

Europe: Good News

The European Union is adapting to a new reality – slowly but surely

I will not mislead the reader: this article is not bringing any news about the Greek debt crisis settlement or preventing such in Spain, Portugal, Ireland or Italy. Nor does it address the establishment of a single political governance of the eurozone's economy and finance, whose absence made the single currency predictably ineffective. Part of the countries could use its benefits but they did not share the burden of responsibility, making debts and living beyond their means.

The united Europe will have to pay for its triumphalism, errors of the past and too rapid and unconditional enlargement of the EU and eurozone. It will have to pay for rejecting structural reforms by an overwhelming majority of countries (with the exception of Germany and several North European states) which they opted for on the wave of the euphoria, as the fall of the Iron Curtain and economic opening of China caused an extensive expansion of markets.

The events of the past few weeks are taking the edge off the feeling of alarm, but the Europeans and those in the same boat, including us, Russians, should not relax. Greece has elected a government which has announced its readiness to observe the strictest financial discipline. But it is practically impossible to maintain it in a democratic country.

Under Germany's pressure, the European Union summit on May 28-29 made groundwork for advancing towards a single system for governing EU finances and taxes. These are but modest moves, for which Germany had to pay with the readiness to expand the opportunities for Italian and Spanish banks to receive subsidies.

In any case, the European crisis has far deeper roots than merely financial or governance ones.

The European Union will have to adapt to a new reality – tougher competition set by the “newcomers” whose cheap labor force and other advantages enable them to draw whole industries not only from Europe, but also from other old industrial centers.

The adaptation will take much time and will be inevitably painful. Radicals on the left and on the right will press forward while governments will be replaced more often. They will have to draw back from the attained level of democratic freedoms, a dreamlike achievement of humanity, in favor of more authoritarian governance. Greece and, possibly, some other countries, might be expelled from the eurozone, or the EU might establish two eurozones with different rights. The EU will surely have two groups – the core and the periphery. The decision-making procedure will probably have to be adjusted by diminishing the rights of the small, weak and ineffective.

Of course, this or similar scenario might be suspended, if the concerted brazen pressure on Germany by a majority of Europeans and Americans has effect and Angela Merkel backs off, subscribing under Eurobonds or other measures, which again will result in industrious and effective Germans and others alike paying for the less effective and less industrious. Such was the case in Communist countries where idlers and blockheads exploited the efficient, talented and diligent.

Previously, the German chancellors used to succumb in such situations. They had to foot the bills inherited from the Nazi past. Chancellor Helmut Kohl's decision to give up the German mark – the symbol of Germany's revival and national pride – in favor of the euro was a heavy toll. Germany's deep immersion in Europe demanded by the French and others in exchange for their consent to the unification of two German states was its toll, too.

Yet it seems the Germans' feeling of guilt for Nazism is running thin. They have proven that they have changed and are now the most European and the most humanistic among the Europeans. And also the most industrious. I hope that this time the Chancellor will not give in and will not let the German resources prop up the less conscientious by postponing the necessary reforms. It looks like Europe will have a complicated future.

I could rub my hands in dubious moral satisfaction, as my predictions about Europe's future problems that I made 15 to 17 years ago has come true. The few "Eurosceptics" – experts in Russia and the EU who shared it – were reviled in unison by "Eurooptimists" who were in a majority. But today the latter have fallen silent or banded together to trumpet a funeral tune about Europe's demise and breakup.

I would disagree with the apocalyptic sentiment prevailing among experts and in the public quarters nowadays.

The reason for taking a different stance is my personal observations of the past few weeks. I visit various get-togethers in Europe two or three times a year to take the pulse. And I must say I do not enjoy them: official or semi-official experts lie about everything's going to be fine, while in private conversations they roll their eyes and wring their hands.

Yet things were different when I visited the Europe forum, an annual event arranged by the Austrian government. The people that the forum brought together were quite different. The experts such as myself were few. An overwhelming majority included "other" Europeans: representatives of the associations of small and medium businesses, district and municipal administration officials from all over Europe, heads of pan-European cultural, regional and local organizations or initiatives.

It was a real civil society. They communicated with each other, heard each other's reports and project presentations, and decided on joint undertakings, without the participation of Brussels or governments. But they did discuss ways of getting funds from the EU, governments or business for their projects – exhibitions and exchanges of choirs, students, pensioners, schoolchildren and municipal officials. They discussed accommodation arrangements, exchanged experience and

helped each other with advice. The Slovenians were negotiating with the Latvians, and the Danes and the Germans, with the Italians and the Spaniards.

Regional representatives from various countries told how they had launched horizontal ties for small business and organized hundreds of fairs, where people bring goods, ideas and find consumers and associates. Travelling across Europe, I had seen such exhibitions dozens of times: German sausage and ham producers trading next to Italians with their prosciutto and wines, and French nationals with their cheeses; software producers creating new networks of manufacturers and consumers. I sampled and evaluated those things, but did not consider their political significance at the time. Yet they did have significance, and it was tremendous.

While in Austria, I realized what had long been obvious, but what analytical articles miss almost all the time. A new Europe has been created for people living in different countries by uniform and quite convenient rules. This live fabric of projects and people is evolving; it has kept and will keep Europe in one piece, even despite inevitable difficulties. The European Union is not only a boring bureaucracy with its sometimes irritating and stupid procedures, but also thousands of rules and laws to improve people's life and the economic situation. They decrease roaming costs, enable millions of people to fly from one country to another cheaply, and restrict monopolies in favor of small and medium business.

Europe is not only and not so much the increasingly failed attempts to play big in world politics or maintain irritating rivalry with Russia. It is the cleanest and most convenient continent in the world, which has nearly coped with the environmental problems inherited from past centuries. Most importantly, it is the most humane place of residence. That is why countries and people are eager to enter the EU.

Europe will be facing difficult times because of the crisis and the need to adapt to the new competition. But it will never make a war again because it is sick and tired of fighting. It is not going to and it cannot. The defense spending of the overwhelming majority of countries tends to a symbolic level.

I am confident that after going through this difficult period, Europe will become competitive, if though less rich. It has huge advantages incomparable to others' – a tremendous cultural stratum, pristine nature and amazing, recuperative and tangible beauty.

One might regret Europe's turning into a big Venice. Never again will it play the great and terrible role in human history. But as a person who is fond of Venice that for centuries kept dying and rising to bring joy and repose to millions of its visitors, I understand the Europeans who are tired of being great and paying for it with generations of destroyed fellow citizens.

Let Europe produce the best products, technologies and brands wherever it can, and become a huge museum, a holiday place for millions of people from other regions of the world, including Russia. Let it be an example of ultra-humane public and inter-state order.

If only Angela Merkel did not give in.

European civil society is well established and will stand despite all its losses. What I saw in Austria convinced me of it again.

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