The Eurozone, the dynamic core of a European Federation

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The European elections will allow us to take stock of the European Union, to assess the progress made in combating the financial crisis and the extent of the damage to the economy and European society. The sluggish revival of economic growth is not triggering a clear drop in unemployment; companies going bankrupt, poverty and a general sense of depression amongst the population are all factors which have sapped European drive. Jean Monnet’s strategy of integration sector by sector ultimately leading to a political Union has reached the end of the line. Worse still, the spillover has been reversed due to the shock of the crisis and the negative effect of austerity.

Admittedly an arsenal of measures have been taken to avoid the disintegration of the Eurozone, but certain crucial questions have not yet been answered: can the euro survive in the long term without the implementation of a real economic union and in the absence of fiscal and budgetary federalism? Moreover, can the 18-member Eurozone survive and grow without a political Union and strong social cohesion? It is more and more obvious that the Member States of the Eurozone have a decisive choice to make: either they must embark on the path towards a federal political Union or accept the demise of the euro in the long run. Since coins were first invented thousands of years ago, we know that minting money is a sovereign act, a symbol of political power. No currency has survived without a political armature, in the form of a City or a State. Consequently, the Eurozone urgently needs to be strengthened by placing it within the framework of a federal Union.

Increased economic union

Ironically the 18 members of the pioneer federative core continue to function according to the intergovernmental method, whilst being part of a Union within which the community method is becoming widespread in the areas of the «economic community» component. Therefore the Eurozone must urgently be converted to the community method by including the Commission and European Parliament, in an 18-member configuration, in the decision-making process according to qualified majority. A step has already been taken in this direction by the establishment of the Eurozone Summit. In turn the ECB, which has increased its responsibilities, could in future be given competences as regards debt, growth and employment. Proposals abound concerning the European Stability Mechanism (ESM), an economic stimulus fund, the adoption of a budget of 3% of GDP within the Eurozone. The debate about macro-economic policy is in full swing, completely unintelligible for the vast majority of citizens. For them, their main concern is job insecurity, the high cost of living for a family, in a
nutshell everyday worries which seem so far removed from the realms of high politics of our European leaders. European citizens are directly affected by the repercussions of austerity, spending cuts in the field of welfare and education, along with salary cuts and reduced purchasing power. The dream of prosperity promised by a United Europe has turned into a nightmare, with no hope in sight. Hasn’t the time come to launch a European Project?

Austerity is a breeding ground for the reemergence of nationalism, together with the rise of extremist parties and movements supported by the despair of those social classes which have been sacrificed. As a result, there has been an alarming increase in the number of extreme right-wing parties such as the National Front in France and its Dutch ally, or extreme left-wing movements, anti-European protestors who use the Union and Brussels as a scapegoat. The political situation in Greece is dramatic, with the coalition government majority hanging by a thread. According to polls Syriza, a party of a rather dubious nature, is in the lead, followed by New Democracy, and in third position there looms the threat of the neo-Nazi movement « Golden Dawn »! The latter is characterised by its racism and its violence, which is counterbalanced by the assistance it provides to the most disadvantaged classes of the population.

**Increased political Union**

The cradle of democracy is in danger, yet we choose to ignore this by allowing the Troïka to carry on with its austerity policies. The case of Greece is far from unique. The recent election of a neo-Nazi at the head of Slovakia's Banská Bystrica region is a shocking reminder that xenophobia and europhobia in the guise of an anti-Roma campaign is threatening Europe’s fundamental values. Added to this is an abundance of populist movements. Spreading like wildfire via the social networks, they all seem to concentrate on undermining political systems and, to an even larger extent, the economic and social fabric. So many concurrent dangers which are darkening the European sky and in the light of which the proposed measures are likely to prove ineffectual.

Centripetal forces are at work within several European countries. In the United Kingdom, while Scotland is preparing for a referendum on its independence, Prime Minister Cameron has promised to organise a referendum on membership of the European Union under pressure from the UKIP and from a group within his own party. At the same time, the Flemish Region of Belgium is demanding its autonomy, while the government of Catalonia is putting pressure on Madrid to launch a referendum on its independence. Added to this resurgence of nationalism, we find an increasing number of regional independence movements. In order to satisfy at least some of these demands which would lead to a proliferation of micro-States, wouldn’t it be wise to establish a « Senate of the Regions » within the political Union, along the lines of what was proposed by the German Länder during the negotiations on the Maastricht Treaty? This would be a means of reinforcing the autonomy of Regions and large Cities, and at the same time guaranteeing their participation in the legislative process.

The fact that the crisis is threatening democracy within the European Union is a wake-up call for European leaders and citizens. There is an urgent need to take Chancellor Merkel’s warnings seriously concerning the dangers which not only the

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1 Alexis Tsipras, leader of Syriza, is the head of the European Left in the European Parliament.
euro but also the whole Union are exposed to for lack of a political Union which makes provision for a government and a Second Chamber. These cautionary words are relayed by President Hollande’s speeches in favour of an economic government and a global strategy, including a real common foreign and defence policy for a Europe speaking with one voice. France’s military interventions in Mali and the Central African Republic are just such examples of actions and initiatives which in future should fall within a global strategy.

Daring to commit to a European Federation

On a global scale, the new balance of power and the challenges posed by the emerging powers such as China, India and Brazil, Russia’s resurgence, require a common response if the Union aims to hold sway within the G20 and on the global playing field. The violent nature of the conflicts in the immediate surroundings of the Union, as well as the threats made by terrorist groups and criminal organisations all plead the case for the creation of a European Federation. It goes to show that there is an urgent need for the Franco-German couple to take the lead, backed by Italy and with the support of the Commission and the European Parliament. Even if it may be difficult to imagine a 28-strong political Union, it is nevertheless imperative to start with the Eurozone while allowing other Member States the possibility of joining. History has taught us that those federations which survived were constituted around a federative core.

A political Union would enable European cohesion and solidarity to be restored. It would allow the introduction of eurobonds in support of the European New Deal, which would include the financing of large-scale projects in the areas of infrastructure, communication, research and innovation, which would imply renewed impetus for education and training; a package of immediate measures providing a strong boost to employment and to the structure of small and medium-sized companies, the main employment providers. This would result in a revival of the dynamics of integration within the Eurozone and, consequently, within the European Union.

Let’s hope that the coming European electoral campaign will concentrate on presenting concise and intelligible proposals for a European Federation, for the European New Deal. These are the major topics likely to rekindle hope amongst the citizens of the European Union.