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Recovering a meaningful debate about Europe

If anything, the EU's corona recovery fund has made great strides in advancing the quality of European political debate

Read this article in German.

In his column in the EUobserver published a while back, Jan Techau appealed to pro-Europeans to abandon their visionary rhetoric in favour of more realism. Of course there was no way he could have anticipated the immense political and economic pressure of a global pandemic that is bringing supply and demand to their knees across sectors. However, we can afford this well-intentioned rejection of political visions and the accompanying rhetoric only when things are going well.

For many years, the rejection of ambitious proposals for European policy, whether they came from Brussels or Paris, were rather convenient for Germany. Foreign trade balance surpluses ensured a constant flow of cash from other European countries into Germany, and any criticism was dismissed. The chancellery took a similarly harsh stance against any form of shared liability for risks of loss of any kind.

No wonder the governments of the Netherlands, Austria, Denmark and Sweden, also known as the ‘frugal four’, are also building their economic models on export surpluses. Those who are now effectively demanding that the money other countries transfer to these four economies in the form of consumption expenditure (private and public) be lent out with interest simply want to cash in twice. The popular ‘blame game’ doesn’t work in this case either. During the financial crisis, Italy was one of the donor countries. In other words, it made financial contributions to all the bailouts and generated primary surpluses for years. In return, Italy received economic policy recommendations on a regular basis, which also included the closing down or privatisation of hospitals.

The EU has always been a 'transfer union'

But now, Germany and France have made a big leap and the European Commission has upped the ante: EU loans are to be taken out on international financial markets with guarantees via the EU budget, with the aim of passing on a total of €750bn to member states: two thirds as budgetary support and one third as loans. In other words, each member is liable 'only' with their own contribution to the EU budget for the time being. The majority of Germans are in favour of the plans to set up an EU-wide recovery fund. Where have the pessimists gone who took every opportunity they got during the most recent years of crisis to summon Pandora's box?

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We are now suddenly in the middle of an entirely different debate, which is finally addressing the question of how, rather than whether, the EU pays out aid to its members. In fact, we are also realising that it is not the Eurosceptic voices rising up all over Germany that present a risk to the survival of the EU, but the far greater vexation displayed by many people in other European countries, most of all in Italy. The rather sobering conclusion is that even the disappointment about the lack of problem-solving skills of European governments spread across Europe more quickly than the realisation that we are all in the same boat.

Those who go on and on complaining about an impending 'transfer union' may not have been paying attention right from the start. The social and structural funds are among the oldest financial instruments of European integration and constitute, by definition, a regional redistribution of financial aid. The EU budget has also always been fed with financial contributions by member states that are spent on both joint and regional projects. This is not a crazy idea put forward by some back seat Brussels bureaucrats, but has been the financial essence of European democracy for decades.

A real European debate

We are now starting precisely the type of debate in the European Parliament that we were denied during the financial crisis roughly ten years ago: Social democrats like Pierre Larrouturou are arguing for the

introduction of European taxes to finance the EU budget in the long term, while liberals like Moritz Körner are taking a stance against this idea. The debate between political parties about differing ideas that ultimately aim to solve the same problem has suddenly reached an entirely different level.

Not least because the current debate in the Council about whether aid should be paid in the form of loans or subsidies is beside the point. While the discussion on loans is suddenly all about the terms for repayment, subsidies focus on the programmes that are funded and for which the member states would be jointly liable. What is the money to be used for and to what extent does it coincide with pan-European needs? This question alone has led to a quantum leap in the quality of the political debate.

Why is that? One of the reasons is that European institutions are playing a pivotal role this time. It may be a coincidence, but it is extremely useful from a strategic point of view to combine the recovery aid with the ongoing budget negotiations. The Commission and Parliament are suddenly in the cockpit as well and bring more long-term perspectives to the table. It's hard to imagine that the European Council would have even come close to agreeing on attaching future-relevant criteria as conditions for receiving financial aid, like compatibility with the Green Deal or the digitalisation of the economy.

From modernising European capital stock by means of a digital infrastructure way to funding research into sustainability, this can help to close the productivity gap in Europe, which to this day is a symptom of the crisis inhibiting sustainable and inclusive growth. For the first time since 2010, we are getting the impression that there is actually something to all the talk about crisis and opportunity.

By contrast, sociologist Wolfgang Streeck, who is becoming increasingly critical of Europe, almost comes across as Goethe's Faust in an interview with newspaper FAZ: 'I hear the message, but faith fails me.' In theory, he is aware of the fact that we will not get the economic deficits under control without a political union that extends from a joint fiscal policy all the way to foreign policy. But the political signals are missing. Perhaps the only 'visionary' characteristic of people who are convinced of the European project is ultimately that they have not yet given up hope that the national leadership will come to political realisations. Maybe those who are 'branded' as die-hard federalists in the debate will ultimately turn out to be the true realists.

Europe needs a future-proof vision

The dominant pattern of European crisis policy over the last twelve years has shown that government debates are becoming increasingly tough along the lines of national discourses, but then often end up being decided in favour of the (modified) solutions that were up for debate right from the start. At the end of the day, the inter-governmental crisis management offered plenty of crisis summits and material for the tabloid press, but otherwise just cost a lot of tax money and valuable time.

By bringing together an organised civil society and citizens chosen by lot, the question as to what type of treaty changes would actually be necessary to establish a crisis-proof Union could be addressed.

National veto positions always come under the highest pressure when the public spotlight is on them. This is why now more than ever would be a good time to revive the European Citizens' Consultation on the future of Europe that was announced at great length in the past and has now faded into the background. From basic questions about institutional democracy to the prioritisation of the topic of EU policy: This exercise, be it physical or digital, would be a textbook example of successful deliberation in the 21st century and could channel the fact that more and more people are identifying as Europeans.

By bringing together an organised civil society and citizens chosen by lot, the question as to what type of treaty changes would actually be necessary to establish a crisis-proof Union could be addressed. The ruling of the Federal Constitutional Court on the ECB has shown once again that the current treaties contain strong fiscal barriers that have come under criticism time and again from the left in particular, and rightly so.

And this brings us back to the tiresome topic of the frequently cited crossroads. Hopefully, the next European Council summit on 19 June will provide an occasion to finally put a check mark behind this ineffable metaphor in European politics because a decision has been reached as to which path is to be pursued. In other words: Now more than ever we need to regain the courage to have visions for the future of Europe. There is nothing more expensive for Europeans and Germans alike than sitting back with no ambitions.



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Rabat

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