This book starts by posing a question: what does “Being European” mean? In order to answer this, the book first analyses the fundamental characteristics of the EU: it has been constructed step by step, nothing is imposed on its members, decisions are taken collectively and it has a unique multi-level legal system. Then, the book analyses the biggest problems of our time: migrants, terrorism and populism, and not only finds where the limits of the EU’s areas of competence lie, but also identifies the real action taken to combat those problems. As a third issue, the book analyses how the EU managed the economic crisis and shows how, from a global perspective, it has been the epitome of solidarity and the preservation of the welfare state. The three chapters demonstrate that a lot of manipulation or ignorance underlie criticism of the EU. The last chapter gives a definitive answer to the initial question on the basis of the previous analysis: no new changes are needed, but the present system has to be strengthened. In order to achieve this goal, we need to focus on our common culture, which has been shaped over the centuries, and our common identity.

Foreword by Klaus Welle, Secretary General of the European Parliament
Being European

Foreword by Klaus Welle, Secretary General of the European Parliament
Acknowledgements

The opinions put forward in this work are of a personal nature and not of the institution I represent. Translated by Sam Morgan and revised by me, the original text has been updated with references to the most relevant recent events but only to a limited extent.

I would like to express my profound thanks to Klaus Welle, secretary general of the European Parliament and a true European, for his important Foreword regarding the idea of a European “identity”, a contribution that perfectly reflects and completes my own analysis in this book.

Giancarlo Vilella
On identity: Foreword by Klaus Welle

Secretary General of the European Parliament

Literature about identity seems to converge around the view that identity is about what we are not or no longer: we are not like our neighbours and we are not what we used to be. That rejected alternative is called "the other".

Germany wants to put maximum distance to the Third Reich and Spain to the Franco regime. The European Union is not like Putins Russia, Erdogan's Turkey, our southern Muslim neighbourhood across the Mediterranean, Trump's United States or Brexit Britain. But is it satisfying to refer to an identity that only knows what it is not? And doesn't that approach immediately devalue our neighbours?

Attempts to define what we are have historically run into trouble. 19th century Nationalism established as a reaction to the Napoleonic wars singled out minorities that then suddenly became foreigners in their own country only to be discriminated, expelled or massacred in a process of ethnic cleansing. Race and class as identity patterns were used to create violent movements and justify the appalling mass murders of the 20th century.

If that is what identity does we should better do without. Should we limit ourselves therefore to individual identity rather than collective identities?

The fact is that collective identities do exist. From your football club to your town to your family, your religion or you being an atheist we form identities that go beyond ourselves. The several identities we adhere to contribute to who we are. We are not somebody else. So it is not about denying who we are, it is about accepting the other as equally valid.

Identities need a pluralist frame to do no harm, to not be weaponised: I know who I am and meet the other in mutual respect.

We Europeans have committed and been the victims of all atrocities imaginable. As a consequence we built a wide variety of protective mechanisms to not fall victim of other people's identity ambitions. The rule of law meaning that also the rulers need to adhere, minority rights, human rights catalogues, accountability mechanisms and parliamentary democracy and
On identity: Foreword by Klaus Welle

market economy and private associations further limiting the power of the state.

And the European Union as a community of law guaranteeing the rights and the integrity of smaller European nations against the ambitions of their bigger neighbours as well as the rights of the individuals.

European history can be understood as a continuous struggle for freedom. Church and state represented two separate sources of power neither of them ever able to completely dominate the other. The division of levels of government and separate people of separate language increased the complexity on our peninsula further and served as a protective mechanism providing also alternative solutions and institutional arrangements as in a gene pool.

If Europe is looking for an identity it is exactly there. Not demos, the obligation to feel and behave as one, brought to its extreme by "Ein Volk, ein Reich, ein Fuehrer" in the perspective to wage war on your neighbour, but pluralism protected by a constitutional order as enshrined in the European Union treaties. Diversity needs tolerance and pluralism, not demos.

Could it be that it is our identity to have overcome identity politics or at least to always try to?

There is a philosophical base for this approach. Kant is asking us to choose the reasons of our own actions in a way that they can always become general laws. No space for one community against another. This finishing stone of the philosophy of enlightenment is the base for a tradition of thought that allows to counter factually understand this world as one in vocation. Human rights being universal and not dependent on who you are or where you come from or the consent of your local dictator.

This idea of one world based on undeniable rights can be an authentic contribution of Europe to the global debate. The increasing capacity to destroy our globe not only through nuclear weapons now being acquired by rough states, but also the foreseeable disastrous consequences of continuing climate change and mass migration make a philosophical basis of world interior politics a necessity.
# Table of Contents

On identity: Foreword by Klaus Welle 7

Prolegomenon 13

1. Epistemology of the European Union: Fundamental traits 17
   1.1. Introduction 17
   1.2. Step by step 17
   1.3. An integrated, layered system 20
   1.4. A democratic system 21
   1.5. Better functioning 23
   1.6. Economic governance 25
   1.7. The Union, its values and its citizens 27
   1.8. Getting acquainted with the European Union 28

2. Evolution of the European Union: The Political Framework 31
   2.1. Mala tempora 31
   2.2. Tough financial outlook negotiations 31
   2.3. The May 2014 European elections 34
   2.4. A complex and difficult political framework 39

Migrants and refugees 47

International terrorism 51

2.5. Difficulties and complexities 60

3. European economic governance 62
   3.1. From the beginning of the crisis to the Stability Mechanism (2007-2012) 62
   3.2. The antinomy of “austerity” and growth (2012-2014) 69
Table of Contents

3.3. From the 2014 European elections to Brexit 74

4. Being European 85
   4.1. Some considerations 88
   4.2. A new paradigm 95
   4.3. The fundamental and founding values of being European 101

Conclusions 104
For Margherita, Teodoro and Emiliano.
And for my students.

*With European unification, a dream of earlier generations has become a reality.*
*Our history reminds us that we must protect this for the good of future generations.*

Berlin Declaration
25 March 2007
Prolegomenon

“Professor, what does it mean ‘to be European’? How would you express such a concept?” One of my students asked me this during the final lesson of my course on European law in Ancona,1 in November 2014. The importance and the pertinence of the question asked by the student derived from the fact that we were at the end of the course; it was based on a newly-acquired understanding and was therefore not just a generic, spur-of-the-moment question.

In the few moments that passed after the question was asked, I saw the faces of my forty students fixed on me with inquisitive eyes: an absolute silence had descended, there was no more rustling of papers, ticking over of computers or creaking of chairs. A slight shiver ran through me and in those few moments my mind strayed back to what my wife, Maria José, had said two weeks earlier2 about going deeper into European issues, as well as what had emerged from an excellent seminar in the faculty a few days before.3 It may seem strange but in those brief seconds between question and answer the idea of this book was born.4 But the notion re-

1 For many years I had the great honour and, at the same time, the great pleasure to hold a teaching position at the economics faculty at the Università Politecnica delle Marche (Ancona).
2 Commenting on my book Tessendo una nuova tela, Pendragon, Bologna 2014, which had just been published.
3 The seminar was organised by Professor Monica De Angelis to discuss Tessendo una nuova tela, cit.: the seminar was held on 30 October, 2014, and was entitled "Law and Literature. Citizenship and democracy between law and literature". Monica De Angelis introduced and coordinated speeches by Erika Giorgini, Mauro Pellegrino and Maria Cristina Zarro, plus (of course) me.
4 The answer that I can offer and the analyses that support it are the result of decades’ worth of experience, from a life dedicated to Europe. In terms of written works, please see G. Vilella, Scritti 1979-2009, 5 voll., Pendragon, Bologna, 2013: see in particular volume 3, Scritti sul Parlamento Europeo (1992-2009) and volume 4, Scritti sull’Unione europea (1987-2009), but also volume 5, Trilogia di viaggio. Luoghi, incontri e lettere di un europeo. My writings post-2009 are cited when needed, in the present book. In terms of what qualifies me, I have been an official at the European Parliament 1 March 1990, in Brussels.

https://doi.org/10.5771/9783845285030
Generiert durch IP '54.70.40.11', am 15.01.2019, 14:10:03.
Das Erstellen und Weitergeben von Kopien dieses PDFs ist nicht zulässig.
mained on the back-burner\textsuperscript{5} until the difficulty-mired policies and institutions of the Union and an accumulation of dramatic and tragic situations prompted me to try and provide my own modest contribution to the future of Europe. I made the final preparations the day of the Brussels terrorist attacks (22 March 2016), a full-scale attack on the heart of Europe and my city; I decided to pick up my pen. This desire and need to express myself was only increased by the June 2016 Brexit vote and the United Kingdom’s decision to leave the European Union.

When the question on what it means to be European was asked, the European elections of May 2014 (something to which I shall return later) were behind us, but contrary to what I expected, anti-European attitudes continued to dominate the scene, first and foremost among media commentators and the structural pessimism of intellectual opinion-makers, but also among politicians and widely among the general public, from citizens to entrepreneurs and workers. At the end of 2014, I had the impression that Europe was living through the most difficult period I had ever witnessed. Anti-Europeanism fed on an unhealthy soup cooked up by a decadent era: nationalist tendencies, anti-politics and structural pessimism. To that mix, we have to add the discomfort of those who are irked by any tolerance shown to the irregular and the illicit, not to mention the fear of apparently rampant terrorism. It is a huge wave to hold back and those that had the responsibility to contain it did not apply themselves to the task. On the contrary, those people continued to borrow anti-European language, which among its least responsible users took on a boorish tone, and it seemed like the situation was getting out of hand. There was (and there is) a pursuit of the idea that Europe is crumbling and heading towards disunion.\textsuperscript{6} It was (and is) one of those ideas that can leave an impression and become the fashionable way of thinking: if you do not have the same ideas then you are considered marginal, particularly after the now infamous Brexit vote. Of course, this habitual, generalised repetition ultimately yields results that I want to dissect: there are hundreds of examples. Stumbling across someone who tells things differently seems to have become

\begin{footnotesize}
\begin{itemize}
  \item[5] Also because I was kept busy in my editing of \textit{Innovazione tecnologica e democrazia}, Pendragon, Bologna 2015, ultimately published at the end of summer 2015.
  \item[6] To grasp this apocalyptic vision in its entirety, which in my opinion is based more on prejudice than profound analysis, see J. Zielonka, \textit{Disintegrazione. Come salvare l’Europa dall’Unione europea}, Laterza, Rome-Bari 2016.
\end{itemize}
\end{footnotesize}
rarer than hen’s teeth, but it is exactly that which I will be doing in the course of this book. I do not presume to convince anyone or to change the course of events; however, yes, I want to show that there is another way of looking at things and, hopefully, this will stimulate thought about this alternative field of view.

Since the 2014 elections, things have not got better and, at time of writing, one could argue that things have in fact got worse. Within this difficult context of *mala tempora*, the question “what does it mean to be European?” posed to me by my students takes on even more significance and it is something that I reflect on in this book.

Since the question on “being European” was asked at the end of my course, I concluded that the link between the two (the teaching and the question) was narrow at best, which is why I will start with the educational message that I try to pass onto my students, in an effort to provide a technical-interpretative analysis of the evolution of the European Union. I seek to show what the Union’s fundamental traits are, traits that the reader need be aware of in order to understand the essence of the Union and its evolution so far. Following this description, I will put forward an analysis of the political framework so that the considerable difficulties facing the Union can be understood. After examining the first signs of political crisis and the importance of the 2014 elections, I will focus on the burning issues of resurgent nationalism, populism, migrants and refugees, and international terrorism. A specific chapter is dedicated to the governance of Europe’s economy, due to its effect on perceptions of the Union and its general hold over the entire system. Management of the international economic crisis, the measures taken at a European level and the debate between growth and rigour, as well as the role of various institutional actors, will be the focal points of the analysis. Resting on this foundation, I will move onto the central element of this book and highlight the need for a new paradigm when understanding and approaching Europe. Namely, a paradigm that would mean thinking about Europe as one unified cultural actor. That is the only way to bring together and consolidate that which has already been built. Only at this point will it be worth trying to respond to the question of “what does it mean to be European” and why we have to

---

7 Surveys fall over each other to show us that the EU is losing its consensus among Europeans, that distrust of the institutions is on the up, that abstention is increasingly common, that national feeling outweighs any feeling of being European, that the image of the EU is tarnished.
Prolegomenon

believe in Europe as a prospect for humanity, particularly in this difficult and dramatic moment in which the continent finds itself today. The found-
ing values of the Union - democracy, freedom, social justice, diversity and peace - are the foundation blocks and light at the end of the tunnel for any future development.
1. Epistemology of the European Union: Fundamental traits

1.1. Introduction

In order to understand the European Union and its evolution, it is necessary to be aware of some of its fundamental characteristics. These are:

- the Union has been constructed step by step, through discussion, negotiations and the common will to move forward: it is not something that has been imposed from above on everyone by some external body;
- the Union is a democratic construction, the European system is anchored in the principles and methods of democracy;
- its legal system is integrated with its national counterparts in a unique and layered system of governance, it is not a parallel or contrasting system;
- the Union is on a constant quest to improve how it functions;
- the Union always works on the basis of commonly agreed long-term strategy and plans using this method wherever possible;
- in terms of the economy, the Union has in place a system that on the one hand integrates social concerns with productivity and competitiveness, while on the other combining growth with sustainability;
- the Union is a totally open system that favours granting an active role to citizens, as well as supporting, protecting and enhancing rights and powers;
- the Union is a system that is based on solid and advanced values in comparison to the rest of the world.

Let us now quickly consider these fundamental values of the European Union, point by point, which debunk the tired clichés that ignorance, both real and wilful, and manipulation create.

1.2. Step by step

The starting point for this extraordinary thing known as the European Union is conventionally accepted, with good reason, to be 9 May 1950,
when French Foreign Minister Robert Schuman\(^8\) issued his Declaration, whereby revolutionising the way European history is perceived. The Schuman Declaration (inspired by Jean Monnet\(^9\)) was born of the idea of creating the conditions for peace and acknowledging that Europe would not be built all at once but would be created on the back of tangible achievements that would lead to a state of de facto solidarity. The first of these “tangible achievements” was the merger of France and Germany’s coal and steel production, with an open invitation extended to any country that wanted to join.

The Declaration was fruitful in the extreme and led to an increase in political-diplomatic activity that went on to unify the continent through the adoption of international treaties.

This cooperation evolved from Schuman’s proposal on coal and steel to the creation of a wider economic community and an agreement on atomic energy. It took until several years after the three treaties (coal and steel, atomic energy and European community) had moved the integration process forward for further advances to be made in the financial regulation of those treaties. The first treaty to take on a genuine political dimension was brokered during the mid-seventies, when it was decided that the European Parliament would be directly elected through universal suffrage. Up until that point it was merely an assembly of representatives drawn from member states’ national parliaments. From that moment on, the political debate about Europe’s future began to intensify but it took more than ten years for a new agreement with more ambitious goals, in particular the full implementation of the single market, to be put on the table. The 1990s saw a stronger desire on the part of the member states for deeper integration and this was translated into three successive treaties (Maastricht, Amsterdam and Nice) with a significant broadening of community competences and strengthening of the European institutions, starting with the Parliament. As we shall see, the early years of the 21st century were dominated by a debate that sought to provoke a quantum leap forward in political and institutional integration, but the result was not as expected. The pinnacle was the adoption of the Lisbon Treaty, which certainly strengthened the European Union but did nothing to change its initial parameters.

---

It is important to remember that the Lisbon Treaty was only reached after a complex and contradictory process, the aftermath of which we are still dealing with today. After the Treaty of Nice, the Council decided in 2001 to initiate a process of self-reflection on the future of Europe, with the ultimate aim of even deeper integration. Resulting from this period of introspection was the willpower to try and overcome the intergovernmental model and the international treaty model, in favour of a genuine European constitution. To this end, the Convention on the Future of Europe was set up and went to work for a year and a half, eventually proposing a constitution that would need to be ratified by each member state. Indeed, most countries did sign off on it but negative votes in France and the Netherlands put paid to the idea and Europe was thrown into a serious political crisis. It was the German presidency of the EU that ultimately broke the deadlock with the Berlin Declaration of March 2007, which was prepared under the pretext of celebrating the 50th anniversary of the Treaties of Rome. In a section charged with meaning, the Declaration highlighted the reasons why European countries sought unity in the first place, starting by reiterating the Union’s legacy of peace and the feeling of mutual understanding this had brought with it. It also recalled the importance of being united through diversity, of having a common sense of belonging, of undertaking a joint search for answers to the toughest challenges facing us today and of guaranteeing security while preserving freedom. On this basis, the states acknowledged that it was necessary to move forward and overcome the political stalemate by pressing on with integration: this was achieved when the Lisbon Treaty was adopted. But Lisbon was only suc-

---


12 L. Chieffi (edited by), Il processo di integrazione europea tra crisi di identità e prospettive di ripresa, Giappichelli Editore, Turin 2009, in which an analysis is made of the tremors caused by this failure and the measures needed to overcome the crisis, in terms of legal and economic matters, as well as protection of rights: the book does shirk from mentioning the difficulties arising from a “greatly” enlarged Europe.
cessful because of the compromises that were made. In it we find the substance of the constitution proposed by the Convention but anything of a federalised nature was abandoned, including the word ‘constitution’ itself, the 12-starred flag, the hymn, the expression “European law”, etc. In legal terms, it signified a return to the international treaty and intergovernmental model of agreement.

As we can see then, the European Union is a fruit of extensive labour which is still going on as I write. It advances step by step, through discussion, negotiation and the common desire to move forward. It is indeed not a system that has been imposed from above by a foreign body, it is instead a shared masterpiece, to which all the participants have made their own contribution. It should be noted that from a legal-institutional point of view, the Union is not a separate entity from the systems that the member states have built. We shall see that it is no foreign actor that imposes itself on others.

1.3. An integrated, layered system

International treaties were and still are today the legal basis for what is currently the European Union. This has put the sector firmly within the field of international law for years and it is safe to say we are dealing with a *sui generis* legal system. The truth is that it is actually a supranational system (not international) organised along different interconnected and integrated lines. Unlike international law, in the European Union there is no legislative overlap with the incorporation of rules or international decisions, although there is a legislative production (and updating) process that belongs to a single, unique system. When the uninitiated say something like “Brussels has told us to do this and that”, they are making the mistake of engaging in the same dishonesty that occurs at a local or regional level when someone says “Rome is making us do this and that”. In fact, these mistakes or examples of deceit are worse at a European level, because member states are directly involved in the law and decision making process.

The treaties mentioned above are the primary legal means of the Union, at what is essentially the constitutional level, and they are safeguarded by
the European Court of Justice.\textsuperscript{13} Simply look at the current Treaty on the Functioning of the European Union (following the reforms adopted in Lisbon) and it is clear that it is constitutional in all but name: there is a definition of the values and objectives of the Union (see Articles 2 and 3), details on the distribution of competences between the various levels (Articles 4 and 5), as well as the assertion of fundamental rights (Article 6) and the principle of citizens’ participation in the Union’s politics (Articles 9 and 12). These are all elements that are characteristic of any constitutional text, not to mention the added definition of an “ordinary legislative procedure” and what it relates to.

From the Union’s primary legislation (treaties), we get its secondary legislative level, which consists of regulations, directives, delegated acts, implementing acts and other decisions. This is a set of rules that member states and other recipients are obligated to implement. The exercise of legislative power is based on the principle of division (between the Union and member states) of competences that can either be exclusive, shared or supportive.\textsuperscript{14} To this mix we must add the principles of subsidiarity and proportionality, under which the Union must only adopt new legislation if it is necessary at a supranational level. The principles of division of competences, subsidiarity and proportionality clearly indicate that we are talking about a legislative system that is integrated and organised at various levels. There are no superpositions or parallel axes. This legal system works via the actions of democratic institutions.

\section*{1.4. A democratic system}

The institutional system is in fact based on a classic, democratic and political construction with some of its own peculiarities, like other states. It is

\textsuperscript{13} See \textit{Judgment of 23 April 1986} (Case 294/83 Les Verts vs European Parliament) which states that the European Community is a community of law where the member states and the institutions must both conform with the constitution of base that is the treaties. The statement is confirmed by the \textit{Third Chamber of the Court, Judgment of 2 October 2001} (Case T 22/99): in this judgment there are references to settled case-law on the subject. As for the national Constitutional Courts, the subject is more tormented, caught in a love/hate relationship.

completely mistaken (if not ridiculous) to suggest that “as opposed to the member states” the European Union has nothing in common with a classic democracy. The member states, which aspire to the classic democratic model, are profoundly different to each other, except for sharing an underlying principle of separation of powers (although even that is not always true). The same goes for the European Union, where legislative power is separated from executive power and where judicial power is kept at arm’s length too. Not to mention the fact that the Union’s administration is inspired by the principle of independence. Legislative power (as well as budgetary) is exercised by the institution that represents the people, the European Parliament (formed by direct elections and universal suffrage), and the institution that represents the member states, the European Council, which is made up of the current heads of state and government. In practice, it is the same model employed by federalised states. Executive power is exercised by a supranational institution, in this case the European Commission, and the member states, which are tasked with implementing European law. Executive power at supranational level is rather limited, while that exercised by the member states is, in principle, universal. Judicial power is wielded by the European Court of Justice, which guarantees and, to an extent, shapes European law, even that with constitutional value. But what is important to remember is that (apart from certain competences) it is national judiciaries that exercise true power over European law, integrated as it is with national laws. As you can see, not only are the three powers of any classic democracy separated and exercised by specific institutions but they (the powers) are also widespread in one, multilevel, unique system.

---

15 For an analysis of the democratic models used by the member states it is very useful to look at Brack-De-Waele-Pilet’s Les Démocraties européennes. Institutions, élections et partis politiques, Armand Colin Editeur, Paris 2015; the book is divided by theme and describes each single country using this method. On the “substantial” differences of European democracies and, above all, the paradoxes caused by the modern development of the democratic system, see S.Cassese, La democrazia e i suoi limiti, Mondadori, Milan, 2017.

16 For an overview of “co-jurisdiction” and related relations between the two levels of law in view of the legal cooperative relationship between judges, see D.- U. Galetta, Rinvio preguidiziale alla Corte di giustizia ue ed obbligo di interpretazione conforme del diritto nazionale, in “Rivista italiana di diritto pubblico comunitario”, n. 2, 2012, p. 431 et seq.
For a long time, there has been talk of a “democratic deficit” being a characteristic of the European system and technocratic bureaucracy being the resultant factor. This was a relevant observation for some time but it is no longer or, at least, no more so than in any other national state system. Indeed, I would even go as far to say that the roles have been reversed and a democratic deficit is more often than not to be found at national rather than European level. The European Parliament is directly elected by European citizens and it shares legislative and budgetary power with the Council (representing the member states) and it has increased its power of scrutiny over the Commission and the other executive bodies. Moreover, the European Commission can only go to work once it has obtained a vote of confidence from the Parliament. The latter also retains the right to adopt a motion of no-confidence and dismiss the Commission. Beyond the European Court of Justice, which independently exercises judicial power, it is the Court of Auditors that keeps the Union’s financial activities in check. Other independent authorities include the Ombudsman, which is responsible for ensuring the Union practises good administration, and the European Data Protection Supervisor, which makes sure personal information is used properly. I could continue with other examples but I believe that this is sufficient to show that the democratic element of the European system is today solid, far-reaching and beyond doubt.\(^{17}\) This is so particularly given that, and this is enough to conclude this part of the picture I am painting, political guidelines along group lines have become the basis of action for the Union. But I will return to this later.

1.5. Better functioning

In order to reinforce and strengthen democratic institutions, they need to function well and provide good results: that may seem obvious but it is often not the case, as there is sometimes the attitude that if the structure is built, the rest will take care of itself. The European Union is constantly trying to improve the way it functions and the evolution of the various treaties is not the only case, there are numerous examples of the Union pursuing this aspiration, which are quite often absent in the member states.

\(^{17}\) The fact that in monetary policy or in the banking system the elective institution's powers are kept to a minimum does not weaken this claim, because these are areas in which the problem - if there is problem - is also a national one.
In the 21st century this search for betterment has taken on a new dimension and there are two important examples (by no means isolated) where the will to improve legislative activity and administrative efficiency has manifested itself.

In 2001, the so-called Mandelkern Group was set up and tasked with producing a report on better regulation of the EU. The expert group’s findings showed that there was a need for legislative planning, as well as a number of principles that should be referred to before regulation is considered (necessity, proportionality, subsidiarity, transparency, accountability, accessibility and simplicity) and the chance to check that there are no alternative measures that could be chosen instead of resorting to the creation of a new law. In addition, before such regulatory proposals are looked at, the Commission now has to carry out an impact assessment in order to ascertain what effect the new law will have. As a result of the Mandelkern report, an inter-institutional agreement was adopted in 2003 that now forms the basis of all legislative action. Every year the Commission now presents a legislative plan, known as its Work Programme, to the Parliament, prepares a comprehensive assessment of any proposal before diving into the detail and provides firm justification for all proposals submitted to the legislative authority. After the 2014 elections, a process of reform and update of the 2003 inter-institutional agreement was started. The new text entered into force on 13 April 2016.18

In the same period, the Union started to reform its administration, a process that was concluded in 2004 with the adoption of new staff regulations.19 It was a radical reform that reconciled effectiveness, efficiency and independence by restructuring career paths and equalising wages, defining (and increasing) staff responsibilities and increasing the role of middle-management as separate from career paths themselves. In addition to the reform of the regulations, the “fundamental right” of citizens to good administration was added to the changes being implemented, which

---

18 The Mandelkern Group was named after its chairman. The report presented by the committee led to the creation, after many discussions, of the Inter-Institutional Agreement on Better Regulation, published in the OJ on December 31, 2003, C 321. The new agreement was negotiated between May and December 2015 and adopted in March 2016: publication in the OJ, L 123, 12 May 2016.

was put into practice when a code of conduct requested by the Parliament was also approved.\textsuperscript{20} The code of conduct requires (in addition to the obvious need for staff to refrain from any illegal activity) consistency, quick and clear responses, objectivity, impartiality, proportionality and fairness (without abusing power). The adjustments then made in 2013 to the new regulations do not undermine what was achieved in the initial reform process.

In addition to intervening in the legislative process and in its administration, the Union has adopted other structural measures that improve how it functions, such as reflecting on its system of governance and introducing a code of conduct for European Commissioners.\textsuperscript{21} In the former’s case, in addition to defining the role of each institution, it was also highlighted that motions brought by civil society need to be taken into account regularly, as well as the positions of local and regional actors, expert opinion and the role of executive agencies, by taking an open and participatory approach. In the latter case, ethical principles independent of legal norms were introduced in order to regulate private activities, financial interests, informal relations and so on.

\textit{1.6. Economic governance}

The economy is certainly one of the fundamental pillars of the European Union, not only because it is clearly an essential instrument needed to bring about the common good, but also because it is an intrinsic factor in Schuman and Monnet’s objective of creating “\textit{de facto} solidarity”. From the very beginning, a common market was planned and it implied the provision of free movement of people, goods, services and capital, as well as the regulation of competition rules. In order to achieve all this, harmonising national legislation was necessary. Building the single market was initially a slow process but it was encouraged and sped up in the 1970s. The firm foundation provided by the single market allowed for another step...

\textsuperscript{20} The code was adopted in 2001 and in 2012 a number of additions were made by the Ombudsman (see the official volume, Strasbourg, 2013, European Union edition).

forward to be made and in the 1990s the Economic and Monetary Union was set up. Economic convergence, multilateral monitoring, the European Central Bank and the monetary union made up the essential elements of the EMU. The mechanism has proven itself, despite a thousand difficulties posed by an excess of national competences. A contradiction in terms prevails in which the need for common economic governance is accepted but the necessary powers to make it a reality are not handed over. Reluctance on the part of the member states to adopt sorely-needed rules remains problematic. The global economic crisis, which erupted in 2007, has put immense pressure on the Economic and Monetary Union, undermining the perception of the EU in general. For this reason, a specific chapter is dedicated later to crisis governance.

However, it is important to remember that in 2000 the European Union furnished itself with an economic strategy, otherwise known as the Lisbon Agenda or Lisbon Strategy, as well as structural funding instruments meant to benefit the regions. The Lisbon Strategy gave itself the ambitious objective of making Europe “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” by 2010. It was essentially a decade-long project. The results that ultimately emerged were not as lofty as its ambitious targets, due mostly to the occurrence of the world economic crisis at the heart of the process. There have been many criticisms of the Strategy, particularly in regard to the coordination mechanisms put in place between the member states and the Union. However, activity made possible by the Strategy created conditions that promoted solid economic development and introduced elements of reform into the system.\(^\text{22}\) In fact, the Union was loath to abandon either the project

or the method the programme had implemented and when the Strategy expired, a new plan called Europe 2020 was pursued.\textsuperscript{23}

The new ten-year plan is a lot more precise than its predecessor and, in a certain sense, it is much more courageous because it sets out its objectives not in generic terms but is backed up by figures and numbers. Firstly, it sets out its theoretical-philosophical framework by proposing intelligent (knowledge and innovation), sustainable (efficient, competitive and ecological) and inclusive (high-level of employment, territorial and social cohesion) growth. In order to avoid accusations of creating vague targets, tangible objectives for 2020 were also put in place, including: raising the employment rate of the population aged between 20 and 64 to 75%; allocating 3\% of GDP to research and development; reducing greenhouse gas emissions by at least 20\%; increasing the share of renewable energy sources to at least 20\%; increasing energy efficiency by at least 20\%; reducing the number of people giving up on their school studies; and reducing poverty. With this method, Europe 2020 aims to overcome the difficulties of its predecessor by clearly defining the roles allocated to the national and European levels.

1.7. The Union, its values and its citizens

In the end, perhaps the most meaningful characteristic the Union has managed to craft for itself during its decades of existence is the adoption and defence of solid and advanced values, as well as supporting an active role for its citizens. The two main pillars of this particular trait are the EU’s Charter of Fundamental Rights and the part of the Lisbon Treaty dedicated to European citizenship. Defining the legalities of European citizenship, beyond just a sense of belonging, is an important step in strengthening the Union. The Treaty now recognises a number of rights for European citizens (see Articles 18-25), including: the right to free movement and free residence in the EU member states; the right to stand and vote in the European Parliament’s elections, as well as the local elections of the member state a citizen is resident in; the right to diplomatic protection in third countries from any member state embassy, when there is no official office

\textsuperscript{23} For the Lisbon Strategy, see the \textit{Conclusions} of the extraordinary Council summit of Lisbon, held on 23 and 24 March 2000. For Europe 2020, see COM (2010) 2020.
of one’s own country; the right to petition the Parliament or have recourse to the Ombudsman; the right to write to the institutions in one’s own language and receive a response in that same language; the right to access of institution documents; and the right to participate in the European Citizens’ Initiative. Without doubt, this is a great package of rights.

In practice, the Charter also finds its way into the Treaty in Article 6 of the document, which serves to “constitutionalise” it. The European Council took the decision to draw up a charter of rights at a summit in Cologne in June 1999. A convention was then set up to draft the document, which it completed in time to be presented at the next year’s summit in Nice. The Charter had political clout but would have to wait until the Lisbon Treaty’s entry into force to enjoy any legal weight. The various rights are fleshed out thanks to subdivision into large categories: dignity, freedom, equality, solidarity, citizenship and justice. Overall, there is a balanced composition of civil, political, economic and social rights. But the added value of the European Charter is that it goes far beyond the classic list of human rights: the Charter takes into account all the changes that our generations have to face up to, from cloning and bioethics in general to the rights of children and the elderly, as well as the protection of personal data and public document access, good administration, media plurality, health, social security, and so on. In this way, the Charter provides tangible rights (as well as new rights), which it bases on advanced ethical values, unequalled elsewhere in the world.

1.8. Getting acquainted with the European Union

Lack of knowledge about the European Union is certainly one of the most difficult aspects of our phase of history. I am not saying that this fac-

24 Article 6, paragraph 1 maintains that the Union will recognise the rights, freedoms and principles set out in the Charter and it “shall have the same legal value as the Treaties”.
25 D.-U. Galetta, La tutela dei diritti fondamentali (in generale, e dei diritti sociali in particolare) nel diritto UE dopo l’entrata in vigore del Trattato di Lisbona, in “Rivista italiana di diritto pubblico comunitario”, n. 5-6, 2013, p. 1175 et seq.
26 Mercedes Bresso, in the introduction to her Economia e Società nella crisi: il ruolo dell’Europa, Pintore Editore, Torino 2014, says, speaking about the 2014 vote, “…almost no one is in a position to provide a simple outline of the European institutions, with the partial exception of the Parliament, which we vote for nonethe-
tor is to blame for the Union’s woes, the causes of which (as we shall see) are actually different and more deep-rooted. Rather, I would argue that a poor understanding of the Union causes its difficulties to multiply, because it promotes inaccuracies in the media, disproportionate reactions from politicians and fosters a negative feeling among European citizens. Of course, I am putting aside voluntary manipulation, where deception is consciously used to bring about a destructive goal. My focus is instead aimed toward the vast majority that deal with the European crisis in their everyday lives and who unintentionally exacerbate it by lacking any idea about the fundamental traits of the Union. In schools and universities, the European Union is largely absent and, in any case, we cannot expect every citizen to take specialist courses and read all the available literature. That is why I believe in the usefulness of at least understanding what we will call here the fundamental characteristics of the Union and which I have endeavoured to go through quickly. This lack of comprehension places the Union in something of a paradox: one day it is accused of making no impact on the everyday lives of citizens, the next it is denounced as being too involved in managing every little detail. Clearly there is a lot of manipulation going on here but the paradox exists because of a lack of understanding about what the European Union is and how it functions, coupled with slanted coverage by the media. More serious still, in my view, is the lack of awareness exercised by national political parties. The gravity of the problem is summed up by the fact that the parties do not handle, through all their manoeuvring, the European aspect of things in a way that faces up to a reality in which the European Union plays a decisive role. This c

less, without a clear idea, not even an approximative one, of what is does and what its competences are. We are completely in the dark when it comes to the Commission, the Council, the Court of Justice, the ECB, the EIB, the Committee of the Regions and the European Economic and Social Committee. Moreover, few people are involved with explaining the problem of how these competences are interwoven with national and local institutions and how it affects our lives", p. 8.

27 On how to correctly communicate European matters, it is worth reading A. Michelozzi, Perché l’Europa è il messaggio, in A. Maresi and L. D’Ambrosi, Dal comunicare al fare l’Europa, EUM edizioni, Macerata 2016. The author clearly (and brilliantly) highlights that between communicating and carrying out something, it is the message that needs to be clear in content in respect to the decision: the difficulty is the speed people expect decisions to be made and the general nature of media communication. Knowing how to clarify the “message”, says the author, is key to helping relaunch Europe. A. Michelozzi insists that it is an approach he sticks to in his own profession.
1. Epistemology of the European Union: Fundamental traits

ates fertile growing conditions for the deception that goes on and it is evi-
dent that the visibility currently enjoyed by the Union is a problem that
must be addressed.
2. Evolution of the European Union: The Political Framework

2.1. Mala tempora

From the point of view of the institutional organisation, the Lisbon Treaty gave the European Union a solid operating base and the conditions needed to work and evolve together, in an orderly fashion. However, the consequences of this big leap forward have struggled to make their mark and have been slow to exert their influence because of the difficult political context that has prevailed, in increasing intensity, after the Treaty entered into force, since 2010. As noted in the prolegomenon, by this time intellectual pessimism had become widespread, as had the trend toward nationalism and fears about the migration phenomenon and international terrorism. European Commission President Juncker in a January 2016 press conference talked about Europe being in “poly-crisis” due to an incapacity to solve any problems that arose and to implement any decisions that were actually made. It is an explosive mix that is indeed dangerous, the elements of which have one thing in common: Europe is used as the lightning rod for all inherent anxieties. This, as we shall discover in the course of this chapter, is not only unfair to the Union, which does not have direct responsibility over these phenomena, but is also an utterly wrong-headed approach to take because the Union is the only political level where any hope of solving these problems can actually be found. But first things first.

2.2. Tough financial outlook negotiations

The first significant sign that the major players’ approach to Europe was changing and that this would have a substantial impact came out of the debate preceding, and results of, the European Union’s financial outlook for the 2014-2020 period. It was a long series of events whose drama was ratcheted up in November 2012 when heads of state and government were

28 This paragraph draws on an analysis, slightly modified, already made in G. Vilella, Tessendo una nuova tela, Pendragon, Bologna 2014, p. 25 et seq (please see for a more in-depth analysis).
unable to come to an agreement on the Union’s financial perspectives. It wasn’t just the lack of agreement that was worrying but the way in which that November summit failed. Everyone looked after their own national interests and refused to budge an inch, all too prepared to hinder others, without any regard for finding a common consensus within a European framework. There was talk of a psychodrama caused by the parties present entrenching themselves in their positions. The trigger for this crisis proved to be, as so often in the past, the United Kingdom and its demand that the European Commission scale back its European Parliament-supported proposal. Obviously the choice of which sectors to “cut” was no minor issue, as the consequences would have an impact on which countries turned out to be net contributors or recipients. The initial proposal topped €1.047 trillion for 2014-2020, which Council President Van Rompuy suggested cutting down to €973 billion, but no further agreement on the figure or the budget breakdown could be found and the matter was postponed to the beginning of 2013 and the February summit. The events of November 2012 highlighted two major interconnected problems: on the one hand, the strictly national approach of member state leaders and, on the other, the lack of recognition for the Union’s role in reviving and sustaining the economy on a global level. In February 2013, a Pyrrhic victory was achieved, in that an agreement was struck but for the first time in EU history, the budget that was set was lower than it had been for the previous period. The total agreed for 2014-2020 was €960 billion, about 1% of Europe’s GDP and more than 20 times less than the United States’ federal budget.\(^{29}\)

European Parliament approval is needed under Article 312 (2) of the Lisbon Treaty: to be precise, it is the Parliament and the Council, as co-legislators, that adopt the instruments needed to lay down the multiannual financial framework, with the Council acting with Parliament’s consent. Reading the conclusions of the 8 February 2013 summit though, one is left with the distinct feeling of witnessing the unfolding of a major new phe-

\(^{29}\) In its Resolution of 5 July, the EP highlighted one point that it believed to be a serious political error: the entire affair had shown, said the Parliament, that the member states, more precisely their governments, did not consider the community budget to be a crucial tool for the European economy. However, after a long game of tug-of-war, at the very limits of inter-institutional conflict, the agreement was signed at the end of 2013, the financial outlook was adopted and a new programmatic cycle was begun under tense circumstances.
nomenon. The document not only lays out the budget guidelines, it also goes into detail about how the different sectors and sub-sectors should be organised in order to bring them into line. This approach eliminates the margins of negotiation between the two components of the legislative authority. Such an approach effectively stymies the role of the European Council.\(^30\) However, we cannot overlook two established elements: there is no clear future for the Union without clear recognition of the member states’ role and that it cannot be surpassed, while the Lisbon Treaty, by making the European Council an institution, has extracted heads of state and government from the limbo of pure politics. It is true that the Council represents the member states and that it is a kind of senate in a federal system. But it is equally true that the direct involvement of national leaders provides a direct involvement of national political expression, supporting the political prospects of the Union. There is a risk, one could argue, that the renationalisation of community politics could transform the EU into an intergovernmental organisation. This risk is present but it is the reflection, equal and opposite, of the danger of the Union crumbling because of the exit or opposition of the member states, especially the most influential ones. In truth, what happened (as we shall see) was the opposite: the presence of prime ministers and presidents meant that national competences were regarded as European ones and that, therefore, the responsibility lay with the Union, when it was in fact the fault of the member states and their inability to find an agreement (I will return to this later).

It may be banal to say but the real challenge is finding the right balance, something the Lisbon Treaty tried its best to do. The Treaty clearly wanted to imbue the European Council with more power, by transforming it into an institution and giving it a stable president, while the presidency of the Council of the European Union continued to work on a rotating six-month basis. The Treaty’s search for balance included giving the Commission more legitimacy and allocating more, consistent powers to the Parliament, including responsibility for financial matters.

\(^30\) I owe this very acute observation to my wife, Maria José Martínez Iglesias, a shrewd analyst in her own right of developments within the European institutions.
2. Evolution of the European Union: The Political Framework

2.3. The May 2014 European elections

The European elections of May 2014 were a decisive watershed in the history of the European Union: in a certain sense, they changed its very nature. The year leading up to the elections was marked by increasing tension throughout Europe, mostly due to the persistent economic malaise, but there were other factors too. In general, 2013 saw anti-European attitudes escalate, accompanied by populist and anti-political tendencies. Almost everywhere, radical, anti-European movements sprang up, born of insecurity and frustration, as well as a political crisis that saw leaders not guiding or steering events but merely following the protests, incapable of getting things under control. Every day, one would unfailingly read that anti-European attitudes were on the rise, that the forces that wanted to dismantle Europe were gathering strength and that Europe was now light years away from its citizens.

Thankfully, there were those who proposed a very different analysis, like Sosa Wagner and Mercedes Fuertes in their book, Cartas a un euroescéptico, published around that time. It is a work of great intellectual honesty, with whose themes, analytical approach and inspirational spirit I fully identify. It is a response to the negative tendencies I have described above. The book consists of five “letters”, the first of which is a sort of introduction, where the authors consider the drastic reduction of national sovereignty and the ability of countries to intervene effectively on their own within the current global setup. They also emphasise the absurdity of the idea of returning to an age of division, borders, closure and conflict. The second letter focuses on the merits of the system, how European legislation affects all aspects of daily life and is the root of all positive innovations that have protected citizens’ health and the environment, as well as providing financial support that has promoted structural development in many European countries. The third letter debunks a number of clichés, such as the enormity of the European administration and the cost of institutions. The authors have the facts and figures on their side, highlighting that European officials are not employees in a medium-sized municipality but servants of 500 million people; overall administrative costs do not top

31 This paragraph draws on an analysis, slightly modified, already made in G. Vilella, Tessendo una nuova tela, Pendragon, Bologna 2014, p. 141 et seq.
6% of all spending. The rest is earmarked for community policies; and the budget (1% of GDP) does not have to worry about deficit or debt. The fourth letter addresses the idea of a “democratic deficit” among the European institutions and shows how it is incorrect. The authors explain how both the Parliament (elected by universal suffrage) and the other institutions, the Commission and Council, have total democratic legitimacy, be it either direct or indirect, and act on the basis of open, transparent and democratic mechanisms. The fact that there are defects and shortcomings, as is the case in every national system, does not mean that there is a lack of democracy. The book ends with a fifth letter that is rich in proposals that would reform the current structure. In short, it is a fine, positive contribution that provides tangible and constructive responses to the advance of Euroscepticism.

On 5 January 2014, then European Parliament President Martin Schulz gave an important interview to “El País Semanal”, in which he also voiced his concerns about the rise of anti-European attitudes. However, he highlighted two important factors, the first of which was the fact that the economic crisis and the difficulties incurred trying to respond to it quickly, as well as unscrupulous economic actors exploiting the situation, gave rise to a feeling of rebellion, caused by a real malaise. Schulz’s second point was that populist and anti-European movements had managed to gain traction without actually providing alternative ideas. He pointed out quite rightly that the populists were able to occupy the political space at all only because there was an absence of debate on the future of Europe. This could lead to the creeping destruction of the legacy of peace, democracy and cooperation we have inherited, Schulz added. The president also emphasised what he believes to be the two pillars of Europe in the future: transparency and social justice. He ended the interview by referring back to the period before the First World War with a very acute observation: during that time, a series of political, economic, military and other actors, including the various governments, started a process that eventually became uncontrollable and finally led to catastrophe.

Schulz developed this theme in the course of his own book, *The giant chained. Last chance for Europe?*33, in which he made it clear that the attitudes of national politicians, whose mentality is still tied to national

---

boundaries, was contributing to the emergence of a dangerous situation. In his book, Schulz also said that Europe at that time was at a real crossroads, that nothing lasts forever and that the danger of regression, as well as the failure of the European project, was all too real. But he also pointed out that Europe’s collapse would also dissolve the euro, which would leave us dependent on the dollar and Chinese currency. Moreover, customs duties would reappear and the economy would grind to a halt, fuelling the fires of renationalisation that, apart from their disastrous economic consequences, “would spread once again the grim nationalism that already brought the world to catastrophe”. Yet, despite the difficulties the European Union has had to face up to, Europe has remained a reference point for other parts of the globe, as the most advanced region in terms of social and civil matters, enjoying a covenant of nations that is unique in the world.

During the final weeks of the election campaign in 2014, the speeches (and analysis) about the detachment of citizens and Europe, as well as growing Euroscepticism and anti-European attitudes, intensified and took on a sporadic and visceral dimension. The media also allocated unbalanced coverage to those that were supporting these positions and their analysis. This period saw other themes added to the soup of negativity being brewed, like the increasing force of separatist movements within member states, the hard-to-grasp complexity of the Union’s institutional system and the indifferent distance of the “back rooms”. This is ground that has already been covered in the book edited by Monica De Angelis, Percorsi di un cittadino europeo; a subject matter that provoked a degree of regurgitation in the first few hours post-election but which lost its flavour when the result sketched out analysis and tangible, serious political choices regarding the revitalisation of the Union. It was obvious that one would have to try and understand the results of an election that for the first time had properly, or at least largely, focused on the very functioning of the Union, while also considering the period of crisis and the negative debate.

Let us take the final result of the election as the starting point. Turnout did not collapse as many had feared it would but the final figure of 42.54% confirmed the negative trend. The problem exists and demands reflection and decisive action but we must be careful not to exaggerate the

34 M. De Angelis (a cura di), Percorsi di un cittadino europeo, Pendragon, Bologna 2013.
figure, rather, the situation should be allocated the weight it deserves. All observers expected an increase in abstention. Moreover, the number of women elected increased to 37%. It is true that one could focus purely on the fact that we have still not achieved gender parity but that would, frankly, be a mistaken assessment of a phenomenon that continues to grow. Now we move onto the “purely political” results. The overtly pro-European parties secured 64% of the vote and their more critical, yet still Europe-leaning, counterparts garnered 16%, taking their total to 80%. The rest was divided between two Eurosceptic political groups that at least accepted the rules of the game and those unaffiliated members that were largely, yet not exclusively, Eurosceptic as well. It was only later that a new political group, outwardly anti-European, was formed on the far-right. If you want a fair and balanced view, then in my opinion one could say that the great wave of anti-Europeanism expected for 2014 did not materialise, although it is undeniable that the expression of Euroscepticism and anti-European attitudes was considerable. On the other hand, the reaction of the parties, or rather the political groups of the European Parliament, was very important to the evolution of the European institutions.

Since the European Parliament was given true legislative power and the process of co-decision was introduced, for “technical” reasons it became necessary and to some extent obligatory to secure a number of votes that reflected the agreement between social-democrats and populars. The agreement is needed because the process (to its credit) demands it. It is true that, on occasion, other majorities are formed but that agreement is one of the “technical” rules that is exercised each time. It is therefore not a “political” agreement, which in turn creates the problem of conveying a “political” message to the electorate and European citizens in general. On the contrary, this is precisely what the European Parliament and Europe itself needs. Namely, a clear political coalition that makes decisions and is based on an explicitly defined political agreement. Clearly, such a coalition would have to be centre-right or centre-left, or right or left, etc.35, provided that it is clear and “political”. Of the many possibilities dependent on the electoral result, there is also a majority similar to that of Germany’s Grosse Koalition, so long as it is not purely “technical”, which is brokered on objectives and strategy, taking into account the positions of its allies.

35 See M. Bresso’s introduction to Economia e Società nella crisi: il ruolo dell’Europa, Pintore Editore, Turin 2014, p. 21 et seq.
similar to what emerged (not for the first time) from the Bundesrepublik’s 2013 elections. Europe’s 2014 vote allowed the launch of the “grand coalition” but the outwardly pro-European parties went a step further and inaugurated a political accord that also included the liberals. The “political” effects were immediately evident: President of the European Parliament Martin Schulz was elected with a large majority in the first round of voting; Parliament essentially imposed on the Council the choice of Jean-Claude Juncker as president of the Commission, as a result of the election\textsuperscript{36}; and Parliament then voted Juncker as president, with a large majority, as a result of the political agreement that had been hashed out by the three groups, an agreement that Juncker made mention of in his investiture speech. From this point of view, if we consider all three of these elements, they were certainly “historic” European elections, in that they changed the way in which the European institutions were evolving.

How the Parliament chose its new president in January 2017 also clearly shows what a political event this choice is. The S&D group (Socialists and Democrats) denounced its agreement with the EPP (European People’s Party), claiming it was not acceptable that the three presidents of the main EU institutions should belong to the same political family. As a result, the S&D group put up their own candidate, bringing about the end of the so-called “grand coalition”. The EPP reacted and built a new alliance around its candidate, setting up a new centre-right bloc based on an agreement between itself and the liberal ALDE group\textsuperscript{37}, supported by other forces. The strong personality and social skills of their candidate, Antonio Tajani, certainly contributed to his victory but the result of the election was clearly a political one.\textsuperscript{38}


\textsuperscript{37} One piece of important political manoeuvring, which ultimately failed due to internal reasons within the liberal group, was the attempt of Italy’s Five Star Movement to join the group. Its characteristics and political positioning would have been, in my view, influential on the course of many of the Union’s political battles. But this is just a hypothesis.

\textsuperscript{38} Only time will tell how this new alliance pans out.
2.4. A complex and difficult political framework

Truthfully, the new legislative cycle started off on a bad footing. The media-dubbed LuxLeaks scandal, in which Luxembourg’s tax regime, in place when Juncker was the Grand Duchy’s prime minister, was revealed to have favoured large international companies, immediately became a problem for the new Commission, as well as the European Parliament, right at the beginning of its mandate. It was seen by many as being engineered to weaken Juncker and his Commission. It is not an implausible theory when one asks oneself: why was the dossier only made public after Juncker was elected and not before? The file had clearly been ready to go for some time and was primed to explode just as he took office, thereby weakening both president and Commission at the same time. In the European Parliament, certain individuals smelled blood in the water and tabled a motion of censure barely a month after the Commission’s mandate had begun. The motion was rejected by a large majority but Juncker did not recoil from his duty to provide a clear explanation, highlighting that the problem had been around for years and applied to all countries. He also pledged to support initiatives in favour of harmonising the sector. Juncker also submitted a programme with ten priority points: a new boost for jobs, growth and investment; a connected digital single market; a resilient Energy Union with a forward-looking climate change policy; a deeper and fairer internal market with a strengthened industrial base; a deeper and fairer economic and monetary union; a reasonable and balanced free trade agreement with US; an area of justice and fundamental rights based on mutual trust; a new policy on migration; a Union as a stronger global actor; of democratic change. In my view, a real government plan! This, as well as his presentation of a comprehensive economic plan (which I will talk about in the next chapter) and the delicate selection of a team of Commissioners, showed that Juncker is anything but just a bureaucrat. On the contrary, he sought to give his choosing of Commissioners and the drafting of an action programme a strong political slant. But let’s move on past

39 A significant leap forward in corporate taxation was made in September 2016 when the European Commission imposed a very high penalty on Apple and requested Ireland to collect it; it reenergised the debate on business tax in the Union. The aim is to avoid "unfair" competition between EU countries in attracting multinational companies: the Commission submitted its proposal in October.
this “attack” (even if it was an important and significant event) and look instead at a detailed analysis of the situation.

First of all, it is necessary to mention the widespread intellectual pessimism and the malaise of the general public because they make up the poisonous ground where everything else grows. In-depth analysis\(^{40}\) has shown that the media presents a distorted vision of the world by describing a tragic everyday full of catastrophe. In truth, the analysis shows, the actual data refutes this representation: compared with fifty years ago there are fewer wars, fewer hungry people, fewer needy people and less illiteracy, as well as greater life expectancy. Neither are these improvements just blips, they are consistent trends. And Europe is the most advanced in all these developments. It is true that in developed countries inequalities are seen as being more obvious but this all happens in the presence of less poverty, and perceptions of catastrophe do not correspond to the truth. According to this approach, nothing ever works: democracy, politics and so on. This permanent criticism is always negative. In parallel to this diffusion of pessimism, worries are fed by the fact that certain things are not denounced for what they are: deviant and illegal behaviour, for example, like the abusive occupation of houses and many other, similar acts that are unjustly tolerated by the authorities. On the issue of impunity, in May 2015, a demonstration carried out by the so-called “black bloc” was held to protest against the Milan Expo and at the end of the day, some parts of the city had been defaced and vandalised. The day after, we were treated to one of the most beautiful social phenomena to have been seen in recent times: some 20,000 people, of all ages and creeds, descended on the city, armed with brooms and disinfectant, to clean up the mess.\(^{41}\) It was an extraordinary response to a behavioural regression. The fact remains that the suppression of violence perpetrated by organised groups is not sufficiently effective, partly due to the fear that the police will be strongly criticised by all sides for their interventions. This has led to the growth of the idea that impunity should be granted to anyone, if we want to protect the civic feel-

\(^{40}\) “El País”, 7 December 2014. Nobel Prize winner Mario Vargas Llosa felt the need during the same period (again in “El País”) to implore the world to do away with its prevailing pessimism: the Spanish-Latin American intellectual said that it is not true that democracy is tired; the retreat of totalitarianism everywhere, is, according to him, quite the opposite of the assertion that democracy is in crisis.

\(^{41}\) In Venice too, there was a spontaneous clean-up initiative that cleaned the city after anarchists and agitators made a mess in December 2015.

https://doi.org/10.5771/9783845285030
Generiert durch IP '54.70.40.11', am 15.01.2019, 14:10:03.
Das Erstellen und Weitergeben von Kopien dieses PDFs ist nicht zulässig.
ing of the common people. The foundations of the modern state are being abandoned and those who suffer injustices and abuse are not being defended.

With this underlying current in mind, we now turn to the great political challenges the European Union will have to face up to in this first half of the 21st century.

New nationalism and populism

The first big problem is the tendency towards political and cultural nationalism that is not only harmful to Europe but is anathema to what European culture has achieved over the centuries. Regaining national sovereignty seems to have become the main priority of the EU member states, which is a mistake in terms of priorities. But it is also true that it is a mistake to think that the nation state is in an irreversible decline at this point. Yet, locking ourselves into a narrow way of thinking does not make sense: permanent openness has been and is the hallmark of our culture. However, the reality is that our supranational identity, accepted or at least regarded with sympathy during periods of prosperity and growth (both economic and institutional), is discarded during times of crisis and difficulty, in favour of nationalism and populism. The use of the term “populism” has become very polemic and it has evolved into a form of insult, which is used against movements, parties and leaders that are imposing themselves almost everywhere in Europe, even in countries that differ greatly from each other. The damage this does is twofold: first, it devalues the word it-
self, which should describe an important concept in terms of both its severity and negativity; secondly, it has become the go-to term for leaders looking to justify their failure to understand truly what is going on with the “people” when instead the effort needed to understand it is indeed necessary. Often, commentators warn that those in government underestimate parties and movements that are defined as being populist, as well as claiming that their grievances and the solutions they offer are not taken into account. They add that the worries of those who vote populist are real and that attempts to delegitimise them by having a laugh at their expense will come back to haunt those who do not take those concerns seriously. These warnings can certainly provide an important wake-up call but they risk being useless or even damaging if no analysis is made of the content and communication methods of populism, since they only seem to express real dissatisfaction. Something that is clear is that these observations are just that, they do not help us understand the profound complexity of the problems facing the modern world and the populist method of simplification of these challenges. In fact, without delving into the origins and different meanings of the term, populism today is the insistence on immediately reacting negatively, rejecting concepts outright, all without a proactive, thorough, rational political plan of action. It relies on fear and aversion, all based on being reactionary against the “system”, which is to blame for all the woes of the world.

The political clout and presence in national parliaments of movements and parties defined as populist and Eurosceptic, or clearly anti-European, has consistently increased in the member states since the beginning of the century. This increase has accelerated since (more or less) 2010-2012, following in the wake of the economic crisis, the onset of severe migration problems and terrorist attacks. However, as has been observed, the trend is not irreversible. An important moment was Austria’s presidential election in December 2016, when the far-right candidate was defeated and then the Netherlands’ elections of March 2017, when the “populist” party was halted in its tracks and politics returned, in the fullest sense, to the centre of the electorate’s interests. More significant was, clearly, the final result of

---

44 Excuses have been sought here, there and everywhere, but one that gained traction for quite some time was “the rigorous prescription of a Germanised European Union”.

45 See, for example, A. Polito, I populisti vanno presi sul serio, in “Corriere della Sera”, 25 July 2016.
France’s presidential election (7 May 2017), the victor of which (Emmanuel Macron) has always explicitly supported strengthening the European Union and has rejected populist responses to the problems we face. As many commentators have said, Macron was a clear choice, which has long been missing in Europe. Furthermore, on a symbolic level, Macron made his first public appearance as president-elect to the backing music of the European anthem (Beethoven’s Ode to Joy), followed by France’s own La Marseillaise.

This does not reduce the seriousness of the phenomenon though, and many parties in that part of the political spectrum are looking to establish some form of organisation, or at least a transnational network. A conference was held in Koblenz, Germany, in January 2017 and many attempts have been made to latch onto the coattails of the new White House administration after the election of Donald Trump. The Brexit vote has also fuelled the anti-European impetus of these movements. In 2015, we saw various changes relating to this new nationalism and populism. Greece’s early 2015 change of government, for example, had an impact on the European Union and its institutions, which were forced to deal with considerably more anti-Europeanism. Alexis Tsipras’ victory sparked consensus and hopes of change, as well as serious questions about the advance of populism. There were those who, occupying ground between these two sides, tried to build confidence in the new government. They would, ultimately, suffer galling disappointment. However, the Tsipras “phenomenon”, for a certain time, was a reference point in Europe that fuelled new antagonistic trends in various countries, heralding nationalistic elements on both the left and the right. M. Franco defined it as “europopulismi di lotta e di governo” (combative Europopulism looking to govern), mimicking a well-known slogan from the 1980s. Then there was the election of a nationalistic president in Poland, followed (a few months later) by the victory of his clearly Eurosceptic party. The Law and Justice party, which triumphed in Poland in October 2015, occupies the space to the right of the political spectrum and is seen as being anti-European; it is certainly not a pro-European party. The EU has not shirked away from reminding Poland of its

46 According to an analysis by Antonio Polito (“Corriere della Sera”, 13 September 2015), even Britain’s new labour leader would express sympathy for Syriza and Podemos, but also incorporate points in the party’s programme that are shared with anti-system rightwing groups, like the French National Front.

obligations, including raising questions about certain initiatives the new government had in the pipeline: in particular, its planned reforms of the country’s Constitutional Court and the state’s control of information.\textsuperscript{48} We are talking about the founding values of European democracy and it is essential that the EU member states are mobilised to safeguard them, within the framework granted by the Lisbon Treaty. In June 2016, the European Commission decided to take the first steps in a procedure that is intended to defend the Union’s fundamental values and the rule of law, by issuing an “opinion” on Poland, in essence a wake-up call, which it then upgraded to formal recommendations in July. The Commission’s worries concerned the government’s interference with the Constitutional Court, which the EU executive believed was a real threat to the autonomy and control of the country’s judges. In August 2016, the situation reached its apogee when the Court ruled the government’s measures unconstitutional and the same government said it would ignore the ruling. It was a serious crisis for the rule of law in Poland.

The same can be said for Hungary, which is also a problematic case. The European Union has criticised the violation of fundamental rights in the country, as well as restrictions on freedom of expression and attacks on non-governmental organisations, but has been unable to take action against Budapest from either a legal or a political standpoint. There was a “Citizens’ Initiative” that denounced Hungary’s violations and it gathered 2 million signatures, all calling on the Union to intervene. In Spain, a new party (Podemos) with an antagonistic and strong message, critical of Europe (particularly austerity policies and bureaucracy) emerged during the 2015 elections.\textsuperscript{49} Regional elections in France, also in 2015, saw another nationalist party do well (Front National) and the European Parliament accepted the formation of a political group from the extreme-right (guided by the Front National), openly anti-European.

In the meantime, the United Kingdom started its hike through what would prove to be the minefield of its referendum on EU membership, which was a part of its prime minister’s promise to secure election victory.

\textsuperscript{48} In Poland, a constitutional crisis threatened when the government refused to publish a judgment by the Constitutional Court which said the law amending the status of that same court was illegal. The interesting fact is that thousands of people posted the text on Facebook! The judiciary has opened an investigation against the president of the court for negligence and breach of its prerogatives.

\textsuperscript{49} The rise of that party was firmly halted at the next election in June 2016.
David Cameron claimed he wanted to bring about change that would make Europe “more effective and less bureaucratic” but he did so without proposing a clear direction. Instead, he just asked for derogations for his country. Cameron had a clear strategy though: get concessions, stay in the EU and start, after a process of change that has always been the objective of the British, to mutate the very identity of the Union. The European Union and all its member states made an extraordinary effort to allow Cameron to manage the referendum and keep the UK in the EU; many concessions were made\textsuperscript{50} in the sectors where the prime minister made his demands. After Cameron obtained the compromises he asked for he came down on the side of staying in the Union but still announced the referendum would be held on 23 June 2016. The problem for Cameron, who had to subsequently resign, was the result in favour of leaving the EU, which will have huge consequences for all involved. How this situation will be managed, as it introduces a previously unknown element into the Union’s equation, is difficult to say but one could argue that it is an opportunity, finally, to forge a more integrated, political Europe, as well as a real, solid fiscal and monetary union, which have all been vetoed by the UK over the years. In my opinion, the vote has been interpreted in an often superficial and sometimes erroneous way. The reasons for this differ, be they based on sloppiness, dishonesty or manipulation. To say that it was a blow to the European Union or that we have just six months to save it or that the Union has failed in its relationship with its citizens (as well as other similar and connected factors) really means disregarding the British reality, or perhaps I should say English. Yet, two things are clear.

The first is that the English chose to leave the EU based on the votes of its oldest age group, who live outside of the big cities. The youngest and most educated voters, who reside in the large cities, Scotland and Northern Ireland, wanted to stay. The second thing is that the United Kingdom has never been in favour of European integration, has always hindered initiatives in favour of closer cooperation and union, and has always created problems for financial and monetary policy. These two facts are unequivocal and have nothing to do with the alleged failings of the Union. More-
over, the Brexit campaign was not fair\textsuperscript{51} and many of those that voted to leave subsequently admitted that they voted against London and other urban areas, and that they did not expect the result that ultimately emerged.

This by no means implies that Brexit will not create problems for the Union or that it isn’t something negative\textsuperscript{52}, I merely wish to highlight that only a thorough analysis of the event can provide us with the right answers. To this end, the right answer was to urge the UK not to stall for time\textsuperscript{53} and also not to allow it to have Europe \textit{à la carte} and cherry-pick whatever suits its interests. This is precisely what the UK has done up to this point: the treaties are full of exceptions, derogations and opt-outs granted to London, in the areas of social and monetary policy, as well as fundamental rights. Certainly, it is a great chance to relaunch the Union but there is a real risk that everyone will use the opportunity to put “their” vision of the path ahead on the table, rather than what is best for a strong, integrated Europe. The foreign ministers of the six founding members of the Union highlighted this fear at a Berlin meeting. The European Parliament has also focused its attentions on restarting the European project,

\textsuperscript{51} Philosopher-writer Alain De Botton made his view clear in an interview with “Le Soir” on 28 June 2016: “what Johnson, Farage and Minister Gove have done is immoral… They lied and made untenable promises”. The lying aspect of the campaign was also the focus of many speeches made at an extraordinary meeting of the European Parliament on the same day.

\textsuperscript{52} Indeed there are many destabilising factors within the Union that have come about because of the Brexit vote. However, there is no denying that the real “earthquake” is quite within the UK itself, where Prime Minister Cameron resigned, Labour leader Corbyn was undermined by his lukewarm attitude (however, in September 2016 Corbyn was re-elected as head of his party with a solid majority), Scottish calls for independence have reemerged and Northern Ireland has begun to talk of separation, not to mention the economic impact.

\textsuperscript{53} The European Parliament was clear in this respect. In Resolution P8_TA PROV(2016)0294 it called for ”a swift and coherent implementation of the withdrawal procedure” (para. 3) and insisted the “notification stipulated in Article 50 TEU must take place as soon as possible” (para. 5). Heads of state and government also called for quick notification at the 28 June Council summit but Cameron insisted that it would be up to his successor to carry out that task. See also E. Moavero Milanesi, \textit{Spetta all’Europa stabilire tempi e modalità della Brexit}, in “Corriere della Sera”, 14 July 2016. Giorgio Napolitano, when receiving his prize for his last book (\textit{Europa, politica e passione}, Feltrinelli, Milan 2016), said on Brexit that “we can’t put everything on ice while we wait for the British prime minister to tell us the UK is leaving the EU. I’m not exaggerating, facing up to an irresponsible ruling class” (“Corriere della Sera”, 27 August 2016).
demonstrated by the following statement in a 28 June 2016 resolution on the result of the referendum: “(The European Parliament) stresses that the current challenges require reflection on the future of the EU: there is a need to reform the Union and make it better and more democratic; notes that while some member states may choose to integrate more slowly or to a lesser extent, the core of the EU must be reinforced and à la carte solutions should be avoided; considers that the need to promote our common values, provide stability, social justice, sustainability, growth and jobs, overcome persistent economic and social uncertainty, protect citizens and address the challenge of migration requires developing and democratising, in particular, the Economic and Monetary Union and the area of freedom, security and justice, as well as strengthening the common foreign and security policy; considers therefore that the reforms must result in a Union which delivers what citizens expect” (paragraph 10).\(^{54}\) However, Prime Minister May chose to front up to the EU and chose a clear-cut, radical and confrontational break-up (both politically and legally), not without risk for the Union and the UK itself: the communication of leaving the EU was signed on 28 March 2017.

**Migrants and refugees**

The second significant challenge Europe faced after the 2014 elections was the influx of illegal migrants that arrived by land and sea, a phenomenon that caused and is causing a great deal of concern. It is a polarising issue and views on it are often very different. There are certain parties and movements that prioritise the issue and even build their entire raft of policies around it, as they look to build an identity. It is true that these fears are fed by disorderly immigration that is accompanied by tragedies, in a seemingly unbreakable cycle.\(^{55}\) The right answer to this problem would be the adoption of a clearly defined and balanced policy, but no one seems able to put it together, resulting in parties in government distancing themselves from the concerns of the working class, among others. It is a

---

\(^{54}\) Resolution P8_TA_PROV(2016)0294.

\(^{55}\) The number of migrants to have died in the Mediterranean is estimated at 3,000 for 2014 and 2,892 for 2015. Traffickers begin their business with earnest in the spring and after inroads made in 2015, they were back with a vengeance in 2016 with new boats and new engines.
complex challenge and one that is difficult to solve. As well as being crucial to Europe, it also takes on a more global dimension\textsuperscript{56}, as other parts of the world experience the same phenomenon. Italy is on the frontline, maybe the most exposed, but Greece, Spain and Hungary (via the Balkans) are facing significant migration flows too.

The problem can be divided threefold: the collective and individual tragedy of the migrants; the criminal trafficking of those human beings; and the economic and social difficulties caused in hosting migrants. The first aspect of the problem regards the situation in the countries of origin of the migrants, where the living conditions are dire and political instability is the norm. The second aspect implies the necessity for international police operations that also (if not especially) have to use force. Military intervention, even when limited to tackling these smugglers, is a choice that has for too long been left up to the authorities of the member states. The final aspect concerns the large swathes of Europe’s population that feel insecure.\textsuperscript{57} Every country is affected by this epochal phenomenon and solutions have been sought at a European level. Some agreements have been brokered, on joint operations at sea (increased in summer 2015) and financial support for the countries on the frontline. But the difficulties encountered in implementing the agreements, in conjunction with continuing national government doubts, mean joint action has so far been rather ineffective.

Then there is the phenomenon of ‘refugees’, people who seek asylum, whose path is parallel to that of irregular migrants, with whom they risk being confused in the public imagination. The refugee influx reached its

\textsuperscript{56} The United Nations estimated that in 2015 there were over 60 million migrants and refugees.

\textsuperscript{57} There are events that make this issue even more complex. The incidences of groping by hundreds of immigrants that were reported in Cologne on New Year’s Eve 2015/16 are a matter of great importance, as they were acts of political and cultural abuse against emancipated women that do not have the same status in the countries of origin of the molesters. It’s an unprecedented situation that needs a firm reaction, not just intellectually. Calls to send the perpetrators back to their own countries are a defence mechanism. But the “crimes” committed in Cologne are much more serious than simple robberies or the like, because they cultural values and freedom itself. Chancellor Merkel’s decision to wait for a thorough investigation was the right one and the right people were punished. The molesters were immigrants, mostly from North Africa and they were eventually deported back to their own countries, thanks to bilateral agreements.
high-point in 2015, when the number of people arriving topped almost 2 million. The significance of that number is evident when one considers that between 2008 and 2013 that figure barely scraped 60,000; in 2014, it was around 200,000. In 2016, the numbers were reduced: compared with 2015, the highest peak, 2016 saw a decrease of 72%, with a little over 500,000 arrivals. It is still an abnormal situation but the measures that have been taken are bearing fruit. Unfortunately, the number of deaths at sea continues to rise. The situation deteriorated so rapidly because of the escalation of civil wars in Europe’s neighbourhood and the lack of an immediate solution to the problem. Obviously, Syria is the most emblematic case but events in Nigeria, Sudan, Libya, Pakistan and Afghanistan cannot be discounted. Several agreements were brokered between the members of the Union in an attempt to alleviate the pressure caused by the crisis but the European Commission outright denounced the member states for not honouring the deals. The fact that a certain number of crimes were perpetrated by refugees and that the vast majority of them are young men only complicates things further. Yet, despite these enormous challenges, the idea that welcoming and integrating refugees into our systems, even in large numbers, could be a chance for economic and social benefit has still not been discarded. The European Parliament has done everything it can to push for strong cooperation between member states, without a great deal of success, while others have come up with the intelligent proposal of organising a “migration conference”. In truth, confusion reigned over how best to treat and distribute the refugees and differences of opinion re-
mained in place even after a common agreement on quotas was finalised in September 2015. When some countries, most notably Germany, decided to open their borders to refugees, it was a decision that was broadly accepted and the opposition was limited. But a consistent policy was unable to develop any further. Refugees fleeing war, violence and dictatorships are characteristically different to migratory flows that are determined by economic factors and poverty. The Dublin Regulation provides a basis in international law for refugees but after the events of 2015 most people want to replace it; some of its critics want to broaden the scope of its principles, while others want the exact opposite.

Merging the themes of migration and refugees is not a phenomenon limited only to popular perception, given that those who seek political-institutional solutions are often guilty of the very same. The two policy areas are, it should not be forgotten, only partly a European competence and they remain largely within the domain of national competence and intergovernmental negotiations. 2015’s events revealed this latter level to be insufficient and showed that policy has to be rethought on a European level, within the framework of the EU. It was the Schengen Treaty that paid the price. Six countries suspended the provisions of the agreement and decided either to keep the suspension in place for two years or find alternative solutions. Sweden, Denmark, Norway, Germany, France and Austria all reinstated border controls and the Commission even decided that certain measures implemented by the latter were illegal. Austria has been a focal point of the crisis, given the number of people that arrived via the Balkans (700,000 arrivals in 2015) but its decision to close its borders has had a knock-on effect down the chain on countries like Italy (93% of arrivals in 2016) and Greece, which has threatened to open up legal proceedings against Vienna. The February 2016 Council summit in Brussels (the very same in which David Cameron secured his set of pre-Brexit derogations) showed up the member states for their inability to collaborate on important issues such as this one. Countries like Poland, Hungary, Slovakia and the Czech Republic even worked together on joint action to build a wall on the Greek border. Those countries managed to replace the mandatory community reallocation of immigrants with a concept dubbed “flexible solidarity”, in which distribution mechanisms are merely volun-

62 The controversy sparked by the proposal to build a wall in the Brenner Pass was immense.
tary. Once again, it is not a case of European policy but of (failed) agreements between countries. After securing the refugee deal with Turkey, a transit country for millions of refugees, the Commission in June 2016 proposed a number of development initiatives in countries of origin, in exchange for holding back the migrant flows, but encountered difficulties securing the necessary funding, estimated to be in the region of €60 billion. It should be pointed out that the proposal was based on an initiative first tabled by the Italian government in April 2016 on strengthening migration policies. Among its provisions were the implementation of measures in countries of origin, as well as setting up the European Border and Coast Guard, firmly returning to full functioning of the Schengen system and reforming the Dublin System. It is therefore incorrect to say that it is the European Union that does not get things done: it is the member state governments (or rather some of them) that block progress with their isolationist policies.

**International terrorism**

Then there is what is perceived to be the most significant problem: “Islamic” terrorism. Fear of terrorism has imposed itself everywhere following the Islamist advancement in several Arab countries and the attacks that have struck the heart of Europe. The Paris attacks in early January 2015 on the offices of Charlie Hebdo and a Jewish supermarket, as well as the Copenhagen attacks carried out during a debate on freedom of speech, were added to a serious of heinous actions that already included individual

---

63 EUCO, *Statement of EU Heads of State or Government*, 7 March 2016: the agreement was presented as a “proposal” that would be merged with community procedures. Keep in mind that there were 2,800,000 refugees in Turkey in 2016.

64 The Commission proposed transferring responsibility of the external borders to the EU. The idea was to set up a European corps of border guards, within the remit of one authority, which would be empowered to impose European interventions in the event of serious misconduct by a member state, without the latter's agreement.

65 See COM(2016)270 final (international protection), COM(2016)271 final (European asylum agency), COM(2016)272 final (Mechanism for determining the State responsible) and COM(2016)275 final (on controlling the external borders and ensuring the full functioning of the Schengen Treaty). It is also worth highlighting European Parliament Resolution P8_TA-PROV(2016)0102 of 12 April 2016 in which a holistic approach to the migration problem and situation in the Mediterranean is backed.
and mass beheadings, burning people alive and destroying irreplaceable historical monuments, all documented in videos that have been shared around the world. The massacre of Coptic Christians in Libya, the destruction of Palmyra’s masterpieces, as well as the Tunisia, Yemen, Somali and countless other attacks, were all just the start of a massive offensive. It’s a well-orchestrated spectacle that shows the iconoclastic fury felt against other cultures and opposition to new democracies66, all meant to spread fear. This fear renders us incapable of any meaningful indignation or strong reaction to this assault on our values. Fear is a dangerous virus for society and democracy. Fear, the greatest of ISIS’s allies, is generated by the unpredictability of the attacks. But rules made in reaction to these fears do not always (or ever) solve the original problems, they merely provide a false sense of security.

Indeed, Europe and the West in general, but also Islam as a universal religion, appeared to be over-cautious in reacting to this shocking violence. Well before the Charlie Hebdo attacks there were plenty of other examples, including the assassination of Dutch film director Theo van Gogh and the fatwa issued against writer Salman Rushdie that we, to an extent, wanted to forget by understating them. “Intellectuals” from various backgrounds criticised the murdered director, the condemned writer and satire itself, by calling for the censorship of opinions that could provoke violence, which obviously has the effect of weakening our values and emboldening terrorists. After the January 2015 Paris attacks, there were clear signs of weakness: several newspapers refused to publish Charlie Hebdo’s cartoons and a number of meetings and events were cancelled, including the Braunschweig Carnival, one of the most important in all of Germany, which was called off at the last moment.67 All of this suggested that maybe the terrorists had already won. Then the 13 November 2015 attacks happened. It was one of the most tragic and dramatic of days. The large-scale Paris attacks (six simultaneous attacks, 129 killed, 352 injured, many

66 The destruction of Palmyra, a site of immeasurable archaeological and patrimonial heritage value, perpetrated by ISIS is the antithesis of a values-society founded on culture. Horrendous episodes, including the beheading of a fifteen-year-old for listening to Western music and the execution of a journalist in Raqqa, send a clear message.

67 Also later, after the Nice attacks and the murder in Rouen, many of 2016’s marches were cancelled or postponed. One of the most shocking and discouraging decisions was the cancellation of the Lille Braderie, an annual market that draws millions of visitors to its part of France. Security fears were cited as the reason.
International terrorism

seriously) happened everywhere, from the street to the horrendous massacre of young people gathered at the Bataclan theatre. It was called, with good reason, an attack against humanity and it was generally acknowledged that the target had not just been France. The European Union’s first reaction was to see it as an attack directed against everyone, which therefore demanded a reaction from everyone. Of course, the blow that France had suffered remained the most pressing factor and the country’s reaction was to declare that it was at war: as a result, emergency laws were proposed at national level. In particular, the French president and the government declared a state of emergency, even going as far as to write it into its constitution. France notified the Council of Europe that this could necessitate derogations under the Convention of Human Rights. Then, on 22 March 2016, attacks on Brussels airport and the city’s metro system left dozens dead and injured. It wasn’t just an attack on Brussels but on the ‘capital of Europe’ itself. Turkey was then attacked by ISIS terrorists as well, as was Mali (Bamako) and Bangladesh (Dacca). The objectives were different but the strategy remained the same. Despite heavy subsequent military defeats on the ground by ISIS, terrorism has continued to spread death and fear in the form of isolated attacks like the events at the Berlin Christmas market on 19 December 2016, as well as the New Year’s Day attacks in Izmir, Turkey. Both are very symbolic countries. In particular, terrorists want to introduce radicalism and conflict intended to destabilise the EU, via Germany, and to influence the election campaigns of 2017 that have taken on a special significance.

At European level, an EU country (France) for the very first time resorted to Article 42.7 of the Treaty, under which member states must provide support and aid if one or more of their number are the target of armed aggression on their territory. They must take all measures within their power, including military. We are talking about something that is very important for the Union’s cohesion and the strengthening of its integration.

68 The loss of human life was tragically high and the economic hit, for Brussels in particular but to Belgium in general, was devastating. Except for the airport being paralysed, the hotel and restaurant business suffered, as did tourism in general. Other sectors felt the pinch too. The Belgian authorities raised the alert level to its highest level since November 2015.

69 Turkey has suffered repeated terrorist attacks, many violent, including an attack on Istanbul’s international airport in June 2016 that left many dead and scores injured. Ankara plays an essential role and that is why it finds itself in the firing line.
and unity. There was an answer to the call for help but it was certainly no breakthrough since many countries refused to accept a state of war or, more simply, to commit to military action. There were many reactions that, finally, acknowledged that “now is the time to fight”, but there were few results in terms of military engagement. Fear of failure, lack of preparation regarding tactics and also public opinion meant that a military counteroffensive was curtailed in a big way. Instead, the Union managed to broker an agreement where passenger information could be controlled more strictly, in order to trace flights and people more easily in the event of an investigation. The Paris and Brussels attacks could and should have been the catalyst to relaunch a united Europe against terror and in defence of our values. Proposals were also put forward on creating a European institution tasked with fighting terrorism but nothing much has come of the idea. The only country to have taken any initiative is Germany, which in July 2016 instigated a common defence project based on Franco-German cooperation that was open to all other countries. International terrorism and geopolitical crises made this step necessary and the departure of the UK makes it all the more likely. Integrating security systems, in addition to military action, by strengthening the supranational powers of the European Union is how to tackle terrorism and protect citizens: the very opposite of national isolation. These ideas took on a more tangible dimension in September 2016 when EU High Representative Federica Mogherini launched the European Defence Action Plan. It is a package of measures that can be adopted within the current legal framework, provid-

71 France and Germany have announced their willingness to set up a European Security Compact. For a detailed analysis see “Le Figaro”, 12 September 2016.
72 P. Fassino, A. Iozzo, Una strategia comune per la Sicurezza, in “Corriere della Sera”, 28 July 2016, show clearly the need for strong cooperation to a wider extent. The authors wrote in their guises as president of the Study Centre of International politics and president of the Study Centre of Federalism, respectively.
73 G. Pitruzzella, Cambiare l’Unione per dare sicurezza ai cittadini, in “Corriere della Sera”, 26 July 2016, backs up the idea that anxieties are being channelled towards the Union and that national responses are gaining traction, and that the right response would be to strengthen the EU instead.
ing permanent cooperation under Articles 42, 44 and 46 of the Lisbon Treaty.\textsuperscript{74}

The aim of many terrorists is to provoke civil war between Muslims and non-Muslims, particularly in Europe\textsuperscript{75}, and in non-Islamic regions in general. Psychological control of the Muslim people is one of the weapons that the Caliphate sought to employ in order to advance its cause. The psychological impact can be massive and can result in subservience through fear, as well as radicalisation that can drive its victims to homicide and suicide. Radical Islam aims to “colonise” other societies, making cohabitation difficult. Yet, it finds the space as a result of obliging, rather generalised ‘buonismo’, in which everything is unfailingly forgiven. Our tolerance is a bad fit with aggression. Beyond this ‘buonismo’, Europe is also hampered by its increasingly advanced democratic principles: the use of personal data in anti-terrorism efforts, for example, always has to contend with legislative measures that seek to protect privacy. More security does not automatically mean rejecting our identity. Bringing an end to aggression through determination is a political, as well as moral, duty, with clear choices. The more passive the West is, the more it self-censors, the more audacious the enemy becomes. This isn’t helped by the fact that we spread the images that show the barbarousness of these murderers, which is a serious error in communication, but also responsible are those parts of Islam that reject extremism but find neither the courage nor the means by which to rise up against Islamist hegemony. Certainly, there is no shortage of statements and declarations defining Islam as the religion of peace and terrorists as the enemies of Islam. There are interviews with Muslims who reject violence in general, as well as terrorism against non-combatants and innocents in particular. Otherwise, the legitimacy of the “Sharia” established in the 7th century is brought into question. Moreover, Islam’s status as a religion and not a political regime is also questionable. The Grand

\textsuperscript{74} See the wide-ranging article by Beda Romano in “Sole 24 Ore”, 4 September 2016, in which the author argues that this project will take shape after Brexit, because the UK has always opposed the initiative.

\textsuperscript{75} In order to understand the phenomenon that is Islam’s presence in Europe and its evolution, it is necessary to read the wonderful (in terms of its depth, structure and narration) M. S. Berger, \textit{A Brief History of Islam in Europe}, Leiden University Press, Leida 2014. The book examines the coexistence and conflicts that have arisen from the Muslim community’s three centuries of presence in Europe. This allows the reader to understand better the phenomena that we have seen in recent years.
Mufti of Egypt was the most explicit: he argued that extremism is a perversion that must be fought, that terrorists are cowards who use religion as a weapon but who know nothing of Islam and that true Muslims are in mourning because of the attacks.\textsuperscript{76} There are also hotbeds of resurgent intellectualism, secular in nature, that combat not only the abnormalities of radicalism but also question firmly-held traditions that hold Muslims back. There are those that have also undertaken a historicist and critical rereading of Muslim texts\textsuperscript{77}, something the religion has lacked in comparison with Christianity. Then there was the symbolic election of Sadiq Khan, a Muslim, as Mayor of London. He has clearly said and shown that there is a compatibility between Islam and the democratic West. Islam can take on the values of democracy and freedom, and does not aim to impose itself upon them.\textsuperscript{78} In Tunisia, the Ennahda party, inspired by the Muslim Brotherhood, has abandoned political Islam and made a clear separation between politics and religion; it is a development of great importance. Also politically important was the call made by King Mohamed VI of Morocco for a united front against ISIS and for tolerant Islam to be defended\textsuperscript{79}, made during his speech to the nation. And so on. But, in my opinion, these are isolated calls to arms, as they lack the explicit support of the international and local Muslim communities; the main response should come from them. An important step in the right direction was made after Islamist terrorists killed a priest in Normandy in 2016 and thousands of Muslims in France and other countries, in an act of solidarity, went to church to pray with their Catholic cousins. A first step indeed, but a significant one.

The West is the enemy of terrorists because it is founded on a concept of modernity that affords individual freedom of choice to people, which is

\textsuperscript{76} See “Corriere della Sera”, 20 November 2015.
\textsuperscript{77} See two extremely important interviews on the subject. The first with Islamologist Rachid Benzine in “Le Soir” on 12 March 2016 and the second with Imam Tareq Oubrou in “Corriere della Sera” on 10 March 2016. There exists a movement towards the deconstruction of Islam’s dogmas, even if it is hard-going: a good example is H. Abdel Gawad, \textit{Les questions se que posent les jeunes sur l’Islam}, Editions La Boîte à Pandore, Bordeaux 2016. See also Tahar Ben Jelloun’s fine book, \textit{Il terrorismo spiegato ai nostri figli}, La nave di Teseo, Milan, 2017.
\textsuperscript{79} See “Le Soir”, 22 August 2016.
a freedom that is heavily contested and attacked by its aggressors. They are the ones that have declared war on the West, it is not the latter that has failed in its “integration” efforts and it has never imposed its values out of respect to other people’s liberties and identities. However, as the philosopher Emanuele Severino⁸⁰ said, “the West has not lost”, despite the many prophets of doom now circulating in Europe. Severino has underlined how the clash between Islamic extremism and our democracy is in fact a rearguard war that ignores modernity’s critical attitude and the use of technology. This is what drives terrorism, not religious reasons. So, was Barack Obama right, then, to talk about terrorism but omit the word ‘Islamic’? Perhaps, yes, from a semantic point of view, as it robs disgusting murderers of their legitimacy. But then there is also a risk of reducing people’s understanding of the phenomenon, since terrorists associate themselves with and act in the name of Islam.

I believe that the increase in radicalism in the Muslim world, aided by the disintegration of states in the Middle East⁸¹, has not been properly perceived: a readiness to cooperate no matter what, accompanied by tolerance that is not reciprocated is a serious error. It is absurd behaviour when we suffocate our own convictions, including our Christian values, in order not to offend others. This spells an end to the West (us) in favour of others. There is a particular form of fear of speaking up and confirming who you are. We arrive at the ridiculous point where we are covering up classical nude statues from antiquity (Venus, Leda, Dionysius, etc.) in order to spare the blushes of the president of Iran during his official visit to the continent.⁸² This is the ridiculous manifestation of a severe mental state. The tables have to be turned. It is our culture that we must use to tackle the radicalism of the intolerant. I have no doubts that tolerance and respect for other cultures (for example, that of Islam) do not mean having to impose limits, relinquish gains that have been made after decades of battles fought or scale back our freedoms. Limiting freedom in our places of work, in swimming pools, on trains, etc., is unacceptable and poses a real

---

⁸⁰ See “Corriere della Sera”, 20 January 2015.
⁸² In January 2016, an international agreement, in which the EU played anything but a secondary role, was brokered with Iran that ended sanctions against the country and allowed it to legitimately return to the international stage.
danger. There are those that maintain\textsuperscript{83} that more is done toward the protection of foreigners than the defence of the rights of citizens. ISIS terrorists exploit these weaknesses, which also include a feeling of guilt, a new form of nihilism, (so-called) pacifism and the escalating nature of the conflict.

According to data available in July 2016, ISIS consists of around 20,000 militants in Syria and Iraq, and it controls some parts of Libya. But it has lost around 20\% of the territories it formerly held in Syria and 47\% of those it once controlled in Iraq. This has pushed the organisation towards committing more attacks “anywhere” against civilians. In 2015, there were 211 attacks in Europe and 931 worldwide. These include the attacks on a Dhaka restaurant, the brutal lorry attack on Nice’s promenade, the Rouen murder, the axe attack on a German train, the suicide bombing in Ansbach, further attacks in Kabul and so on. They only serve to confirm in my mind that these are the desperate acts of utter cowards where unarmed civilians, unable to defend themselves, are murdered. The fact that the attacker or attackers almost always end up dead themselves is certainly not a sign of bravery, more an indicator of psychological disorder.\textsuperscript{84} ISIS does not think twice about using young people who have lived difficult lives and often suffer from obvious clinical problems like schizophrenia, narcissism, depression, etc. Neither do the terrorists shirk from branding them soldiers, even when they act alone. ISIS uses these sick young people, individuals who want to make sense of a confusing life or who are simply radicalised fanatics, with a mechanism that aims to give direction to proceedings. Who and where to strike is planned from a central command in Syria. Websites or go-betweens broadcast information

\begin{footnotesize}
\textsuperscript{83} E. Badinter, in “Corriere della Sera”, 9 January 2016. More important still is Badinter’s line of argument in a wide-ranging interview in “Le Soir”, 3-4 September 2016. The French philosopher addresses various aspects of the relationship between Islam and secularism and clarifies that Islamism is not Islam, which should not be an obstacle when defending the values of the religion and promoting a feeling of rebellion against the Islamists, who suffocate the community (women in particular).

\textsuperscript{84} Fethi Benslama’s extremely interesting essay, \textit{Un furieux désir de sacrifice. Le surmusulman}, Éditions du Seuil, Paris, 2016, shows how psychoanalysis has not been sufficiently taken into account in explaining the phenomenon of Muslim youth radicalisation: the author (a psychoanalyst) argues that this radicalism is a symptom of a deviant Muslim (a “surmusulman”) who is at war with the world and themselves.
\end{footnotesize}
that is gobbled up by these so-called “lone wolves”. This only spurs on other vulnerable, confused or fanatical individuals, as the mass media shows the extraordinary effects of the attacks and the impact they have. Their deeds are not shown to be useless and they are encouraged by the fact that ISIS will laud them as heroes and call them “their” soldiers.\(^\text{85}\) It is clearly a means by which ISIS can move the war from being limited to just military capability toward one based on psychology and sociology, in order to relieve pressure and perpetuate the conflict.\(^\text{86}\) Clearly this is what must be avoided and we need a quick, lasting military solution instead.

Pinning all this on the discomfort of second-generation immigrants is both a poor and misleading approach: the attacks were not the result of community frustrations, rather the end product of a political project that aims to “destroy the European Union and, with it, the West’s support structure”\(^\text{87}\). France is a sizeable cornerstone of the bloc and it is going through a delicate phase. ISIS could end up determining the political direction of the country, fostering anti-European sentiment and perhaps striking a lethal blow to the Union. The repeated attacks in Germany have to be seen in the same light, in that they are not a form of retaliation, rather an attempt to sway public opinion, within a political framework, in order to nurture a crisis at the very heart of the EU. Clearly this serves to create a permanent sense of insecurity across all member states, which in turn leads to anxiety and fear, as well as causing political leanings to move further towards the extremities of the spectrum, and the inevitable weakening of the Union. Barbujani’s observations are particularly relevant in this regard: “Faced with this heinous attack, which is designed to relieve us of our sense of reason, we have to engage our brains, not our vocal chords… the challenge posed by terrorism is, above all, a test of our nerves, as it tempts us to lose them and dismantle civilisation and equality.

\(^\text{85}\) An example of how ISIS exploits events is when it claimed responsibility for the attack on two police officers in Charleroi (Belgium) by a small-time criminal wielding a machete who received an expulsion order telling him to leave the country. But ISIS clearly spreads messages of incitement to such acts.

\(^\text{86}\) Professor Rik Coolsaet, an expert in terrorism at the University of Ghent, says clearly that jihadists are motivated neither by religion nor ideology: see “Le Soir”, 1 August 2016, “Ne pas surestimer le capacité de mobilisation de Daesh”.

in the eyes of the law, which Europe, to its great credit, has the distinction of having invented”\(^\text{88}\).

### 2.5. Difficulties and complexities

Subjective reasons (by which I mean the behaviour of the member states) and objective reasons (the historical phenomena of this period of time) make the political context particularly difficult and complex for the European Union. Perhaps the most difficult it has yet had to deal with. Although we missed out on a constitution, the Union made a huge leap forward with the Lisbon Treaty but it failed to be the starting point for new destinations or goals. Instead, pressure exerted by member states, some more than others, to put the brakes on the Union and regain sovereignty, became stronger and stronger. In my opinion, the wrangling over the 2014-2020 budget was the first sign (it was perhaps undervalued as a turning point) that there was a political will to curtail the Union. It was a victory for the United Kingdom, which, after it had done the damage, fled the scene of the crime. At the same time, another change of attitude took hold (again, maybe underestimated at the time) in which national politicians used the Union as a scapegoat to relieve tensions by both claiming that Europe was imposing measures upon them while at the same time not actually doing anything or making progress. The result was the emergence of strengthened and freshly bolstered anti-European movements. In the symbolic case of Brexit, Europe showed itself to be willing (perhaps excessively so) to meet the UK’s demands and worked to come up with a compromise which was then rendered useless and a waste of time. Meanwhile, two external phenomena grew rapidly and exponentially: on the one hand, the influx of migrants and then refugees, and on the other, the actions of international terrorists that we now call Islamic. The Union has very limited competences when it comes to the former and none at all over the latter; yet, this is the level where the member states have sought a solution, to no avail. In the case of the migrant and refugee issue, the European institutions have put forward pragmatic and regulatory proposals but the member states have failed to show the cooperation needed to implement

---

88 G. Barbujani, *Ma davvero “siamo in guerra”?*, in “Il Sole 24 Ore”, 24 July 2016. The author dedicates a good part of the article to the futility and harm that is done by repeating a mantra like “we are at war”, when this expression means so much.
them. When it comes to terrorism, nothing more tangible has been achieved than declarations of solidarity and grand speeches; nothing has been done towards supranational cooperation, integration of intelligence structures or common military intervention. Some hypothetical proposals have gained traction of late but this is only a recent development.

During his State of the European Union address on 14 September 2016, Commission President Juncker told the European Parliament in Strasbourg that more emphasis would be put on economic growth, financial matters and public funds, defence and terrorism, migration and, of course, Brexit. One of the more innovative proposals is a common defence project, like the emergency ones that have been implemented in light of the migration crisis, where the external borders have been shored up and more funds made available for Africa. On the economy, Juncker made some important announcements that aim to find the right balance between stability and what he defined as “intelligent flexibility”.

2.5. Difficulties and complexities

https://doi.org/10.5771/9783845285030
Generiert durch IP '54.70.40.11', am 15.01.2019, 14:10:03.
Das Erstellen und Weitergeben von Kopien dieses PDFs ist nicht zulässig.
3. European economic governance

Since 2000, the dawn of the new millennium, the European Union, as described above, has adopted a new economic strategy that is intended to make the European economy the most competitive and dynamic in the world, with sustainable growth and greater social cohesion. The strategy has had limited success but its methodology was confirmed by a new ten-year project (Europe 2020) that is more specific and more ambitious. Within the same period, the Economic and Monetary Union was completed with the launch of a single currency and the setting up of a central bank. But this same period also saw the beginning of a global economic crisis, one of the most serious in history: the EU has shown itself capable of managing it at the highest level. Let us take a look.

3.1. From the beginning of the crisis to the Stability Mechanism (2007-2012)\textsuperscript{89}

At the start of 2007, when the euro was celebrating its first five years of life as a proper single currency for several different countries, the overall outlook was good. Its trend on global markets was solid and strong, and its effect on the EU’s economy was judged to be positive, especially (but not only) on inflation. It was an exercise in the unprecedented and it was showing good results, despite the predictions of catastrophe that had been made at the highest level. Flash-forward to 2010 and the situation was the complete opposite. The euro was being called into question after the global financial crisis that dates back to October 2008 (the collapse of Lehman Brothers and the US recession) but whose signs were very much evident earlier: the “subprime” crisis in the United States in 2007 and the food price crisis of April 2008. Thanks to the guidance of France, which was at the helm of the EU rotating presidency, the Union was able to respond immediately and showed its willingness to intervene in order to defend the

\textsuperscript{89} This paragraph contains analysis, with some slight amendments, first made in G. Vilella, \textit{Un Passaggio}, Pendragon, Bologna 2012, p. 223 et seq (read on for further analysis).
continent’s banks and launch a stimulus plan. It may have been a limited response, according to some, but the message that was sent was certainly one of collective action.

The consequences of this global crisis were of course felt everywhere but some European countries endured more due to their specific circumstances\textsuperscript{90}, despite being a part of the eurozone. The first striking case was that of Greece in 2009-2010 when it came to the verge of bankruptcy, in turn putting immense pressure on the single currency, as well as the markets. The danger of a plummeting euro and the risk of contagion in Spain and Portugal meant there was a need for European intervention, in the form of a joint agreement on governmental and institutional action. After long discussions and disagreements, a plan worth some €750 billion and including direct support from the European Central Bank was put together in March 2010. A part of the total sum was earmarked for direct aid to Greece (€110 billion), €440 billion was set aside for bond-buying programmes, around €250 billion could be mobilised by the International Monetary Fund, while the European Commission put together around €60 billion for stabilisation efforts. At the same time, guidelines on more rigorous budgetary scrutiny were adopted, as well as a stricter system of preventative measures on government finances, requested by a France-backed Germany. It was during this period that the need for a European system of

\textsuperscript{90} I would like to point out that all what has happened in recent years was cited as a potential risk already at the time of the Maastricht Treaty: I say this with full knowledge of the facts, since I was involved at the time with monetary policy at European level and I wrote more than one essay on the topic, based on my actual experience. When at Maastricht they introduced convergence criteria for determining debt and deficit levels, they didn’t do it just on a whim, they did it because it was obvious that some situations were unsustainable in the long run, which turned out to be the case. When rules that favoured greater coordination and greater cooperation in the economic and financial sectors among the member states were introduced at the same time, they said it was nothing more than a first step towards the “necessary” European economic governance: without this step the system would’ve remained stuck in neutral, which also regularly occurred because not much value was put in either coordination or cooperation. There were both objective mistakes and problems though. There were two mistakes: a lack of rigour over a certain period in respecting the rules and the idea that national interests could be protected by pursuing “less Europe”. There were also two objective problems: the clear political will of certain countries, guided by the United Kingdom, to obstruct further integration and the accession of new countries from Central and Eastern Europe that feared (mistakenly) being patronised or marginalised.
economic governance became clear. The European Parliament supported the, shall we say, rigorous approach of the Council and judged that public finances needed long-term robustness, as high levels of public debt and deficit ultimately do damage to public policies in healthcare, pensions, employment and more general areas like distribution policy. Moreover, the Parliament insisted that the crisis was no excuse not to proceed with consolidating public finances or reducing public expenditure: a debt limit of 60% is still believed by the Parliament to be ideal and not incompatible with growth policies. All this forms the necessary baseline for helping states in difficulty. The Parliament immediately supported the Council’s agreement (March 2010) on the creation of a European Stability Mechanism and it has indeed been defined as a pivotal moment in Europe’s history. In addition to this instrument, the Parliament backed the growth strategy known as Europe 2020 as an essential factor for the European economy and recalled the number of objectives that went unfulfilled in the Lisbon Strategy. In summary, three intervention instruments were made available at European level: the strategy relating to national public finances; the 2020 strategy; and the financial stability mechanism. It’s important to appreciate that this does not add up to true economic governance of the Union. In order to achieve this, the European Parliament insisted that the method of coordination would have to abandoned, as well as exchanging best practices and peer persuasion, in order to access a range of coordinated activities based on the legally relevant provisions put in place by the Lisbon Treaty. This needs to be, on the one hand, consolidated by democratic legitimacy (European Parliament and national parliaments) and, on the other, by the involvement of as many actors as possible in the decision making process. Finally, the Parliament planned out the route ahead with eight clear and tangible recommendations: create a multilateral surveillance framework on macroeconomic development and taxation; strengthen the Stability and Growth Pact; reinforce the role of the Eurogroup in economic governance; make preventative measures for excessive debt sustainable and credible; reform European instruments related to finances, budgets and taxation; regulate financial markets within a macroeconomic dimension; make statistics on the Union more reliable; and improve the EU’s representativeness in monetary affairs.

While all eyes in 2010 were fixed with concern on the situation in Spain and Portugal, after what happened in Greece, it was Ireland that was to fall next into crisis. It was decided in November that Ireland too would be helped out and aid worth €85 billion over three years was put together.
In exchange, Dublin was expected to carry out more economic rigour and implement banking system reform. The search continued for a structural solution to the economic crisis, as requested by the European Council in October 2010. One of the thorniest and most divisive proposals was the idea of introducing European Debt securities that would be used to buy up the national debt of struggling European countries. The idea originated with one Jean-Claude Juncker, then president of the Eurogroup (a consortium of eurozone finance ministers), as well as then Italian Finance Minister Giulio Tremonti. The two ministers suggested setting up a dedicated European debt agency tasked with managing the crisis. Germany’s reaction was crystal clear: not only was Berlin against the idea of setting up the agency but if the intervention mechanism was to become a permanent feature then treaty change would be needed, which sparked no end of political problems and which also started a debate at an institutional level. The amendment was finally adopted by the Council in December 2010.

2011 saw sustained crisis-management activity in Europe. Steps forward were taken at the European Council summit in March of that year, in two different directions. The first was Decision 2011/199/EU that opened the door for a treaty on the stability mechanism. The other was an agreement in principle on the need for more financial rigour and convergence, plus more aid being made available, particularly for Portugal (a figure in the region of €75 billion). In terms of rigour and convergence, it was Germany that in February announced a clear approach to the problem of debt and the budget in a European context. But the flames of the crisis continued to burn elsewhere, particularly in Greece, which continued to be the most worrying aspect of the situation. In June of that year, the situation deteriorated further despite the €110 billion in aid that had already been granted. As a result, a new plan was formulated that needed huge sacrifices to be made. It opened the floodgates to fresh political crisis in the country, as the Papandreou government proposed submitting the new plan to a referendum. The proposal was strongly opposed by Greece’s European partners, leading to its withdrawal and Papandreou’s resignation. EU member states involved with the Greek bailout kept the option of removing Greece from the eurozone firmly on the table.

In Spain, which also continued to pose a significant risk, political crisis was also rampant as the Zapatero government was swept from power and fresh elections were held in November of 2011. Fellow crisis-embattled countries Ireland and Portugal had also changed their governments. The crisis seemed to be getting worse, with stock markets still in free-fall and
government bond spread differentials widening further. A feeling of panic reigned, or rather a feeling of being under siege. Italy found itself at the centre of all this pressure and involved in skirmishes with France and Germany. At the end of the year, the forces of market and political pressure came to a head and confidence in Italy collapsed. One could argue at length about the extent to which this loss of faith was justified but it is indisputable that it applied to all levels. Berlusconi resigned and the “technocratic” government of Mario Monti took over. Stock markets reacted badly and only picked up sporadically, as did the spread.

In summer 2011, Europe made numerous interventions in order to curb speculation and do the groundwork for its plans to increase stability. National governments were implored by the Commission and the European Central Bank to tackle speculation and these interventions highlighted the existence of this factor occurring at the same time as “market movements”: the idea of the “Tobin tax” re-emerged, but as usual it was the same old story and a number of countries, particularly the UK, opposed it. The Commission, supported by many, also insisted on the introduction of “Eurobonds”.\footnote{COM(2011)818 final of 23 November 2011.} But in this case it was Germany that strongly opposed the idea, claiming that it would create more problems than it would solve. But things really came to a head when it was realised that only real convergence and European political governance could bring about a structural solution to the crisis. Once again, Germany, supported by France, resurrected the debate enthusiastically. The inability of national governments to respond was obvious and denounced at various levels, notably by then President of the European Central Bank Jean-Claude Trichet.

At a European level though, the debate and further action didn’t stop there: in 2011, after an approval process that lasted several months, the Official Journal published five regulations and a directive on the following subjects\footnote{All the legislative acts were published in OJ L 306 of 23 November 2011.}: laying down the procedure for excessive deficits; preventing and correcting macroeconomic imbalances; monitoring budgets and coordinating economic policies; undertaking special interventions in the eurozone; and preparing the framework needed to approve budgets. But beyond the secondary legislation, the initiative once again came from Germany and France, who now wanted to reform the treaties again in order to introduce more rigour and consultation between the member states: Ger-
many particularly insisted on the need for greater political integration within the Union. The message was clear, more rigour and more integration through constitutionalising the treaties and if this wasn’t possible (due to lack of unanimity) a separate parallel treaty would be the option. Sarkozy and Merkel wrote a letter to then President of the Council Van Rompuy on this very subject ahead of the December 2011 summit. It was the United Kingdom that once again strongly opposed reforming the treaties, given that it would be a reform not in its financial interests. Other countries said they needed to ask their respective parliaments. That is how the decision to adopt a separate parallel treaty was made. Ultimately, the determination of certain member states to move forward and progress paid out and the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union was adopted at the end of January 2012 in Brussels. Two of its objectives came with deadlines: it would come into force on 1 January 2013 and the treaty as a whole would be incorporated into the existing EU framework within five years. The treaty, although parallel in nature, was designed not only within the scope of the Economic and Monetary Union but also within the context of the EU itself. Indeed, the Union’s institutions are directly involved in the functioning of the treaty, particularly the Commission and the Court of Justice. From an institutional point of view, it added another summit to the calendar, where the heads of state and government that have adopted the euro as their currency gather. The content of the treaty fully confirms the proposed rigorous approach to the deficit and public debt, by requiring budgets to be balanced or in the black and imposing a requirement that means any member state that has an excessive public debt (anything above 60% of GDP) has to reduce it by 1/20th every year. The treaty reinforces this approach through a number of measures: the adoption of a medium-term plan setting out clear objectives on convergence towards an exemplary management system; an obligation for all stability objectives agreed on by all partners to be met; the acceptance of a much stricter surveillance system; and the implementation of virtually automated, heavy punitive measures. Finally, following a request by Germany, the establishment of the permanent European Stability Mechanism (dubbed by the press as the bailout fund) was subject to the entry into force of the new treaty. Once the new stability treaty had been signed, the Council committed itself to adopting measures that would foster growth, the ECB was commended for its role in calming the markets through liquidity deals and an agreement that halved Greece’s debt.
Nevertheless alarm bells were ringing again after Easter 2012. First, there was widespread concern about the path Spain was hurtling down, as the measures implemented by the Spanish government had not had the confidence-building impact that had been anticipated. Clearly, discussions on the subject were not lacking in material, as the comparisons with Italy began to become more frequent. Newspapers the world over were preoccupied with the problems faced by Mario Monti’s Italian government, despite trust remaining largely intact. The stock markets continued to fluctuate and dropped on numerous occasions; the issue of bond interest rates again reared its head. The European Central Bank, under new President Mario Draghi, stopped sending out the positive updates it had issued in the months before. A certain unease once again descended and the impression seemed to be that we were in limbo, as the economic growth recovery phase refused to get into gear. The situation worsened a few weeks later when elections were held in Greece. Despite the agreement, despite the bailout, despite the aid (equivalent to more or less €80,000 per family), the election result meant a dramatic defeat for the main parties, which were pro-European to boot. The two extreme wings of the political spectrum did very well, to such an extent that a worrying band of neo-Nazis gained seats in the parliament and a party on the extreme-left (Syriza) became truly decisive in terms of governability. However this party was totally contrarian to the commitments Greece had made with the EU and even blocked the formation of a “unity government” that was intended to manage the crisis. New elections were held. The discourse shifted towards Greece’s membership of the eurozone and what the impact would be if it left. Fears about Portugal’s position increased and doubts about whether Spain and Italy would be able ride out the crisis multiplied across the continent. The stock markets continued to suffer, there were again huge differences in the spread and rating agencies came under fresh attack from their critics. All of these factors were compounded by the news that Spain and Italy’s respective debts were increasing once more. Into this already complex mix of problems another element was added: the election of François Hollande as president of France. The reasons behind Hollande’s victory were broad and numerous but the most significant reason he won was his opposition to Germany’s austerity drive and his backing of the idea that Europe needed to focus on growth. The need for growth initiatives was clear and was already on the table, but unfortunately the word “austerity” had already been substituted for the more correct and eloquent “rigour”.

3. European economic governance

Nevertheless alarm bells were ringing again after Easter 2012. First, there was widespread concern about the path Spain was hurtling down, as the measures implemented by the Spanish government had not had the confidence-building impact that had been anticipated. Clearly, discussions on the subject were not lacking in material, as the comparisons with Italy began to become more frequent. Newspapers the world over were preoccupied with the problems faced by Mario Monti’s Italian government, despite trust remaining largely intact. The stock markets continued to fluctuate and dropped on numerous occasions; the issue of bond interest rates again reared its head. The European Central Bank, under new President Mario Draghi, stopped sending out the positive updates it had issued in the months before. A certain unease once again descended and the impression seemed to be that we were in limbo, as the economic growth recovery phase refused to get into gear. The situation worsened a few weeks later when elections were held in Greece. Despite the agreement, despite the bailout, despite the aid (equivalent to more or less €80,000 per family), the election result meant a dramatic defeat for the main parties, which were pro-European to boot. The two extreme wings of the political spectrum did very well, to such an extent that a worrying band of neo-Nazis gained seats in the parliament and a party on the extreme-left (Syriza) became truly decisive in terms of governability. However this party was totally contrarian to the commitments Greece had made with the EU and even blocked the formation of a “unity government” that was intended to manage the crisis. New elections were held. The discourse shifted towards Greece’s membership of the eurozone and what the impact would be if it left. Fears about Portugal’s position increased and doubts about whether Spain and Italy would be able ride out the crisis multiplied across the continent. The stock markets continued to suffer, there were again huge differences in the spread and rating agencies came under fresh attack from their critics. All of these factors were compounded by the news that Spain and Italy’s respective debts were increasing once more. Into this already complex mix of problems another element was added: the election of François Hollande as president of France. The reasons behind Hollande’s victory were broad and numerous but the most significant reason he won was his opposition to Germany’s austerity drive and his backing of the idea that Europe needed to focus on growth. The need for growth initiatives was clear and was already on the table, but unfortunately the word “austerity” had already been substituted for the more correct and eloquent “rigour”.

68

https://doi.org/10.5771/9783845285030
Generiert durch IP '54.70.40.11', am 15.01.2019, 14:10:03.
Das Erstellen und Weitergeben von Kopien dieses PDFs ist nicht zulässig.
In June 2012, an extraordinary Council summit was held, which, as I have already said, was meant to drag Europe out of crisis or at least come up with answers and an exit strategy. That summit was preceded by a meeting in Rome that was held between France, Germany, Italy and Spain and which came up with the outline of an agreement, even though the end-of-June summit in Brussels saw tougher negotiations than were expected: €120 billion for growth, a so-called ‘anti-spread shield’ and bank recapitalisation were the main pillars of the deal. It was topped off by a plan aimed at further developing the European institutional system, towards a Union that would be more political and robust. The markets were immediately euphoric and recovery was on the cards. But this didn’t last long as it became clear that the amendments necessary to get this plan off the ground were more complicated than first thought, not to mention certain countries having a change of heart and, despite having supported the agreement, turning around the next day and raising objection, therefore creating problems.

3.2. The antinomy of “austerity” and growth (2012-2014)\textsuperscript{93}

Another European Council meeting was scheduled for December 2012 in order to discuss closer integration of the monetary union. More precisely, it was to lay the foundations for the banking union. After thousands of hours of negotiations between member state governments, an agreement was ultimately reached, granting the ECB powers of surveillance over the larger eurozone banks, leaving the door open for countries that wanted to join but were not yet part of the single currency. The new system had to be in place by 2014, at the end of the legislative period (which came to an end in September 2013). The harmonisation of deposit guarantees and the creation of a joint mechanism that would allow the bailing out or dissolution of banks remained on the table: the need for a banking union received

\textsuperscript{93} This paragraph contains analysis, with some slight amendments, first made in G. Vilella, \textit{Tessendo una nuova tela}, Pendragon, Bologna 2014, p. 29 et seq (read on for further analysis).
widespread agreement and the process was completed successfully in 2014.\footnote{M.P. Chiti, \textit{The New Banking Union. The Passage from Banking Supervision to Banking Resolution}, in “Rivista italiana di diritto pubblico communitario”, n. 2, 2014, p. 607 et seq.}

It is important to highlight that this summit agreement followed closely on the heels of a deal that was struck between the Commission, Parliament and Council on new rules regarding rating agencies, whose role had been particularly of note during the preceding years of crisis. The European Securities and Markets Authority (ESMA) clearly defined some of the practices of these agencies as “deficient” and insisted that they improve on their independence and conflicts of interest. Italy’s Italian Securities and Exchange Commission (CONSOB) started proceedings against some agencies on account of suspected cases of abuse. Things came to a head at the end of 2013 when one of these agencies stripped the European Union of its Triple-A rating, which provoked a shocked reaction and questions about the criteria it had used to arrive at the controversial decision. The EU’s three main institutions aimed to reduce the influence of these agencies, eliminate the obvious conflicts of interest and introduce a system of civil liability. One option that was tabled was the creation of a European rating agency.

In addition to the agreements on the banking union and the rating agencies, a third deal was brokered on a delicate issue known as the Tobin tax. It was initially proposed by Nobel Memorial Prize winning economist James Tobin in 1972 as a tax on currency conversions, intended to cut down on currency speculation. Nowadays this “tax” is considered in broader terms but the idea of punishing speculative dealing remains. The EU decided at the close of 2012 to trial this tax in 11 countries, including Italy (which asked for government bonds to be exempted): technically this was an example of “enhanced cooperation” between the 11 countries, discussed (as per the Lisbon Treaty) by the then 27 member states, with the usual British opposition evident (the UK lodged a complaint with the Court of Justice), based on the interests of the City of London. Harmonised entry into force was scheduled for 2014 (possibly with more members) but progress was slow. But it was still unique, even internationally, in that financial transactions would be taxed on a regional basis and even transactions negotiated externally would be looked at if they were related to securities issued by the participating countries (in any case, the
City of London would be involved). These agreements on the banking union, rating agencies and Tobin tax on European transactions, concluded by the beginning of 2013, showed that there was a determination to act on a consistent basis against the main causes of the crisis. The Council’s agreement on the financial outlook was followed by the so-called ‘Two-pack’ reform, which imposed greater transparency on budgetary decisions and increased coordination between member states on economic policy95: the Council accepted amendments proposed by the European Parliament on safeguarding expenditure on investments, as well as health and education, so as to not aggravate the crisis further.

The final balance for 2012 was not as disastrous as one could have expected or predicted when the crisis was in full force: the European stock markets closed on a strongly positive note, the euro rallied and regained its standing as the strongest international currency after impressive recoveries against the other main currencies, the interest rate spread on bonds reduced considerably and trust was on the up. But two significant problems remained: the first was the continuing high rate of unemployment, particularly problematic among young people, and the second was economic growth. The average unemployment rate in Europe reached 10.9%, which meant around 26.3 million Europeans were out of work. Some countries were in particularly dramatic situations, like Spain (26.3%) and Greece (27.2%), as well as Portugal (17.5%) and Ireland (14.2%). Italy (11.6%) and France (10.8%) were not faring much better. These are the official figures but in reality, the situation was probably worse. In fact, if you include those who had given up looking for work, those in enforced part-time employment and the underemployed, then the number of people dealing with a serious employment problem in late 2012 was nearer 45.4 million people. Certainly, there were (and still are) problems related to structural changes in the labour market and problems linked to productivity and the slow uptake of innovation, but most commentators insisted on blaming a lack of growth stimulus policies.

In fact, the first part of 2013 was characterised by important issues like how best to launch an economic recovery and the issue of “austerity”, the Cypriot financial crisis, Italian debt and the deficits of France and the Netherlands. Curbing banker bonuses was also heavily debated. On the latter point, the banks were held largely responsible for the serious global

95 In OJ L 140, of 27 May 2013.
crisis according to widespread public opinion. Some of the larger money houses were the source of many of the risky practices that had had global consequences and, more generally, many banks had been disastrously managed on the basis of speculation rather than banking policy aligned with the economy. Other banks had been involved in serious scandals. These banks were forced either to close, with inevitable substantial losses, or were bailed out using taxpayers’ money. In either case their managers were rewarded with extremely high bonuses, regardless of the impact of their management strategies. The payment of bonuses when public money was being paid out to save the banks was completely immoral. This sorry state of affairs, as well as impetus provided by a Swiss referendum on the same issue, convinced Europe’s political leaders to take steps to limit banker bonuses, steps that were included in the building of a true banking union. In March 2013, an agreement between ECOFIN (council of finance ministers), the Commission and the Parliament was reached, in which bonuses were limited to the equivalent of a year’s salary, which could be doubled if a qualified majority of shareholders approved it. All countries were in agreement with the exception, of course, of the UK, which publicly defended the City of London’s bankers. The UK’s chancellor of the exchequer remained isolated but other countries left the door open for bonuses to be increased in the long-term and linked to results.

This issue may have been one of the most delicate to have been broached in early 2013 but one of the most worrying was certainly the Cyprus crisis, which was also linked to the insolvency of the island’s banks. Europe again needed to step in and bail out one of its member states. The solution and methodology used to implement it were of equal importance. The EU would intervene with €9 billion plus €1 billion from the IMF and Cyprus would provide the rest itself, some €7 billion, raised through compulsory levies on bank accounts and other financial avenues. Essentially, private individuals caught up in the crisis were called upon to rescue the banks. Of course, such a measure provoked the ire of the island’s savers. What complicated matters was that the majority of Cyprus’ top level deposits were owned by Russian citizens and were actually worth more than the total GDP of the island! Lower-level savers revolted and Russia intervened on behalf of its citizens. In the end, the final agreement excluded all deposits under €100,000, while a one-off tax on other deposits would be limited to 15% and no other local banks would be bailed out. It was something of a turnaround in the use of public funds. Some ob-
servers, including German Finance Minister Wolfgang Schäuble, said that this type of bailout could even be used as a model for future interventions. Cypress, to reiterate, was not the only matter of concern in early 2013: among other worries were Italy’s growing public debt, which had surpassed all previous records, and the fact that countries like France and the Netherlands were unable to adhere to the 3% of GDP deficit rule. Discussions on these failures were linked to a wider debate on finding the right balance between financial rigour and promoting economic growth, which I have just mentioned. The billion euro question was how to implement public initiatives to boost economic recovery, without propagating the vicious circle of deficit and debt or undermining national policies. In response, the polemic against financial rigour was fuelled by substituting out the term “rigour” for “austerity”, despite them being two separate concepts. After all, austerity removes the element of responsibility from public authorities when it comes to the management of debt, which (in my opinion) is an intrinsic part of the term “rigour”, which is more appropriate and correct. Even when use of the term “rigour” was unavoidable, it was inevitably accompanied by an adjective like “punitive”. It was often asked whether the social price being paid was too high and if rigour policies were too long-term: the debate on these questions was very intense. But questions were rarely, if ever, asked about who was really responsible for the situation and how public resources were being managed. This debate was decidedly less intense. On the one hand, who knows why, it was argued that there cannot be growth without an increase in deficit and debt. Yet on the other, it was maintained that expenditure had to be geared towards growth, without returning to the bad habits of poor management. Angela Merkel never got tired of repeating that a decision on growth had been made (as we have already seen) in June 2012 but that the member states had not progressed in implementing it. After the 2014 European elections (which have been discussed at length previously) the conditions necessary to relaunch a balanced policy between rigour and growth were put in place, even though the euro was stronger internationally than before and inflation had reached an all-time low. It was obvious that all the talk about the negative role of the euro and doubtful longevity of the eurozone were largely just a smokescreen to cover up the lack of, or delay in carrying out, much-needed reforms. That eventually became clear in the wider public debate, which had up to that point been dominated by negativity.
and pessimism.\textsuperscript{96} It certainly was not the case that Europe’s problems had been solved but it seemed that the discussion on how to solve them could now proceed in a peaceful manner.

\subsection*{3.3. From the 2014 European elections to Brexit}

The analysis provided in the last two paragraphs shows that the European Union handled the crisis effectively by dealing with the different aspects and different situations with the required degree of flexibility, as well as following (albeit through very “lively” debate) methodology both at a legal-institutional level and an economic level. And that is not all: the Union always acted in the spirit of solidarity and joint cooperation. It also became clear that, as far as European economic governance goes, the three main players from an institutional point of view were the European Commission, the European Central Bank and the member state governments. The European Parliament’s role is by no means a secondary one but neither is it a governing body. The Parliament’s elections, however, have become an essential element of European policy, the economy included. After the 2014 elections, the main goal for everyone was to kickstart economic growth\textsuperscript{97} and 2015 was meant to be a year in which all the eurozone countries would show positive indications. This phenomenon did indeed occur but only in an extremely moderate fashion.\textsuperscript{98} To this end, the new Commission’s guiding principle was to use every single euro of public money to generate private investment, without adding to public debt. In order to achieve this, combining structural, fiscal and monetary policies

\textsuperscript{96} Apart from the controversy over austerity and rigour, growth and recession, the feeling is that the old criteria used to understand and govern the economy are no longer sufficient tools. Some have tried to make proposals for new approaches, such as M. Gallegati, \textit{Acrescita. Per una nuova economia}, Einaudi, Torino, 2016, in which the idea is forwarded of moving away from “the paradigm of an economy focused on GDP growth and assume a new one covering economy, nature and society” (Castagnoli).

\textsuperscript{97} At the G20 summit held in Brisbane in November 2014, the “big” countries committed themselves to a joint effort to add billions to global GDP: a sort of planetary “New Deal”.

\textsuperscript{98} In 2014, the entire eurozone grew by 0.9%, with Italy flatlining (0%) and Germany with 0.7%. In 2015, eurozone GDP grew by 1.7%, with Spain registering 3.2% (Italy at 0.8% and Germany 1.7%). In 2016 we had: Germany 1.9%, Greece 2.7%, Spain 3.2%, France 1.3% and Italy 0.7% (Eurozone: 1.7%).
was essential. This had to be done at every level of government, both European and national, together with the ECB which (as we shall see below) was already working towards this very objective.99

The European Commission began its mandate in November 2014 and its new president, Jean-Claude Juncker, presented a comprehensive plan before the year was out. The guidelines contained in that plan aimed to respond to the strains felt before and after the 2014 elections. Firstly, it proposed reviewing the Stability Pact, in order to check how much flexibility is suitable and necessary. The Commission made a significant decision along these very lines in July 2016 when it granted Spain and Portugal100 two extra years to come into line with its excessive deficit requirements. Furthermore, there is also the now well known “growth fund” that aims to mobilise more than €300 billion. Thirdly, the plan recommended a 100% increase in structural funds, i.e. funding earmarked for regional policies, as well as new incentives for promoting systemic reforms of national economies. Adopting common rules on corporate taxation was also included in the plan.101

The resulting package, the “Juncker Plan”,102 aimed to mobilise €315 billion and many countries immediately put together projects with the aim of securing a slice of the pie. The investment problem had become quite serious: since the beginning of the crisis, in 2008,

99 Italy has been proactive in all things economic (as well as migratory, see above) and presented its reflection on the direction needed to boost the economy. In MEF. A Shared European Policy Strategy for Growth and Jobs Stability, February 2016, the following points (among others) are examined: completing the Banking Union, strengthening the internal market, coordinating public finances, creating an unemployment fund and a sort of European monetary fund, using budgetary margins for growth, rebalancing not only excessive deficits but also excessive budget surpluses and granting powers for an eventual European finance minister.

100 The Commission recognised that the two countries had made significant efforts and that they were seriously on the path to reform, so that is why two extra years were granted. The two countries were, of course, obligated to present plans as to how they would get back on track. It was either a case of making an economic decision that was of great political value or, conversely, a political decision with great economic value: either way, they would have to show they were serious about being flexible.

101 This came about as a result of the LuxLeaks (mentioned above). Juncker also committed to withdrawing certain dossiers in order to streamline the Union and reduce its presence in areas where it would be best to leave matters to the member states.

up to 2014, investment had tumbled by 19%, with a peak of 27% in Italy and a less serious 10% in France. In 2014, only Germany recorded investment levels equal to pre-crisis levels. The need to consolidate and strengthen the governance of the eurozone had become pressing after seven years of crisis. It had been managed firmly by the European institutions (as mentioned above), but not within a solid framework. The Juncker Plan leapt into action in July 2015, following an agreement between the Commission and the European Investment Bank on the management of the fund that would feed into the Plan, by approving the first five projects eligible for financing, easing the concerns of its many critics and sceptics.

The role of the European Central Bank

The ECB, in parallel, continued its work and at the end of 2014 took “a majority” decision to start buying government bonds, while at the same time continuing to encourage governments to keep implementing substantial measures to stimulate growth, insisting that it did not have the capacity to launch the recovery by itself. The events related to governing the economic crisis showed that, from an institutional point of view, the ECB had emerged as a key player and that the other institutions were very much in its shadow. The role President Mario Draghi played in this was fundamental. In deciding to purchase government bonds in order to combat deflation and give governments some breathing space, the ECB had contributed to the reaching of a major milestone in the construction of a more consolidated Europe, in both political and economic terms, by creating real incentives for participating in the recovery. By making €1.1 trillion available for its quantitative easing programme\textsuperscript{103}, the ECB aimed to achieve a number of different results at the same time: injecting liquidity into the system; reducing the amount of public debt; weakening a euro that was too strong internationally; making loans more manageable; and encouraging exports. In addition to quantitative easing, the ECB also launched its Outright Monetary Transactions (OMT) programme, which gave the bank the capacity to buy the debt of eurozone countries. The instrument was ruled to be legal by the European Court of Justice in June 2016, which confirmed

\textsuperscript{103} Some of the rules governing the quantitative easing programme: €60 billion a month; validity of the purchased security; minimum 0.2% interest rate; issue share limit set at 25%; and a maximum of 33% of national public debt.
that it does not exceed the scope of the ECB’s powers.\textsuperscript{104} Moreover, in March 2016, the ECB set interest rates at zero for refinancing operations, which led to a brief period of recovery for securities on the stock markets.

Most observers agreed that quantitative easing was decisive in avoiding the worst-case scenarios for the eurozone. But the bank itself, through President Draghi, insisted that the only serious structural solution would be the implementation of reforms\textsuperscript{105}, not just in the member states but also in the actual governance of the eurozone. The idea of establishing a finance ministry at a European level emerged as a result in the summer of 2015. The financial markets reacted positively and funneled their liquidity towards the stock markets. Some observers have argued that (given the results) the ECB should be given more powers to act.\textsuperscript{106} Yet, on the other hand, demonstrations, some violent, were held outside its Frankfurt HQ and elsewhere, which confirmed the importance of the central bank’s role. Draghi has continued to insist, though, that the ECB only provides support and stimulus, which does not reduce the need for a true economic union at an institutional level or structural reforms of national economies.

Far-reaching interventions and measures

In terms of the national governments, the issue of balance was far less positive. One prime example is the European Tobin tax (discussed in detail above), which at a certain point was blocked for a number of reasons. Chief among which, probably, is a decline in objective interest in the financial instrument, even if the prospect of good results was enough to keep it alive at least. In reality, it was strong opposition from the banking

\begin{footnotesize}
\begin{enumerate}
\item The Court of Justice was asked to rule on this by Germany’s Constitutional Court. The latter accepted the European court’s judgment that the instrument did not exceed the mandate of the ECB and that it did not constitute illegal state aid to countries in difficulty.
\item There are those that have suggested that an incentive mechanism should be put in place where EU aid and plaudits are awarded to countries that actually implement reforms.
\item On the need to increase the powers of the ECB, see P. Ciocca, \textit{La Banca che ci manca. Le Banche centrali, l’Europa, l’instabilità del capitalismo}, Donzelli, Rome 2016. The author insists that, contrary to what the most pessimistic critics think, the powers of the ECB are limited and increasing them will help us overcome the fragility of Europe’s economic system.
\end{enumerate}
\end{footnotesize}
sector that dampened enthusiasm, since some calculations showed that the 0.01% tax on derivatives could have brought the market to a standstill. The 11 countries that had signed up to the agreement were no longer as eager as they had once been. But there were wider, more general problems regarding economic coordination and stability. The Commission in November 2014 decided to delay its decision on whether to punish France and Italy for the state of their public finances until March of the following year. This decision did not sit well will many other countries (notably Spain).

On that occasion, some people criticised the EU’s criteria for being inaccessible, lacking in transparency and free of citizen control. But they are in the public domain and, above all, it is not entirely clear which citizens should exercise the kind of control that was being advocated. It is one thing to be critical, it is another to just add to the confusion, especially when the same kind of reaction was absent when the Commission did the same for Spain and Portugal in July 2016 (see above). However, the Juncker Commission announced that there would be more flexibility when assessing national budgets and accounts, so long as three conditions were met: growth-oriented investments (including the use of EU funds); implementation of structural reforms; and respect of the 3% deficit rule. Under this new approach, seen by many as being more balanced, France and Italy in March 2015 were not hit with penalties and, as just mentioned, Spain and Portugal also escaped without recourse. Italy’s reforms and deficit received a positive assessment, although debt and unemployment remained of serious concern. The judgement on France was not positive overall but the Commission’s criteria allowed a two-year extension in order for the member state to address its 5% of GDP deficit. The ECB was less impressed and President Draghi said that the reforms undertaken by France, Italy and Portugal came up short and were, at times, disappointing. The ECB chief gave an even more damning verdict a few months later in March 2015, when at a forum in Portugal he reiterated that all the EU’s governments had to carry out deep reforms.

The Greek case

Then there is the case of Greece, which was a real test of European economic governance, particularly in the eurozone, but not only. Greece’s situation pushed the European institutions, national governments and the ECB
to give serious thought to reforming the governance of the monetary union. The victory of Syriza\textsuperscript{107}, headed by Alexis Tsipras, fuelled the debate further. The new government had been elected on promises to reject the bailout programme, which had been set up following agreements with its lenders and its refusal to cooperate with the so-called ‘Troika’ (the Commission, ECB and IMF)\textsuperscript{108}. The new government wanted to renegotiate everything from scratch, starting with the repayment of loans that had helped restore order in the country. Obviously, this provoked a strong reaction from countries like Spain and Portugal, who were in the midst of seriously restructuring their own economies, as well as from other member states (like Germany) that did not want to jeopardise the principles of financial rigour. The European institutions were called upon to manage the complex situation by trying to maintain balance and stability in the whole system. Clearly, the first step was to give Tsipras the chance to explain himself in front of his eurozone partners and to then proceed to negotiations. This was done. Greece’s first request was for more time to implement the plan, but there wasn’t any. One only has to remember that Greece’s public debt stood at 180% of GDP and that Athens had received hundreds of billions of euros in loans that were meant to be used to fuel its recovery. Regarding paying back those loans, the unanimous approach was that there should be no granting of discounts, as this would have undermined the whole system. The ECB had been clear from the outset: there would be no buying of Greek bonds (now invalid) without a clear reform plan from the new government. Neither would there be financing of Greek banks, which, up until then, had preferential regimes that protected the euro. In mid-February 2015, Greece needed €10 billion right away in order to avoid defaulting. Athens, without a clear or detailed plan, conceded that the irresistible force meeting an unmovable object was an approach that was not going to work and the government agreed on a compromise that would extend the bailout package by a few months in exchange for reopening talks with the Troika (which it had previously declared \textit{non grata}) and respecting EU rules. There is no doubt that if Greece had been allowed to flaunt all of the rules and renege on its agreements, the entire system of the euro would have been put at risk or Greece would have had to leave the single currency, something which everyone

\textsuperscript{107} See previous chapter.
\textsuperscript{108} Some have hastily said that the Troika model is no longer valid and that there is a need for a new system, set up using a more democratic method.
wanted to avoid, even though it was always an option that remained on the table. The government still needed to come up with an action plan, a first draft\textsuperscript{109} of which was forthcoming in early March. But according to the partners it did not contain tangible proposals, also because the fight against tax evasion, a key issue, was left up to tourists. Despite this, with a great deal of reservation, the Eurogroup accepted, as “a first step”, the Greek government’s promises to cut spending, fight corruption and evasion, and reform the judicial system. The Eurogroup agreement enabled Greece to secure a four-month extension to the rescue plan and it cleared the path for it to get a third bailout package from Europe. But the weaknesses of Greece’s proposals were considered evident, so immediate financial aid was only promised under the condition that it submit a real plan. At the 19-20 March Council summit, Athens was granted ten days in which to come up with new proposals and was told not to obstruct the EU officials that were looking into the situation. The programme was to be submitted to both the Troika and the Eurogroup for approval.

It was a delicate state of affairs. The risk of giving in to Greece’s exorbitant demands, and their immense political ramifications, was clear. The message to emerge from the whole affair could have been that breaking the rules is not a bad thing and the example set by Greece could have had an impact on the electorates in other countries. But, as shown by careful and in-depth analysis\textsuperscript{110}, countries like Ireland and Spain that were sticking to “austerity” (rigour) policies and carrying out reforms were recovering. Apart from the political risk, the truth was (and is) that unfair structural imbalances still existed. Worse still, Athens attracted serious internal and external accusations, such as allegedly delaying the payment of €60 billion in arrears to the treasury, owed by 6,000 members of the country’s wealthy elite. This slowed down GDP growth and curbed any desire to maintain a totally unsustainable welfare system or defend corporations. In short, the \textit{statu quo} was not changing. All this despite the numerous and considerable efforts on the part of the Commission and the member states to broker an agreement, in the face of an antagonistic Greek government, which some have branded as amateurish (particularly the finance minister at the time). It wasn’t just that Greece lacked a genuine reform plan, it also

\textsuperscript{109} The first internal cracks relating to its election promises began to appear when the plan was announced.

made unsuccessful political overtures towards Russia and China. Its submission of “empty” proposals and requests for privileged conditions did not help its case. At the end of June 2015, the Eurogroup, faced with inaction on the part of Athens, submitted its own proposal (it is important to mention that this offer was advantageous for Greece). Tsipras called a referendum (the execution of which is not essential to our analysis here) so that he could then say that “the people” would not accept the agreement. He got the response he wanted (indicating that the role of politics in the economy deserves some reflection) but it did not change anything in terms of the government’s capacity to act. So much so that even after gaining popular support for rejecting the deal… Tsipras accepted it anyway, saying he didn’t like it but that his hands were tied! This allowed the third bailout package to be approved, worth some €86 billion, in addition to the €354 billion that had already been granted over the space of five years. Greece had already secured substantial debt relief (by lowering the value of its bonds) and a significant loan repayment extension (until 2054).  

Again, Greece came to the bargaining table with no genuine alternative proposals and therefore had no choice but to accept the recommendations of the countries trying to help it. The measures were quickly adopted, due in part to internal divisions within Syriza (the party’s flag was burned by people who were once sympathetic to their cause). After reforms were adopted, the ECB also reopened its liquidity channels for Greece’s banks, which had been shut off for weeks, and the Troika (now renamed the ‘Brussels Group’) came back to Athens. Tsipras said that he had accepted the agreement in order to avoid a disastrous outcome for the country. Shortly after (August 2015), the Greek prime minister resigned, necessitating fresh elections. Despite the ‘no’ result of the referendum, the agreement was signed. Tsipras had gambled everything by dividing Syriza and calling a new election, but he won that vote too, although he then had to rely on the support of a right-wing party. But Tsipras benefitted nonetheless, as he had been freed of a section of his party that had kept him under pressure (including former minister Varoufakis). From a European point of view, all

---

111 Professor Mario Telò in 15 July 2015’s edition of “Le Soir” showed clearly how the Greece agreement was an example of true European policy, not of a ‘Germanised’ Europe.

112 This disaster was not only limited to the economy: according to some Greek observers, leaving Europe would have meant saying goodbye to democracy, in favour of the introduction of something reflective of the Russia system.
that remained was to get a guarantee that the new government would stick to the agreements that had already been signed, which was duly provided. An agreement on a third bailout, in exchange for implementing a programme of consolidating measures, was finally found at the 12 July 2015 Council summit. The Greek government signed up, despite continuing internal disputes in the Syriza party. In January 2016, Athens actually presented a very substantial proposal on pension reform. The Troika also resumed its work on the ground, on the behalf of Greece’s creditors. Greece returned to the spotlight in April 2016, when the deadline for paying back €3.5 billion in bonds expired. The Eurogroup and IMF also lodged a request for further cuts and taxes worth some €3 billion, so that another loan of €10.3 billion could be paid in May. This was ultimately approved by the Eurogroup, without the structural problems of the debt being addressed. Finally, in October 2016, after seven years of heavy recession, Greece’s 2017 outlook was predicted to involve GDP growth of 2.7%, after the economy had lost about a quarter of its value.

Brexit and beyond

Greece aside, a major concern and destabilising factor for the economy was the so-called Brexit vote (see above). On Friday 24 June, 2016, global stock markets, Europe’s in particular, suffered a historic collapse, worse that what followed the terrorist attacks of 11 September 2001, the Lehman Brothers scandal or the sovereign debt crisis. This was a result of the UK’s referendum on its membership of the European Union.113 The banking sector suffered most from this crash, to such an extent that the ECB’s Mario Draghi had, once again, to call on the eurozone’s governments to radically solve the problems facing the sector (“now is the time”114). The situation of some of the larger banks, particularly in Italy, was considered troubling, especially the problem of bad debt, even though a July 2016 stress-test gave a positive appraisal across the board, with the number of banks at risk actually falling. However, the ECB did not rule out the need for state intervention in certain cases, while the European Commission

113 Internally, the pound suffered an immense collapse, companies scaled back their activity in the country, businesses untied their investments and so on.
114 But the ECB president was also more general in his appraisal and called for more to be done to tackle the perception that Europe had become ungovernable.
confirmed that the solution was already legislated for under EU law in terms of “precautionary recapitalisation”, a form of state intervention that is not categorised as aid. Furthermore, the Court of Justice issued an important ruling at the same time on this new method of “saving” the EU’s banks. The Court decided that burden-sharing by shareholders and subordinated creditors in the event of state aid being authorised by the Commission was not contrary to EU law. But the ECJ did acknowledge that there could be specific exceptional circumstances that would have to be examined and taken into account by the Commission.

Brexit was the main talking point at a meeting of G20 finance ministers and central bankers\textsuperscript{115} held in Beijing in July 2016. It was agreed that the UK’s decision to leave was a disruptive factor that complicated the economic situation in general, which is why every country showed an interest in the UK completing its exit process as quickly as possible in keeping with a defined timetable. That G20 meeting concluded by addressing the issue of stagnating global trade, emphasising the need to spend more on infrastructure and more in general in order to stimulate economic growth, but also the need to distribute its benefits more effectively in order to promote integration and reduce factors that slow economic development. The \textit{bona fide} G20 summit in September 2016 then confirmed the problematic relationship between low growth and inequality. I must add that the issue of inequality and its increasing prevalence has become one of the main problems of this century; the level of debate at both political and economic level is not what it should be.\textsuperscript{116} Discovering or inventing new development models that reduce inequalities by introducing a stronger ethical factor into economic activity remains a problematic priority.

\textsuperscript{115} The G20 is composed of 20 countries that account for 90\% of global GDP, 80\% of international trade and two-thirds of the world’s population.

\textsuperscript{116} The most important contribution to this, or at least the one that has stimulated the most debate on the subject (which, as I said, remains off the radar), is T. Piketty, \textit{Le Capital au XX\textsuperscript{i}e siècle}, Editions du Seuil, Paris 2012. Piketty argues that inequalities tend to increase when returns on capital are higher than the growth rate of the economy, which according to the author characterises the world we live in. The solution, according to Piketty, would be to tax the super-rich with a progressive tax on wealth. In 2016, however, one International Monetary Fund study showed that in practice this would not work (the book also contains econometric errors) and that inequality-producing factors are much more complex: see \textit{Testing Piketty’s Hypothesis on the Drivers of Income Inequality}, IMF Working Paper by Carlos Góes, Washington 2016.
Since 2007, the EU, with ECB involvement, has implemented brave structural measures that have helped countries in serious difficulty, allowing four of its member states to escape financial quagmire, while helping Greece stay out of the abyss by providing it with generous aid packages (too generous, according to some observers). In the process, it has shown a form of solidarity that goes beyond merely the economy. The Union has also intervened in a number of other sectors, managing to release the pressure caused by speculative financial practices and preserving its system of social security and welfare, the high level of which is incomparable to that offered in any other region around the world. The EU has also opened up a period of reflection that is, in my view, of the utmost importance: how do we stimulate growth while, at the same time, ensuring our public affairs are managed in a rigorous way? Of course, this process has certainly not been a walk in the park but it has shown that the Union’s model of economic governance is the most advanced in the world. Clearly, there are numerous imperfections, so proposals that aim to improve how the economy is managed are undoubtedly needed.\textsuperscript{117} When compared with other parts of the world, the European Union emerges with its head held high.\textsuperscript{118} By no means does that reduce the severity of its still unresolved problems (unemployment, redistribution, speculation in the banking sector, structural debt, etc.) and serious work remains to be done.

\textsuperscript{117} An excellent assessment of the defects in the European economy’s system of governance is provided by S. Fabbrini, \textit{Which European Union? Europe After the Euro Crisis}, Cambridge University Press, Cambridge 2015. The author focuses on the weaknesses of European economic governance but clearly shows that the issue can’t be separated from the establishment of a new "political" order in Europe, affecting the functioning of the institutions. Sergio Fabbrini is also a shrewd commentator for “Il Sole 24 Ore”, who I follow on a regular basis. Among his various articles, I’d like to point out \textit{Le conseguenze di una Commissione politica} from 7 February 2016, \textit{Una nuova governance europea} from 28 February 2016 and \textit{L’Europa che facciamo fatica a capire} from 15 May 2016, which are all relevant to this issue.

\textsuperscript{118} For an in-depth comparative analysis of regional economic cooperation from around the world, see M. Telò, \textit{L’Europe en crise et le monde}, Éditions de l’Université de Bruxelles, Brussels 2016, where the author details the considerable gap between how advanced Europe is and the examples of ASEAN and SAARC. For a more general analysis also see M. Telò, \textit{The European Union and Global Governance}, Routledge, New York 2009.
4. Being European

In order to draw my conclusions, I want to summarise some of the elements that have emerged from the preceding analysis.

a) A lack of understanding about what the European Union actually is has certainly been one of the most problematic issues of this period of time. It has not caused the difficulties faced by the EU, which are of a more varied and deeper nature, but it has exacerbated them, because it promotes inaccurate media coverage, disproportionate political responses and a general negativity among the wider public. That is why I think it is useful to once again reiterate what we have been calling the fundamental characteristics of the Union, already discussed in the first chapter of this book:

– the Union has been constructed step by step, through discussion, negotiations and the common will to move forward: it is not something that has been imposed from above on everyone by some external body;
– the Union is a democratic construction, the European system is anchored in the principles and methods of democracy;
– its legal system is integrated with its national counterparts in a unique and layered system of governance, it is not a parallel or contrasting system;
– the Union is on a constant quest to improve how it functions;
– the Union always works on the basis of commonly agreed long-term strategy and plans using this method wherever possible;
– in terms of the economy, the Union has in place a system that on the one hand integrates social concerns with productivity and competitiveness, while on the other combining growth with sustainability;
– the Union is a totally open system that favours granting an active role to citizens, as well as supporting, protecting and enhancing rights and powers;
– the Union is a system that is based on solid and advanced values in comparison to the rest of the world.

This lack of understanding puts the European Union at the centre of a great paradox: one day it is accused of not being involved enough in the everyday lives of its citizens, the next it is decried for micromanaging too much. Every other day it is accused of something depending on whatever
interest is prevailing at that point in time. Clearly there is a lot of manipulation going on here but the paradox exists because of a lack of understanding about what the European Union is and how it functions, coupled with slanted coverage by the media. More serious still, in my view, is the lack of awareness exercised by the national political parties. The gravity of the problem is summed up by the fact that the parties do not handle, through their manoeuvring, the European aspect of things in a way that faces up to a reality in which the European Union plays a decisive role. This creates fertile growing conditions for deception and it is evident that the visibility currently enjoyed by the Union is a problem that has to be addressed.

b) Subjective reasons (by which I mean the behaviour of the member states) and objective reasons (the historical phenomena of this period of time) make the political context particularly difficult and complex for the European Union. Perhaps the most difficult it has yet had to deal with. Although we missed out on a constitution, the Union made a huge leap forward with the Lisbon Treaty but it was not the starting point for new destinations or goals. Instead, pressure exerted by member states, some more than others, naturally, to put the brakes on the Union and regain sovereignty became stronger and stronger. It is my opinion that the wrangling over the 2014-2020 budget was the first sign (it was perhaps undervalued as a turning point) that there was a political will to curtail the Union. It was a victory for the United Kingdom, which after it had done the damage, fled the scene of the crime. At the same time, another change of attitude took hold (again, maybe underestimated at the time) in which national politicians used the Union as a scapegoat to relieve domestic tensions by both claiming that Europe was imposing measures upon them, while at the same time not actually doing anything or making progress. The result was the emergence of strengthened and freshly bolstered anti-European movements. In the symbolic case of Brexit, Europe showed itself to be willing (perhaps excessively so) to meet the UK’s demands and worked to come up with a compromise which was then rendered useless and a waste of time. Meanwhile, two external phenomena grew rapidly and exponentially: on the one hand, the influx of migrants and then refugees, and on the other, the actions of international terrorists that we now call Islamic. The Union has very limited competences when it comes to the former and none at all over the latter; yet, this is the level where the member states have sought a solution, to no avail. In the case of the migrant and refugee issue, the European institutions have put forward pragmatic and regulatory
proposals but the member states have failed to show the cooperation needed to implement them. When it comes to terrorism, nothing more tangible has been done than gestures of solidarity and grand speeches; nothing has been done towards supranational cooperation, integration of intelligence structures or military intervention. Some hypothetical proposals have gained traction of late but this is only a recent development.

c) Since 2000, the dawn of the new millennium, the European Union, as described above, has adopted a new economic strategy that is intended to make the European economy the most competitive and dynamic in the world, with sustainable growth and greater social cohesion. The strategy has had limited success but its methodology was confirmed by a new ten-year project (Europe 2020) that is more specific and more ambitious. Within the same period, the Economic and Monetary Union was completed with the launch of a single currency and the setting up of a central bank. But this same period also saw the beginning of a global economic crisis, one of the most severe in history: the EU has shown itself capable of managing it at the highest level. Since 2007, the EU, with European Central Bank involvement, has implemented brave structural measures that have helped countries in serious difficulty, allowing four of its member states to escape financial bankruptcy, while helping Greece stay out of the abyss by providing generous aid packages (too generous, according to some observers). In the process, it has shown a form of solidarity that goes beyond merely the economy. The Union has also intervened in a number of other sectors, managing to release the pressure caused by speculative financial practices and preserving its system of social security and welfare, which is unsurpassed in any other region around the world. The EU has also opened up a period of reflection that is, in my view, of the utmost importance: how do we stimulate growth while, at the same time, ensuring our public affairs are managed in a rigorous way? Of course, this process has certainly not been a walk in the park but it has shown that the Union’s model of economic governance is the most advanced in the world. Clearly, there are numerous imperfections and proposals that aim to improve how the economy is managed are undoubtedly needed. When compared with other parts of the world, the European Union emerges with its head held high. By no means does that reduce the severity of its still unresolved problems (unemployment, redistribution, speculation in the banking sector, structural debt, etc.) and serious work remains to be done.
4. Being European

4.1. Some considerations

The period looked at in this book is the most difficult in the history of the European Union. It is certainly the most difficult I have experienced during my 30 years in the service of a unified Europe. Most of its difficulties have originated from below European level, not that this matters of course. The EU often functions like a lightning rod for criticism and it is the one that pays the price. What I have defined as the factors of a decadent era are created at a provincial or peripheral level, not an international one. The regression embodied by this new form of nationalism, the reactionary attitude of anti-politics and the daily structural pessimism of intellectualism are all phenomena that originate at a local level. That remains true even when they spread. They are also phenomena that go back years, sometimes decades, before what we are calling (at time of writing) the European crisis. The idea of an intellectual figure that is always dissatisfied, always hypercritical, and who must always call into question and denounce anything that displeases them, i.e. everything, is one that stems from the end of the Second World War. They are otherwise mere pawns of the ruling class. The anti-political movement against corruption and inefficiency was born at the end of the 1980s and evolved from there. It can even be observed earlier, when it initially targeted the administration before moving onto politics. Parties that later got into government and are now in crisis were born of this approach. New nationalism is fed by local sources that sprung up, at the end of the 1980s, in response to globalisation, “denounced” as a great evil of humanity. I must say that I smile when I see people get all up in arms because of these “new” phenomena. If it isn’t right to label this ridiculous then it is at least worrying when we realise that none of this is helping us understand what is actually going on. Europe, or more specifically the EU, has only recently entered the firing line of criticism, which is levelled in an attempt to drag the national-local level out of the political and intellectual predicament in which it is still ensnared. The Union has become the ideal conductor, facilitating the release of tension and acting as a scapegoat for others’ failings and weaknesses. It is accused of having lost its sense of unity, of failing to manage globalisation and of becoming an intrusive superpower. Obviously, these tired allegations are dusted off every time the Union says its rules must be respected, those same rules that are not handed down from above but which are formulated together using democratic processes.
4.1. Some considerations

I do not make these observations because I want to build some sort of defensive wall around the EU. The reason I make them is because they are essential to any attempts to formulate a complete analysis of how things have evolved. To this end, I only think it right to add some further thoughts. The problems we face nowadays are of an unusual complexity and no one has a magic solution that will yield immediate results, particularly not the hypercritical or the member states. When we look at the events, we have to conclude that whenever the EU has tried to find serious solutions to problems like migration, the refugee crisis, the UK, Greece or the economy in general, its proposals have always clashed with the interests of one or more governments and there has been a lack of willingness to implement what it has come up with. In terms of tackling terrorism, there has, in truth, never been a real attempt at collaboration. In my opinion, the real challenge is getting the member states to actually participate in these joint projects and to take on the responsibility of implementing the decisions that are made. This all depends on what kind of outlook the Union has.

In order to better understand what approach the EU needs to take, we need to, in my opinion, be clearer about what are its weaknesses and strengths, which actors will determine the future of Europe and, ultimately, what kind of future we want and what kind of Europe we want to build. The European Union’s strengths are what I have been calling its fundamental characteristics and traits. The Union is a democratic system, based on progressive and solid values, integrated with the national level. Its construction has been a joint undertaking and has been achieved step by step; nothing has been imposed on anyone. It is this same spirit of working together that is the foundation of the Union’s constant striving to function better and to work according to a methodological strategy. The principles of sustainability and social solidarity always go hand-in-hand with the pursuit of economic growth and competitiveness. Above all, the EU promotes the strengthening of citizens’ power and rights. However, for a long time, this could not be based on sound policies, which contributed to the weakening of the system. By this I mean (although I hesitate to say so) that the debate between the different political components and the political alternatives was not made clear. On the contrary, voters did not know any-

119 Giorgio Napolitano summed it up clearly: "the visibly sick institution is the European Council, which is dominated by national policies and viewpoints" (interview with “Corriere della Sera”, 22 September 2016).
thing about it, let alone the general public. Things partially changed (for the better) as a result of the 2014 European elections when we managed to go beyond particular and occasional agreements, reaching the level of an unambiguous political alliance establishing a parliamentary majority (EPP, S&D, ALDE) that can pursue common goals both at a legislative and institutional level. In any democracy, the cornerstone of the system is, or should be, the parliament in its role as the representative body of the people: this applies to the European Union and its Parliament as well, which is why referring back to the Parliament and its role is always the correct thing to do when looking into the European institutions. There is a clear disproportion between its influence and actual power on one hand, and what people actually know about it at all levels on the other. The European Parliament is the only supranational parliament in the world with legislative, economic and supervisory powers: it is the only example of supranational democracy. Since the 2014 elections, it has enjoyed a political majority that completes the system.

So, the European Parliament is a key player in Europe’s future because it can and should act as the glue that holds the rest of the Union together. Clearly this role is not enough though, as the EU has a serious problem of leadership, brought about by imbalances created by the heads of government and state, gathered under the auspices of the European Council and its fresh status as an institution. Understanding this point is crucial. The Lisbon Treaty offered a solution to the issue of institutional balance by significantly increasing the powers of the Parliament in order to strengthen democracy and the representation of EU citizens, giving the European Commission political and electoral legitimacy, and engaging national governments in the system by making the Council an institution. These measures provided all the building blocks needed for significant progress through a broadening of the Union. In a way, this happened but it created a large contradiction and triggered criticism as a result of nationalism that had not been allotted sufficient consideration. When the European Council meets, it does so as an institution of the EU but (unlike the Council of the European Union) it does not meet as part of a decision-making process intended to conclude a regulatory procedure. Instead, it meets to “politically” discuss pressing matters and developing crises that often do not fall within the competences of the Union, for example when it comes to migration, terrorism, exceptional aid, etc. Here’s the catch: if these talks produce something positive, then the EU as a whole feels the benefit and its role is strengthened. But a negative outcome weakens the bloc, even if it is
not responsible. It is a total contradiction. The result is often negative because the issue of conflicting national interests again re-emerges and there is no supranational level that can make the decision. Furthermore, the media works itself into a frenzy and a narrative emerges in which Europe, meaning the EU, is in crisis, despite the fact that a stronger Union would answer the challenges posed by Europe’s actual crisis. Brexit and migration policy are two clear examples of how heads of state and government act with one foot in and one foot out of the Union’s legal-institutional framework, despite the issues being completely within the context of European policy. In either case, it isn’t exactly the European Council in its role as an institution that has acted, rather it is the heads of government within their national remits that have made decisions that benefit their governments, not the countries involved. This has either a direct or indirect political impact on the Union. Things are complicated by the fact that the president of the Commission and, sometimes or in part, the president of the Parliament participate in the meetings, thereby introducing an institutional element to proceedings. In principle, this preservation of Union involvement is a positive factor, one which should have contributed to the EU’s development broadening its scope and (as a result) its competences, fostering and nurturing integration. So why has the very opposite happened instead? Basically, because its results have not been considered up to scratch. There’s an element of truth to this but it doesn’t tell the entire story. The problems being faced are objectively difficult and the solutions proposed by government heads are often entirely reasonable, as they have been in the cases of Brexit and migration. But more can be done, so why is it not happening? It is probably as a result of this political-cultural tendency towards restoring national sovereignty, which some (if not many) believe has been reduced too much or even lost. On top of this comes the time-old problem of national interests, which are often put before the common good. Obviously here we are talking about an approach that does not take into account the realities of the modern world, where no

120 I have to thank my wife, Maria José Martínez Iglesias, an excellent legal expert who is universally appreciated, having helped me through a number of bilateral discussions clarify my thoughts from a technical standpoint: of course, any errors made are the fault of my interpretation alone.
country is able to single-handedly manage our biggest challenges. If the European countries were to leave the Union then they would be condemned to subordination to the will of others. Yet this “national” attitude has taken hold and asserted itself thanks to the following contradiction: when faced with today’s immense and complicated problems, one of the possible (as well as ineffective) responses is to resort to populism, which results in isolationism. But on the other hand, joint supranational responses do too little because they fear the effect of nationalism and in doing so they actually feed this negativity. Radical supranational action would combat the problem through its effectiveness. Heads of state and government have a lot to answer for here because it is at their level that the bottleneck creates problems, not at a European level. Migration policy is an ideal case in point. In the case of international terrorism, little is done beyond impressive soundbites and proclamations; cooperation is kept to a minimum and joint action is non-existent. Greater coordination and information exchange between intelligence agencies requires greater integration and the building of a political Europe, because tackling international terrorism isn’t a “technical” problem. Finally, in the case of economic governance, it’s a mixed bag. Supranational decision-making structures exist but so does national impatience.

This constant conflict of member state interests is one of the main reasons the European Commission is weakened. Not wanting to transfer decision-making power to a higher authority is the cause of ailments that,

121 On this weakness, if not on the lack of national sovereignty in the modern world, see M.J. Martínez, La Patria Europea, in M. De Angelis (edited), Percorsi di un cittadino europeo, cit., p. 109 et seq. Also see M. Foessel’s interview with J. Habermas in “Vita e Pensiero”, n. 2, 2016, where the philosopher argues that there is a real need for a political force that will “have the courage to wield, as its political objective, the general interest of overcoming national boundaries”.

122 E. Moavero Milanesi, Sicurezza, Lavoro, Risparmi, all’Europa serve concretezza, in “Corriere della Sera”, 29 July 2016, says: “It is up to European leaders to break this inertia, to stop bickering and blaming each other, as well as blaming Europe, given they are in fact its main protagonists.” The author is a great connoisseur of European affairs and has previously served as deputy secretary-general of the European Commission, minister for European affairs and also teaches at Rome’s LUISS University. His views in “Corriere della Sera” are always relevant in the utmost.

123 Between June and July 2016, President of the European Commission Juncker was the subject of a number of attacks, led by Poland and Hungary, (countries under investigation), allied with the Czechs and Slovaks. The Visegrad Group has
4.1. Some considerations

paradoxically, create difficulties for everybody else. More power to the European institutions is what is actually needed in order to settle disputes and it is an issue that is being highlighted more and more. In February 2016, the foreign affairs ministers of the six founding members of the EU met in Rome in order to discuss the future of Europe. One point that dominated the agenda was the need for more integration, whether it be with all 28 current members or just with the ones that want to advance.124 Putting a stop to crises like that affecting the Schengen Treaty is crucial, insisted the six ministers, because free movement is one of the main pillars (and values) of the Union. Moreover, the existence of centrifugal forces within the EU should be opposed. Italian Prime Minister Matteo Renzi’s calling of a trilateral summit in summer 2016 between himself, François Hollande and Angela Merkel, on the Tyrrhenian island of Ventotene, was significant too. The message that emerged from the meeting was certainly not that we need a federal Europe but (significantly) that we need to recapture the original spirit of a unified Europe. The summit went beyond just political symbolism though, as discussions on tangible issues like migration, growth, Brexit and so on, were also held: unfortunately, there was no follow-up! New US President Donald Trump has taken a number of positions that have caused people to fear for and reflect on the future of the Union.

clearly indicated a willingness to have an executive that is controlled by the member states and few opposing arguments have been made. Indeed, as has been noted (S. Fabbrini, in "Il Sole 24 Ore", 10 July 2016), the intergovernmental idea has gained traction across the board, to the detriment of the exponents of closer integration.

124 For a structural, solid and complete analysis on this subject, see M. Telò, Europäische Legitimation stärken durch eine Progressive Allianz und ein politischer Kerneuropa. Was von Brexit lernen?, in “Neue Gesellschaft”, September 2016. The author argues that an evolution towards a Europe built on concentric circles, with a politically integrated core, is needed at an institutional level. But he also warns that this solution has its weaknesses unless a profound change at a political-social level is made and a progressive alliance, opposed to Europhobia and racism, is built. Also in more general terms, different voices have raised the idea of a two or more speed Europe, something that in a certain sense already exists with the euro, Schengen and so on, but they are talking about formalising this approach, without needing to change the treaties and allowing those who want to pursue greater integration to do so, and leaving those who don’t to opt out. The multi-speed Europe model, indeed, has provoked a lot of debate through different proposals based on the same principle: among the most significant is an August 2016 proposal from the Bruegel Institute (Brussels European and Global Economic Laboratory).
Trump has claimed that the EU is but a pawn for Germany and that the UK was right to choose to leave the bloc, as well as saying it is an example to be followed. The preferential axis between Washington and London has also been restored. Trump has also criticised the defence system put in place by NATO and called into question talks on transatlantic trade, clearing the way for neo-protectionist commercial policies. His draconian policies regarding migration have surprised even Americans and have weighed into the debate we are having in Europe. These are all developments that, as mentioned, have given rise to serious reflection on the future of the Union itself. The idea of a multi-speed Europe has since gained more and more traction, particularly since the beginning of 2017. Ultimately, a summit held between Italy, Spain, Germany and France in Paris on 6 March 2017 confirmed that the heads of government of those countries see the concept has the only way of proceeding with the future development of the EU. Alberto Martinelli makes it very clear that the way out of the dangerous situation in which Europe finds itself is to build a genuine political union of developed, representative, democratic institutions and to increase the areas of competence to include taxation, migration, security, defence and protection of the external borders. This is achievable thanks to enhanced cooperation, which can be used by those countries that want to participate and which already share monetary policy and the ECB. There are those that believe that adopting a European Constitution (despite the first failure) is the only way to solve Europe’s problems, including the fight against terrorism. It is again becoming clear that fragmentation means powerlessness, and that the Union must not halt its evolution.

125 A. Martinelli, _Le grandi sfide politiche dell’Unione europea_, in «Corriere della Sera», 22 May 2016. See also a book published in the same period by G. Napolitano, _Europa, politica e passione_, Feltrinelli, Milan 2016: a collection of speeches by the former president of the republic, which illustrate the need to focus on the European project, during the "most frantic and risky (moment) that Europe has gone through since it began building its own unity".

126 Finally, since the start of 2016, articles and commentaries have started to doubt the validity of those continuous attacks against Europe and its supposed bogeyman role. Solutions that will save Europe have also begun to emerge.
4.2. A new paradigm

The evolution of the European Union is linked to a number of different paradigms that have influenced the different stages of its history.

The first paradigm is without doubt functionalism, conceived by Jean Monnet and Robert Schuman\(^\text{127}\), according to which Europe would be built step-by-step, through economic integration and interdependent determination. This paradigm has yielded good results and has been the keystone of what is now Europe. One criticism that could be made is that it is a slow-burning method but it could also be argued that its pace has been dictated by reality and what has been actually possible in practice (a theory that I subscribe to). However, from a certain point of view, Europe’s advanced progress has outstripped functionalism and it is no longer sufficient to satisfy the needs of the Union. The concept has allowed Europe to be built “brick by brick” but the adoption of the Lisbon Treaty, hugely advanced from an institutional point of view, means that it is no longer a suitable means by which to push the system onward; in fact, it is now a hindrance.

The second paradigm is the federalist idea of Spinelli et al, put together at Ventotene.\(^\text{128}\) It is a very inspiring, utopian idea, in the most positive sense of the word. It has fulfilled an effective role up to the point at which functionalism works and yields results. In this context, federalism has been a positive pressurising force that has always hinted at a more ambitious goal than the step-by-step approach. At a certain point though, the federalist idea fell victim to its own self-referential logic and it shifted from being utopian to unrealistic, detached from a reality it no longer understood. All the negativity surrounding the European Constitution, then the adoption of the Lisbon Treaty (as we saw above, it was very advanced from an institutional point of view) and, finally, the loss of its antagonist mirror (functionalism), put federalism on the back burner.

The third paradigm is the concept of “democratic deficit”, first coined by David Marquand\(^\text{129}\). It has since developed independently and has become an essential pillar of the debate on what the Union does and how it is.

---


\(^{128}\) A. Spinelli, E. Rossi, *Il Manifesto di Ventotene*, Mondadori, Milan 2006: the manifesto was itself was written in 1941.

4. Being European

evolving. The kernel of the criticism of this particular paradigm has been the need to reduce technocracy and power not linked to an electoral or citizen mandate, while tying power exercised at EU level more to politics. This goal has actually become reality through the actions of the European Parliament and then as a result of the Lisbon Treaty. So, this paradigm has lost much of its momentum. But it must be acknowledged that we find ourselves in a paradox where democratic deficit is overcome when politics falls into serious crisis, rendering the implementation of democracy lame at best. In addition, national politicians manipulate the situation in order to save their own skins and pass the buck onto Europe, even though in reality this only helps to create more structural problems. All of this has combined in order to weaken the democratic deficit paradigm.

My proposal would be the launch, or should I say relaunch because of how long it has been around, of the paradigm of a Europe with a single culture. Now that we have made big strides forward in implementing the other paradigms, we need to share what has been achieved and make it go to work. This new paradigm would not be about building something artificial, rather it would fully highlight Europe’s indivisibility, which has been around for millennia, and which has been enriched by its diversity. Others have pointed out the high degree of cultural, political, economic and social homogeneity in European society, which is far superior to that

130 One intelligent contribution to this new paradigm was made by an extraordinary exhibit organised by the Accademia Nazionale dei Lincei, I Libri che hanno fatto l’Europa. Manoscritti latini e romanzi da Carlo Magno all’invenzione della stampa, Palazzo Corsini, Rome, 31 March - 22 July 2016. This exhibit stemmed from “the awareness that the euro is not enough and that we need to cultivate a European awareness, to recognise the importance of shared values”. The books and the manuscripts were displayed in a logical sequence and showed how European thought and identity were shaped by Greco-Roman culture, Christianity, humanism and how our values were formed. Between the past, present and future, the link is narrow but deep. Everything that has been developed by humanity, in terms of culture, has included the past. The aforementioned destruction of Palmyra by ISIS is an act of barbarism that goes against this and is something that has to be opposed and pushed back by everyone.

131 A. Cavalli, A. Martinelli, La società europea, il Mulino, Bologna 2016. See also the commentary of S. Cassese, Il codice genetico della EU, in “Il Sole 24 Ore”, 13 March 2016. Donald Sassoon, on the opposite, said that European identity is still quite fragile and still needs to actually be built because, in his opinion, there is not a common culture, welfare state or army yet. (See Stati-nazione d’Europa, Il Sole 24 ore from 19 March 2017.)
of other regions around the world (the US included). They are all elements that make up a common history. These are some of the ideas and concepts that illustrate Europe’s progress: rationalism; individualism; market capitalism; representative institutions; universities; urban planning; welfare (50% of global spending!); supranational democracy; multilevel governance; and I could go on. That is why I believe what has already been built can be maintained, consolidated and developed, because it is all constructed on the basis of a shared identity.

Europe as one cultural identity is an idea that has already been put forward by the likes of Nietzsche and Zweig\footnote{See essays by S. Zweig, 	extit{Appels aux européens}, Éditions Bartillart, Paris 2014 (preface by J. Le Rider).}, but it has foundations that are much more solid than that. As Marc Fumaroli superbly demonstrates\footnote{M. Fumaroli, 	extit{La République des Lettres}, Gallimard, Paris 2015.}, it was Petrarch that first “organised” this idea when he gathered a circle of free-spirited friends and correspondents around himself. Boccaccio and Salutati did much the same. The term “academy” was then used to refer to this form of reflection and reference was made to the ancient academy of Plato. It was Petrarch who well and truly transformed it though, by changing its essential model from one of disputation and ‘quaestios’ to one of dialogue. It was a method copied by Rabelais and Cervantes, then later developed by Montaigne in his essays. Descartes summed up the entire concept when he said that there is a need to communicate what is discovered in the course of research and to make it available to others so that they can develop it further.\footnote{M. Fumaroli, 	extit{La République des Lettres}, cit., pp. 118-119. I would also like to make mention of Dante’s approach in his 	extit{Divine Comedy}, which already made inroads in this area, although not in the “organised” way that would follow.} Publisher Aldus Manutius contributed significantly in Venice, as the library he created was a common reference point for cultural collaboration and solidarity. In short, it was a new way of thinking about culture and a new way of thinking about Europe.

But it will be Erasmus that will be the main vehicle, universally recognisable, of this idea of community spirit. It’s a powerful unifying idea that eclipses all others. It is a true cornerstone of European unity, this continual reflection that takes into account classical, humanist and baroque culture and which transcends political geography. The biography of Erasmus himself, beyond just talking about his masterpieces, depicts him as the incar-
nation of the European spirit. Dutch by birth, he studied, worked and loved in Paris, London, Turin, Venice, Rome, Cambridge, Leuven and Basel. Erasmus has been characterised by his balance, moderation, sobriety and a genuine longing for unity. His is the story of Europe. Erasmus opposed every form of fanaticism (by which he felt surrounded) and every form of extremism: he was too evangelical to be appreciated by the Church of Rome, too respectful of classical tradition to adhere to the Reformation. One of his great achievements was integrating Greek-Latin cultural traditions with the message of Evangelism.

In this ‘Republic of Scholars’, of which he was the most recognised exponent, Erasmus has managed to create a cultural bond that goes beyond any one nation, by assuming the role of the master of modern European identity. Erasmus includes the idea that “the prince” should dedicate himself to the good of the state, rather than their own interests, by crafting peace and championing the freedoms of citizens: there is a lot of modern Europe in this idea, completely contrary to the cynical prince, who looks only to maintain his own power, is addicted to war and demands obedience from his subjects.

Up to this point I’ve spoken about the world of letters but it is true for all areas of knowledge, from science and the technical arts to culture in general. Thanks to free movement and a continuous exchange of products, ideas and processes, in science and technology, Europe has been the source of many conceptual revolutions. From astronomy to physics and from mathematics to biology (Copernicus, Galileo, Newton, Harvey, etc.), but also in terms of technical innovations that have been used in modern industry and in improving living conditions the world over. It has been well pointed out in the past that Europe was able to play host to these achievements because the intellectual conditions necessary existed, with no difference between countries, and innovative progressive ideas were able to germinate. In terms of art, Europe has always been the grandest

136 Even God himself, Erasmus said, gave us free will so as to not have to rule over a mass of slaves.
137 One excellent book that shows European art and technology production in all its glory, with a broad look at the contemporary world, is provided by P. Steinz, *Made in Europe. De kunst ons continent bindt*, Nieuw Amsterdam Uitgevers, Amsterdam 2014.

98
of ateliers, with deep-seated roots stretching back thousands of years. The continuous movement of people, the free flow of ideas, the permanent exchange of experience happened in every corner of Europe and for every form of artistic expression. The different styles (Romantic, Gothic, Baroque, etc.) spread everywhere, together with a common way of thinking and sense of belonging to the same community. In terms of culture in general as an all-embracing concept, it has been scientifically documented that Europe’s common knowledge base determines behaviour, communication and interactions, on a long-term basis. This knowledge relates to family values, religious practices, work ethic, critical engagement, collective solidarity, artistic and intellectual expression, and many more. An important initiative, in this direction, which is also particularly well executed in terms of style and quality, is the opening of a museum about the history of Europe, supported by the European Parliament: the House of European History in Brussels. Its exhibits, both permanent and temporary, first put on show in May 2017, clearly point out how European processes have pervaded all areas of human activity, rooted in a common cultural identity. Visitors come to understand the working mechanisms of common European culture, built through encounters, exchanges, multilateral negotiations and transfers, but also confrontations and wars, which serve as true and proper “interactions”.

So, the Union as a single cultural actor is the answer that will bring out this common identity and strengthen the whole legal-institutional, economic and political structure that we have today. But even in our impressionable and democratic societies, culture risks being depleted, starting with

140 O. Galland, Y. Lemel, Valeurs et cultures en Europe, La Découverte, Paris 2007. The authors say that, within this common framework, regional differences remain marked.
143 This is the title of the temporary exhibition (see previous footnote): the book illustrating it, beyond offering just a guide of the exhibit, brings together several different articles of high analytical value.
the ruling classes. The European Parliament has clearly focused on the central role of culture and cultural heritage in human, social and economic development in Europe. Based on the provisions of Article 167 of the Lisbon Treaty, the Parliament has supported the various initiatives taken by the Council and Commission on promoting and spreading culture, but it has also called for an integrated approach between the member states, more consistent financing of acculturation projects, more attention to be paid to the economic potential of cultural heritage and, consequently, new governance of the sector, which would guarantee culture’s strategic prospects. The Parliament upped the pressure with a resolution on the important role intercultural dialogue, cultural dialogue and education have in promoting and developing the EU’s fundamental values, calling for the work started in 2008’s Year of Intercultural Dialogue to be resumed. The European Commission launched the programme when it became apparent that there were weaknesses regarding mutual understanding between EU citizens and cultural exchanges.

Understanding and recognising the history of this cultural unity means perceiving Europe in a different light, where this transnational basis is our binding reality, and unity is not just limited to the military or the economy. Cultural unity exists and has done for thousands of years, so it does not need to be constructed like economic and institutional integration. We have built those ourselves but we can only reinforce them with the support of culture. Doing away with borders will become a natural state because they do not exist when it comes to European culture: understanding Europe’s cultural unity can yield results that are the equal of those provided by

144 Destructive acts by international terrorism, illustrated by Palmyra, are more effective because of this.
146 Unfortunately, in May 2016, the European Commission made the dramatic decision to pull the plug on nearly 40 years of uninterrupted financing of the European Union Youth Orchestra because of a “lack of funds”. Nearly 3,000 young musicians have benefitted over the years from the opportunity.
147 A study promoted by the European Commission, entitled Cultural Heritage Counts for Europe, showed without doubt the immense contribution cultural heritage makes to both intellectual and economic growth. Moreover, (in a holistic approach) it contributes to the production of values, which to me are essential to the strengthening of the European Union.
political, judicial and economic action. I am convinced that this is how we should consolidate what we have achieved so far.

4.3. The fundamental and founding values of being European

But there is so much more to it than that. It is in the fertile soil of Europe’s shared culture that its core values, which characterise the Union’s unique nature, will develop and mature. The founding values of the European Union are democracy, the rule of law, freedom, social justice, diversity and peace (see Nobel Peace Prize 2011). They all apply at once and there is no cherry-picking. These values manifest themselves in countless ways and must be correctly communicated and defended. In truth, there have been various cases in the post-war period in which democracy and freedom have been threatened at national level. The EU is the custodian of these values and has defended them to the hilt, as shown recently (see Poland and Hungary, two notable cases). Authoritarianism gains ground during crises and when policies are ineffective. Lucio Caracciolo, among others, is not optimistic. The author proposed the term “democratura” to describe authoritarian regimes that stop short of being full-blown dictatorships, such as the systems in place in Russia and Turkey. But it is also a phenomenon being seen in more and more countries, including (according to some) Hungary and Poland, members of the Union itself. The election of President Trump and his “decision-maker” persona, has given a new lease of life to research on our society’s strongmen, including Putin and Erdoğan, whose ranks, according to some, Trump is set to join. Slavoj Žižek argues that the market economy is in fact outgrowing democracy. The Slovenian philosopher maintains that capitalism is easily adapted to authoritarian regimes and to cultures that are profoundly differ-

150 L. Caracciolo, Democratura, in “La Repubblica”, 7 March 2015.
151 The fallout from the failed coup attempt in Turkey (July 2016), including the harsh and repressive reaction, right up to its suspension of the Convention of Human Rights, confirmed to many the anti-democratic path being taken by the Turkish system. Its impact on the international scene is also relevant.
152 See “Corriere della Sera”, 3 February 2015.
ent to the West’s, meaning that it is more exportable than the democratic model. The Chinese capitalist model without democracy attracts more interest than one would first think. More and more analysts are convinced that progress by the “anxious and insecure” classes has reinforced the model. Secondly, an “authoritarian rebirth” has emerged, in which a belief has taken hold that illiberalism is better placed to respond to the challenges posed by global crises. We are not talking about isolated episodes either, it is a growing movement and the risk of contagion is ever present. Pressure exerted by international terrorism, the massive (exceptional) influx of migrants and refugees, and economic tensions feed instability and favour populism. Alberto Martinelli, after having analysed the factors that promote the growth of anti-establishment, anti-European, nationalist and isolationist populism, proposed a list of structural counter-measures: “honesty, realistic reform programmes, effective decision-making, transparency and accountability of governments, and critical vigilance and democratic participation by citizens”. As many others have pointed out, demonising (or attempting to discredit) protest movements and the “populism” that rides on their coattails is not going to solve the problem. Effective solutions to serious issues that arise are the only recourse. But it is true that the criticisms levelled at the solutions that are proposed are often prejudiced, lacking in detail and are only made for dramatic effect, rather than offering anything like a balanced assessment and (above all) a correct allocation of responsibility. I believe that the way these decisions and the information relating to them is communicated is what feeds these anti-elite and anti-European reactions. Distrust of political parties and institutions, which are seen as being incapable of coming up with answers, feeds the indifference of the public and the drop of participation rates. All this does is weaken democracy and perpetuate a vicious cycle.

154 This is also the result of a resounding error that is denounced by L. Bini Smaghi in La demagogia anti Bruxelles come arma di politica interna, in “Corriere della Sera”, 10 July 2016.
155 Domination by the economy, lack of citizen participation and strengthened oligarchies are among the elements that according to G. Preterossi, Ciò che resta della democrazia, Laterza, Rome-Bari 2015, feed the crises that our society is faced with. The author says that the restoration of the welfare state, dignity and rights is the way out of the crisis.
Without the European Union, we would already be on the road toward “democratura” and an “illiberal rebirth”, as well as a democracy-free version of capitalism. It is now clear that it is only thanks to the existence of the Union that we have been able to stem illiberal (authoritarian) national forces, because it is at EU level where the values of democracy and freedom can actually be defended. That is why those that want to erode democracy first attack Europe. The EU was the cradle of universal human rights and has since become one of their strongest paladins. The Union has since taken the cause further and developed those rights and created new ones. The adoption of the European Charter of Fundamental Rights is one of the most striking and pertinent examples. In the Charter, there are rights that already existed and rights that were newly created in order to respond to our changing world, including those relating to disabilities, sexual orientation, cloning and so on. The text is divided into several different parts, all under specific headings.\textsuperscript{156} There is “dignity”, which includes a person’s right to integrity and also prohibits torture and slavery. There are also “freedoms”, which includes a person’s right to a private life, the right to marry and start a family, the right to asylum, property, education, work, as well as freedom of thought, conscience and religion. Under “equality” the right to non-discrimination is protected, as is respect for diversity, culture, religion and language, as well as the rights of children, the elderly and the disabled. “Solidarity” includes worker and social security rights, as well as medical care and the principles of environment and consumer protection. “Citizens’ rights” bestows the right to good administration and free access to documents, as well as freedom of movement and residence. Finally, “justice” provides the right to a fair trial, defence and to not be punished for the same crime twice. These are inviolable fundamental rights that have to be accepted and followed by anyone that wants to be a part of our society. In this respect it is the only reference point for civil society and its development. Whether it be Muslims or anyone else, everyone is entitled to these rights and people also have a civil responsibility to respect these values.

Conclusions

Sixty years of the European Union

On 25 March 2017, the Treaty of Rome, the agreement that led little by little to the formation of the European Union, celebrated its 60th anniversary. And it was in Rome that this birthday was celebrated with the adoption of a declaration signed by the 27 leaders of the member states (the United Kingdom was not invited). Ahead of this event, European Commission President Jean-Claude Juncker presented, as a contribution to the debate, a white paper that set out five possible scenarios for the future of Europe in the coming decade. These scenarios range from a potential reduction to an actual broadening of competences, from maintaining the status quo to allowing those member states that want to advance further to do so. Each scenario was analysed in depth. In this context, Juncker’s “political” choice not to come up with anything more than an analysis of different scenarios was the right one, so as to allow a delicate discussion between the member states and for the declaration to be a positive one. And so it was. The Rome Declaration shows the will that is there to keep progressing together, to allow those who want more integration to move forward and, above all, to commit every country to “do and act” in areas that are the most troublesome. The Rome Declaration is strongly programmatic and shows a willingness to intervene in and resolve the most pressing problems.

The Berlin Declaration from a decade ago instead concentrated more on the identity of Europe and the very reasons for us to stay together. It is this declaration that should be considered at the close of this, my contribution to the debate. Having reached this point, I do not need to invent anything in order to answer the question that was posed at the very beginning of this book: the 2007 Berlin declaration contains a clear indication of what it actually means to be European. By elaborating on its content, we can produce a sort of handbook. For Europeans:

1. the individual is paramount. His dignity is inviolable. His rights are inalienable. Women and men enjoy the same rights;
2. there is one common goal: peace and freedom, democracy and the rule of law, mutual respect and responsibility, prosperity and security, tolerance and participation, and justice and solidarity;

3. the identity and diverse traditions of the member states must be preserved. The EU is enriched by open borders and a lively variety of languages, cultures and regions;

4. the increasing interdependence of the global economy and ever-growing competition on international markets must be shaped by the EU’s values;

5. global conflicts must be resolved peacefully. It must be ensured that people do not become victims of war, terrorism and violence;

6. poverty, hunger and disease must be driven back. The EU must continue to take a leading role in that fight;

7. a contribution must be made to averting the global threat of climate change, by leading the way in energy policy and climate protection;

8. terrorism, organised crime and illegal immigration must be fought together;

9. racism and xenophobia must never again be given any rein.

I would like to conclude with the same part of the Declaration with which I started this book: “With European unification a dream of earlier generations has become a reality. Our history reminds us that we must protect this for the good of future generations.”

Brussels, 9 of May 2017