



SPECIAL REPORT

EUROPEAN DISUNION

The European Union Parliamentary
Elections and Russia's Invasion of Ukraine:
The Beginning of the End
of the EU and NATO?

Matt A. Mayer | May 20, 2014

OPPORTUNITY *Ohio*

Introduction

From April 21 to April 28, we conducted a fact-finding mission to Europe focused on the upcoming European Union (EU) Parliamentary elections and the Russian invasion of Ukraine. We focused on those two areas because of the impact instability in Europe could have on the U.S. economy, especially given the existing weakness across many EU countries and the EU's status as the top trading partner with the United States at \$649.2 billion, according to the U.S. Census Bureau.

We made stops in London, Amsterdam, The Hague, and Paris where we talked extensively with Members of Parliament, policy leaders, members of the media, and academia, engaging with leaders from across the political spectrum. We received candid feedback from virtually every speaker, including from individuals traditionally hesitant to engage publicly. To ensure this open dialogue continues on these and other issues impacting the transatlantic alliance, we will maintain our pledge of anonymity throughout this report.

The key points we learned were:

- The EU Parliamentary elections won't have much of an impact on the EU's operations;
- Those elections could have a substantial impact on national elections;
- In the short term, the EU will muddle along, but the rise of Eurosceptics across the EU will contribute to the long-term collapse of the EU;
- Europe is deeply fragmented on how to deal with Russia;
- The Red Line for Russia comes after it takes what it wants from Ukraine; and
- NATO will dissolve after Article 5's mutual defense agreement fails.

What does this mean to the United States? Potentially, a great deal. The EU is the top trading partner with America. Greater instability in Europe means an increased risk of an economic recession, financial crises, and even higher unemployment in European countries. This triple-threat hit could result in lower and middle class Europeans, especially newly arrived immigrants, engaging in extensive protests and possible rioting.

With the very weak GDP growth of 0.1 percent in the first quarter of 2014 and its continued weak job market, the last thing America needs right now is another global downturn. Such an event would plunge state and local budgets back into deficits as revenues dried up and exacerbated the debt and deficits in Washington, D.C. State and local pensions would take a severe hit, as well. The leadership vacuum left by the Obama Administration's leading-from-behind foreign policy doesn't make it easier for peace-through-strength to be achieved with Russia.

It is clear the problems in Europe will get worse.

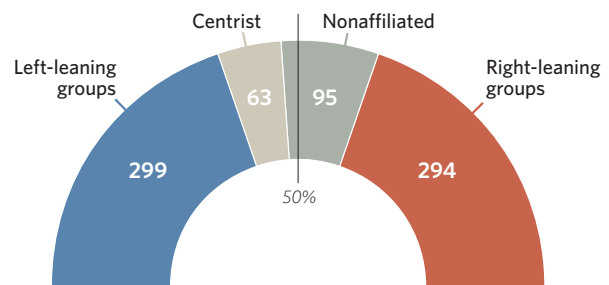
COUNTRY	EUROSCEPTIC GROUPS
Austria	Freedom Party of Austria; Alliance for the Future of Austria; Team Stronach
Belgium	Flemish Interest
Denmark	Danish People's Party; People's Movement Against the EU
Finland	The Finns Party
France	National Front
Germany	Alternative for Germany (AfD)
Italy	Five Star Movement; Northern League
The Netherlands	Party for Freedom
Poland	Law and Justice; United Poland
United Kingdom	United Kingdom Independence Party (UKIP)

The EU Parliamentary Elections

The Impact on the EU Institutions Will Be Minimal

From May 22 to May 25, EU Member States will hold elections for the EU Parliament. Voter turnout for those elections is expected to be low, with greater intensity from both the hardcore pro-EU and Eurosceptic voters. As a result, most analysts expect the makeup of the EU Parliament to become more polarized, with Eurosceptic parties increasing their share of members.

Because the EU Parliament has so few real powers and the Eurosceptic parties have heretofore been unable to form a pan-European party, this outcome won't have much of an impact on the internal workings of the EU. Even as recently as May 14, the fight between Marine Le Pen from



POLARIZED POLITICS. Projected results of EU Parliament. Source: Wall Street Journal, <http://graphics.wsj.com/european-elections-2014>.

France's National Front and Nigel Farage from the United Kingdom's UKIP doesn't increase the odds of a unified Eurosceptic coalition. A strong Eurosceptic showing could, however, beat the drum on the existential questions on legitimacy, sovereignty, and fiscal freedom on the minds of many citizens across Europe.

One thing remains certain: regardless of which country you visit, individuals in those countries see themselves as Germans, Italians, English, Irish, Dutch, and, in some cases, segmented even within a country (see the Flem-

ish and Walloons in Belgium) well before they see themselves as Europeans. Unless that sentiment changes, an expanded EU, whether as a federated entity or with greater competencies over defense and foreign policy, is highly unlikely.

As evidence of the unlikelihood of less nationalism in Europe, the comments of participants in a recent debate are illustrative. In a fascinating debate hosted by Harper's Magazine in February 2014 including five international experts, John Gray, Emeritus Professor of European Thought at the London School of Economics, noted:

[T]here are no genuinely multination-


al democracies in the world, and I don't think there will be ... any deeper commitment is political impossible. The depth of public opposition is profound. Whatever deeper integration happens in Europe, we won't take part. (35)

James K. Galbraith from the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin, concluded, "This idea of an integrated federal democracy in Europe seems to me to be an impossible hurdle at this stage." (38)

So where does that leave the EU? Chris-



POSTER POLITICS. The UK Independence Party has distributed a series of posters as part of their message that Britons have diminishing authority in their own country. Source: UK Independence Party.



tiane Lemke, the Max Weber Chair in German and European Studies at New York University, used a telling analogy to answer that question. Lemke observed, “But right now it’s like a swimmer halfway out from the shore. It hasn’t safely reached the other bank of the river, and it can’t really go back. It was a very risky project from the start.” (36)

Noting the historical reason for creating a supranational European entity, Emmanuel Todd of the National Institute of Demographic Studies in Paris remarked, “The idea was to make Germany a European country. What we have instead is Europe as a German power zone.” (37) During our fact-finding trip, one speaker referred to the EU as a “German transfer system” that will last as long as Germans are willing to subsidize the rest of Europe. This German-centric outcome is fraught with tension.

In the most telling exchange showing the tension between Germany and France, Ulrike Guerot, Associate for Germany at the Open Society Initiative for Europe stated:

We can’t have globalization, national sovereignty, and democracy. We have to decide what to skip. I don’t want to skip democracy, and I don’t want to skip trade. That means skipping this outdated notion of national sovereignty. (43)

In response, Todd deadpanned, “Let me just close by saying that in France we aren’t so keen on Germans telling us it’s time to lose our sovereignty.” (43) As much as some want to focus on the future, the echoes of the past still ring loudly for many. No amount of dialogue will alter that reality.


The Impact on National Politics Could Be Substantial

That said, the expected outcome of EU Parliamentary elections will have an impact on national politics in many countries. For example, if the Labour Party in the Netherlands loses seats in the EU Parliament, it will be the second straight election defeat they will have suffered. They also lost local elections earlier this year. These losses will raise doubts as to their role in the current coalition government in the Netherlands, which could result in its dissolution earlier than the 2017 national elections.

Similarly, in the United Kingdom, following the EU Parliamentary elections is the election for Scottish independence. One would think a large plurality of voters for the UK to retain more of its sovereignty from the EU would support a similar plea by Scotland. After all, as one speaker noted, the UK is a “reluctant” member of the EU that would likely withdraw if given the chance. The intellectual arguments of UKIP may lay the foundation for a majority “yes” vote for Scottish independence.

Additionally, UK Prime Minister David Cameron has pledged to put EU membership to a popular vote by 2017 should he win next May’s national elections. The EU Parliamentary elections won’t directly impact those national elections, but Mr. Cameron may be forced to take positions closer to UKIP should it do as well as projected.

For example, a Conservative Member of Parliament (MP) issued a letter asking Prime Minister Cameron to secure a veto for national parliaments over current and future EU laws, which 95 Conservatives co-signed repre-



senting one-third of the Conservative Party. One Conservative Party MP noted “The more time that goes on, the more sceptical the party gets about Europe.” These accommodations to UKIP could fracture his current coalition with the Liberal Democrats or give new life to the Labour Party.

Though some dismiss the ability of UKIP to translate its EU Parliamentary win to UK national elections next year, they do acknowledge that Mr. Farage is a very good insurgent politician who can attract alienated UK citizens, especially when the major parties have no clear vision for the future. It would only take UKIP increasing its current national election stance by a small, but meaningful, percentage to change the debate.

In Germany, when the top court held that a party did not have to meet the 3 percent threshold to secure seats, it gave an enormous opening for the far right National Democratic Party to make gains. The ruling wouldn’t appear to impact AfD, as it is polling above 7 percent in current polls.

In France, Ms. Le Pen’s efforts to modernize National Front from the anti-Semitism of her father to an anti-immigrant, Eurosceptic party appears to be bearing fruit. Current polls have it coming in second at 20 percent, just 2 percent behind the center-right Union for a Popular Movement. National Front did exceptionally well in recent local elections in the jurisdictions where it ran candidates. A victory in the EU parliamentary elections would add credence to its growing clout.

Keep in mind that Ms. Le Pen came in third in the 2012 national elections at 18 percent, only 10 percent less than then-President Nicolas Sarkozy. If Ms. Le Pen can continue to expand


National Front’s presence across France, she could shock the system in 2017, as her father did once when he secured a spot in the runoff election for President.

Finally, though we did not spend time in most of the other EU Member States – having targeted those with most recent Eurosceptic activity, as noted above, many of those countries possess strong Eurosceptic parties. If those various groups win pluralities or strong minorities in the EU Parliamentary elections and, more importantly, those groups can put aside their differences and form a pan-European Eurosceptic party in Brussels and Strasbourg, they could institute a strategic and systematic long-term plan to foment greater Euroscepticism across Europe, with the goal being to increase the issue of EU legitimacy for local and national elections.

The EU Will Muddle Along Until It Dissolves

Across Europe, a strong showing by Eurosceptic groups in the EU Parliamentary elections also could spell the beginning of the end of the EU. Specifically, if enough Member States have a sizable Eurosceptic vote, it will put the EU in a status quo posture where it will muddle along over the next few years without gaining new competencies.

Many Europeans already express concerns over the legitimacy of the EU given its lack of true democratic mechanism. It also will be crystal clear that there is most definitely not support for an EU defense force or an EU foreign policy. In conjunction with this stall on national security issues, the EU fiscal restraints and immigra-



tion policies will continue to negatively impact many Member States, especially if another global recession hits in the near future.

One fascinating discussion illustrated the growing power the EU has over Member States. In the Netherlands, the Parliament was just about finished crafting the national budget, but had to send it to Brussels to get final approval from the EU to ensure it met the 3 percent deficit limit set by the EU. The equivalent would be if states in America had to get approval from Washington, D.C., on their budgets—something that would never be agreed to by governors or state legislatures. Even worse, Europeans have never voted to give such power to the EU.

The fundamental problem in the EU is that it really boils down to an all or nothing enterprise. As they say, you can't be "half-pregnant." Either the EU will become a federated United States of Europe, which most people see as highly unlikely, or it will collapse under its own weight. Each EU Member State wrestles with issues unique to its current state.

For southern countries, the Euro restrains them from devaluing their currencies to reduce the enormous debts they carry. With high levels of debt, attracting foreign investment and spurring entrepreneurship become high hurdles.

For northern countries, open borders increases social costs and undermines the employment opportunities and wages of citizens. This leads to higher levels of animosity and discrimination as older citizens see their wages fall or work being given to "cheaper immigrants." The over forty-five year-old northern European who played by the rules feels betrayed when he faces long-

term unemployment. It also reopens long-held stereotypes about southern and eastern Europeans, especially when Greeks protest for more generous benefits and organized crime elements from the east establish operations in western European countries.

In some cases, the actions by the EU Court of Human Rights to invalidate laws passed by national assemblies on issues such as terrorism and the voting rights of prisoners is seen as a direct attack on a nation's sovereignty and security. One can imagine the campaign against the EU should a terrorist strike succeed in Europe after the EU threw out measures that would have potentially stopped the attack. It is a crisis that becomes more real as individuals with European citizenship return from fighting in Syria and other terrorist hot spots.

For many Member States, the EU has become a Christmas Tree with too many bulbs that are too heavy for their countries to bear. As a result, the EU faces death by a 1,000 cuts. The next major inflection point may come should the UK vote against the EU in a national referendum. No one can say what the future holds for the EU, but it wouldn't be a surprise if it contracted to the original inner six countries while maintaining the continent-wide free travel and trade elements.

This unraveling would be crisis-prone, costly, and full of unintended consequences. Its impact on the U.S. economy and our political landscape would be enormous, especially as the Transatlantic Trade and Investment Partnership remains in flux. That is why it is critical for policymakers in America to keep an eye on Europe as this issue unfolds.



Russia's Invasion of Ukraine

The Fragmentation of Europe

A vivid example of the failure of the EU is the fragmentation of responses across the EU on Russia's invasion of Ukraine. The Eastern European EU countries obviously view Russia's aggression as an existential threat—they've only recently escaped the Russian bear. Poland and the Baltic States know a show of force and strong resistance is the only thing that will stop Vladimir Putin.

In contrast, Western European countries, especially Germany, are already weakening their responses to Russia due to pressure from businesses and Europe's reliance on natural gas from Russia. Unlike America's relatively small trade with Russia (\$26 billion), EU-Russia trade hit \$370 billion in 2012. In terms of energy, roughly 30 percent of the EU's natural gas comes from Russia, which, when coupled with the EU's opposition to hydraulic fracturing to expand its own natural gas production, renders it a captive audience. This weakness presents an opportunity for America and its businesses to ship natural gas to Europe that will help free Europe from its dependence on Russia and strengthen the transatlantic alliance. Unfortunately, the Obama Administration hasn't enthusiastically embraced this unique opportunity that is a win-win for both continents.

The success of turning Russia west after the collapse of the Soviet Union is, ironically, now one of Russia's strongest bargaining chips. Even

during our short trip we noticed the increase in Russian-speaking tourists in London, Amsterdam, and Paris.


Somewhat more troubling is the apparent support Putin is receiving from the Eurosceptic leaders across Europe. The support straddles a fence between the desire for isolationism and admiration of Putin's geopolitical strategic moxie. Groups expressing these sentiments hail from Austria, Belgium, France, Italy, the Netherlands, and the UK, as well as several former eastern block countries.

The events in Ukraine have exposed the limits of Europe's ability to project power. The emperor, in fact, has no clothes. As one speaker astutely observed, the reliance on soft power renders democratic nations feckless in the face of non-democratic actors.

Given that reality, a core underlying issue receiving too little attention is the promise made to Ukraine to protect it in return for giving up its nuclear arsenal. As this promise gets tossed aside, the message to other leaders across the globe is clear: don't rely upon America and Europe to keep their defense commitments. The appetite for intervention in Ukraine or anywhere is low on both continents. Time is on Putin's side.

The Red Line Comes After Losing Ukraine

The fragmentation of views across the EU means that it will not take a strong stance against Russia. Russia's actions in Ukraine should not have surprised America and Europe. As far back as 1996, Samuel Huntington in his classic book *The Clash of Civilizations and the Remaking of*



World Order noted the two approaches to the possible breakup of Ukraine. Huntington wrote:

While a statist approach highlights the possibility of a Russian-Ukrainian war, a civilizational approach minimizes that and instead highlights the possibility of Ukraine splitting in half, a separation which cultural factors would lead one to predict might be more violent than that of Czechoslovakia but far less bloody than that of Yugoslavia. (37)

Based on events in the Crimea and now eastern Ukraine, it appears the approach is a hybrid one using both Russian war assets and native Russian-speaking Ukrainians to agitate for a split.

As one MP noted, Putin knows European countries will not send troops to Ukraine. In fact, in one of the most stunning admissions we heard, the “red line” with Russia was noted to come after it takes the territory it wants from Ukraine. Poland and the Baltic States should be very concerned with what might come next. Most experts don’t believe Putin will stop once he takes eastern Ukraine, believing he wants to create the largest buffer zone against the West that he can – which means he must push into the Latvia, Lithuania, and Estonia (Belarus remains a pro-Russian country).

On this point, Russian history is a stark guide to the future. The maxim stated roughly 100 years ago by Vladimir Lenin to “probe with a bayonet: if you meet steel, stop. If you meet mush, then push” applies to Putin’s actions today. Thus far, Putin has met nothing but mush.

As another speaker noted, controlling those

“This is only the first sip, the first foretaste of a bitter cup which will be proffered to us year by year.”

— Winston Churchill on the Munich Agreement

countries doesn’t necessary mean invading them; rather, Putin can continue to push for regional control via proxy groups under the guise of protecting Russians. As with Ukraine, it is likely Russian special forces have moved into the Baltic States to increase instability and foment pro-Russian protests. The EU can ignore Russian actions in Ukraine because it is not a member of the EU or NATO, but the Baltic States are members of both groups. Should events in Eastern Europe escalate, NATO and its members will be faced with a stark choice under Article 5.

The Failure of NATO and Article 5

The twenty-year decline of defense budgets across the EU has more than spent whatever peace dividend came after the fall of the Soviet Union. Yet, the constant pull of the social welfare entitlements weighed down by sluggish economic growth across Europe renders new defense spending a virtual non-starter. Russia has its own economic troubles, which may be why Putin is rekindling nationalism in Russia. If Russians are focused on the “threats” from the West, they may be willing to endure more anemic economic conditions at home. Just as Adolph Hitler used the militarization of Germany to



rekindle the German economy, Putin may see a similar opportunity in Russia.

George Friedman presciently described the exact scenario we are facing five years ago in his book *The Next 100 Years: A Forecast for the 21st Century*. Friedman noted:

Ukraine and Belarus are everything to the Russians. If they were to fall into an enemy's hands—for example, join NATO—Russia would be in mortal danger. Moscow is only a bit over two hundred miles from the Russian border with Belarus, Ukraine less than two hundred miles from Volgograd, formerly Stalingrad. Russia defended against Napoleon and Hitler with depth. Without Belarus and Ukraine, there is no depth, no land to trade for an enemy's blood. It is, of course, absurd to imagine NATO posing a threat to Russia. But the Russians think in terms of twenty-year cycles, and they know how quickly the absurd becomes possible. ...

The reabsorption of Belarus and Ukraine into the Russian sphere of influence is a given in the next five years. When that happens, Russia will have roughly returned to its borders with Europe between the two world wars. It will be anchored in the Caucasus in the south, with Ukraine protected, and in the north its borders on the northern European plain will abut Poland and the Baltic countries. That will pose the questions of who the most powerful country in the north is and where the


precise frontiers will be. The real flash point will be the Baltics. (112–113, emphasis added)

Ultimately, the question will come down to this: does Putin believe the western European countries, especially Germany, will come to the defense of the Baltic States (and Poland) under the mutual defense obligation of NATO Article 5? Many believe Germany would reject Article 5, thereby rendering the final deathblow to NATO. Again, Friedman notes:

Russia's basic strategy will be to try to break up NATO and isolate Eastern Europe. The key to this will be the Germans, followed by the French. Neither of them will want another confrontation with Russia. They are insular nations, and Germany is dependent on Russian natural gas. (116)

Is this a possible scenario? Remember, just in the last few months, former German Chancellor Gerhard Schroeder spent his birthday at dinner with Putin and sits on the board of Gazprom, the largest Russian energy company responsible for 10 percent of Russian GDP. If Friedman is right and Putin succeeds, this outcome would be an enormous victory for Russia. Putin not only would have recreated large aspects of the Soviet Union, but he also will have defeated NATO—something that has vexed Russia for nearly sixty years. Russian nationalism would be off the chart, as polls are already showing.

As with the stability of the EU, Russian aggression in Ukraine and beyond will cause economic ripples across the world. Dictators,



despots, and terrorists are watching how weak the West has become. Because no one can say with certainty what will happen and when potential tipping points may occur, uncertainty will be our constant companion.

Conclusion

Admittedly, it is quite possible that our time in Europe and what we heard consistently becomes a Shakespearean “Much Ado About Nothing.” We sincerely hope that is the case.

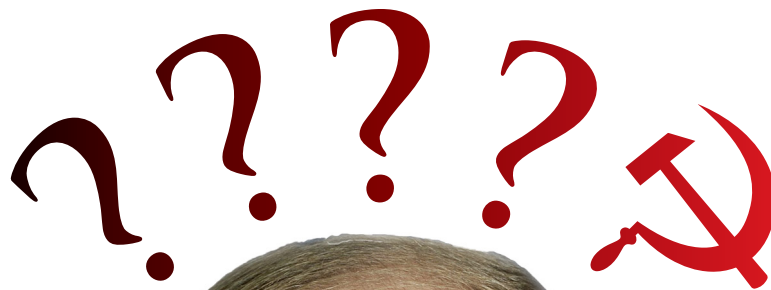
Unfortunately, history teaches us that we should expect the unexpected and prepare for the worst.

Nationalism in many European countries runs deep, as this summer’s World Cup will show. As our friends across the Atlantic look

at what has become of the federalization and centralization of power in America, they see dysfunction, government run amok, and widespread dissatisfaction with Washington, D.C. It is unlikely they will follow us by willingly giving more power to Brussels. Instead, they will seek to take back some of what the EU has taken.

At the same time, Russia will exploit Europe’s internal disagreements to rebuild the Soviet Union. As Putin stated in 2005, “the collapse of the Soviet Union was a major geopolitical disaster of the century.” Putin sees weakness in Europe and in an American President with no discernible foreign policy. Weakness emboldens tyrants. Sadly, the Russian bear is back in the woods. How much damage will he do before he is stopped?

The answer to this question may define the next decade.



About the Author

Matt A. Mayer serves as President of Opportunity Ohio. In December 2013, Mayer's book *The Founding Debate: Where Should the Power Over Our Lives Reside?* came out, joining *Taxpayers Don't Stand a Chance: How Battleground Loses No Matter Who Wins (and What to Do About It)* and *Homeland Security and Federalism: Protecting America from Outside the Beltway (with Foreword by the Honorable Edwin Meese III)*.

Mayer was a senior official at the U.S. Department of Homeland Security under the leadership of Secretaries Tom Ridge and Michael Chertoff where he provided DHS leaders with policy and operational advice as the Counselor to the Deputy Secretary and where he headed the \$3.5 billion terrorism preparedness office charged with developing initiatives to transform America to meet the demands of a post-9/11 environment.

Mayer came to DHS from Colorado where he served Governor Bill Owens as the Deputy Director for the Department of Regulatory Agencies. Mayer co-developed Colorado's Regulatory Notice system that utilizes electronic mail to notify stakeholders of all proposed regulations before those regulations become final. The Regulatory Notice system earned the *Denver Business Journal's* 2003 "Innovative

Product/Service Award" for making government more transparent and accountable.

Mayer was a 2007 Lincoln Fellow with The Claremont Institute for the Study of Statesmanship and Political Philosophy and a 2006 American Marshall Memorial Fellow with the German Marshall Fund of the United States. In September 2005, The Ohio State University Alumni Association awarded Mayer the William Thompson Oxley Award for early career achievement. At the age of 29, the *Denver Business Journal* recognized Mayer as one of Colorado's young leaders by naming him to its "Forty Under 40" list. In 1997, Mayer was the recipient of the ABA-BNA Excellence in Labor & Employment Law Award and was recognized as a Public Service Fellow. He has written articles for law reviews, public policy journals, and newspapers; given testimony to the U.S. Congress, the Texas House and Senate, and the Ohio House and Senate; and appeared on Fox News, C-SPAN, and other major media outlets.

Mayer graduated from the University of Dayton and received his law degree from The Ohio State University College of Law. Mayer resides in Dublin, Ohio, with his wife and three children.



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