

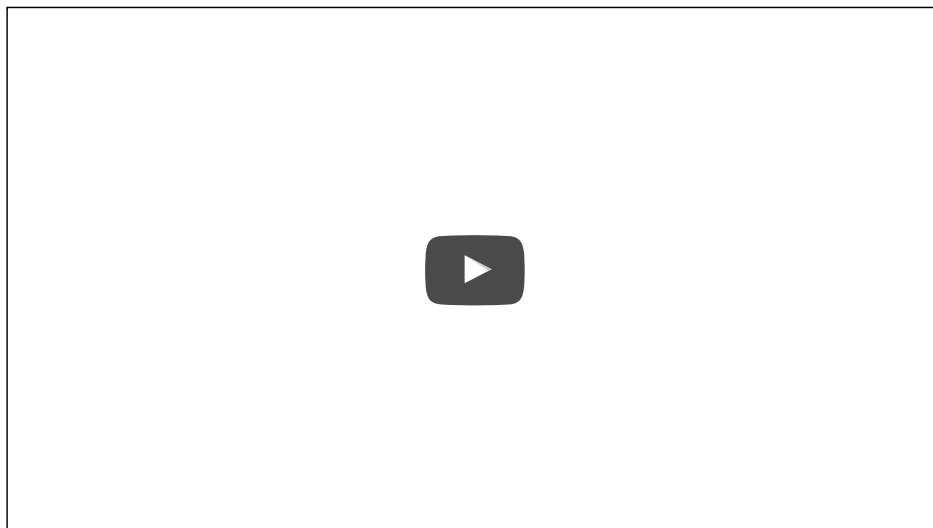
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## Europe in Crisis Seminar

LSE IDEAS

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**It is perhaps the nature of a crisis that any attempt to see the future is clouded by a degree of, if not despair, then at least a profound pessimism. Certainly, in the midst of the ongoing crisis in Europe it is easier to see problems within the European project than it is to see clear means by which such problems might be resolved. It was little surprise, therefore, that the Changing Europe Debate held at LSE IDEAS on Tuesday and consisting of over 20 European experts was, by the near universal admission of its participants, marked by a significant degree of pessimism. The cautious diagnosis of the majority seemed to be that the Euro would survive, but that the crisis had thrown into sharp relief many of the problems, both political and economic, that have to be resolved in the future.**



There was clear consensus that one of the biggest problems was of political leadership and structure. The entire economic system of the European project was roundly condemned, by Professor Hix of the LSE among others, for suffering from a lack of political leadership and structure without which there is no political legitimacy with which to approach the problem. New LSE IDEAS Visiting Professor Robert Cooper went so far as to describe European political leadership beyond Chancellor Merkel as being marked by "mediocrity." Particular weaknesses of the Economic system frequently identified included the lack of a properly defined role for the ECB and the limits of its mandate, a lack of EU budget to serve as a backstop and a general failing by banks, politicians and economists to recognise the differences in the economics structures of different member states – particularly Greece.

Beyond the problem of political structures and leadership, however, was a concern over the wider problem of representation. The so-called democratic deficit was identified as now having stretched beyond the particular instance of democratic involvement in European institutions to a potentially more serious and worrying decline in support for representative democracy of any sort. Professor Mary Kaldor argued that recent protests across Europe are less directed at the policies of austerity and more at a feeling of disenchantment and disenfranchisement with the very nature of representative democracy. Figures from across Europe suggest a worrying lack of trust in government, even in states such as Germany and the UK. It is this broader problem of representation and legitimacy, particularly as felt among the younger generations of European citizens which must represent the most significant challenge to a political Europe in the future.

Two central areas, therefore, were especially identified as needing resolution – a problem of effective leadership and structure and a problem of representation and legitimacy in the eyes of European citizens, particularly of the younger generations. Assuming (albeit not taking it for granted) that the European project will survive this crisis in one form or another the consensus seemed to be that, at least in the economic sphere, further integration and the emergence of some form of more central governance is inevitable – with the banking union likely to play a central role. This, to an extent should answer the first problem – since it should create a stronger leadership and structure. Professor Begg was prepared to offer a rare note of tentative

optimism that a better system of governance did seem to be crystallizing, while cautioning that the crisis was not over and the process was ongoing.

As to the second problem few solutions were identified. The role of the media and of communication in general was identified as being crucial, but with no solutions forthcoming. Nor was there any real consensus on whether the direct election of either the President of the Commission (as had been advocated by Daniel Cohn-Bendit and Guy Verhofstadt at an LSE public lecture earlier in the week) or the whole Commission on a slate (as proposed by Robert Cooper in his lecture the same evening) would be effective, possible or even desirable. One senses that while the less immediate problem facing the European Union at present it will be difficult for the European Project to ultimately survive in any meaningful form until those questions are addressed.

Inevitably, any conference on Europe must ultimately turn to the elephant in the room of where, if anywhere, the UK will feature in this future. The question is all the more pointed given the consensus that, whether desirable or not, further integration and central governance is inevitable. Few can see a scenario in which Britain will want to accept any Banking Union, and most estimations were that if the EU survives it may well move on with Britain on the side lines. The problem is not limited to the UK, but the UK is certainly the largest economy which finds itself looking increasingly on the point of being excluded from a European core.

The problem of such a scenario is not limited to the UK. Any banking union which excludes Europe's largest banking sector runs the risk of being ineffective. Any unified foreign policy lacking the British voice could leave Britain isolated, but also compromise the EU's status and role on a global scale. If there was little optimism to be found around where Europe is now, there was even less to found for the future of the UK in its European future. The best case scenario envisaged by any participant was that it may be able to survive within a Europe that is a 'union of many unions', participating in certain areas but absent in others. This solution of "variable geometry" while enthusiastically supported by Sir Colin Budd, was contested by others as being little more than British fantasy.

This article began with a note of caution, a warning that it is to be expected that the view from within a crisis is unlikely to be one of giddy optimism. It must be conceded that optimism was in short supply, especially as regards to the future of the UK in Europe. Yet, to end on a note of relative cautious hope, if this crisis has any silver lining, it is surely that debates over the structures and future of the EU are now at the forefront of public debate as they have not been for many years. The future may be in doubt, yet at least now the debate is happening and the problems being identified.

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