In support of the letter published by Habermas, Merz et al - Handelsblatt Global*

Open letter sent to Handelsblatt Global weekly by Pier Carlo Padoan, Franco Bassanini, Marcello Messori, Massimo Bordignon, Franco Bruni, Innocenzo Cipolletta, Marta Dassù, Maurizio Ferrera, Giampaolo Galli, Paolo Guerrieri, Ferdinando Nelli Feroci, Stefano Micossi, Giulio Napolitano, Antonio Padoa Schioppa, Pasquale Pasquino, Riccardo Perissich, Gianni Toniolo and Gianluigi Tosato

November 7, 2018

We would like to express our support for the letter published by Habermas, Merz et al on October 25th in Handelsblatt Global. With these few lines we wish to support the statement that the survival and strengthening of the European Union and the monetary union are the necessary conditions for bringing about a peaceful and cohesive geopolitical area with a dynamic and inclusive society open to multilateral cooperation. We also agree that the great achievement of the common monetary policy cannot solve all the problems of the euro area alone, even if a number of recent interventions by the European Central Bank have safeguarded European stability. In this respect, we welcome the proposal to implement a common European defense capability and a common European unemployment insurance. It is also crucial to launch a few European initiatives to improve coordination between national fiscal policies and to overcome the juxtaposition between ‘risk reduction’ and ‘risk sharing’. The progress of the euro area and the European Union requires a gradual convergence between the different Member States. This convergence can be achieved through a combination of national efforts and trustful and cooperative relationships between EU institutions and national policy makers, as well as between Northern and Southern member states, with the common and shared goal of promoting growth, jobs and social cohesion throughout the Union. We are ready, on a personal basis and on behalf of our institutions, to contribute to these aims, helping Italy to remain a credible and effective founding member of the European Union regardless of any political change in government.

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Franco Bassanini, Former Cabinet Minister; President, Astrid Foundation
Marcello Messori, Director, Luiss School of European Political Economy (SEP)
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* For a general view of the issues under discussion, please see below the text of the original letter, published by Hans Eichel, Jürgen Habermas, Roland Koch, Friedrich Merz, Bert Rürup and Brigitte Zypries in Handelsblatt Global on October 25, 2018.
We are deeply concerned about the future of Europe and Germany

As nationalism threatens the European peace project, six leading German thinkers penned an open letter on how to save it.

By Hans Eichel, Jürgen Habermas, Roland Koch, Friedrich Merz, Bert Rürup and Brigitte Zypries

October 25, 2018

After the 55 million deaths caused by WWII, after centuries of nationalist and imperialist wars left Europe in ruins, the peoples and the national governments across the continent finally realized that European unity was the only way to stop this madness.

Immanuel Kant had had this vision 150 years earlier in his philosophical treatise “On Eternal Peace.” So, at long last, Europe’s leaders set out to turn it into reality. Over the next decades, the Common Market, the European Community and the European Union emerged, followed by a common currency. Dictatorships fell and democracy prevailed throughout the continent.

A Europe without internal borders has become reality: Every EU citizen can look for a job in any EU country. Entrepreneurs are free to set up a business anywhere they like. We can buy and sell goods across the bloc without any tariffs. Services may be offered everywhere. And there’s more. Young Europeans can get their education at any university in Europe. And, like all of us, they can experience Europe’s cultural diversity and the common values and traditions that underpin it. And let’s be clear: Our continent had never before experienced 73 years of peace throughout its long history. These are great achievements of the European Union. It is far more than just an economic project: It’s a cultural project, a leap of civilization for which the whole world envies us.

Yet all of this is in danger. Nationalism is rearing its ugly head again throughout Europe. Solidarity is yielding to selfishness, as if we were forgetting what the previous generation learned from history. From the outside, Donald Trump, Russia, and China are testing Europe’s unity, our willingness to stand united for our values, to defend our way of life.

There can only be one answer to that: solidarity. That means opposing nationalism and selfishness domestically while outwardly showing unity and sharing sovereignty. And this is the answer that the citizens of Europe, each one of us, must give now. Alone as Germans, as French people, as Italians, as Poles, we are too weak. Only together we can assert ourselves in the 21st century.

We want the EU to protect our way of life and create prosperity for all. We want Europe to uphold democracy, human rights and global solidarity in the fight for the preservation of natural resources. Now we need to take big, bold steps. Muddling through from crisis to crisis, as we’ve been doing lately, endangers everything we have achieved.
**An army for Europe**

To avoid this, we believe Europe should deepen the integration of its foreign and security policy by shifting to majority voting. Europe should also work toward the goal of a common European army. That doesn’t mean we’ll need more money — the European NATO members currently outspend Russia on defense three to one. What we need is to overcome the small-scale defense policies of nation states. That way we will project much more military power without additional costs. Also, since we are no longer inclined to waging war against each other within Europe, we no longer need national armies. And since Europe’s armed forces are not directed against anyone, the creation of a European military should be combined with arms control and disarmament initiatives.

**Germany and France together** must invite the EU’s founding countries, Poland and the Baltic states to join in from the start. But this initiative must be open to all EU members that pursue the same goal — that would include many, and possibly all, countries. This is how we should tell the world that we’re sticking together without fail, that we won’t allow ourselves to be weakened and divided. We’ll show other countries that they can consider Europe an equal partner for peaceful policies aiming at a fair balance of interests and the preservation of natural resources on our planet.

However, Europe can only be credible abroad if it is also internally united. The euro zone, the core and most advanced area of the European unity project, is fragile. Everyone knows that. More muddling through puts the euro zone at risk of not surviving the next financial crisis. And this would drag Europe backward in many other areas as well.

A common currency brings benefits for all: It promotes exchange across all internal borders in all areas. It protects against speculative attacks within a large and strong economic area. A common currency requires everyone to think in terms of wages and prices no longer in a national, but in a European context.

**European unemployment insurance**

However, a common currency also means a one-size-fits-all monetary policy for the entire euro zone. This may weaken the weaker countries and strengthen the stronger ones. So our monetary policy requires stabilizers to mitigate and offset these outcomes. And this requires effort from everybody.

Back in the time of the Deutschmark, Germany created stabilizers to offset the different effects of the national currency on the country’s diverse regions and social classes: unemployment insurance, health insurance, federal and local financial equalization, and a joint liability system for the debts of all local authorities, to name a few. Their goal is to harmonize living standards across the country.

By contrast, the European Economic and Monetary Union still lacks all these tools. Yet at least some of that will be needed to bring the euro zone together.

We urge the German government to take bold steps, together with French President Emmanuel Macron, to make the economic and monetary union stronger. It must initiate policies leading to more economic convergence across the EU and avert further drifting apart. We need a budgetary policy for the euro zone, which serves the cohesion and sustainability of the whole area. We also need a common labor-market policy, possibly including **EU-wide unemployment insurance**. Only then will we make European unity credible.
Let’s not shy away from hard compromises

For this, however, we must be ready for hard compromises — including German readiness to make higher financial contributions. The founding fathers of Europe, including former Chancellor Konrad Adenauer, knew that European unity could only succeed if wealth differences between countries were not too big. They knew that the weaker regions and strata, in addition to their own efforts, would need the help of their stronger peers to catch up. They knew that European unity is also a promise of prosperity to all citizens, financed by the peace dividend. Helmut Kohl, too, knew that and acted accordingly. And this has also served Germany well. Europe will be what Europeans can agree on, else it will not be. What makes Europe strong strengthens all Europeans; what diminishes Europe weakens all Europeans.

Those who want to reinforce European democracy need to strengthen the European institutions, especially the European Parliament. That was always Germany’s goal, and that must now be very clear again.

A united Europe can be a global power for peace. A united Europe would be able to influence the US and China into a more moderate approach in their looming conflict so that it does not end in disaster. This is what Germany wanted after WWII. That is why the preamble of the German constitution begins with the sentence: “Conscious of their responsibility before God and man, inspired by the determination to promote world peace as an equal partner in a united Europe, the German people, in the exercise of their constituent power, have adopted this Basic Law.”

Let’s be serious about the intent of our constitution, now. The current government announced at the top of its program a “new start for Europe.” It’s high time to get serious about it.

The first signatories: Hans Eichel is a former finance minister, Jürgen Habermas is a philosopher and sociologist, Roland Koch is a former Hesse state premier, Friedrich Merz is a lawyer and CDU politician, Bert Rürup is Handelsblatt’s chief economist, Brigitte Zypries is a former justice minister and economics minister. To reach the other signatories: europa-jetzt@gmx.de.