



## Europe's self esteem

In this article, the author advocates for a greater European economic and fiscal integration and explains the proposals the socialist candidate Alfredo Pérez Rubalcaba made in this sense.

Europe is suffering from a self-esteem problem: it has stopped believing in itself. Beyond the official rhetoric, some of its leaders seem to be trapped in the economic orthodoxy and electoral calculus. With the reduction of the deficit and the requirement of austerity as priorities, its capacity to maneuver becomes limited, in such a way that the European Union is finding difficulties in facing the challenges posed. Witnessing the sequence of endless summits, declarations and bail-outs, citizens have the feeling the main activity consists in meeting to agree on new meetings, but in the end, there is a lack of swiftness and forcefulness in solving problems. Therefore, citizens' confidence in the European project is affected even in the traditionally Euro-enthusiast Spain. Jean Monnet dreamt of a Europe "that does not only unify States, but above all its people." Today, this seems a far away dream but making it come true is more necessary and urgent than never.

Most of the current difficulties could be overcome by correcting the economic fundamentalism and the attempts of re-nationalization that block the political Union. There are more and more people who claim an authentic economic and fiscal integration and the adoption of expansive policies to stimulate growth, to help overcome the crisis of the sovereign debt and would clear away the ghost of recession. In short, what these people are claiming is more Europe. What is curious is that, many of them are not from the old continent. It seems as if non-Europeans believed more in Europe than Europe itself; in fact, they simply acknowledge the great positive potential of the European Union and the serious global impact its failure would have.

For the member States, this failure would pave the way to an unknown horizon with only one certainty: separately, their opportunities to make progress would be more reduced than if they were together. The figures are telling. According to data by the IMF, the GDP of the EU-27 in 2010 (in parity of purchasing power) was about 15 trillion dollars, followed by the USA with 14.5 trillion and China with a bit more than 10. The greatest European economy, Germany, did not reach 3 trillion dollars and Spain stood at 1.3. It is obvious that out of the European Union, even Germany would find it difficult to succeed in the competition with the Chinese or the American giant. Therefore, the other member states





would find it more difficult. The solution to the crisis, thus depends on reactivating the European Union, going further in this Union and implementing stimulus measures to add more vitamins to the austerity diet been implemented so far, because we are sliming down too much but we are not growing. This treatment weakens all the economies of the Union, and not only peripheral States like Spain.

Besides, it is clear that in this era of globalization, and even more after this crisis, the recipes from the past are of no avail. In Spain, the Popular Party affirms without much specifications that to come back to the path of growth we must go back to the 1996 formula –including pigging on real estate and speculative real estate bubble– which is similar to trying to make an iPad work with a Volta battery: a claim bound to failure. Europe is not present in this equation, not even as a variable independent from the Spanish economy, let alone the rest of the world. Those who propose such chimerical solution, share the political and economic approaches of the neoliberal orthodoxy, which led us to the crisis first and now is anchoring the European Union in a position of painful powerlessness to face it. We can only expect the eternal return to the same thing.

Spain needs Europe and Europe needs leaders who believe in her; leaders who are ready to look forward to the future with bold and credible proposals for the rest of international actors, included capital markets. En our country, the only leader to have presented those types of proposals is Alfredo Pérez Rubalcaba. he has made proposals like the creation of the European Public Treasury, the implementation of the Eurobonds and the creation of a European Rating Agency, to counter the pressures on the debt of the Member States and push aside the ghost of the conflict of interests that taint the actions of private agencies; he has made such proposals like delaying the adjustment plans by two years, so as the efforts of the States do not focused solely on the austerity and can be invested in stimulating growth. He also made such proposals like the launching by the European Investment Bank of a Marshall Plan for Europe to help SMEs which role is crucial in job and wealth creation.

Besides, Alfredo Pérez Rubalcaba has an important asset to counter the onerous liabilities that hamper Europe: he believes in the European Union. He believes in its capacity to overcome the problems, opting for more Union, not for less; for more stimuli for growth, not for less; for more diligence, not new delays. A Union for all and with all, in which we all can make progress toward a future of shared prosperity. These are the approaches that will re-launch Europe and help Spain overcome the crisis. And it is all about this.

