions of North Europe keeping advanced Kalmarian-type social compromises (negotiated involvement, high wages), thanks to their technological supremacy, and with 'neo-Taylorist' ordinary industries with temporary and low-paid work forces migrating to the periphery—the British Isles or the Iberian peninsula (Leborgne and Lipietz, 1990).

5 Four circles of expansion

The arrival of Eastern Europe on the scene has upset the scheme of things, positively and negatively. A positive effect has been that West Germany, by absorbing East Germany, becomes a young nation with significant reconstruction needs. It is bound to become once more a driving force for the rest of Europe—even France, Britain, and Portugal will pick up new markets in the old East Germany. In the medium term, the question is much more complex, and everything will depend on the new structure for Europe. What circles are already there round the EC?

First, there is the European Free Trade Area—Switzerland, Austria, and Scandinavia. These countries are as wealthy and socially advanced as the Federal Republic, if not more so, and they refused to join the EC in order to safeguard their neutrality and their internal compromises which were inspired more by 'Kalmarianism' than by liberal-productivism. They already have free access to the EC, but fear the protectionism of the post-1993 Single Market. With the disappearance of the military dimension, they will be tempted to force an entry into the EC, which would strengthen the hand of those who favour a social Europe.

The second circle is formed by the southern rim of the Mediterranean—the semideveloped countries of the Preferential Interest Agreement, from Morocco to Turkey. Already hurt by privileged access to Northern European markets on the part of the periphery countries of the EC (Spain, Portugal, Greece), they are trying to become more closely associated with the Community, and would be the big losers from an incursion by Eastern Europe, which is ethnically more 'acceptable'. These Mediterranean countries are in an economic and ecological crisis that is often terrifying (in Algeria and Egypt), made worse by demographic explosion.

The irresistible upsurge of Muslim fundamentalism in these countries is a sign of the failure of Western-style productivist and statist models. The European Commission, conscious of this 'time bomb', proposed a doubling of EC financial aid to these countries, bringing it to 50 p per EC citizen per year, and £2 for every person in receipt of this aid. This is a derisory sum indicating the emergence of a new 'hostile frontier' on the southern flank of Europe; I will come back to this later.

Then, beyond the seas and south of the Sahel, there are the African-Caribbean-Pacific countries. The renewal in December 1989 of the Lomé Agreement between them and the EC, was a tremendous disappointment. The EC, in being mean with economic support to these countries, chose not to be the driving force of world development. This is worrying for Eastern Europe.

It is these Eastern European countries which form the fourth circle, divided into three categories. (As the 'liberalization' partly ruined most of these countries, I indicate the 'starting-point date' of 1989.) With per-capita gross products close to that of Spain (US\$7800), the former East Germany (US\$7200) and Czechoslovakia (US\$6000) have only their bureaucratic chaos, lack of internal consensus, and isolation to blame for the fact that they have wasted their prewar industrial and cultural heritage, but they could easily catch up again. The second group, however, are on a par with Algeria and South Korea (US\$2500 per capita per year)—Hungary (US\$2300), North Yugoslavia and Poland (US\$1900 per capita, ten times less than in the former Federal Republic). Moreover, in 1990, these countries appeared burdened with debt (US\$20 billion, US\$23 billion, and US\$39 billion, respectively) and crippled by inflation. In the third group are Bulgaria, Rumania, most of Yugoslavia, and Albania. In many economic and cultural aspects, these countries are close to the second circle of 'South Mediterranean countries'. They are a kind of greater 'Turkey in Europe', and in fact they were once part of the Turkish Empire (as was Greece, though it is now of course an EC member).

6 The scenario of the unacceptable

Faced with this European Third World appearing in the East, moderate social democrats in the EC, particularly Delors and Mitterand, saw the danger: that the trap of the Single Act was being sprung for them. They had set up a Europe of traders and capital, thinking that the rest would follow as Europe unified politically; but now appeared the spectre of an enlarged free-trade zone amenable to no supranational social regulation. So they tried to force matters by consolidating the Europe of the Twelve and collectively managing relations with the East. Unfortunately, they threw away their trump cards by signing the Single Act in 1985, and Kohl's Germany is the master of the play.

The opposite position was that of financial circles and neoliberal politicians, led by Thatcher. They wanted to extend to Eastern Europe free-trade relations, of the Preferential Interest Agreement kind, and to block attempts by the Delors Commission to move to a social Europe. The implacable mechanism of a multispeed Europe in social matters would then apply to Eastern Europe as well, leaving Africa and even Ireland, Portugal, and Greece to their sad fate. Under the pressure of debt, and at the cost of a few billion dollars of emergency aid, a huge free zone of low-wage and virtually nonunionized subcontracting would open up in the East for labour-intensive industries to serve the financial and technical centres of Northwest Europe.

The strength of this scenario is that it offers Germany the royal road of 'à la carte' satellization of central Europe. In return for five years of economic liberalization, West Germany, acting with Austria, could absorb the markets and skilled labour of East Germany, solving its demographic problem for a generation.

Czechoslovakia and the northern Yugoslav republics of Slovenia and Croatia could play the role of Spain outside the EC, with heavy industry and engineering. Hungary, Poland (with governments which are already ultraliberal!), and the rest of Yugoslavia, would become, in the style of Tunisia or Morocco, devoted to textiles, neo-Taylorist assembly industries, and growing potatoes; but in return for import quotas. Subcontracting yes, invasion no! This 'economic Fourth Reich', resembling the Japanese sphere, would no doubt be prey to nationalist 'small wars' on its outer fringes, such as in Northern Ireland or the Spanish Basque country. It is a scenario which is not very attractive, but initially it is economically dynamic.

This scenario, the most likely one (but which could be subdivided in variants, as we shall see), is unacceptable. Not only would it hasten the split within Western Europe between 'Kalmarian' regions and 'neo-Taylorist' ones, but it would set the latter in direct competition with the second circle—countries of the southern rim of the Mediterranean—and with the fourth one (Eastern Europe). It would no longer be a matter of subsidizing their standard of living, and their membership of the EC would be in doubt. Within Europe, there would be a new frontier; that of poverty, of the mafia, of 'Thirdworldization'. This frontier would no longer be the Mediterranean and the Iron Curtain. It could exclude the Iberian peninsula (except Catalonia), perhaps Corsica, certainly Sicily and Italy south of Rome; it would include Slovenia but not Kosovo, Transylvania but not Moldavia, the Baltic republics but certainly not the Soviet Muslim republics. In short, a 'legitimate Europe' would have the frontier it once had with the Arab, Russian, and Turkish empires.

This new apartheid would clearly be based on racism directed against a Muslim world embracing fundamentalism; a world which could without difficulty be accused of violating human rights and especially women's rights, and be rejected as 'barbarian'. But there would also be racism within Europe: rich regions against poor ones, West Germans against their 'Eastern brothers' and all Slavs, northern Italians against southern Italians, and so on.

Northwest Europe would become, more than ever, a rich people's club, barricaded against demographic and religious threat from the South. To economic imperialism and cultural contempt could well be added 'eco-imperialism', whereby Northwest Europe would reject polluting industries not by questioning its own overconsumption but by sending them to its southern frontier.

This scenario strongly raises the question of what constitutes a 'legitimate Europe'. Which territories are to be called 'European'? In a recent book, called *The Empire and the new Barbarians* (Ruffin, 1991), Ruffin, a manager of the NGO *Medecins Sans Frontières*, presents the thesis that, in front of the prosperous North, the more and more chaotic South tends to come back to what it was in the early 19th century, a *Terra Incognita* where the 'white man' can no longer go, as the barbarian world against which the Roman Empire protected itself by a *limes* (a military frontier) with, just behind it, a buffer area ('marches'). This thesis correctly captures a good part of the situation.⁽³⁾ A hippy of 1968 could travel without problems from Europe to Katmandu, by coach. Today, that hippy would have to cross Kashmir, Pakistan, Afghanistan, Iran, and so on; and in the summer of 1991, even the road for holidays from Germany to Greece was cut by Yugoslavian civil war!

Thus, for the late Roman Empire, the *limes* is shrinking towards the very centre of Europe. So let us make guesses about the possible stable *limes* of Europe.

⁽³⁾ Things are more complex than this. The South, socially and culturally 'excluded', remains partly economically integrated with the world economy. More and more primary and manufactured goods are produced in the South for the North (see Lipietz, 1987). To follow up the analogy with the Roman Empire, it should be added that most slaves work outside the *limes*.

A first possible frontier would imply an extension of the present EC. It would encompass the former Austro-Hungarian Empire, and would reject the former Russian and Ottoman Empires, except, maybe, the Baltic Countries. By voting very early for the independence of Slovenia and Croatia, Germany expressed its choice for this scenario, not really with a full integration in the EC (with the social rights implied by it), but under the shape of a free-trade agreement and possibly allowing for economic migrations.

This variant takes into account a cultural frontier that is not exactly Christianity, but at least catholic and protestant; that is, latin Christianity (note, once again, that Greece should not belong to EC!). This frontier, which used to separate Prussia and Austria from Russia and the Ottoman Empire, reappears nearly untouched, seventy years after the Versailles Treaty, under the ruins of the Soviet Empire. In fact, in the Western part of the ex-Soviet Empire, liberal parties went to power. In the Eastern part of the ex-Empire, Communist parties transformed themselves into national-populist parties and kept power through free elections; in Serbia, Albania, Rumania, Bulgaria, Ukraine, Russia. These societies are still rural, with ancient and strong community-clientelist-type structures of governance, which had been parasitized (and often positively improved) by so-called 'communism'. They are still terribly susceptible to nationalism (whereas the unification of Western Europe is based on the recent experience of the horrors of nationalism) and to the prestige of bureaucratic elites. As such, they are 'Ottoman', including where intergender relations are concerned.

I say 'Ottoman' and not 'Turkish', because a great opportunity is opening for an ideal buffer-state: a Turkey that would become again Ottoman, that is, a Turkey that gives up the narrow Turkish nationalism which it had to adopt, after World War I, with Atatürk. Turkey (in competition with Russia, and maybe with Serbia) may recover its transnational vocation by federating the grey area between the southeastern European *limes* and central Asian *tenebras*. Excluded from the EC because of its special conceptions of human rights and by its occupation of Cyprus (a 'Scala Levantina' which is just as legitimately part of Europe as are Greece or Malta), Turkey may take its revenge (with the help of the USA, which needs a non-European ally at the gateway to the Gulf) by creating a new influence area for 'nonlegitimate Europeans within Europe'. For instance, Bosnia-Herzegovina, crushed between Croatia and Serbia, is calling for Turkish assistance; Albania, upset by the selfishness of Italy, will probably do the same, and so will the Turkish minorities of Bulgaria. Yet, in order to rebuild an 'Ottoman area', Turkey should convince not only Turkish minorities, but the whole of the 'nonlegitimate European countries', despite the dire memories of Ottoman domination. And this is precisely what is happening. On 3 February 1992, nine countries met in Istanbul for a project of economic cooperation around the Black Sea: Turkey, Bulgaria, Rumania, Moldavia, Ukraine, Russia, Georgia, Azerbaidjan, and Armenia!

An *intermediate* variant is of course the stabilization of the EC within its present southeast boundaries with a pretty fast integration 'à la carte' of EFTA countries, then, at the beginning of next century, of some Austro-Hungarian pieces. But this variant is unravelled from outside and from inside.

From outside: countries excluded from legitimate Europe are likely to be devastated by economical, ecological, and ethnic crises. Hence the interesting debate on Yugoslavia. If the French and Brussels's diplomacy pleaded for unity of Yugoslavia during the spring and summer of 1991, it was not a matter of anti-German bias, but because of the interest of a strong buffer-state. Moreover, the experiences of national secessions (the USA, Ireland, Pakistan) teach that there exists no 'clean secession'. Slovenia is an exception because of its homogeneity, but the secession

of Serbians within Croatia was unavoidable. National wars and economic crises on the fringes of the EC lead to an inflow of refugees. And anyway, a high differential of prosperity at the limes will induce tensions unnecessarily. Hence the interest for a strong buffer-state of Southern Slavs.

From inside: the wall of poverty also crosses the EC. This wall has been fought against from the beginning, in accordance with the Danaïds tactics, by transfusing money. But then, poor regions of Europe became regions 'in care', such as Corsica, the Mezzogiorno, and Greece. Certainly, transfusing money calms down bitterness and prevents migrations. It does not, in itself, create competitive regions. Even Eastern Germany nowadays presents the risk of Sicilianization. A huge market of unemployed people, redundant chemists and secret police, indicate that all the elements are here for the constitution of a Mafia.

Hence there is a tendency towards a *third* variant: the 'limes' would split the EC itself, giving up the regions less profitable for neo-Taylorism; regions which their local hegemonic block (see Lipietz, 1993) could not even organize as a basis for cheap labour-intensive exports. A Europe of commodities and capitals, free from its social *voler*, would push its poorer regions towards the other side of its limes, with only one privilege vis-à-vis more distant marches: free circulation of workers.

In fact, the attractiveness of this variant of the scenario makes for the weakness of the others. Because Europe is *not* able harmoniously to develop its own regions, it is afraid of the irruption of still poorer regions coming from the 'fourth circle', even from its Austro-Hungarian area, let alone from regions in the second and third circles. Europe is running the risk of closing against an 'external chaos', because it is already threatened by the problems of its inner periphery.

7 The new frontier, again

Another scenario is yet possible: hold up the free-market parts of the Single Act until there is a parallel ecological and social section in place; and make Eastern Europe, associated with the EC in ways already tried and tested for Southern Europe, into a kind of test bed for a move towards a confederate Europe, a social Europe (and an ecological Europe too, but this is another issue), but one made up of nations or regions with a certain sociocultural autonomy. This would mean massive aid and written-off debt by a reform of the international financial system, including to the Third World. This grand confederal Europe would reduce the danger of German hegemony and of 'small wars'.

What could be the rules, the modes of regulation allowing for this 'grand compromise scenario'? First, I have noted that the defensive attitude of EC against its limes is rooted in its own social instability. Thus, an 'open legitimate Europe' is first and foremost a social Europe, as opposed to a 'two-tiers Europe'. The idea is to block the flexible-liberal issue to the crisis, to foster 'negotiated involvement'. In order to do this, the more efficient method is to raise the threshold of social rights for workers of the whole of the EC: increase the minimum European wage and reduce the maximum labour time, extend social legislation and the welfare state, and so on.

But there is a rub, this step forward to social integration may generate a double exclusion. First is an *internal* exclusion. Some regions of Europe are not yet at a level of skill such that they could compete if there were an equalization 'to the top' of wage costs. Hence, integrating a region too quickly into the EC could lead to its disintegration, as in the case of East Germany. This problem could be solved partially by mutualizing at the Europe level a part of the cost of labour (for instance the cost of welfare) and of modernization; rich regions should then pay for poor regions. But this is insufficient. Positive discrimination and protection

should be allowed for, which fosters a faster endogenous regional development (as has been done for the integration of Spain and Portugal into the EC, during the 1975-85 transition).

Second is an *external* exclusion: the more the EC becomes integrated—notably through unification of its welfare state—the deeper will be the gap between the internal and the external sides of its limes. There will be more and more resistance to extend 'too generously' the same level of welfare toward the poorest inner regions, and, in order to protect the production of these very regions, there will be more and more tendencies to forbid imports of ultracheap products from the other side of the limes. This risk could be fought against only by smoothing as far as possible the contrast between the inner and the outer parts of the rim, thus by projecting the solidarity towards the exterior (to the Arab, Ottoman and Slav sides of the rim), by coordinating production (of textile and food products) between the two sides, and so on. The principle may be the following: successive neighbouring territories should be encouraged to increase, in parallel, their productivity, their ecological and social norms, and their inner markets (or their free time), until their economic evolution makes their integration into the EC mutually advantageous, and their cultural evolution makes it desirable on both sides.

It may be a dream scenario, but there are hopeful signs: pressure within the EC from unions, social movements, and most members of European Parliament for an ecological and social Europe in solidarity with other peoples; resistance by East Germany to the dismantling of their welfare state; and the emergence of a civil society in Poland and Hungary with reservations about IMF 'recipes' and the free-market approach of their governments. In the course of history, reason sometimes wins out. This is called progress.

A different Europe is possible—one that is ecological, social, and democratic in its overall decisions, but regionally diverse in its life-styles; tames blind market forces through a common base of social rights and ecological duties; and mobilizes its financial and technical resources to make standards of living equal in different regions. This can be the ideological cement and the mobilizing vision of European unification in the conquest of a new frontier—a new frontier in the East, and especially a new internal frontier; that is, a new frontier of solidarity with the Third World.

References

- Coriat B, 1990 *L'atelier et le chronomètre* (Christian Bourgeois, Paris)
 Coriat B, 1991 *Penser à l'envers* (Christian Bourgeois, Paris)
 Leborgne D, Lipietz A, 1990, "Avoiding a two-tiers Europe" *Labour and Society* 15(2) 177-199
 Leborgne D, Lipietz A, 1992, "Conceptual fallacies and open questions on post-Fordism", in *Pathways to Industrial and Regional Development in the 90s* Eds A D Scott, M Storper (Routledge, London) pp 332-398
 Lipietz A, 1987 *Mirages and Miracles: The Crises of Global Fordism* (Verso, London)
 Lipietz A, 1992 *Towards a New International Order. Postfordism, Ecology, Democracy* (Polity Press, Cambridge)
 Lipietz A, 1993, "States and regions in the face of the global capitalist crisis", in *Transcending the State - Global Divide: The Neo-structuralist Agenda in International Relations* Eds Palan, Gills (Lynn Rienner, Boulder, CO) forthcoming
 Ruffin S C, 1991 *L'empire et les Nouveaux Barbares* (J C Lattès, Paris)