

## It's the end of the EU as we knew it

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Oliver Hartwich | The New Zealand Initiative | 09 November 2015

Remember R.E.M.? The cult rock band's song "It's the end of the world as we know it" would make the perfect soundtrack to Europe's current crisis. It is indeed the end of Europe as we knew it. Except no sane observer could join in R.E.M.'s chorus "and I feel fine".

Nothing is fine in Europe these days. Since Angela Merkel singlehandedly opened Germany's borders to refugees, asylum seekers, migrants and any other nomads, the continent has been plunged into chaos. First and foremost, Merkel's irresponsible decision has created an existential challenge to her own country. But it also threatens to wreck the European Union – or, at least turn it into an entirely different organisation.

This week, the British Chancellor of the Exchequer George Osborne is visiting Berlin. Apart from catching up with his German counterpart Wolfgang Schäuble, the main purpose of his trip is to deliver the message that Britain might vote to leave the EU if it does not receive protections from an "ever closer union" with Europe.

Within the British Conservative party, Osborne may count as a pro-European. Reportedly, he even tried to talk the Prime Minister out of the plan to hold an "in or out" referendum on Britain's EU membership. But even Osborne now sounds increasingly harsh and hostile on the EU, for very good reasons.

The migration crisis, which Merkel triggered, exemplifies the dangers of an ever closer union better than any other development of the past decades. From the relatively safe distance of their islands, the British can watch with horror how the rest of Europe, most notably Germany, has to deal with an unending stream of migrants. The moat around Britain, and their country's absence from the Schengen Zone, delivers a very real protection from uncontrolled migration (with the exception of the Channel tunnel).

At the grassroots level of Osborne's Conservative Party, it is obvious what conclusions are drawn from the crisis. In an online opinion poll on the party's ConservativeHome website, nearly three quarters of Tory supporters voted in favour of a "Brexit", a British departure from the European Union.

There are good economic reasons both for Britain staying in and departing from the European Union. However, the Brexit debate is no longer about economic policy. The longer the refugee crisis drags on, the more Britain's referendum on EU membership will be about the question whether it wants to be part of a union that cannot even properly defend its borders anymore. And frankly, why would it?

Just as Britain is edging closer to an exit from the EU because of Merkel's refugee crisis, another country may be moving closer towards joining the EU. That other country is Turkey.

Last weekend, President Erdoğan won an absolute majority for his AKP party in Turkey's parliamentary elections. The way he managed to secure this electoral success may not comply with Western expectations of democratic processes. Erdoğan's constant assaults on press freedom should rule his country out of being a serious candidate for EU membership (unless the EU does not even pretend any more to be a value-led community).

Yet fortunately for Erdoğan's Turkey, none of this matters because the refugee crisis has turned Turkey into a key player. If Merkel wants to have any hope of stemming the tide of refugees, she needs to ensure that they stay in Turkish refugee camps. To ensure that, she has already signalled her willingness to pay Turkey for keeping Syrian migrants. She also changed her tune on her opposition to Turkey becoming part of the EU.

Before too long, we can expect Turkey to use the leverage presented to it by the refugee crisis to extort more concessions from Merkel. And how ironic would that be – to see liberal Britain depart from the EU while authoritarian Turkey joins – and both of them essentially for the same reason.

Merkel's political stupidity has exposed her to blackmail from Turkey – and from Greece. Again, it is completely ironic how the balance of power has shifted in Europe. Only half a year ago, it was the Greek government that was humiliated in Europe and had to give in to Germany's demands. The refugee crisis has changed that, too.

As one of the countries with external EU borders, Greece plays a crucial role, not unlike Turkey. The Greeks may now use their geographic position as a bargaining tool against Merkel. Writing in the German broadsheet Die Welt, Georgios Chatzimarkakis presented a novel idea – to use the refugee crisis to blackmail Germany into debt forgiveness for Greece. Chatzimarkakis is perfectly qualified to make such proposals. He is a former member of the European Parliament, elected on the ticket of the German Free Democrats. He was an honorary ambassador for Greece. Not so honourably, he had previously lost his PhD because of detected cases of plagiarism in his doctoral thesis.

And now, Chatzimarkakis – who really has not much reputation to lose – seriously suggests that Greek government should seize the moment and demand debt forgiveness for its cooperation on the refugee crisis. The craziest thing is this: the Greek government would be foolish not to use Merkel's weakness to its own advantage.

What this shows is how much Merkel's policies have reduced Germany's standing. Not so long ago, Germany was seen as strong and Merkel as one of the most powerful politicians in the world. Today, the British are preparing their departure from the EU, Turkey cannot believe its luck to be dictating its demands to Berlin, and even Greece may feel encouraged to stand up to Germany.

We are witnessing a fundamental shift of power within the EU. This shift of power has weakened Merkel's Germany and it will eventually lead to an EU that is very different from the EU that we knew. It is indeed the end of the EU as we knew it. Britain out, Turkey in and Greece debt free – who would have thought what seismic shifts the refugee crisis could trigger in the EU's power play?

And as for the appropriate R.E.M. soundtrack to the EU's future, it could be anything between "Walk unafraid" and "Losing my religion".



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