

booklets

EUROPE AT THE CROSSROADS



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**Alfons Calderón
Luis Sols**

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Alfons Calderón works as a specialist in international affairs. He also collaborates with ESADE, where he has been a professor of international business policy. He has previously published *Trabajo y vida: un camino en busca de sentido* (Cristianisme i Justícia, Cuaderno extra, 2012). He is a member of the social project and of the professionals' group of Cristianisme i Justícia.

Luis Sols is a professor of history. In this collection he has previously published *Islam: A Necessary Dialogue* (Booklet 82, 1998) and *Iraq: Preventive War?* (Booklet 85, 2003). He is a member of the social project of Cristianisme i Justícia.

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+34 93 317 23 38 - info@fespinal.com - www.cristianismeijusticia.net

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INTRODUCTION

A few decades ago Europe saw the birth of an experiment that was something completely new in history. A group of countries which for centuries had been engaged in endless wars and mutual slaughter decided to create a supranational entity and to move forward as a united group.

More than half a century later, despite the unquestionable success of the experiment, which now includes twenty-eight nations, the project appears to have run aground. The particular interests of each country once again are taking priority over the shared interests of all, and many citizens of Europe are showing indifference if not hostility to the European project. This weakening of the project began some time ago, but it has culminated with the extremely harsh economic crisis that we are presently experiencing –it is something that European institutions have not known how to confront. Have we reached the end of the road? Will the European Union remain as simply a framework for general cooperation among countries, or will it continue advancing toward greater integration? Is it worthwhile for countries to remain in this Union, given the condition it is in?

This booklet seeks to reflect on these questions. It is the fruit of discussions and presentations that took place in a social seminar on this topic during a course at our institute, *Cristianisme i Justícia*. Our first chapter explains the nature of the current crisis. The second chapter attempts to investigate the profound meaning of the Union: what conception of Europe did its original founders have, and how did they launch the project? In the third chapter we explain the kind of Europe we would like to see if it manages to overcome the present crisis and move forward again.

1. THE CRISIS OF THE EUROPEAN PROJECT

From its beginning, the European Union has experienced a strong tension between pro-European and anti-European forces (or between «federalists» and «Euro-skeptics», as they're usually called). In fact, at the very beginning the United Kingdom devised a purely commercial alternative, the European Free Trade Association (EFTA), but it soon had to request admittance to the rival project impelled by France and Germany, now called the European Union.

1.1. With the euro but without a constitution

When Margaret Thatcher became leader of the British government in 1979, a new anti-European offensive was begun. This offensive, impelled by populist and nationalist rhetoric, was clearly linked to the neoliberalism that was then emerging. For proponents of minimal government, the European project was the worst of all possible evils because it provided people a powerful force with which to confront unfair markets and multinational corporations. Since unanimity was required for any important advance in building a united Europe, the successive vetoes of Britain impeded and weakened the project

to the point where it appeared ever less attractive to British citizens and fueled anti-European sentiment.

The fall of the Berlin Wall in 1989 presented Europe with need to incorporate into the project the countries of the former Eastern bloc. On the one hand, some people feared that an excessively large Union might not operate effectively; on the other, citizens of the countries recently freed from forty years of Soviet domination were not really interested in embracing a new external hegemony in the form of the European Union. Even reunified Germany, fearing its possible return to authoritarian tendencies, wanted to reinforce its ties with the Union. In view of this and

despite British reluctance, it was agreed that it was necessary to strengthen the Union before increasing its membership.

1.1.1. Maastricht and the end of Keynesianism

Accordingly, the Treaty of Maastricht of 1992 brought about monetary unification (the euro), reinforced European institutions, and bestowed on them greater powers. Surging neoliberal forces latched onto the European project, however, and began to direct it toward goals quite opposed to those of the Union's founders. Instead of creating a strong supranational executive power to control the economy at the European level, the neoliberals made sure that no democratically elected power would be able to place conditions on the financial markets. Absolute independence was granted to the new European Central Bank, the organism charged with controlling the new currency, and its primary objective was simply to control prices. As a result, in all the countries where the euro was used, there could no longer be any monetary policy ordered primarily toward generating growth or creating employment. Restraining inflation was now the only legitimate goal. This was effectively a rejection of Keynesian monetary policy, which is the only current of economic thought that presents a challenge to neoliberalism.

It was Keynesianism that had made it possible to overcome the great crisis of 1929, one similar to the present crisis, and it was Keynesianism that had then led the developed countries to long period of growth such as they had never seen before. Now, however, Keynesian economic policies were excluded from the

juridical order determined by the adoption of the euro. This exclusion has now become irreversible since it was made a permanent part of the Statute of the Euro, which can be modified only by unanimous vote and by changes in the constitutions of all the countries of the Eurozone.

1.1.2. An unintelligible Constitution

The second major project which was supposed to strengthen the Union before it was expanded eastward was the European Constitution, whose composition was entrusted to a convention that aimed to represent European citizens. The convention acted with a certain naiveté, however, failing to realize that in the end the constitution would be subject to an international treaty that required unanimous support of all countries. This procedure allowed the Euro-skeptics to eliminate from the constitution any element that seemed to them too «federalist». What is more, the framers committed the error of trying to fuse all the earlier treaties and agreements into the constitution. Hundreds of complex articles and dispositions proceeding from quite varied types of agreements had to be condensed all at once into a single document. As a result, the constitution became a text that was incomprehensible to the ordinary citizen. The «policies of the Union» –part III of the Constitution– was an extremely long text with countless disputable clauses, a document that only experts could understand. Those more specific policies should have been placed in a different treaty subordinate to the constitution proper, which itself explained clearly the procedures for changing them. If this had been done, the citizens would have been able to

vote for a constitution they could understand, and they would not have been obliged to support with their vote many policies which they did not approve. Many of these policies resulted from the initial reluctance of nations to cede sovereignty so that the central power they established was particularly weak. Consequently, many dispositions of the constitution reflected a clear distrust of the democratic political power that would be needed to regulate that huge market. Such dispositions were hardly acceptable for many voters. Granting «constitutional» rank to those over-cautious European policies was a way of bestowing European approval and popular legitimacy on many measures of a clearly neoliberal nature.

1.1.3. A Europe without symbols

Even so, the rejection of the European constitution was unfortunate because its approval would have meant a significant advance in the building of a new Europe. The constitution was in no way a step backward. On the one hand, its policies, both the good and the bad, were already in full force through earlier agreements. On the other, it contained important advances that would have had profound effects in the long run. But as Jacques Delors said, «Nobody can fall in love with a treaty». Citizens need symbols with which they can identify. The constitution was itself one such symbol, with its magnificent preamble and a declaration of rights that any citizen would have praised. The constitution gave approval to the Union's flag, its anthem, and its motto, «United in diversity». The European norms and institutions were spelled out in simple language that made them com-

prehensible to the ordinary citizen. It was a Europe that could be clearly explained –even give rise to enthusiasm. Moreover, the Union was given new powers, and the European Parliament, as the institution with the greatest democratic legitimacy, exercised greater influence in passing laws and defining European policies. But many citizens said «no».

The long debate at the convention turned into a kind of «letter to Santa Claus», in which every group with any social or political relevance asked that its particular interests be included. This was obviously impossible not only because their desires were mutually incompatible and because the constitution would require the unanimous approval of fifteen nations. The resulting frustration became clearly apparent in the subsequent referendums. Since the Euro-skeptics were adept in exposing the most polemical aspects of the «Union policies», all the parties could find concrete measures with which they did not agree, and yet they were being asked to vote in favor of them.

But more importantly, Europe became a victim of the very evil it was seeking to avoid. The Union was an amalgamation of extraordinarily complex institutions; these institutions had limited powers and very little democratic legitimacy, and it was very difficult for people to identify emotionally with them. As a result, when the citizens voted, they were thinking more about domestic problems than about the future of Europe. By voting «no» or by abstaining, many voters were manifesting their disgust with their own government. Others citizens, especially in France and Holland, used their vote to show their unhappiness with immigration, which

they felt was taking jobs away from them –even though the constitution made no changes in this regard. Despite their apparent irrationality, these motivations at least revealed something very important: a decisive portion of the citizenry had stopped believing in the creation of a unified Europe. Consequently, the constitution was rejected in some countries and came to naught.

1.1.4. The setback of the Lisbon Treaty

The twelve, mostly Eastern bloc nations that were incorporated into the Union between 2004 and 2007 had committed themselves to accepting the European constitution, but since the constitution was not approved, they didn't have to accept anything. Working under the old rules, a 27-nation Europe was not going to function effectively; something had to be done. With the expansion, however, any agreement would now require the approval of the twelve new members, most of which had little sense of being European. The United Kingdom was no longer alone in its determined resistance to the Union; it now found itself supported by many of the newly admitted countries. Naturally, the demands of these countries grew, so that the newly elaborated agreement, the Treaty of Lisbon,¹ was a major step backward with respect to the vetoed constitution, even though it maintained the latter's more institutional and technical aspects, including the indispensable need for facilitated decision-making. This backward step was especially evident with regard to the symbols: there would be nothing called a «constitution», and there would be no flag, no anthem, no motto, and no other «recognizable» designations

for the European norms and institutions. Europe was going to be most certainly something distant and incomprehensible for most citizens. The dream of a strong European government that could pursue united policies in the face of strong market forces has faded. In the meantime, the re-nationalization of Europe has proceeded apace. Most citizens and most governments think exclusively in terms of the immediate interests of their countries, and they accept European solidarity only when it benefits them directly. Consequently, it was with these puny weapons that Europe had to confront the worst economic crisis of the last seventy years.

1.2. From European solidarity to German hegemony

Coping with a crisis like the one unleashed with the collapse of Lehman Brothers in September 2008 was extremely difficult for everybody, but especially for those who were lacking the instruments necessary to do so. The European project had been built on solidarity, and only on the basis of solidarity would it have been possible to take effective action.

1.2.1. And the crisis exploded

As is well known, the crisis began outside Europe, in the United States, but the explosion of the American real estate bubble affected the European banks that had acquired the many American mortgages that turned out to be uncollectable. At first there was an acceptable coordination of European policies within the framework of the global coordination. In October 2008, when the European interbank

market was totally blocked, the principal countries of the Union authorized public backing for new bank loans, thus allowing money to flow again into the economic system. Europe was saved from financial collapse, but at the cost of unloading more risk onto public finances that were already heavily overdrawn.

At the G-20 meeting some weeks later, it was foreseen that the financial crisis would provoke a sudden drop in demand for products, similar to what occurred in 1929. To ease the resulting distress, the decision was made to increase public spending in all the countries. When one country increases its public spending, it generates demand that benefits all the others. As a result, a country with a strong export sector can benefit from the spending of other countries without having to increase its own public spending. This was the case with Germany, which turned out to be the main beneficiary of the crisis. In 2009 the public deficit in the U.S. was 12.9% of GDP, in the U.K. it was 11.4%, in Spain it was 11.15, in Japan it was 10.4%, but in Germany it was only 3.1%, which was simply the deficit to be expected in a year of economic recession. If all the countries had decided to restrain their spending, they would probably have fallen into an extremely profound recession, Germany included.

1.2.2. The German «locomotive»

For many decades Germany was a model of European solidarity. It was always by far the greatest net contributor to Union finances, and its positions were always clearly pro-European. At the same time, its efficient economy benefited from the complete access it had to the European

market, and its citizens were always conscious of that. Because of Germany's strong economy, all European currencies were measured against the German mark. The decade of the '70s saw the creation of the «European monetary snake», according to which all the currencies had stable links to the mark, which in turn floated with respect to the dollar and the yen. This situation was formalized in 1979 with the creation of the European Monetary System, within which all the currencies had a narrow margin of flotation among themselves. If the currency of any country threatened to exceed its margin, the central banks of all the countries would buy or sell that currency so as to keep it within its margin. In practice, Germany lost huge amounts of money buying currencies that then had to be devalued anyway, but German citizens realized that this action prevented the mark from becoming excessively revalued; as a result Germany was able to export many of its products to all countries of the Union.

Something began to change, however, when the Berlin Wall fell in 1989. Until that time the Germans had badly needed a strong Europe in order to counter Soviet pressure. Once that pressure disappeared, Germany slowly began to reassert its dominance in its traditional hinterland in Mitteleuropa (Central Europe), and many of its citizens began to lose interest in the European project as the best possible option for the future of their country. With Germany reunified and the EU extended to the East, the Germans have oriented themselves more and more toward an area where their economic interests are growing, which is also an area that provides them with the gas indispensable for their

productive system. Solidarity with the European Union has ceased to be a matter of survival for them, so that they have begun to question the large contributions Germany always made to the Union. This attitude has in large part been encouraged by the principal media groups, most of which subscribe to neoliberal positions and are therefore opposed to European solidarity, which would increase taxes and public spending.²

1.2.3. Goodbye to a pro-Europe Germany?

So Germany was not acting in solidarity with the rest of Europe in restraining its public spending in 2009 and even more in 2010, when the need arose to come to the assistance of Greece. The Greek economy is only 2% of the Union's economy and only 3% of the Eurozone's. Helping Greece by offering to restructure its debt with generous low-interest, long-term loans would have had minimal costs. Moreover, it would have reaffirmed the well-founded idea that, when the critical moment arrived, European solidarity would save the day, as had always been the case previously. The refusal to act in favor of Greece was a clear declaration of intentions. Now nothing was going to be as it was before.

Perhaps Chancellor Merkel was not the key figure in this decision but was simply acting under pressure from her coalition partners in the Liberal Party, the more radical sectors in her own party, and the public opinion generated by the major media outlets. Perhaps it was not easy to explain to German workers, who had made great sacrifices, that it was time to

show solidarity by providing European backing for the debt of the countries on the periphery. But no attempt was even made. Since then Merkel has been portrayed as the austere «Swabian housewife» having to deal with the profligate inhabitants of the southern lands. Such a picture has very little to do with reality, which is that in 2007, even before the crisis, the Spain's public debt equaled 36.3% of GDP while Germany's equaled 65.2%. German citizens, however, saw that they were doing quite well with that situation while the outlying countries were sinking, and so they continued to support it. Besides, Germany was again taking a commanding role in Europe.

In Germany's recent history there seem to be two juxtaposed sensibilities. It could be said that there is a «Prussian» Germany and a «Renana» Germany. When the central power was located in its eastern zone, Germany appeared more disciplined and hegemonic, whereas when the central power was located in the Rhine region, Germany appeared more polycentric, more western and pro-European, and also more friendly with France. The latter was the case when the post-war division of Germany severed its Prussian part and required the capital to be moved to Bonn, a small city on the Rhine. For half a century Germany was the engine of European unity; it was the most generous and enthusiastic of the large countries and the one most in favor of ceding sovereignty.

However, the end of the great military blocs, the unification of Germany, and the transfer of its capital to Berlin brought about a change of balance. The majority of German citizens now no longer feel the same solidarity with other Europeans as

they did before, and they tend to agree with the idea that Germany should again be in charge of Europe. This change in attitude is so notable that some people speak about the end of the Fourth Germany³ (1945-1990, the pro-Europe Germany of Adenauer and Schmidt) and the beginning of the Fifth Germany (that of Merkel), which is more oriented to central and eastern Europe and more inclined to the hegemonism typical of the Bismarckian epoch.

If this proves to be true, then the European project as conceived by its founders and as known by us has come to its end. Another type of Europe will have to be created. The reality, however, is multivalent and unpredictable. We cannot discount the possibility that, once the current crisis is over, the European project will once again be embraced by the citizens and will gather new force.

1.3. The «euro crisis»: imposing the «Great Inequality»

Unfortunately, the measures the Eurozone adopted for dealing with the crisis did not result only from the new German hegemony. They were continental version of the Great Inequality that has been corroding developed societies since the 1980s.

1.3.1. The neoliberal attack on the European project

During the crisis of the 1970s, certain political and economic analysts claimed that the solution lay in weakening trade unions, facilitating layoffs, and lowering real salaries. Thanks to Reagan and Thatcher, that formula won the day in the English-speaking countries, and from

there it spread to other countries, especially the heavily indebted developing nations. It has come to be called the Great Divergence (or the Great Inequality) because it significantly increased the differences in income.⁴ Most of the new income resulting from economic growth has ended up in the pocketbooks of a very small minority of people; meanwhile, the overwhelming majority have seen their incomes stagnate or even diminish. The news media closely associated with this prospering minority make constant calls for the dismantling of the welfare state, claiming that it is unsustainable.

The greatest resistance to this tendency is found in the French- and German-speaking parts of Europe, due to broad popular support for the welfare state, but here also neoliberalism has made major inroads among the most influential media groups and in key academic and financial circles. This is one of the key factors for understanding the «euro crisis». For thirty years certain sectors have preached in vain the need to lower salaries and dismantle the welfare state (what they generally call «structural reforms»); the present crisis now offers them a unique opportunity, and they are not going to pass it up. Now that the workers' movement is seriously weakened because of unemployment, the anti-labor forces are determined to take advantage of the situation, even if it means disrupting the European project.

1.3.2. The German agenda

Germany has been at the epicenter of the earthquake that has shaken Europe, but this event began long before the so-called «euro crisis» erupted. German citizens tend to respond very negatively to infla-

tion, a reaction that some analysts trace to memories of the hyper-inflation that paved the way for Hitler. The fact is, however, that Hitler gained power only after years of deflation and unemployment.⁵ The German fear of inflation nowadays is due to more tangible factors, such their desire to avoid devaluing their enormous savings and the impact of much more recent historical processes.

When German reunification came about in 1990, Chancellor Helmut Kohl quite rashly decided to make the East German mark and the West German mark equal in value, even though the latter was eight times more valuable on the exchanges. Because of this decision to make the two currencies equivalent, prices and salaries in the East became totally uncompetitive, the industrial system collapsed, and unemployment shot up to stratospheric levels. For many years the 17 million citizens of East Germany had to be subsidized at a cost of about 100 billion dollars annually. That was a great strain even for the powerful German economy, which in fact declined during the 1990s to the point where some British and America media were calling Germany the «sick man» of Europe.

The eastward expansion of the European Union presented another formidable challenge for Germany, which now beheld, just beyond its borders, countries where salaries were only a fraction of its own. Many German industries relocated, thus increasing the pressure of unemployment.

Given the loss of competitiveness and the fear of excessive public indebtedness resulting from reunification, German workers were persuaded in 2003 to accept what was called the «Agenda 2010». This

agenda drastically reduced unemployment benefits and authorized very low salaries for so-called «minijobs». As a result, the labor market became more precarious, and there was a general wage freeze.⁶ For practical purposes it resulted in an internal devaluation that made Germany much more competitive within the Eurozone, but it also increased inequality. For years German growth depended in large part on the sale of products to the outlying countries, some of which were experiencing a real estate bubble fueled by German loans.

1.3.3. Against the mutualization of the debt

By the time the euro crisis broke out at the start of 2010, Germany was already much more competitive than the rest of the Eurozone and was owed large amounts of money. After the stressful experience of reunification, German citizens and their politicians were unwilling to assume responsibility for protecting hundreds of millions of less efficient Europeans, so that they refused to authorize any fiscal assistance not required by the treaties. The risk premiums of several countries rose sharply: Greece's because of its enormous public debt that had been concealed for many years, Ireland's because of the debt resulting from the public rescue of its banks, and Portugal's because of a low level of productivity. Later on, the same wave swamped larger countries: Spain was caught in it because of the real estate bubble and its excessive foreign debt, and Italy because of its poor management and elevated public debt. They fell one after another into a frightful vicious circle: high interest rates caused recession, which in

turn dampened the hope of repayment, which in turn set interest rates soaring. This pernicious cycle could have been short-circuited if Europe had backed the emission of new debt or if it had raised money with Eurobonds and then lent it at low interest to nations with problems. But Germany refused to authorize anything like a mutualization of debt. In 2010-11 the euro was close to crumbling.

1.3.4. Policies at the service of the market

Keynesian policies oriented to greater growth and inflation would have enabled Europe to escape from the crisis with less human cost,⁷ but there was no European economic authority capable of implementing such policies. Since unanimity was required, the countries that would have lost with such policies—the creditor nations—could veto them, and they did. In exchange for minimal concessions Germany imposed the contrary solution: the crisis would be overcome by lowering salaries and seriously reducing the welfare state. Such a solution would incur tremendous human costs in terms of impoverishment, unemployment, and loss of social benefits. This was the customary neoliberal prescription, what is called «doing one's homework». The Great Inequality was being ruthlessly imposed upon Europe.⁸

In the developed world, the Eurozone showed the worst results for GDP growth during the years of crisis. Most of the population was made poorer while a minority of the extremely wealthy became richer than they were before. An expression has been coined for this abject submission: «market-conformed democracy».⁹ Briefly stated, inequality skyrocketed.

During this time when there is the greatest need for strong supranational institutions to respond to the financial windstorm that is pressuring sovereign debts, we find the institutions extremely weak because they have endured ten years of narrow-minded rivalries that seriously impeded the construction of a new Europe. Even the Franco-German alliance, which impelled the EU from the start, is being held prisoner by short-term electoral interests. In the effort to combat the crisis, money has been given priority over people, and more importance is given to safeguarding the interests of minorities than to avoiding the suffering of the largest part of the population. If Europe had been truly democratic, this would not have happened.

Governments have become gradually more impregnated with liberal postulates that subordinate politics to economics. This is just the opposite of what happened at the beginning of the communitarian project, when economic means were made to serve political ends. What has prevailed is an extreme consumerist model in which everything is subject to market forces, even the essential goods that should be held in common.

We have awoken abruptly from our dream, which has now become a nightmare. We behold a huge army of the unemployed, a flood of evictions in countries with countless uninhabited dwellings, and immigrants dying on the doorstep of Europe in their attempts to reach the non-existent El Dorado. These tragedies are the result of the continual degradation of the European project: the norms have been trivialized, the institutions have been debased, and the mediocrity of the political class now reigns supreme.

2. THE DREAM OF A UNITED EUROPE

Given the present situation of Europe, it becomes necessary to probe into history in order to recover the foundational principles on which was forged the dynamic political and economic project that today is being threatened with calamity.

2.1. Why the European Union was formed

The European Union arose for the following basic reasons:

– To prevent the wars that had devastated the continent so often in the course of the centuries and especially during the two world wars.¹⁰ Earlier attempts had been made to unite Europe, but always by force of arms, whether the legions of ancient Rome or the armies of Napoleon or Hitler.

– To strengthen Europe within the international context. The founders of communitarian Europe were very conscious of the increasing weakness of the continent, especially vis-à-vis the overwhelming power of the United States as it emerged victorious

from the Second World War. Europeans could compete with the new superpower only by creating a broad regional coalition that allowed for commercial and political integration.

– To prevent the expansion of the communist system toward western Europe. To do that, European citizens had to be offered a more attractive society, which took concrete form in the development of the welfare state. These improvements would flow from a prosperous Europe that gave broad recognition to people's basic rights.

With the end of the Second World War, the integration of Europe began with rather different types of international organisms: a) the OECE was the precursor

of the OECD; b) the Council of Europe was a very important forum for the promotion of democracy and human rights; and c) NATO was a military alliance led by the United States. These were all inter-governmental organizations and so required unanimity for their agreements. Since there was no cession of sovereignty, every decision involved long and tedious negotiation, often without yielding results.¹¹ What we now call the European Union is based on a radically different system for decision-making, one that derives from the Schuman Plan.

2.2. The Schuman Plan

On 9 May 1950 Robert Schuman, foreign minister of France, proposed that the entirety of Franco-German production of coal and steel be placed officially under the control of a High Common Authority, within the framework of an organization that would be open to the integration of other European countries.

From the perspective acquired through the past six decades, it can be said that the Schuman Declaration¹² sums up in barely two pages the reasons for the process of European integration, as well as its objectives and procedures. The declaration contains three great principles:

- Preservation of peace: «World peace cannot be safeguarded without creative efforts that are equal to the dangers that threaten it».
- Gradualism: «Europe will not come into being all at once nor as a joint labor: it will come into being thanks to concrete measures that show a solid faith in real solidarity».

– A community that is not just economic but also political: «Thus, there will be a fusion of interests indispensable for the creation of an economic community, and there will come into being a broader and deeper community of countries that have for so long confronted one another in bloody divisions».

Attention should be paid to the boldness, originality, and historical perspective of this declaration, which is considered the foundational document of present-day Europe. Until that point France had demanded that Germany remain weak and be controlled by the occupation forces of the West. What was now being proposed was quite the contrary: a Franco-German association. By uniting together in a single strategic proposal, France would see less possibility of a resurrected German threat, and Germany would guarantee democratic freedom in the face of Soviet expansionism. Moreover, by proposing not simply an organism of international cooperation but a new entity with supranational powers, the Schuman Plan revolutionized the juridical forms that had thus far been used in international relations.

Concretely, the Schuman Plan proposed the creation of the European Coal and Steel Community, which in 1951 was founded with six countries as members: France, Federal Republic of Germany, Italy, Belgium, Holland, and Luxembourg. The United Kingdom did not want to enter because it failed to understand the historical reach of the proposal and because it rejected the idea that economic cooperation could ever take place except through bilateral intergovernmental agree-

ments. In other words, the U.K. feared losing its waning but still considerable international influence, a vestige of the old British empire. The Coal and Steel Treaty established a common market with precisely the two raw materials, coal and steel, that formed the pillar of the military industry and that had promoted the arms race with disastrous effects.

This Coal and Steel Community set the precedent for the creation, six years later, of the European Economic Community,¹³ which was born with the Treaty of Rome in 1957. This was a huge step forward since it created a common market for products in general, not just for the two raw materials. Since then the Community has expanded, acquiring new powers and adding new members, so that the European Union now includes twenty-eight nations.

Every May 9th is celebrated as Europe Day in honor of the Schuman Declaration.

2.3. The «founding fathers» of Europe

In order to understand the Europe we are leaving behind, we need to be informed about those who were considered to be the «founding fathers» of the European project and what it was they wanted to do.

2.3.1. Robert Schuman

The Frenchman Robert Schuman came from a border zone between France and Germany that had been a constant source of conflict between the two countries. Schuman was born in Luxembourg, lived in Lorena, and was educated in Germany. He was arrested by the Gestapo but

managed to escape and to live clandestinely. After the war he held various political posts in France and in later years was the first president of what is now called the European Parliament.

In his long political career he showed himself to be prudent, diplomatic, and conciliatory; he was always acknowledged to be of high moral character. His policies of reconciliation met with powerful opposition even though many of his adversaries ended up adopting most of his ideas and practices.

2.3.2. Jean Monnet

Jean Monnet, another Frenchman, began his professional career by promoting the exports of his small family business; this work involved much traveling during his early years. When still in his 20s he was assistant secretary-general of the League of Nations, the pre-war predecessor of the United Nations. His extensive international experience was useful to him when it came to designing the Steel and Coal Community.

Monnet was imaginative and pragmatic. Though he belonged to no political party, his judgment was highly respected by statesmen of all parts of the world since he always found practical solutions to whatever serious problems presented themselves. His spirit is seen clearly in his maxims: «We are not combining nations; we are uniting persons» and «Nothing gets started without people, but nothing carries on without institutions».

2.3.3. Konrad Adenauer

The fragile health of the German Konrad Adenauer gave no indication of the

productiveness of his later years. For many years he was mayor of his native city, Cologne. He was removed from office and persecuted by the Nazi regime, which subjected him to all kinds of hardship, including prison. After the war, at 73 years of age, he was the first elected chancellor of the Federal Republic of Germany. Dubbed the «Old Man», he led Germany's spectacular recovery during fourteen years, rebuilding the country and strengthening its ties to the West. He founded the Christian Democratic Union (CDU), which brought together both Catholics and Protestants. His Christian Democratic ideology brought him close to Schuman, and together they established the bases for the historic reconciliation between two countries that had long been mortal enemies. The resulting Franco-German axis provided the center of gravity for the process of European integration that followed.

2.3.4. Alcide de Gasperi

The Italian Alcide de Gasperi was born in the region of Trent which at that time still formed part of the Austro-Hungarian empire. He began his political career as a deputy in the Vienna parliament. When Trent was incorporated into Italy, he continued his political work in Rome until he was subjected to the persecution that accompanied Mussolini's fascism. He took refuge in the Vatican, where he spent many years as a librarian. He later founded the Christian Democratic party in Italy, won the post-war elections, and became Italy's prime minister from 1945 to 1953. He later became the president of the Coal and Steel Community.

2.3.5. Paul-Henri Spaak

The Belgian Paul-Henri Spaak fled his country during the Nazi invasion and traveled at great risk across France and Spain. He was an advocate of Benelux, the customs union between Belgium, Netherlands, and Luxembourg. As a socialist leader, he was prime minister of his country on repeated occasions, and his international profile led to his assuming posts of great responsibility in two organizations that emerged from the war: he was president of the U.N. General Assembly and also secretary-general of NATO.

2.3.6. Solid leaders

These founders of communitarian Europe, despite their diverse origins, most definitely shared a number of qualities that we could sum up as follows:¹⁴

– *Multicultural talent.* They were frontier personalities who had lived in geographical and historical crossroads with diverse cultural influences, and they were therefore accustomed to speaking in several languages and to interacting with persons of diverse provenance.

– *Experience.* Except for Monnet, who was an autodidact, they all had a solid academic formation. Their competence was acquired through harsh personal experience, in many cases involving persecution, prison, and exile. They had profound knowledge of complex situations resulting in both brilliant successes and dismal failures.

– *Vision and creativity.* The founders, who shared strong democratic values

and humanistic ideals, provided leadership for an exciting project that was very long-term¹⁵ but that had intermediate goals allowing for evaluation of the progress made. To make the project reality, they designed an institutional system for transferring sovereignty that had no historical parallel.

– *Spirit of conciliation.* Their lifelong experience allowed them to develop a holistic vision centered on the common good. Their ability to «build bridges», unite efforts, and orient everyone toward shared objectives made it possible to overcome the resistance of those who preferred to stress differences and to promote stereotypes.

– *Pragmatism and efficiency.* Focusing on shared interests, they were not content with well-intentioned language but always tried to achieve precise agreements with binding force. An agreement was useful only if it contained concrete measures, established timetables, and means that were congruent with the final goals.

– *Skill.* Adversaries were not lacking for an idea as ambitious as a communitarian Europe. The founders had to weave a web of complicities, rise above party jealousies, and overcome reluctances of various sorts. They drew ably on their consummate diplomatic skills and also exercised notable discretion, preferring to have their work recognized for its results rather than for their personal merits.

In synthesis, the founders of communitarian Europe were highly principled yet modest professionals whose lifelong ex-

perience of great difficulties prepared them superbly for international conciliation. Many of them viewed their lives and political vocations in expressly Christian terms, and two of them, Schuman and De Gasperi, have been proposed for beatification. Even though then, as today, they had to depend on the electoral cycles of their respective countries, they were able to inspire in people a broader perspective. We might well ask whether our present-day leaders have similar attitudes and life experience.

2.3.7. *The last leaders*

The following years, when Jacques Delors was the president of the European Commission, were the most fruitful. He was the most exemplary of the several persons who have led the Commission, which is the main engine of a united Europe. Now, forty years after the Schuman Declaration, another Frenchman is leading the common project; he is possessed of solid economic experience, a humanistic spirit, and a vision that goes beyond mere party or national interests. Delors's strong support for integration was backed by the directives of the European Council, which drew its energy principally from the Franco-German axis. This axis was in turn directed by two other statesmen of great stature, François Mitterrand and Helmut Kohl, both of whom played a key role in another decisive historical moment, the fall of the Berlin Wall. In these days of partisan extremism, we do well to recall that the tremendous advance of the decade 1985-95 was based on a certain complicity between the center-left stance of the

French leader and the center-right stance of his German counterpart.

2.4. The European model

The European communities have created a unique precedent, a system in which sovereign democratic regimes progressively cede authority over certain spheres of governance to a higher instance. It is called functional federalism. Prior to the formation of these European communities, there had been only two ways of integrating states: either by assimilation based on coercion or by federal integration (as instanced in the United States).

Although the objective of the founders of the European Community was above all political, they opted to set up intermediate economic goals by creating a common market that allowed for the free circulation and exchange of merchandise, services, and capital, as well as for the free movement of workers. As additional countries were incorporated into the EC, new policies of assistance were required. For example, after the accession of Spain and Portugal to the communities in 1986, the structural funds benefiting the poorer regions were increased. The process of economic integration culminated with the common currency, which in 2002 entered into circulation for the 11 member states; there are now 18 nations that have adopted the euro as their currency.

Today the European Union is governed by a broad range of policies. Some of them, such as the common commercial policy, are fully supranational. Other matters are determined by agreements among the member nations and the European institutions. And for some matters the

European Union still has great difficulty in achieving the required unanimity.

All actions of the EU should respect, among other principles, that of subsidiarity, according to which the Union should intervene only when something cannot be resolved more effectively at a lower level by the member nations themselves. This principle was initially proposed as a way of bringing politics closer to the people, but it was later used by Margaret Thatcher for the purpose of combating European competition.

The economic model that prevails in the Union is the Social Market Economy. This model, which is explicitly spelled out in the Lisbon Treaty of 2007,¹⁶ combines the principle of economic freedom with the need for state intervention in the economy for the purpose of achieving a more just social order. It is an attempt to guarantee both free economic initiative and social progress at the same time. Historically, this model arose in postwar Germany as an alternative to both centralized economic planning and liberalism; it is greatly influenced by the social doctrine of the Catholic Church and by the ethical stance of the Protestant denominations.¹⁷

The Social Market Economy seeks to limit both the abuses of big business and those of government so that neither arrogates to itself excessive power over the citizenry. At first, the principles of this model were widely adopted by the major European nations, so that the welfare state was able to develop robustly in them during the years 1945 to 1973. This in turn allowed for greater economic growth of the developed countries and produced levels of human welfare that had never before been reached.

But what is most admirable about the European model is its openness. It began with only six nations, and now there are twenty-eight. The situation in the New World is quite different: the United States has historically treated the countries of South and Central America as its «back-yard». It has little concern for the misery and oppression to be found in those countries and has even invaded them to protect its own interests. In contrast, the European Union has worked hard to create about it a space of prosperity and justice, and this has facilitated the gradual incorporation of many other nations into the project. Consequently, the dreams and the values of the «founding fathers» have led Europe along a completely new historical road.

But there is also a dark side to the European project. Turkey has been seeking incorporation for more than twenty years, and it seems as though it will never be admitted. Also, the system of functional federalism has progressed very slowly. As we saw in the previous section, within the framework of the EU, the member nations have not been able to agree on an adequate response to the current economic crisis. We have still not created an authentically social Europe; social concerns have been left to the free will of each national government. At times this has resulted in what can only be called social dumping, and this is untrue to the European ideal.

2.5. What has been achieved

Despite these alternating advances and retreats, the history of the European Union has overall been a success story, at least until the beginning of this century.

2.5.1. Peace and democracy

Much has been achieved during these years, much more than the citizens of Europe usually believe. The principal original objective has been reached: peace among the Union's members. There has never been such an extended period of peace among the leading European powers. The dramatic conflict in Yugoslavia during the 1990s was a European failure, reminding us that we are not immune to war. If there are no longer conflicts among the Union's members, it is because we have created ties which make them unthinkable. Two former Yugoslavian states, Slovenia and Croatia, and two Balkan countries, Romania and Bulgaria, have been incorporated into the Union. The EU received the Nobel Peace Prize for 2012.

The Union has promoted, extended, and consolidated democracy. It has been a bulwark against all types of totalitarianism. The entrance into the Union of Greece in 1981 and of Spain and Portugal in 1986 reinforced the desire of those countries to leave behind their dictatorial pasts and to advance along the highroad of democracy. Several neutral countries, such as Sweden, Austria, and Finland, entered the Union in 1995. Finally, starting in 2004, most of the states that had belonged to the communist bloc entered the Union, thereby signifying their definitive liberation from the servitude to which they had been submitted by the former Soviet Union and their firm anchoring in the world of the western democracies.

2.5.2. Governance of globality

Furthermore, from a geopolitical viewpoint, the European institutions represent

one of the most progressive examples of global governance, even though it is exercised only at the level of the continent. Some of the most serious problems of our times, such as poverty, pollution, climatic change, terrorism, and financial turmoil require global action. However, there are still no effective worldwide structures that are capable of dealing with these problems. The international organizations which address these problems function simply as forums for debate; they are incapable of implementing valid and timely solutions. Some of the decision-making mechanisms established by the European Union provide an appropriate model for making effective decisions at the global level. Nevertheless, apart from commercial matters, the external action of the Union has thus far advanced very little; its accomplishments are mostly a few joint efforts of a humanitarian nature.

2.5.3. Economic progress

The European Union has supported the economic progress of its members. The European common market, if compared with similar initiatives in other parts of the world, has been an unprecedented success. There are many multilateral free trade treaties in various regions of the planet, but none of them reaches the degree of unity of the European market. Many common markets have turned out to be ineffective, and others have simply fallen into disuse. In contrast, the EU has increased trade tremendously among its member countries, thus contributing to their growth and modernization. Spain is a paradigm in this regard. The elimination of commercial barriers has given a great impulse to Spanish exports, more than

60% of which go to other Union members, and it has reduced the cost of Spain's purchases within the community. It has also facilitated the establishment in Spain of foreign companies, and these have subsequently modernized the industrial sector, increased standards of quality, and created tens of thousands of skilled jobs.

At the same time, we must remember that Spain's entrance into the EU involved intense de-industrialization and a massive makeover of our industrial system by foreigners, something for which we are now paying dearly since we lack a clear productive model. It has been said with some sarcasm that «Spain did not enter into Europe –Europe entered into Spain». On the other hand, the dismantling of the old state monopolies as a consequence of the liberalization of services promoted by the EU has produced contradictory results. Air transport and telephone service have been much improved and have lowered their prices. Other industries, such as the distribution of gas and electricity, have become powerful private oligopolies which systematically impose their interests on the citizens, resulting in a sharp increase in their charges. Despite such problems, the Union attempts to prevent the abuses of large corporations at the European level by levying heavy sanctions whenever they violate the principles of fair competition.¹⁸ On the purely national level it would be very difficult for governments to punish the infractions of these potent corporate conglomerates.

2.5.4. Social cohesion and quality of life

The Union has impelled initiatives that promote economic and social cohesion. The social funds and the structural funds

have transferred substantial resources to regions which are disadvantaged because of their peripheral geographic situation, their industrial decline, or their backward development, and are therefore at risk of being left out of the generalized prosperity of the continent. These subsidies have been oriented mainly toward the training of skilled labor and the creation of infrastructure. Here also Spain is a clear example, for these policies have made it possible to build highways, high-speed trains, airports, seaports, and desalination plants. All that has been made possible thanks to the generosity of the richer member states, especially Germany. Although there have been some excesses and a certain number of unnecessary projects, these policies have in general contributed to economic modernization, improved the situation of the working class, and consolidated the middle class in the countries and regions that have been benefited.

The European Union has promoted initiatives that have improved the citizens' quality of life. One example is the environment, with regard to which Spain is now a global paradigm. Likewise with regard to the movement of persons. We perhaps have a hard time realizing what a great advance it is to be able to move from one member nation to another without needing to stop at the borders; this would have been something unimaginable for our grandparents. Another tremendous advance is the ability to receive health

care, if needed, when traveling to other countries and to do so on conditions of equality with the citizens of those countries. Still another advance is the ability to study for a time in other universities in the Union, thanks to student exchange programs.

There have definitively been many achievements during the more than six decades of this journey toward the European Union. Since they now form part of our everyday existence, we possibly fail to give them the attention they deserve. But none of these achievements has arisen by spontaneous generation; they have resulted from the enormous efforts of integration along the lines laid down by the generation of «founding fathers».

Obviously, the European Union has many weaknesses and imperfections, especially since it is still an unfinished project. National interests have at times held back and at other times have speeded up the processes of integration. Paradoxically, crises have almost always served as spurs that impel those processes. The current crisis, however, is proving to be a notable exception.

It is especially worth stressing that because of the reluctance shown by some nations, particularly the United Kingdom, the ability of the community institutions to deal with social concerns has been practically nil. A market without any social regulation contradicts the principles of the Social Market Economy and seriously compromises the European model.

3. THE EUROPE WE DESIRE

Since they drove with their «high beams» on, the leaders of post-war Europe were able to see far into the distance as they designed their project. However, that same type of leadership is lacking at the present time, and the lack prevents the Union from advancing in ways that are indispensable if Europe is to continue to have influence in a globalized world where the large emerging nations are gaining ever greater protagonism.

Despite the setbacks of recent years, the EU continues to be the best space for nurturing political democracy, economic efficiency, social equity, and environmental sustainability. What is more, it offers a unique model—though still a work in progress—for allowing all citizens, including those of the small countries, to choose the representatives who will decide about the great issues that most affect them. This model is being watched closely in other parts of the world and will probably be imitated widely if it achieves successful consolidation.

That is why we want more Europe—not a self-satisfied Europe lost in its own labyrinth and unable to save us from crisis, but a Europe where a broader vision (democracy), a more generous attitude (solidarity), and more decisive action (federation) are made to flourish.

3.1. A democratic Europe

A democratic Europe should take on a greater number of responsibilities. But even while seeking greater powers for the supranational institutions, it should

demand greater democracy, which is what guarantees and gives ultimate legitimacy to those powers. Decisions arising simply from intergovernmental agreements remain opaque and impervious to popular control. That is why the community institutions should have answer to directly to the citizens, not to the member states.

The European elections should not be disputed in national terms. Rather, voters should be encouraged to consider specifically European issues that have enormous impact on all citizens, such as those evident in the present crisis. The main parties should have effective pan-European structures, they should draw up multi-country electoral lists, and they should present a single candidate for the presidency of the Commission.

Even though the unanimity they require is sometimes difficult to achieve, the treaties should not become barriers to the exercise of democracy. For example, it is regrettable that a specific limit has been placed on the structural public deficit of all Eurozone countries because such a limit deprives citizens of the right to choose among diverse fiscal policies, something that is essential for true democracy.

On the other hand, it is important to preserve all that has been gained as regards civil and political rights. In that area we possess an excellent text that has a binding character, namely, the European Convention on Human Rights of 1950. Along with the European Union itself, this is the other great legacy of the generation of the «founding fathers». The rulings of the Strasbourg tribunal, binding on all nations that are signatories of the Convention, guarantee that Europe will continue to be a space of freedom. For

example, the recent ruling abolishing the «Parot doctrine» in Spain evoked the principle that in a democratic countries criminal laws can never be retroactive.

Finally, we should remember something that is obvious but unfortunately still needs repeating: in a democratic Europe there is no room for hegemonies. Europe is not a space where anybody has hegemony, no matter how big or efficient a country is. To think of returning to the impositions of a German supremacy with Bismarckian resonances is not acceptable. It does not correspond to this century, and European citizens do not want it. The natural protagonism of the Franco-German axis is something else, due to the centrality of those countries in Europe and their role in the founding process; it is only natural that many initiatives should arise from that tandem. Sovereignty in Europe, however, has been transferred to supranational institutions that are democratically controlled, not to another state for whose leaders we cannot vote.

3.2. A citizens' Europe

The European project requires citizens who are identified with its values and ready to defend them. The Union was born in a spirit of reconciliation that rejected resentment, but something like resentment is become evident in the xenophobic, populist, or simply myopic discourses that are beginning to proliferate.

3.2.1. Solidarity toward the citizens themselves

This solidarity is indispensable and should be reflected in the treaties. In this regard,

the Charter of Basic Rights of the European Union, proclaimed in 2007 along with the Lisbon Treaty, is a fine text, but it is binding on the member nations only when they are applying the European standard. And sadly, the United Kingdom, Poland, and the Czech Republic (with riders) have excluded themselves from the Charter. The Europe we desire must guarantee minimal social rights for all citizens; we therefore believe that that Charter should be improved and should have full juridical force for the whole Union.

Europe should have effective policies of solidarity, and these should be explained to the citizens so as to avoid the facile demagoguery practiced by some politicians. Governance should be exercised with responsibility and pedagogical awareness. Furthermore, efforts should be made to integrate the immigrant citizens coming from countries outside the community. A xenophobic Europe is not the one we want to live in.

The increase in inequality, which has been worsened by the current crisis, contradicts the values on which the Union's success is based. The economy should be at the service of the majority of citizens and not the reverse. An economic system in which all the gains deriving from growth are captured by a small minority is not acceptable, nor is an economic model that increases unemployment and leaves a part of the population without work. For this reason, the monetary policy of the European Central Bank should be oriented to economic growth that generates employment and financial stability on the basis of equality –and this it must do along with controlling prices, which is currently its only priority.

3.2.2. Solidarity among European countries

Economic and political union should be accompanied by important mechanisms of solidarity among the territories. Markets tend to benefit the most efficient and powerful countries disproportionately. Without mechanisms of solidarity the less efficient countries run the risk of becoming increasingly marginalized. Just as the state sector supports the vulnerable citizens, the Union should support its weaker economies; this was done previously with the structural and the cohesion funds, and the same should have been done in the Eurozone during the crisis. In this sense, the Union should also be a «union of transfers» that is able to transfer resources among countries within reasonable limits and in this way compensate in part for any disequilibrium.

The European Parliament should have definite powers for determining the general economic policy and the framework within which the fiscal policies of the member countries should evolve. In turn, every country that has followed the directives should be able to count on the full financial support of the Union.

3.2.3. Foreign solidarity

The European Union should extend its development and further open its markets, and it should do this for at least three major reasons:

- The immense historical responsibility that Europe has for the frightful colonial aggression that wiped out the social and economic systems of most of the world, thus making the task of

development much more difficult for the colonized nations.

– The interests of the continent itself, which will be able to achieve its goals of sustainable growth only if prosperity spreads to the rest of the world. New markets with large populations and sufficient purchasing power will certainly increase the demand for European products, though it will also increase competition.

– And above all, fidelity to Europe’s social and democratic values. As Europeans we cannot allow humanity to suffer a proliferation of oppression, misery, and injustice while we live securely in a more or less prosperous and democratic bubble.

3.2.4. *Solidarity with future generations*

The extreme pressure that human activity currently puts on the planet’s resources has forced us to stretch the notion of solidarity beyond the limits of our own time. We must also practice solidarity with the future generations by leaving them a world that is at least as habitable as the one we inherited.

The EU should continue to exercise leadership in environmental initiatives and should do all it can to persuade the other global economic powers to follow the same path. Such an effort will require us to advance toward autonomy in energy matters and to solve the problem of our own scarce resources. Making a decisive option for the environment and for renewable energy sources could have a powerfully stimulating effect on other industrial sectors.

In this regard, we should applaud the profound vision of the future evident in the German *Energiewende* (energy transition). With overwhelming citizen support, all the parties and the principal corporations have committed themselves to an extraordinary research and technological effort aimed at reducing greenhouse gases by 80% by the year 2050.

3.3. A federal Europe

Europe should move steadily toward a democratic federation composed of those states that desire to do so by common accord and are in condition to participate. The pace cannot be set by the more hesitant minority; perhaps what is needed is a «Europe with two speeds», as happened with the Eurozone. In the long run, this means that the countries that are more zealous for their sovereignty would remain outside the common project.

The road toward a federal Europe has both an economic and a political aspect. As regards the economic, there should be consolidation of the Economic and Monetary Union (EMU).¹⁹ The states belonging to the Eurozone already share a single monetary policy, but in other matters they are simply limited to coordinating national economic policies, and that is not always done rigorously.²⁰ To strengthen the EMU, it should have the following:

a) *A larger budget.* Presently it hardly exceeds 1% of the GDP of the whole Union, a ridiculously low percentage which has been further reduced of late, with the resulting elimination of items that would have generated future growth.

b) *Greater common revenues.* An effective federal Europe will require more direct revenues for the common budget, such as those proceeding from the levying of the («Tobin») tax on speculative movements of capital; such a tax would also improve financial stability.

c) *Eurobonds.* The emission of bonds guaranteed by the European Central Bank would provide less costly financing for the most indebted countries. We should keep in mind that it is not a question of granting unrecoverable subsidies but of giving credits that will be paid back with the corresponding interest, which would no longer be excessive.

d) *Banking union.* This process has already begun, though with excessive timidity; it involves the supervision of the major banks by the European Central Bank. Such supervision will make it possible to liquidate institutions with serious problems and will provide a common fund for guaranteeing deposits.

e) *Fiscal harmonization.* There should be gradual harmonization of certain national taxes and strengthening of the instruments needed for fighting fraud and eliminating fiscal paradises.

As regards the political sphere, the democratic character of the institutions of the EU would be strengthened if a strictly federal structure were established. The Parliament would be the lower chamber, providing political legitimacy to European citizens, and the Council of Ministers would be the upper chamber, thus guaranteeing territorial legitimacy. The Commission should have few members and should be constituted without territorial quotas;²¹ it should have greater

executive power; and it should be closely controlled by the Parliament.

Some future generation will have to write a European constitution that is better than the one that never got approved. Its contents should explain clearly the functioning of the Union, and its values and symbols should be capable of inspiring European identity. Besides providing services for its citizens, Europe must be able to explain itself and arouse emotion in them.

Europe must also advance in the sphere of foreign affairs. Despite the difficulty of making progress in this regard, the EU—or at least the Eurozone—should speak with a single voice at the international level, for example, at the U.N. Security Council. This has so far not been possible.

3.4. How to advance toward this Europe we desire?

As we have seen, the European project had its origins in some very concrete intermediate economic goals. The present situation now requires Europe to attend to the social aspects of the project if it wants to be faithful to its principles and create a truly new society. Developing among the citizenry an *affectio societatis* toward Europe requires that the people come to perceive the Union as ready and willing to protect their rights when governments and large corporations abuse the power they possess. Citizens will feel protected by the Union only when European institutions act against regulations resulting in evictions and penalize activities harmful to the environment.

Since the European project has been seriously weakened by the crisis, there is much talk of abandoning the euro, but given the treaties we have, such a move would mean abandoning the European Union. Moving in that direction would represent a historical failure and might well encourage ultranationalist deviations similar to those that preceded both world wars. Perhaps the talk of leaving the Union is only a threat aimed at applying pressure in order to achieve more favorable conditions, but there is no doubt that today the European project is in danger. There is disaffection among those demanding greater solidarity and also among those demanding less—the result is a growing populist divergence.

Still another attitude, one shared by us, is inspired by the belief that it is possible to reform Europe by making it more effective and harmonious and so bring the unfinished project to completion. If we want a Europe that is capable of channeling the aspirations of the new generations and the popular social movements, then it needs to be given more power, its politicians need to have long-range vision, and above all, its citizens need to be fully committed to the project.

In order to develop the general lines proposed in the earlier section, we now present certain criteria for action.

3.4.1. Engender an awareness of need

The Union should continue being a sign of hope, but sometimes more than simple conviction is required to make progress—the pressure of need is also necessary. This pressure is urgently felt right now,

and it should be taken advantage of. We should be convinced that it is just as important to continue building Europe in the 21st century as it was when the Community project began. The main reasons at that time were maintaining peace and fomenting progress. Without a united Europe we can still lose both.

3.4.2. Create complicities that favor greater European integration

The creation of complicities among the principal European leaders is essential. These leaders must realize that the welfare of the Greeks ultimately redounds to the welfare of the Germans. Indeed, it redounds to the welfare of all of Europe because we live in an interconnected world, and in this world, when some countries fair poorly, then sooner or later others will suffer as well. Accepting this premise creates a paradigm of the fusion of interests articulated in the Schuman plan of 1950.²² Only in this way will there be a speedy transition from national sovereignty toward shared sovereignty. Such a transition can be achieved only if we understand the premise that «sharing means gaining». Unless we learn to share sovereignty, we will continue to yield our sovereignty to de facto external powers, as was made clear during the crisis.

Civil society should do its part in building transnational bridges without expecting governments to do everything. Establishing bonds of complicity requires interpersonal knowledge and mutual relations among associations, firms, parties, unions, schools, universities, and centers of all kinds, and these bonds are forged over the course of many years. Materials

related to the European reality should be included in national educational programs, and cultural and civic organizations should be regularly invited to take part in the great European debates. All of this will help the citizenry become aware of the importance of the decisions being made at the European level. The mass media have a great responsibility insofar as their treatment of information can either accentuate or minimize the disagreements between countries. Since we citizens have long suffered the consequences of mediocre politics, we should take care to be informed about how we will be affected by decisions regarding Europe; we should not relapse again into the indifference revealed by the high rate of abstention in the European elections.

3.4.3. Promote growth and employment

In order for Europe to become attractive again it must promote sustainable growth and generate sufficient employment, especially employment for young people, who are experiencing crisis today in many countries and especially in Spain.

Which is more important, satisfying creditors or boosting the economy? Immersed as we are in a crisis, there is a need to implement policies oriented primarily at growth and employment. We need strong European institutions that are capable of rapidly applying measures that are not only appropriate for the economic juncture but in accord with the desires of the citizens.

Without delaying the urgent matter of creating employment, we should also recognize the medium- and long-term value of developing holistic models of

growth that take into account the economic, cultural, environmental, social, and sustainability factors of the 21st century. In this regard, initiatives such as the Better Life Index of the OECD²³ should be seriously examined as a way of inspiring more humane policies.

Europe should also develop a genuine space for workers to guarantee transnational protection of workers' rights and to facilitate the movement of labor within the Community. To this end there should be more agile mechanisms for certifying professional skills and better equivalency standards for diplomas in the Community's educational sphere.

3.4.4. Combine large-scale policies with micro-initiatives

To make progress in the European project, major new agreements will be required, as difficult as they always are to achieve. But still more is needed: certain decisions that appear inconsequential may be as important as, or more important than, the major agreements. The Erasmus program, for example, accomplishes a great deal considering the small expense involved; by allowing young university students to form personal bonds, it is contributing mightily to the creation of a pan-European spirit.

3.5. Conclusion

To conclude, we wish to stress our disagreement with the direction Europe has taken in recent years. We are not happy with the way it has dealt with the recent crisis, with the demagogic forms of populism that are emerging, or with the

hegemonic role that a certain nation is trying to exercise. We don't want to go that way. Nevertheless, we continue to believe in the enlightened vision of the «founding fathers» and in the magnificent project that was their dream. If we citizens are united, we will be able to make our majority interests prevail over the in-

terests of a reduced minority. We want a Europe that truly serves its citizens. We want a free and open Europe that is committed to development, justice, and the environment. We want a Europe that is capable of transforming itself and collaborating in the transformation of the rest of the world.

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1. The so-called «Treaty of Lisbon» of 2007 is an extremely long list of amendments to the foundational Treaty of Rome (renamed the «Treaty of the Functioning of the European Union») and to the «European Union Treaty» of Maastricht. These amendments retained most of the dispositions of a functional nature that were included in the failed European constitution.
2. Rafael POCH, «Alemania en la Gran Desigualdad», *La Vanguardia*, 19 June 2012. Presentation at the conference on «Social Rights in Times of Crisis», organized by the Basque government in May 2012.
3. The First Germany would be the Germanic Holy Roman Empire (962-1806), the Second Germany would be the federal empire of Bismarck (1870-1918), and the Third Germany would be the Third Reich of Hitler (1933-45). Cf. Àngel FERRERO, et al., *La Quinta Alemania*, Icaria, 2013.
4. Paul KRUGMAN, *The Conscience of a Liberal*, W. W. Norton, 2007.
5. The hyperinflation in Germany from 1921 to 1923 led up to Hitler's failed coup d'état. He acceded to power ten years later.
6. Holm-Detlev KÖHLER, «Mito y realidad de la Agenda 2010», *La Vanguardia*, 17 March 2013.
7. Joseph E. STIGLITZ, *El precio de la desigualdad*, Taurus, Madrid 2012.
8. Rafael POCH, «El fraude del modelo alemán y el mito de su proyecto político», *La Vanguardia*, 3 February 2012.
9. Ignacio RAMONET, «New Protectorates», *Le Monde Diplomatique*, March 2012: «Last September Angela Merkel coined the concept of *marktkonforme democratie*. [...] She defined it by saying: 'The elaboration of the national budget is a fundamental prerogative of the legislature, but ways must be found so that this democratic requirement is in conformity with the market'.»
10. Besides the devastation caused by the war, it is often forgotten that the post-war period was one of great penury. Our generation has a hard time believing that in those days hunger was a reality not only in Spain but also in Germany, France, and the United Kingdom.
11. Take note of the difficulty of reaching an agreement on many serious questions in the U.N. Security Council, which is much smaller in size and where five members have the right to veto any proposal.
12. Schuman Declaration: http://europa.eu/about-eu/basic-information/symbols/europe-day/schuman-declaration/index_es.htm.
13. Jointly with the treaty that created the European Atomic Energy Community.
14. Inspired by Alfons CALDERÓN, «Europa es la empresa», published in *Cinco Días*, Madrid, 8 May 2010.
15. With a vision toward the future, Schuman said in 1953: «We have to build a Europe not only with a view to the free countries but also with the hope of integrating the countries of Eastern Europe just as soon as they are freed from the yoke that oppresses them and ask to be accepted into our community». Many of those countries were incorporated into the EU fifty-one years later.
16. Lisbon Treaty, Chapter 1, article 2, paragraph 3: «The Union will establish an internal market. The Union will also work for the sustainable development of Europe based on balanced economic growth and price stability, and it will do so in a social market economy that is highly competitive, promotes full employment and social progress, and does everything possible to protect and improve the quality of the natural environment.»
17. Eugenio RECIO, «Reptes de l'economia social de mercat al segle XXI», Conference given at ESADE on 4 February 2010.
18. An example of this is the dispute that erupted in 2013 (but had its origin in earlier years) between the European authorities and various telecommunications companies regarding the

reduction of «roaming» charges on cell phones. It would be very difficult for any single nation to resolve such a problem.

19. For further information on this question, see the European Commission, «Master Plan for an Economic and Monetary Union that is Solid and Authentic», Brussels, 28 December 2012.
20. The fact that the monetary aspect is stronger than the economic is the fruit of history. Mitterrand first proposed a monetary union to Kohl, but Germany was reluctant to expose its reserves if there was to be no major progress toward political union. In the end Germany

had to accept the union since it was the only way to assure the French president's backing for the reunification of the country.

21. There are now twenty-eight Commission members, one for each member state.
22. Alfons CALDERÓN, «¿Dónde vas Europa?», published in *La Vanguardia*, 16 December 2012.
23. When it celebrated its fiftieth anniversary in 2011, the OECD created the Better Life Index, which employ not only the classical factors to measure the progress of each country but also cultural factors such as the value system and people's perception of their social reality. Cf. www.oecdbetterlifeindex.org

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Roger de Llúria, 13 - 08010 Barcelona

Tel: 93 317 23 38 - info@fespinal.com

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