EU Quo Vadis VI: Solidarity and Strength

International Conference on the Future of the European Union

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The euro debt crisis has left the political Europe in a seemingly breathless state. While the public is legitimately concerned about the costs of the crisis escalating on an almost daily basis, harried European heads of state are trying to cope with the emergency in summit after summit. It is no longer “merely” a matter of money, but of Europe as a whole – by the time the EU has weathered the crisis, it may have gone through a transformation not seen since the Treaty of Maastricht. On October 19 and 20, 2011, the Heinrich Böll Foundation hosted “Solidarity and Strength – the Future of the European Union”, an international conference marking the publication of the report of the same name, in which a commission of experts discussed the character and direction of the upheaval with international guests. Two conclusions predominated at the end: A significant increase of political integration will be required for Europe to emerge from the crisis strengthened, and a much higher degree of democratic legitimization will be needed to ensure the lasting effect of the decisions reached.

Europe in crisis

What began in 2010 as a supposedly manageable “Greek crisis” has now evolved into a veritable “stress test” (Ralf Fücks) shaking the entire EU. With Spain, Italy, and lately even France, three of Europe’s largest economies have now appeared in the sights of the financial markets. The impending funding requirements for the proposed bailout can no longer be reconciled with the “delusion” (Fücks again) that Europe is not a community of joint liability. Ralf Fücks, who opened the conference as President of the Heinrich Böll Foundation, explained in his analysis that even severe austerity in the affected countries will not be enough to overcome the current crisis. To reverse the divergence of the economies in the euro zone – one of the key drivers of the dilemma, next to the banking crisis and poor fiscal policy – Europe needs a common (and ideally, an environmentally influenced) growth strategy. This can be achieved only with a kind of economic government. The monetary union must evolve into a “stability union”, with new European institutions to oversee that stability, Fücks explained. It thus also becomes clear that the current modus operandi of integration policy has reached its limits. The required radical steps to tackle the crisis must be transparent and democratically legitimized; integration “behind the backs of the people” will no longer work.
The EU is still a successful model

Despite the breadth of topics, the debates frequently revolved around the two key terms in the title of the conference: “solidarity” and “strength”. As noted by Joachim Fritz-Vannahme, who contributed to the report as the head of the European projects of the Bertelsmann Foundation, “strength” is not an easy term to deal with, especially for Greens. Notably, it was an American who held the position that the EU could remain capable of action, both within Europe and internationally, and stay quite successful. In his keynote, Princeton University political scientist Andrew Moravcsik urged Europeans to view their own position with greater confidence and to avoid excessive pessimism. Politicians and journalists tend to think in the short term, while the current crisis would better be analyzed in a historical and country-to-country context, Moravcsik said. The same applies to many figures and statistics that make a European decline seem inevitable. The fact remains that the EU will remain one of the major international players in the coming decades. Moravcsik pointed out that this was true not only for Europe’s economic performance, but also with regard to political influence: European instruments of power for conflict pacification and modernization, such as the enlargement process, are extremely successful internationally, especially when compared to U.S. attempts in this direction. International progress on climate policy also would have been impossible without European leadership. If Europe chose to recognize those achievements and were to act in a more positive and assertive manner both internally and externally, it would be welcomed all over the world, not least in the United States.

European solidarity as enlightened self-interest

While Moravcsik above all highlighted Europe’s successful “output” (in political science terms), during the conference it quickly became apparent that the outcome of the euro crisis will depend above all on “input” in the form of Europe’s support in society. As a newly reorganized community of shared liability that provides a joint guarantee for obviously significant financial resources, Europe will only have a prospect of success with a certain degree of mutual solidarity. Not least the debate over Greece in Germany in recent months has demonstrated that significant resistance exists here.

All commission members pointed out during the conference that defining the concept of European solidarity in their report involved at times intense debate. Solidarity in Europe could not be so unselfish or (in the words of Claudio Franzius, lecturer in the Humboldt-Universität zu Berlin law department) so “dense” as on the national level. Daniela Schwarzer of the EU Integration Research Division, German Institute for International and Security Affairs, Berlin, named two sources of a possible European sense of solidarity: a clear self-interest arising from the well-understood consequences of European integration, and the underlying insurance principle of the necessary bailout measures that can be understood as a part of future risk sharing.
Power must be legitimized

Whether the European sense of solidarity that has been recognized as a necessity will actually take shape remained unanswered during the conference. At any rate, “reciprocal loyalty” certainly cannot be demanded “from above”, but is the result of public debate, noted Claudio Franzius. The fact that this debate must be held in the context of an increase in European power raises new questions. Ulrich K. Preuss, Professor Emeritus of Law and Politics at the Hertie School of Governance in Berlin, who together with Claudio Franzius wrote a study on the future of European democracy on behalf of the Heinrich Böll Foundation (soon to be released), stressed that the democratic legitimization of European power was necessary to moderate the inevitable conflicts and politically mitigate the necessary crisis measures. Many panel members agreed with the commission report, which called for a further democratization of the European Union for these reasons. This must be realized through concrete steps such as expanding the rights of scrutiny of national parliaments and the promotion of Europe-wide citizens’ groups, but above all by strengthening the European Parliament.

Many conference participants tended to have a critical view of the role of the European Parliament to date. Gerald Häfner, a member of the Greens/EFA parliamentary party, described the chasm between EU parliamentarians and citizens of the Union from his own experience. A large discrepancy exists between the present influence of the Parliament and the perception many people have of actually being able to influence relevant decisions through the European elections. Heather Grabbe of the Open Society Institute in Brussels added that the makeup of the European Parliament was neither representative, nor did it offer real alternatives – in many important policy issues, the answers of the major factions differed little. Ulrich K. Preuss gave another example of the violation of fundamental democratic principles: at present there is no way to vote those politically responsible for EU policy in Brussels out of office. Preuss discussed some of the commission's proposals, which were aimed at ending such anomalies and creating political space for a European public. In future, a uniform European electoral law and a European party statute should ensure the establishment of Europe-wide political parties capable of taking part in elections across the continent. The parliament itself should receive the right of initiative in European legislation and be entitled to nominate candidates for the presidency of the European Commission.

Like Preuss, other experts of the commission repeatedly emphasized that the proposals intended to democratize the European Union must not amount to completely disempowering the member states. The EU remains a multilevel system in which national democracies play an important role as equally important lines of legitimization. Despite this qualification, the commission’s proposals during the conference were not infrequently met with contradiction. Andrew Moravcsik and Jan Zielonka, Professor of European Politics at the University of Oxford, were not convinced that providing additional opportunities for participation would fundamentally change the reluctance of many EU citizens to actually
take part in European democracy. Furthermore, it was questionable whether it would be possible to amend the EU treaties, without which many of the more ambitious proposals could achieve little.

Peter Graf von Kielmansegg, Professor Emeritus of Politics at the University of Mannheim, also did not believe that the distance of the EU from its citizens, which he termed as inevitable, could be corrected by the proposed reforms. A sober assessment of whether the anticipated benefits outweigh the loss of political legitimation must precede each European integration step. For Graf Kielmansegg, the worrying calls to essentially impose an “interdiction” on crisis-ridden Greece raises the question: “Do we want that?”

Jadwiga Staniszkis, Professor Emeritus of Politics and Sociology at the University of Warsaw, went as far as describing Europe’s treatment of Greece as “structural force”. Staniszkis spoke out strongly against the “ antiquated” idea of European federalism and against demands for more democracy in Europe. Properly understood solidarity rather means giving member states greater freedom for their own – i.e. decentralized – institutional innovations for a much more highly targeted response to their own problems.

**European social policy remains limited**

The motives and points of friction of the general debate of the first day arose again repeatedly during the second day of the conference, which was devoted to the “fine print” of individual policy areas following the initial big-picture debate. According to Rainder Steenblok, former minister and coordinator of the committee of experts, the background of the discussions was the idea that a public suffering from integration fatigue could best be convinced of the benefits of further integration steps by demonstrating tangible European “added value”.

The commission’s proposals for the possible future of European economic, financial and social policy naturally had the current euro crisis as a point of reference. Daniela Schwarzer began by pointing out that a common currency area also requires economic coordination, effective crisis mechanisms and joint governance. In addition to new measures to regulate the banking sector and agreement on a European growth strategy, Schwarzer asserted that issuing euro bonds – a tool that was not uncontroversial within the commission – would be a step in that direction. Given the limited nature of European funds, aligning the EU’s spending with internationally recognized priorities could help to increase public acceptance of European cooperation. With regard to European social policy, striking a balance between the desirable and the possible is necessary in light of “weak feelings of solidarity”. Under the circumstances, the commission proposes the introduction of minimum social standards, Schwarzer said. A number of social protection measures, such as poverty reduction and preventive healthcare, could thus also be Europeanized.
Ronald Janssen, advisor to the European Trade Union Confederation in Brussels, had no doubt about a causal connection between the lack of social policy standards and the crisis of the euro zone. The low interest rate policy of the ECB benefited Germany above all, while promoting bubbles in the peripheral countries of the euro zone. According to Janssen, if social policy had received more attention in the Lisbon Treaty, the resulting imbalances which led to declining wages, increasingly precarious employment conditions, and growing social insecurity could have been avoided. The current commitments of the crisis countries to budget austerity and further welfare cuts would lead to a continuation of these negative developments. Janssen was also cautious in demanding a stronger European social policy, however. In his opinion, European intervention in national labor markets in the form of “one size fits all” rules, such as setting a minimum wage, should be avoided.

At this point, Janssen was in agreement with Mats Persson, Director of Open Europe, a London-based think-tank, and others. Persson noted the great differences in the competitiveness of the euro countries as the real root of the currency crisis. Euro bonds or similar instruments would not be a remedy here; instead, the affected euro countries would need to come to terms with fundamental structural reforms and struggle through to greater labor market flexibility. In this context, Persson also questioned the commission’s concept of solidarity. The planned euro bailout would apparently serve above all the indebted banks. It would be understandable if Slovakia, for example, were reluctant to participate in financing such a rescue, as a country that had gone through with a painful reform of its banking sector and is now being asked to come to the aid of countries that had shied away from such reforms.

Reinhard Bütikofer, a member of the European Parliament and speaker of the German Green group, refuted Ronald Janssen’s conjecture that the euro and Germany’s export industry is responsible for the growing social divide in Europe. As a nation of exporters, Germany competes internationally and cannot withdraw into the “cocoon of the European structure”. Solidarity in Europe is only possible if all involved countries are on a sound footing. Reliability was also required of the crisis countries, and future governance reforms in Europe must therefore contain effective sanction mechanisms against treaty violations.

**European energy policy: top-down or bottom-up?**

Despite all legitimate concerns, the EU will most likely find a convincing progress project in the field of energy and climate policy. The commission confirmed the favorable projections of many experts, according to whom switching Europe’s energy supply to 100% renewable sources by 2050 would certainly be possible. Apart from problems with planned efficiency increases, the EU’s “20-20-20 by 2020” targets are on the right track, reported Delia Villagrasa, Senior Advisor to the European Climate Foundation in Brussels. The close relationship between European climate goals and long-term energy security for the economy seems predestined for showcasing the added value of European energy policy. The EU will be in a position to supply the domestic market with energy with much greater
efficiency, said Michaele Schreyer, a former member of the European Commission and Vice President of the Network European Movement Germany. As an independent actor on the international stage, Europe could influence the establishment of standards and affect international demand for energy resources, Schreyer explained. Above all, consistently taking the previously-neglected external costs of coal and nuclear power into account will bring the concept of solidarity to the fore. According to Schreyer, this will only become possible if institutional obstacles such as the EURATOM treaty and the current right of member states to determine their own energy mix are abolished.

The remarks by Grzegorz Wiśniewski, Chairman of the Institute for Renewable Energy in Warsaw confirmed that many member states may find it difficult to waive that right. Polish energy policy is shaped primarily by energy security considerations and low prices; climate policy only plays a peripheral role. Instead of promoting renewable sources, the energy giants have been cooperating closely with the government to prepare for the construction of new nuclear plants. While Europe can set climate targets for Poland, it does not have the resources to directly affect its energy mix. In Wiśniewski’s opinion, a more promising approach would be to promote concrete projects at the local level with European funds. In addition to directly involving local citizens, this would permit the transfer of energy and environmental technologies that are especially important for Poland.

The apparent reluctance of some EU states to agree to a consistent energy and climate policy, led Valentin Hollain of EUROSOLAR e.V. in Bonn to speak out strongly against any further attempts at energy solutions at the EU level. A “coalition of the unwilling” will always lead to central agreements on the smallest common denominator (Hollain: “Together means slower!”). In Germany, for example, it would be better to promote the consistent further development of the Renewable Energy Sources Act (EEG), as developments here are at the threshold of a breakthrough. Waiting for solutions like the European “super grid” would cause this dynamic development to grind to a halt, Hollain explained. Successes at the national and local level, however, would have demonstrative character and drive the European grid in an “organic” manner. Not unexpectedly, Hollain’s analysis met with contradiction. According to Michaele Schreyer, if Europe does not assume a leadership role, the transition would very likely cost more and take longer. An uncoordinated expansion of renewable energies would also destroy considerable biodiversity due to its great inefficiency. To promote the development in Europe, it is important to have a positive debate and to refrain from denouncing other states as “laggards”, not least because Germany itself is not exactly a model candidate.

The contradiction between values and interests must be overcome

The search for new perspectives for Europe in the workshops on other subject areas also presented a rather mixed picture. In the working group on the future of European agricultural policy, the goals of the commission quickly collided with the realities of European conflicts of interest, which were explained by Ico von Wedel, a member of the
cabinet of EU Agriculture Commissioner Dacian Ciolos. The discrepancies between values-based intentions and political feasibility become especially apparent when evaluating Europe’s international role. While Christine Chemnitz, Section Head for International Agricultural Trade at the Heinrich Böll Foundation, and Tobias Reichert of Germanwatch in Berlin spoke out firmly for the elimination of export subsidies and a reduction in the massive import of animal feed such as soy, von Wedel offered little prospect for change in EU’s expansive strategy. Representatives of the European Commission also received considerable criticism from Martin Häusling, who as a Green member of the European Parliament noted that Brussels does not have a recognizable vision for structural changes in agricultural policy. Two-thirds of the funds are distributed by the hectare with no apparent strategy, and the Agriculture Commissioner is merely responsible for “greenwashing” this policy.

Similar contradictions were addressed in the discussion of the European Union’s enlargement policy. Joost Lagendijk, a Dutch politician of the GroenLinks party, called for a continuation of the accession negotiations with Turkey and the Western Balkans, in which questions of the rule of law and human rights must not be marginalized under any circumstances. The EU’s insistence on “positive conditionality” as a strategy of enlargement and neighborhood policy was hotly debated in the working group. The participants agreed, however, that a simple “business as usual” would not be desirable, and that the EU must link conditionality with social dialog and communication more strongly than ever.

The supposed contradiction between values and interests naturally became quite apparent in the debate on Europe’s future foreign and security policy. The commission had made an effort to resolve the dichotomy between the two terms, explained Ulrike Guérot of the European Council on Foreign Relations. The many voices of European foreign policy are simultaneously a weakness and a strength, and could prompt a European values-based “global governance” that leaves the thinking of the 20th century behind. Frithjof Schmidt, Deputy Chairman of the Green parliamentary group, underscored that a “coherent foreign policy” must combine value orientations, security needs and tangible economic interests. EU policy in the Arab world had failed partly because it was almost completely dominated by security and economic issues. How seriously the current “celebratory speeches” should be taken will be seen in future dealings with dictatorships like Saudi Arabia, Schmidt said. Skepticism prevailed on the question of whether Europe would be able to successfully follow this path to a genuine community foreign policy. The current European crisis could also become an unexpected window of opportunity to that end, as Ulrike Guérot hopes. “Pushing through” integration steps pointing in the direction of statehood would also make revolutionary changes in the EU’s foreign policy conceivable.