



## Can the Eurozone be saved?

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First, I would like to thank Professors Galbraith and Varoufakis for the great occasion they gave me to spend these very intense and inspirational days at the Conference and incidentally to observe that also economists can have a militant and warm heart.

So “*Can the Eurozone be saved?*”: I would reformulate the question: **can the Eurozone be saved without the rest of the EU?**

In other words, should our ideas for the EU of the future be limited and determined by **the belonging to the Eurozone** or should it be defined by other values, objectives, issues? **My opinion is that there will be no salvation for the Eurozone, unless the EU as a political project of political integration is saved.** And this goes of course much beyond deciding which economic governance is necessary to deal with the financial and market turbulence or the stability of the euro. The first consequence of this approach is that we should **reject any proposal of institutionalization of the Eurozone and of creation of new “Eurozone members only” institutions:** the Commission, Parliament and the Court of Justice are EU institutions and cannot be sub-divided or replicated. **There can and there should be a choice for Member States to accept further integration steps or not.** But such a choice should not be based on membership of the Eurozone or the respect of the Maastricht criteria, but on the will to share sovereignty and to find common pathways to shape the future of Europe. And already in the Lisbon Treaty there are provisions to allow a member state to leave the Union. The EU will need to define the terms of participation of Member States who choose not to accept further or full integration, in negotiation with them and on the basis of existing agreed commitments, as already suggested long ago in the very first project of full political Union adopted by the European Parliament almost exactly 30 years ago, on initiative of the most original and bright “father” of modern European federalism, Altiero Spinelli.

It goes right to the heart of the question of knowing what purpose the EU must serve. In my view, the EU must be the institutional and political framework to implement a space of freedom and democracy in full respect of national and cultural identities and priorities, but having in mind first and foremost the common interests; it is the place which has a sufficient scale to fight the global challenge we are facing today, that is to say the need for economic and social, democratic, ecological transformation. For us Greens, it is very clear that we will not be able to find real solutions within national borders: we need a working and legitimate EU to implement our Green New deal plan. I know that you may think that this is just naïve wishful thinking; I believe on the contrary that it is a realistic approach and a legitimate aspiration, after years of cynicism and no-solutions brought forward by the representatives of the neo-liberal self-named “RealPolitiker” since 2007 and even before that. In order to respond to wrong policies and to the increasing “de-democratisation” of EU and national decision-making, we need to create a **supranational European democratic space.**

In other words, we have to change the way the EU operates away from the diplomatic horse trading among governments and at the same time change its policies. These two elements must be kept together.

**I am convinced that unless we get parties, associations, trade unions, citizens and groups to understand that it is not enough to fight to change their own governments and their “austerity uber alles” policies nationally: we must mobilize to change Europe. Otherwise, we will not manage to get the necessary strength to ensure that the “deeper” political integration that many people are now talking about will be something radically different than the Troika (ECB, Commission and IMF) putting its liberist nose in national budget laws: we need a “democratic front” able to unite on a few strong proposals to take “another road for Europe”, well on time before the EU elections of 2014.** Some of the civil society movements active in many member states and some of the best politicians must direct their fight to change the EU. We have not only to replace Merkel, Rajoy, Letta. We have to get rid of Barroso and Van Rompuy as well. From this point of view, it is very sad to see that, 8 months before the next EU elections, many socialist parties are incapable to go beyond a few generic words about “the need to go beyond austerity” and to set a real alternative European wide common action plan; the northern so-called progressive parties are stuck with the fact that their electorate has been told for years that they had to pay for the lazy southerners; the countries today experiencing the devastating effects of these policies did not understand that going each alone will not do; only creating a common front around an alternative plan not only among them, but also with the most progressive social and political forces that do exist all over the EU they will be able to revert the current impasse. **So what we still miss in Europe is an alternative plan carried by European progressive forces, based on the clear and irreversible determination not to come back to old divisions, borders, currencies and on the idea that the EU must be changed but not dismantled. We Greens are ready to work to build this plan.**

During these two days, we heard many ideas about what to do to change the economic governance of the EU. I will deal with some other elements, which are also indispensable to change the present dire perspectives of the EU.

I am firmly convinced that among the reasons why the euro-zone crisis became a legitimacy crisis of the whole EU project the lethal combination of three factors, which created the illusion that it was possible to save the “euro-zone” forgetting to save the “Europeans”: **an ideology** believing that the worst evil is public spending no matter which spending; **the urge** to reassure “markets” completely hiding the fact that reassuring markets is not always the same as strengthening real economy; and a **EU decision-making system** forcing unanimity and renationalisation over common interests. There are also a few “false truths” and totally wrong analysis, which repeated continually, became little by little indisputable dogmas, even for the progressive camp (the famous T.I.N.A., there is **no alternative**), irrespective of the fact that reality proves that there are viable European-wide alternatives available.

The first is that “the markets” are imposing choices to democratic institutions, which can and/or should not resist them. According to which side you are on, the markets are either a few and evil men closed in a dark room manipulate markets and put people in misery or a mysterious and wise hand putting things in order according to a harmonic logic. The second is that there is nothing to be done if not closing ourselves each in our safe borders; the third is that European democratic accountability is something which can only be exercised through national Parliaments and governments, either because the EU institutions are the instrument of the above mentioned ill forces of the markets

or because they are obviously not able to solve any of the problems Europe is facing today, so better not to give them any more powers.

**It seems to me that at the end of the day what the “markets” need to be “reassured” goes in the same direction of what we want: not so much cuts on public spending, but a coherent and integrated European political and economic union able to give some chances of welfare and sustainable economic activity to its citizens.**

Of course, most actors in the financial markets do not give any attention to jobs and social policies; they just care about the return of their investments. But it turns out that these elements are much more linked to each other than most people even in the progressive front wish to see. The simple truth is that in today’s Europe, after years of “austerity”, even the financial stability depends less from the “golden rule” than from the perspective of a sustainable economic development, new and long-term job creation, a better redistribution of benefits. We all know by now, that the current deep crisis and unemployment are indeed due to the inevitable failure of an economic system based on unsustainable pattern of “*precarisation*” of work forces and progressive separation between the real economic activity and its mirror reflection in the financial Luna Park. **So the current stubborn insistence on the rigid implementation of policies led by the moralistic “austerity” approach is just a suicidal, ineffective and totally “stupid” strategy. “Stupid” in the same sense of the definition given in a memorable speech in the EP by President Romano Prodi to the Stability pact: a self-imposed and counterproductive constraint.**

Indeed, it must be very clear that “**democracy**” at EU level will not fall from the sky and that today “the will of the majority” is not always going in the direction we want.

We have to be aware that we are facing at the same time a tendency towards a “renationalisation” of EU policies and a “de-democratisation” of the decision-making process, notably but not exclusively at EU level, away from the European Community method towards more inter-governmental decisions and informal meetings. And, that on top of being not democratic, these decisions have proved to be totally ineffective.

We need to build a proposal in which a deep, democratic reform of the EU goes hand in hand with policy changes; and of course we have to get the necessary consensus to actually make them real. **Otherwise, we can “democratically” get in the next few months a nice group of governments in the EU Council even more heavily influenced by parties like the True Finns, the Lega, Grillo, Fidezs or the Dutch Party for Freedom and in 2014 a majority of euro-sceptics in the EP: which, combined to the current procedures which leave most powers on economic and monetary policies in the hands of national governments deciding unanimously, could prove more devastating a situation than the breaking up of the euro.**

**On the issue of democracy, I would like to say another couple of things:**

- The democratic deficit exists, but it is sometimes a self-fulfilling prophecy. Budget example: the European Parliament’s President negotiated along with the 2 others EU institutions and agreed on a final deal before any exchange of views the Members of the European Parliament or at least the President of the different political groups.
- The EP could have stopped this: but instead it was decided: a “Union of deficit” by constantly increasing the gap between commitments and payments and by postponing payments while their legal binding nature. This EU budget agreement will deepen the austerity policies throughout the European Union as it represents a 85 billion cut (-9%) over the next financial perspective compared to the initial Commission proposal which was a freeze at 2013 level; the MFF deal and the on-going budgetary

negotiation of the budget 2014 will be 6% smaller, in absolute terms, than the 2013 one while any Members states impose such cuts in its national budget. This is all the more important because the highest cuts have been made in the future oriented sector (cut by **24% compare to the initial Commission proposal**) which includes research, innovation, SMEs, Erasmus, infrastructure... while the nuclear-related programmes have been fully safeguarded such as **ITER**; points that the development cooperation budget has been dramatically reduced (cut by 16%) making almost impossible for the EU the respect of the its **international commitments towards the world's poorest**..

There are a few very concrete and useful steps that we could envisage taking in the next months. **First, there is a large consciousness that the EU of the imposed austerity is taking us to disaster**. Many parties, movements, intellectuals, citizens are actively working on this issue all over the EU. There are hundreds of debates, documents, papers and appeals produced. But little is done to put all this in a (relatively) common basket and to make of it a supranational positive campaign. Nothing really seems to have the effect of a game-changer. I think we need to trust democracy here and to give it a meaning. We need to give to all these ideas and faces behind the ideas the visibility of a "European" campaign carried by a large number of people (and voters). **We as European Greens are very interested in the building of a large alliance around three simple titles: regulate and shrink the finance; Green New Deal, that is to say invest in the ecological reconversion of economy and society; all reports tell us that health, research, green economy (the real one) are the sectors which will produce more jobs, quality of life, will get out billions of people from poverty. So this is the way to go.**

**But the campaign must start very quickly. Le Pen, Farage and company are already believed to have won the next elections. Media are greatly helping them. We (those who want to change Europe but not dismantel it) definitively have to be on the barricades to stop this and start soon. From our side, we Greens decided to take seriously the challenge to change the next Commission and we launched last Sunday the first ever European-wide e-primary vote. 4 candidates, 3 women and 1 man will run for the nomination to be the next President of the Commission<sup>1</sup>. The socialists nominated Martin Schultz (the same who just decided in agreement behind closed doors with Van Rompuy and the Lithuanian to agree to cut the budget). The European Left decided to enter in the debate with the excellent candidature of Alexis Tsipras. The EEP did not decide yet, because they know that if this campaign will work, the capacity of Merkel and company to decide on the next Commission will be limited and they hate this idea. We have to give value to this. We have to make of the next European election campaign not a boring mega-pool on the level of consensus of each national party or an open field for euro-sceptic forces, but an occasion to confront competing options for Europe and to mobilize voters on choices that will directly touch their everyday life. It will not be easy to convince many parties and organisations to start acting as if taking fortress Europe would be a much more important challenge than winning national elections. But it is the only chance we have to save the EU, the euro...and the Europeans.**

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<sup>1</sup> Jose Bové, Monica Frassoni, Rebecca Harms, Ska Keller [www.greenprimary.eu](http://www.greenprimary.eu)

