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Germany's EU-turn

Europeans have fallen back in love with their Union. Now's the time to implement reforms

Germany is doing a U-turn on Europe. Until now, the German government has mostly held other members states to blame for the euro crisis. It has insisted on market-liberal structural reforms on the national level, strengthened its own dominance at the expense of smaller member states and willingly accepted the resulting democratic deficit. It's also blocked key initiatives on social and welfare rights for Europeans.

But now German chancellor Angela Merkel's has indicated she may be changing course on the eurozone's economic governance. Speaking shortly after Brexit negotiations began in June, Merkel told industry leaders she was open to reforms proposed by French president Emmanuel Macron, including a joint eurozone finance minister, "if the framework conditions are right". She also admitted it might even be necessary to change EU treaties to bring about reform, something Germany had to that point shied away from.

Merkel is a shrewd politician. She knows Macron's proposals will be a hard sell, and has been busy priming the German public for the new change of course. First came Macron's visit to Berlin, then Merkel's speech to rows of beer-swilling conservatives, in which she pronounced that "we Europeans must take our destiny into our own hands". Then in mid-July, French and German cabinet ministers held a joint meeting in Paris.

The tactic seems to be working. Talk of a "stronger Europe" taps into the current zeitgeist. It has not sparked an outcry, even among die-hard critics of the currency union. Germany seems ready for a renewed push towards European integration. What's sparked this change of heart?

In three words: Brexit, Trump and Macron. They have breathed new life into the European project. The political chaos in Britain since Brexit makes dismantling the EU a worst-case scenario, even for sceptics. Meanwhile, US president Donald Trump's planned protectionist measures would be disastrous for German exports. This has resulted in

growing public support for strengthening the EU. Europe is no longer the problem, but the solution.

So it's hardly surprising that Macron is hailed as a saviour in Germany. As the US and Britain withdraw, France gains in importance. In all policy matters, from security to the economy and the environment, France is key. The focus now is on beginning a new chapter in relations between these two countries, with the goal of creating a stronger Europe.

The EU decision-making process is either overloaded, as with the European Semester, or opaque. It makes no sense to over-regulate significant elements of economic policy, quite apart from the fact European rules are generally the first to fall victim to the supposed national interest. Even enshrining them in national constitutions or virtually automatic sanctions is not much use. After all, political decisions can only be steered by legislative overreach up to a certain point. And a tad more democratic legitimacy would not go amiss.

Thanks to a yearning for stability among European citizens, policymakers are uniquely placed to push through long-overdue reforms. How can we best seize this window of opportunity to strengthen Europe economically, democratically and socially?

Firstly, we need a public debate. In European politics, a small circle of executives enjoys an extraordinary amount of power. The debates are complex and the details are in the hands of a powerful few.

Secondly, Europeans need to unite to combat the threat of nationalist movements. The Pulse of Europe movement is attractive precisely because it advocates a European alternative to Trump's America First policies.

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But unity doesn't mean shying away from criticism. The European Union has many faults: the endlessly simmering euro crisis and the plight of those un- and underemployed in southern Europe; huge splits over how to handle the refugee crisis; the dominance of national interests; the way democratic institutions including the European Parliament are being undermined by increasing intergovernmental coordination – conversations between leaders behind closed doors.

Proposals for a eurozone budget and finance minister are not new. They were first put forward by the current German foreign minister Sigmar Gabriel and Emmanuel Macron as early as 2015. Progressives within the German government should support their implementation.

However, they cannot simply demand “more money” or “less monitoring of economic policy”. Rather, progressives need to demonstrate how these reforms are to be implemented. Should the eurozone finance minister come from the ranks of the national finance ministers or should he/she be selected by the European Parliament? Does he/she answer to the Eurogroup or the Commission? How will a eurozone budget be funded? Should certain welfare standards, such as a guaranteed minimum wage, be imposed across the EU or at member state level? Should social rights be put on a par with the fundamental freedoms in the treaties? Should worker participation in the EU be strengthened as called for by the European trade unions? These are not trivial matters. The answer to these questions will determine the future direction of the EU.

The change of course that is currently emerging offers perhaps the best chance yet to influence the future of Europe. But citizens need participate in the debate. The Europe of technocrats is over.



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