

ONLY THE EUROPEAN PARLIAMENT CAN CONSTRUCT A POLITICAL UNION

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IN HIS 13 JULY EDITORIAL, Sergio Fabbrini commented on the results of the negotiations between Greece and leaders of the Eurozone, concluding that the Eurozone “not only does not function, but is on the verge of imploding.” It doesn’t work because intergovernmental systems cannot guarantee results, i.e. financial stability and growth. The framework implodes, Fabbrini sustains, because it lacks a constitutional treaty governing the relations between members and the resolution of disputes. The lack of this treaty makes possible the unthinkable—that one member state, Germany, can suggest at the Eurosummit the de facto expulsion of another member state. One cannot save the current framework without a forward leap toward a “euro-union,” a project which could be brought to completion following a conference in Italy, one on the order of the 1955 Conference of Messina, which opened the path for a European economic community.

I will return in short order to the question of the nature and participation of this conference, which could be an excellent idea. Before, I find it useful to discuss what happened in Brussels in recent days. First, in Germany, an opinion has firmed that Greece could have “infected” the monetary union, and that this infection might not be curable as long as Greece is not expelled. If this expulsion were to take place, Greece would have required assistance in order to combat the subsequent humanitarian emergency. France and Italy disagreed.

The only alternative, therefore, was to write a super-severe bailout plan, humiliating Greece twice over. The government had to accept everything they had promised their electorate they would never accept—pension cuts, VAT increases, privatization, and a list of liberalizations that even Margaret Thatcher would never have imagined. The program will be overseen by the hated Troika, assuming that the International Monetary Fund can be convinced to participate in this new financing, and therefore to the authorship and monitoring of the adjustment program. Inspectors will be dispatched to Athens post haste, and the implementation of the program will be managed by foreign entities, under the guise of providing technical assistance. It seems unlikely that Tsipras will be able to survive this kind of about-face, which would fulfill one of Germany’s secondary objectives—to substitute the current government with perhaps a more amenable one, possibly with plenty of parliamentary support (national unity).

As Fabbrini noted, by defending Greece, France was also defending its own “exceptionalism”—its deficit has always been more than 3 per cent, but Germany had turned a blind eye to this fact, and with them the European Commission, both of whom embraced the Orwellian concept that some animals are less equal than others. Italy is in line with France.

The price was clear: there was a political victory at the midpoint (one does not really know that Greece can do what it is tasked to do, and if they do not, they will be expelled regardless), but advancements in the political framework and economic governance were sacrificed. With Greece inside the Eurozone, gains with regard to risk-sharing of public debt and the creation of a common budget in the Eurozone will not be discussed at length, due to the fact that Greece continues to poison every other discussion on the topic of common economic governance, at least until it is possible to show concrete improvements in the Greek economy and in its debt to GDP ratio. If the Four Presidents Plus One report presented in June had appeared to ask too little, it now risks being too ambitious in the eyes of our governments.

As such, we return to Fabbrini’s conference. Obviously, it cannot be a conference between governments. Because, between governments, after the horrible negotiations on Greece, the prevalent sentiment is to try to self-reflect as little as possible. Above all, if there were ever any, the desire to negotiate on the topic of institutions has been exhausted.

The only practical alternative, if one wants to involve institutions, is to start with the European Parliament—the only entity genuinely equipped to make progress on the political and institutional construction of Europe. With the parliament and through the parliament, we can aim for a large-scale mobilization of intellectuals, economic experts, and open-minded political leaders (if we look hard enough, we might find some). National parliaments would also need to be involved.

On this subject, I think Fabbrini is right in proposing to raise the stakes—to reopen the discussion on constitutional structure, and not just discuss economic governance or cooperative mechanisms of foreign policy. We should put the subject of a political union on the table, so that we can try to revive an objective that is visibly losing vision and identity.