

Lunch Session II: Monica Frassoni

Tuesday, November 5, 2013

Sponsored by: **EU Center of Excellence and the Center for European Studies**
Introduction: **James K. Galbraith**, Professor and Lloyd M. Bentsen Chair in Government and Business Relations, The University of Texas at Austin
Closing Keynote Address: **Monica Frassoni**, Co-President of the European Green Party
Rapporteur: **Christine Foster**, Masters Candidate in Public Affairs, LBJ School of Public Affairs, The University of Texas at Austin

Following a brief introduction by Dr. James Galbraith, Monica Frassoni began by arguing that the Eurozone cannot be saved without a redemption of the European project in its entirety. She explained that she means that the core values of the European Union and process of European integration must be confirmed and upheld to provide a meaning solution to the dilemmas facing the common currency.

Frassoni related this confirmation of the European project to the specific objectives of the European Green Movement. To that end, she framed Europe as a space in which democratic institutions might be further developed, in which a Green New Deal should be launched, and in which income and wealth inequalities might be dramatically reduced. She indicated that a major danger facing the Eurozone comes in the form of conversations regarding its institutionalization as a members-only arrangement. For instance, she argued, the European Commission, the European Parliament, and the Court of Justice represent institutions that cannot and should not be divided or replicated. A country's adoption of the Euro, however, should not be the principal criteria by which it participates within the European project.

Regarding various levels of involvement within the European project, Frassoni argued that member states ought to maintain the extent of their respective integration into European systems and institutions. That said, she identified a baseline for participation in a country's will to share sovereignty and a desire to "find a common pathway to shape the future of Europe." The expansion of the Eurozone must therefore be based upon the European Union's definition of how to define the terms of participation for member states reluctant to join the common currency.

Frassoni hypothesized that the Eurozone crisis and the legitimacy crisis of the whole European Union emerged through an austerity-driven ideology that fundamentally advocates for dramatic spending cuts, regardless of where those cuts might occur or who they might effect. She speculated that this austerity impetus combined with the European Union's reliance upon unanimity in the decision-making process. This system also presents member countries with the feasible option of re-nationalization over solving problems collaboratively and in the common European interest. The combination of these two factors, Frassoni argued, helped to elongate the Eurozone crisis.

Frassoni then identified three 'false truths' that prove recurrent within on-going debates surrounding the fate of the Eurozone: 1.) the markets are posing challenges to democratic institutions to which such institutions simply cannot respond; 2.) re-nationalization represents a viable last resort for many member states and closing off from the rest of the zone provides an

escape from wider European challenges; and 3.) European democratic accountability can only be exercised through national institutions and governments.

A broad remedy to these “false truths”, Frassoni argued, lies in reassuring both the European public and the markets by ensuring that there will be no further cuts in spending and that austerity regimes will not be extended. She indicated that such spending cuts actually prolong the crisis by generating social anxiety and uncertainty that infects the markets. She argued that markets actually demand a coordinated and coherent European economic union, able to provide public support through welfare programs and sustainable economic activity. Frassoni contends that financial markets are concerned with social policy and low unemployment as addressing such issues creates stability that promotes economic growth. Continued European integration and that regulation of the Eurozone are therefore viable from the perspective of Europe’s financial markets.

To accomplish, she argued, political innovations are necessary at the level of European governance. In particular, Frassoni emphasized the role of supranational European democratic politics. An invigoration of European politics at this level would involve parties, civil society associations, trade unions, and individual citizens coming together around the common goals of financial reform and increased integration of the European community. She highlighted the work of the campaign, ‘Another Road for Europe’ and its work toward these goals at the level of civil society. More explicitly, Frassoni argued against a tendency toward a re-nationalization of European Union policy and a de-democratization of financial decision-making, particularly in the context of addressing downturns and crises.

Frassoni then proposed the construction of a proposal that details potential democratic reforms for the European Union and goes hand-in-hand with financial policy reforms. Without achieving that goal, she forecasted the increasing prominence of Euro-skeptic parties like the True Finns, Lega, and the Dutch Party for Freedom. This rising prominence, she argued, when combined with the fragmented nature of economic and monetary policies across Europe, might have a more damaging effect upon the European project than the mere collapse of the common currency.

Regarding the depth of democracy within European decision-making, Frassoni argued that the primary problem in terms of financial policymaking is not too much democracy and discussion, but rather an absence of it. She then emphasized that many critical decisions regarding European budgetary issues generally occur behind closed doors and that the majorities governing the European Parliament do not effectively use the power they have.

Looking forward, Frassoni forecasted that the coming European elections present an opportunity to launch the structural reforms for which she advocates. She concluded by arguing for an alliance during those coming elections around three basic issues: 1.) regulating and reforming the European financial sector; 2.) launching the Green New Deal — doing the utmost in the ecological reconversion of economy and society; and 3.) establishing a democratic project that mobilizes voters and emphasizes increased participation at the European level. The major immediate challenge, she reiterated, stands in redeeming the whole European project and not simply shoring up the Eurozone.