

A European's viewpoint

## Europeans care about the EU's future

BY *DUSAN SIDJANSKI*\*



The Member States of the Eurozone have a decisive choice to make regarding the future of Europe : either they must embark without delay on the path towards a political Union or accept that Europe is on the decline. Since coins were first invented some three thousand years ago, no currency has survived without sovereign power. Clearly Jean Monnet's strategy of integration sector by sector has reached the end of the line. The spillover has been reversed due to the shock of the crisis and austerity measures. This display of financial bargaining is out of tune with the high hopes invested in the Union. The trust placed in the « pioneer federative core » by Europeans and those States which adopted the euro as their reserve currency has been shaken.

Austerity policies have reduced Greece and Spain to the verge of ruin : unemployment affects 26% of the working population and 60% of young people, while debt and also poverty are increasing. Austerity is a breeding ground for nationalism and populist movements, Europhobes and neo-Nazis, venting the despair of those social classes which have been sacrificed. What happened to the promise of collective development ?

The worsening situation in Greece and the destruction of its social and economic fabric are a warning signal. Feelings of uncertainty and fear are aroused by the spectre of default. Greece's collapse would cause a massive domino effect. The *Financial Times* points out that in spite of the fact that investors may be aware of certain indications of economic

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performance, they are concerned about the political risks which Spain as well as Portugal, Italy and Ireland have in common with Greece.

The five Presidents recommend improvements to the Economic and Monetary Union (EMU) : sanctions must be counterbalanced by incentives, converging the economies and reforms are to be encouraged, the European Stability Mechanism (ESM) must be replaced by a European Monetary Fund. However, no mention is made of the institutions. Ironically the avant-garde core functions according to the intergovernmental method within a Union where the community method is becoming widespread, except in the area of common foreign and security policy.

The core must conform to the framework of the Lisbon treaty and beyond. Following the example of the Eurozone Summit – a 19-member European Council - the Council, the Commission and the European Parliament will act in a 19-member configuration. It is essential that the community method is resumed, namely proposal from the Commission and codecision of the Council, according to qualified majority, and the European Parliament by simple majority vote. This would guarantee greater efficiency, transparency and democratic control, with the Commission being the only institution accountable to Parliament. According to this setup, the Court of Justice would regain its full potential and the ECB would enjoy increased powers, enabling it to support policies to promote growth and employment. If need be, « urgent decrees » could be adopted and submitted to Parliament within an agreed period. This first step should be followed by the development of a federal political Union, with a new comprehensive view towards solidarity and trust.

Political Union is the only effective response to internal crises. It would enable recourse to *eurobonds* and to the *European New Deal*, thereby padding out President Juncker's investment plan. It will provide an opportunity to launch European-wide, large-scale projects in the field of infrastructure and communication, research and innovation networks, culture and education. In other words, give a strong boost to European brainpower as well as to SMEs and start-ups, the main employment providers.

External threats are not to be underestimated : Ukraine, Russia's exclusion, the arms race, terrorism or organised crime, and more recently the human tsunami of migrants. History has taught us that those federations which have flourished were constituted under threat, as

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demonstrated by the birth of the Swiss federal State. This is surely the price to be paid if the euro and the Union are to survive and to assert themselves on the world stage.