

Of Union and Trust

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The motivation behind this short commentary is an editorial piece published in the *Guardian* few weeks ago (*Never Closer Union*, 29 September 2011, p. 36 of print edition). The main argument of the *Guardian* editor was that the financial crisis of the Eurozone has been transformed into a bigger political crisis of the European Union. Diminishing obstructionism and having a clearer federal vision may be able to save the European Union from a deeper existential crisis.

In the opinion of this author, it is still not too late for the EU to provide a well-structured response to the crisis with a clear message of confidence for the markets, but also for the member states' electorates. Often enough in the past three years, the looming Greek default has been expressed in the form of a rather high-stakes poker game. On the one hand, we have a small economy that borrowed beyond its means at extremely low rates without managing to reinvest in its own productivity, and on the other we have the EU partners who demonstrated an unexplained (to the wider public) tolerance of this phenomenon. Victims in this game are the national electorates and the public opinion within the member states, which have been entangled into a dangerous pendulum of policy responses that have left them in full insecurity about the future.

At the heart of this debate we find serious perturbation of the feeling of trust of public opinion in our national and European political institutions. What we have experienced in the past few weeks was an odyssey of the proposed new EFSF mechanisms. It vacillated from parliament to parliament across the Eurozone becoming often a vote of confidence for national governments, like in Germany or Slovakia. Moreover, any solution was met by high intervention from non-Euro partners – like Mr. Osborne's outright attenuation of the proposed Tobin tax or Mr. Cameron's explicit attack against the Euro in his speech at the Canadian Parliament or allusions on the sustainability of Greece's debt during the recent Conservative Party Conference. The coalition government (and even Mr. Clegg) is now extolling the decision to opt out of the Eurozone—granted, the counterfactual is always hard to prove, but two questions stick in mind: would the Eurozone be better-off with Britain's participation, and would the road to recovery be smoother in Britain had it adopted the Euro? The coalition government seems to ignore the absence of any results of its 'independent from Europe' monetary policy.

Nonetheless, here we are, with plenty of Euro-partners running around in panic about what to do next and how to convince their constituents of the utility and vision of a united Europe. I agree with the *Guardian* editor that there is an existential deficit in Europe which goes beyond the salvation of Greece or the current economic crisis. The European public has lost all trust in the delivery capabilities of European institutions mainly because national governments were entrenched in domestic deliberations for short-term political gains. Both the German and Greek governments are not completely innocent in that respect. What we need to be promoting are ways that will infuse and reinstate trust in our shared European future. In our interdependent world, trust should exist horizontally across member states—that they will strive to do the right thing—but also vertically: from our average EU citizen to the national government to European governance. We should understand that trust is no longer an issue of encapsulated interests but rather an issue of solidarity, reciprocity and reputation-building among equal partners within the European Union, and both Greece and Germany should definitely continue as such.

Success in this endeavour will come from two sources: first of all, understanding that the Greek government has a tough job to complete, and despite any temporary deviation, the European Union should trust that it will succeed in bringing its house in order if it is given a bit of breathing space. Second, yet most importantly, that trust is reestablished vis-à-vis the European institutions in their ability to deliver tangible solutions and pragmatic ways out of the next crisis. No matter how much this may seem utopic at this time, such reciprocity may only be achieved through deeper integration, but one that will build upon trust and a clear vision of what a federal Europe ought to

look like.