

European issues

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A European Momentum

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2018 heralds the return of Europe to the international stage.[1] Whilst it has experienced a serious economic crisis, which led to real disenchantment by its citizens, Europe now seems in a better position to value its assets and rise to the challenges it faces. A political rebound might help it return to the top.

REAL DEPRESSION OVERCOME

The public debt crisis was a threefold earthquake for the European Union. Calmly established in the shelter of the euro, the economic and financial policies of the Member States were too much divergent, until the brutal reminder, in the shape of the "subprimes", struck Europe. The progress made during the crisis, together with decisive action taken by the European Central Bank saved the European Union from disaster. Once more the Union showed its political strength, whilst its governance had sinned because of a lack of forethought and due to its incompleteness.

This also provided an opportunity for disenchantment on the part of public opinion. The European Community, it was explained, protected them from nasty surprises. They discovered that European solidarity had its limits, the very ones it had timidly provided for itself.

Europe's elites also illustrated their impotence. After off-loading the responsibility for vital, but difficult to explain decisions regarding integration on to the community institutions for years, they did not take up the challenge and allowed the Union to be used as a scapegoat for rampant populism, that has become noisy and powerful, threatening even. To the dissatisfaction of its citizens[2] there also came the havoc of doubt and guilt[3]. Doubting is quite evidently a very European type of behaviour. This attitude is positive since we permanently seek perfection or the improvement of policies! But the spiral of doubt leads to a kind of repentance, which is void of pride, an inevitable condition for acceptance on the part of the citizens.

The strength of European integration also lies in its treaties, its procedures, even its traditions, which force players to take their time to decide together with their partners. This much criticised sloth in action and lack of agility are also assets, given the present trends towards so quick deconstruction; they protect what is vital.

In this more favourable international posture, the Union is rising once more and now finds itself under the spotlight.

A QUICKER REBOUND THAN EXPECTED

Europe's revival has been reflected in a rejection of Euroscepticism in the ballot box. The populist upsurge within its Eurosceptic dimension, that has been a reality across the entire continent, seems to have been contained. The rightist and centre-rightist political parties are succeeding in containing it, often in coalitions, like Mark Rutte, who was reappointed as Prime Minister in the Netherlands on 9th October last. The election of Emmanuel Macron was the one which retained the most attention given his European commitment and his face-to-face victory over an openly anti-European Front National. The German elections on 24th September 2017 confirmed a pro-European CDU-SPD majority, despite the surprise entry into the Bundestag of the 92 highly Eurosceptic AfD MPs. More striking still, when coalitions have to integrate or have to count on populist parties, their pro-European orientation is immediately clearly pointed out, as Sebastian Kurz has done in Brussels on behalf of Austria. In no Member State, except for in the UK in 2016, has a party or a coalition in support of the exit of the Union, or challenge made to its treaties, triumphed.

1. This text is from *The Schuman Report on Europe, State of the Union 2018* published by the Marie B. publishing house in the *Lignes de Repères* series on March 2018.

2. Notably see *Eurobarometer* n° 379, December 2011.

3. Notably see "L'Europe est-elle coupable", par Pascal Bruckner in the *Revue Commentaire* (Nos 159 and 160, Autumn 2017, Autumn-Winter 2017-2018)

In the world the European Union is asserting its stability that even its own players seem to have underestimated.

Just a few weeks after his election the French President marked France's true return to the European scene, as he publicly delivered his analyses[4] and proposals[5] to his partners for a revival of European integration.

By using a frankly pro-European electoral campaign as his support, which led to his election, he openly challenged a new generation of leaders, who were just entering office on the continent. In Ireland, Austria, young thirty-year-olds have become Prime Ministers and are supporting those aged forty and fifty, who are now many in number at the head of the Member States.[6]

From an economic point of view the vigour of recovery has been a surprise. Europe emerged from the crisis at the beginning of 2018, no Member State, except for the UK, is witnessing a downturn in its macro-economic forecasts. Europe's GDP is hitting €13,000 billion, which makes it the leading zone of wealth creation, in absolute value, in the world.

Economic growth is on the upturn. Over the period 2014-2016 it coasted at 2% on average for the 27, which placed it on a level with the USA and Japan. It has largely taken advantage of the ECB's low rate policy and of measures to inject liquidities.

With a 23% share of industry in its GDP and a digital sector in full expansion, it is host to more direct foreign investments than any other continent: € 424 billion in 2016 against 391 for example for the USA. Europe is doing better; it has recovered confidence and is still the world's leading trade power. 9 million jobs have been created since 2014 and unemployment is declining everywhere. Its public debts are 25% below that of the USA and well below that of Japan (240% of the GDP). The euro is rivalling the dollar in the monetary payments (36% against 39% for the American currency) and the Union already seems set to be the leading new economy with 40% of world patents in clean energy, 5 million developers, 28 unicorns (start-ups that have risen beyond the value of one billion €)

and 32 artificial intelligence research laboratories[7].

Global, collective success cannot mask contrasted national situations however, but they also reveal the strength of the single market within which the trade of goods and services has totalled €4000 billion, thereby participating in real convergence that is often underestimated. Undeniably Europe is back and is offering a positive outlook for the years to come.

And yet, and in spite of a rise in citizen confidence, who say they are more positive about the European Union[8], community integration is not yet a source of pride. The extent of the challenges we face and the concern this causes are expressed in public narrative, which out of ignorance or caution, feeds facile populism. These challenges are however those of all Western democracies and concern the new state of the world.

NEW CHALLENGES

There is a true consensus amongst observers to consider that Europe has no other choice but to implement a new way of working and to reform some its own policies. Moreover, it is also by having progressed in terms of its own regulations that it has managed to overcome the previous crisis. The world's economic brightening has provided it with an opportunity to get down more serenely to ironing out its imperfections and to facing inevitable problems more resolutely.

Under the first of these evidently feature issues of governance, and firstly that of the euro. Between necessary solidarity and vital discipline between the 19 members of the Euro Area, debate is far from settled. Although, in fine, the countries in difficulty have enjoyed the solidarity and therefore the European guarantee, it has been at an extremely heavy social cost, violent political confrontation and dangerous fissures for the Union. The vigour of the German economy has not favoured a vital challenge to Ordo-liberalism.

Now with the new orientations in French policy, the proposals put forward by E. Macron and the follow-up to the most recent German elections, a new sequence of dialogue is opening regarding the reform of the euro.

4. Speech at the Pnyx (Athens)
8th September 2017.

5. Speech at the Sorbonne (Paris)
26th September 2017

6. See article by Pascale Joannin
in this report, page 177

7. See the study *Europe is back*,
European Political Strategy
Centre, European Commission,
January 2018.

8. 75% according to the last
Eurobarometer wave (n°467,
December 2017)

9. See the proposals made by 14
French and German economists;
January 2018.

Reflection is underway[9], notably between France and Germany. This has to be successful, despite the political obstacles, if we are to avoid any further misfortune in the future, and finally guarantee the duration of the single currency. The German political situation will affect the work that will have to be done to succeed.

But the approach to the discussion about the Multiannual Financial Framework (MFF) and European policy will raise certain urgent questions again, which will have to be answered this time. The negotiation of the 2021-2027 MFF might provide an opportunity for in-depth challenges and therefore lively clashes regarding common priorities, the cause of further fracture between East and West, the agricultural Member States and the others, the more developed and the economies that are catching up, those who are freeing themselves of the rule of law and its guardians.

The European elections in 2019 might also give rise to some surprises in a European context in the midst of this reshaping. Will it pass through the doors into the European Parliament, pushed along by a new generation of leaders, who want to reinvigorate the Union? And what about the content of debate that will probably rise above the rather unconvincing experiment of the "Spitzenkandidat", to overturn the composition of an assembly that is still seeking its legitimacy? The governance of the common institutions, already reformed by Jean-Claude Juncker must develop further still.

CHANGING DEPENDENCY

The second challenge to which the Union must rise, certainly the first because of its importance, is security in the widest sense of the term. Internal security is threatened by terrorism, cross-border crime, but especially external security, which is under challenge due to a threatening geopolitical environment. Europe is not ensuring its own defence. It must therefore resolutely assume this and to do so, many Member States must accept changing their dependency, to build a new independence together. In the light of timid, but real progress made in this area, we cannot be but concerned. It is as if the very idea of community

integration was alien to the will to defend ourselves in every place in which European interests are being challenged, i.e. everywhere on the planet. The extremely modest, recent breakthroughs reflect the stirrings of awareness; but for the time being these do not match the dangers and the threats. The Union must be able to send troops everywhere where its interests are threatened and if this idea is not accepted unanimously by the Member States, they must accept to give the task to those who are prepared to do it, as the treaty so allows them.[10] Because if tomorrow there were to be a serious, surprise strategic breach, it would be this reality that would win the day. The defence of Europe is not just a question of commitments and means, but also one of political will. And the road is still long. The Union must have an intervention force that is not under the command of a committee or a college. It can pool its financial means to strengthen its capabilities, but only to operational ends and not for commercial purpose. The European Defence Fund is a first positive step, if it does not get lost in procedures, and if it focuses on operational needs. Europeans must learn to devote an increasing share of their financial capacity to defend themselves, and for many of them this is so new that we might doubt their desire to do so. This is why Emmanuel Macron has proposed a European Intervention Initiative which is right now on the table. They must learn to be independent in strategic thought as in action, and as matters stand today, this is almost impossible. Let us hope that it is just a question of time and that current international events do not challenge them too suddenly. A Europe that can project itself is one that can protect itself; a Europe that asserts itself in the international arena, one which is independent and strong because of its success, is a Europe which can guarantee its future, its way of life and its beliefs.

The third challenge is that of immigration. Europe has become the first continent for immigration in the world. Its wealth, the rule of law, its values, its quality of life make it the natural destination for many people – those experiencing war and fleeing conflict, but also those escaping dictatorships and finally those who hope for a better life for their families, ours, which they envy on the screen of their mobile phone.

10. Articles 42 § 5 et 44 § 1 of the Treaty on European Union

Never have humans been as mobile. 245 million inhabitants on the planet were not born where they are living now. 65 million are “displaced”. For the European continent, which is not renewing its own population, immigration will be a crucial issue over the coming decades. It has to be regulated according to reception capacities and although refugees have the right to asylum, migrants must, in the respect of our values, be encouraged not to empty their home country of its vital strength. The wave of refugees triggered by the Syrian and Afghan conflicts has greatly destabilised Europe; the proximity of an Africa, whose demography is thriving, must be the focus of close cooperation between nations, which demands a Europe that is more united in its answers. A great deal has been done to regulate migratory pressure. Against illegal migration and trafficking, together or in small groups the Member States have taken action. At the beginning of 2018 the first, significant results of this have been recorded. The European border guard and agreements negotiated by the European Commission with the immigrant transit States have helped reduce illegal flows. Action by Greece, Italy and Spain has helped control a part of the pressure in the Mediterranean. But only closer cooperation between the countries in question, with the support of joint, even harmonised rules will really lead to the assertion that immigration is under control. This is a long-term challenge.

WHICH METHODS?

Many discussions continue to emerge over differentiation in the Union: concentric circles, variable geometry, hard core, etc. bear witness to the growing divisions between the North and the South, East and West. These debates are a mortal threat to the Union. They pitch populations against one another, increase frustration and resentment. They are not positive and must be rejected. “... even closer Union amongst the peoples of Europe”[11] might be compromised by this as goals are confused – solidarity between peoples – with the means – which role for the Member States? – which seem seriously challenged by the present situation: is the Union not sick because of its States?

The Union is already diverse and stronger cooperation exists between the Members of the Euro Area, the Schengen area, of the common security and defence policy. Enhanced cooperation exists (European patent, family law, military capabilities), helping those States who so desire to pool their efforts under the framework of the treaties. There is no need to update the treaties for those who want to go further. And we owe it to truth to show the dishonesty of the criticism of enlargement which is said to be “preventing us from going faster”. Often those who speak of this are the ones who are against the strengthening of joint action.

LOYALTY TO ROBERT SCHUMAN’S LESSON

In the respect of the commitments taken by the signature of the 11 European treaties since 1951, the Member States can cooperate more to achieve the goals they have set themselves. It is now via the example that they will progress and that they will be able to trigger the revival of an integration process that can only be encouraged from the top. Because the level of integration achieved by the Union is already considerable. At this stage in the sharing of State competences, only voluntary acts in couples or in groups of two, three or more will be able to overcome the difficulties in pooling some of the attributes of national sovereignty. They will find positive, voluntary help in the common institutions or in the Commission at least. The example has just been given by Germany and France, who, by deciding to pool some of their military means and a common airbase, triggered the Permanent Structured Cooperation[12] which now includes 25 Member States! The most effective method to enable the Member States to rise to the challenges made to the public authorities by security, immigration and governance is to be loyal to Robert Schuman’s message on 9th May 1950: “Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.” If we understand that Robert Schuman introduced this phrase into the text of the ninth and final version of his declaration himself, by replacing a phrase suggested by Jean Monnet, which indicated that the shape of Europe would be “federal” already, we can see the wisdom and realism of the Founding Father of

11. Article 1, §2 of the Treaty on European Union

12. In line with articles 42 § 6 and 46 of the Treaty on European Union

Europe. Remaining loyal to this does not mean we are rejecting the community method, it is simply, in view of the successes of the last 60 years, reviving integration based on the will of those who believe that it offers the continent a real chance of having influence and of counting in a fast-changing world.

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