

The European Dream

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The project 'People' initiated in July, 2016, was about strengthening a sense of democracy and stirring up a discussion about how to push for more democratic structures inside the European Union. It should have attempted to do so by using visual communication and conceptual art, and seeing the reaction of the general public to the 'Call to Action' document issued in said campaign, it can only be considered a major failure.

Still, the discussion of various project-related topics in the media led the author to believe that his message was properly delivered, so the following document should try to have a closer look at the state of the European Union and draw a couple of conclusions of things that were considered during the project phase.

Washington

Evaluating the state of the European Union and starting the thinking process in the capital of the United States of America seems to be an odd approach to the problem. However, the financial and economic problems we see in Europe at the beginning of the 21st century remind of a similar crisis that occurred on a global level less than 100 years ago: the aftermath of Black Thursday led to the Great Depression and World Economic Crisis of 1929-'39. Among other factors, the economic situation in Germany played a major part in the rise to power of the national socialist government and, in succession, in the worst terrors of the 20th century. Similar to the events approximately 80 years before, problems the world faces today started with unusual trade activities at the New York Stock Exchange, and these problems in the early 21st century forced governments to prepare bailout packages for suffering financial institutions.

Having not used such measures at the start of the crisis earlier last century had led to huge unemployment rates, it is said, and the whole bailout strategy's main goal was to avoid a development similar to the one the world saw at the start of the 20th century World Economic Crisis. Back then, to fight the effects of the crisis in the USA, American president Franklin D. Roosevelt implemented an economic policy in 1933-'38 that was then and is now referred to as the New Deal. Core elements of the New Deal were grouped into the elements of relief, recovery and reform, and looking at the development of the US economy following the New Deal, in retrospect it seems that Roosevelt's policy can be called a tremendous success: Relieving the poorest from the hardships of their situation, implementing policies that helped the American economy recover and implementing reforms to prevent similar crises from occurring again (including regulation of the financial sector and establishing a social security system) turned out to form the basis for a huge American success story.

Berlin

Now, after Adolf Hitler's rise to power, Nazi Germany took a very different approach to solving the crisis in the years between '33 and '38.

The Reich did not have a New Deal, but instead used so called *arbeitsbeschaffungsmaßnahmen* to cope with the crisis, forcing unemployed citizens to take up any labor offered to them by the government at minimum wages, often in infrastructure projects and the arms industry. At the same time, Germany saw discrimination and dispossession of Jewish citizens to pay off national debts, reaching a first peak in the events of the *Reichskristallnacht* of November 1938.

After the end of the war, it was the US government that offered a New Deal for (western) Europe, establishing the ERP (European Recovery Program) in 1948, spending over 13 billion dollars between 1948 and 1952, an equivalent to roughly 129 billion dollars in current monetary value. These funds were used to rebuild states that had suffered human and economic loss during WW II. The program, both then and now better known as the Marshall Plan, might well be seen as one of the key factors in building the 'economic miracle' of rebuilding the post-war western German economy in the *wirtschaftswunder* years.

Bruxelles

Comparing both the New Deal of the USA and the German Reich's *arbeitsbeschaffungsmaßnahmen* with today's EU countermeasures to deal with the crisis, one might get the impression that there is one profound difference: While back then, both the US administration and the Reich government focused on real-world countermeasures to deal with the crisis, the EU and ECB policies focus on fiscal measures of expanding the money supply, buying government and bank bonds and thus increasing the risk of a new bubble building up and eventually bursting.

It is no wonder that this policy is seen as problematic in many member states, as it brings along little or no positive effect in the real world, but instead seems to strengthen nationalist tendencies in a number of EU member states. One might want to remember in this context that the political movement of the "Alternative für Deutschland" started out as protest against the single currency and against management of the EU financial crisis before turning into the phenomenon it is today.

Therefore, it seems advisable to take a step back once again if one wants to try and find suitable ways out of the present uncomfortable situation of the European Union.

Bonn

So, taking look into the past once again, we might want to remember Ludwig Erhard, first serving as federal minister of economy under Konrad Adenauer, then taking over the chancellor's seat in 1963. His heritage is laid out in one of the standard titles for post-war economic development in Germany, a book known by the title *Die soziale Marktwirtschaft*. The economic policies described in this book are said to have played a major role in the reshaping of western Germany during *wirtschaftswunder* years, and maybe some of them could be reused to help shape a better Union in the future.

Back then, with the Communist block just across the border, the West German government had to make sure that a social balance was kept in a condition of economic competition on the free market to prevent a 'moral win' for communism that might have led to a shift of balance between East and West. This was seen not only a moral imperative, but also as strategically advisable in a war for hearts and minds of post-war European citizens.

Now, in today's situation, it seems that such a war for hearts and minds has to be fought again: Most obviously, communism is no longer a threat to be considered. However, this time around, we witness a growing threat of nationalism and growing sympathies for protectionist measures in numerous Western states.

To prevent a strengthening of those tendencies, Europe might want to strive to revitalize Erhard's theories, and to take into account the needs of an overheating planet. In fact, we might want to introduce the goal of sustainability into the original concept. Such a *nachhaltige soziale Marktwirtschaft* (or, for short, sustainable market economy) might offer better solutions to our

present problems than nationalism, protectionism and a continuation of neoliberal policies would ever be able to provide.

Suggestions: How to further improve the Present Situation?

Apart from establishing such a *nachhaltige soziale Marktwirtschaft* as suggested in the above paragraph, what should we do in a situation like the one we see in Europe today? The author's suggestion would be in parts similar to the one issued by Jean-Claude Juncker in his speech on the state of the Union held on September 14: Calling for a New European Deal seems to be a wise plan, and apart from the monetary aspect, we might want to consider options as follows:

Integration between East and West

Originally, the predecessors of the European Union, in particular the ECSC, were intended to form a political body that would help prevent a war between France and Germany. Nowadays, an event like this might seem unthinkable, but the danger of new conflicts rising appears to have been a clear and present danger after the end of WW II. One should not forget that Germany and France had been sworn enemies for decades before that.

Now, enlargement of the EU to the east was intended as a step to make a war between the eastern and western parts of Europe less probable, but one thing seems to have been forgotten along the way: Russia is, at least in part, a nation sharing the soil of the continent with EU member states, and the potential for conflict has grown to levels that make it hard to feel safe anymore – this is clear to many on this side of the post-cold war steel curtain, but might be a feeling shared by growing numbers of citizens in Russia, too.

Reducing this potential that has been built up in the last ten to fifteen years might be a task for generations to come, to make the breakout of a war even less probable, but it should be tackled still, and starting to make the 'new steel curtain' between East and West more permeable would be something we might want to start doing right now. "Overcome the walls inside our heads" (*die Mauern in den Köpfen überwinden*) was something Germans in both East and West had to do after unification, and maybe we want to repeat the task on a European level, and also in a dialog with Russian citizens and government. Maybe not today and maybe not tomorrow, but we should better not wait too long before forming a stronger integration of the Union – and, in succession, of the entire continent, including Russia.

This might not be an easy task, seeing how much Russia is still mistrusted in eastern member states of the Union (and, it must be said, also in some of the member states formerly belonging to the "western block" of the cold war era). Still, finding ways to reestablish an atmosphere of mutual trust and understanding that was growing between East and West for a brief period after the collapse of the "Eastern Block" seems to be a future goal worth working to achieve.

Consolidation and Political Union

It seems forgotten by many now, but between the fall of the Berlin Wall in 1989 and the German unification in 1990, a fiscal union between East and West Germany was implemented to prepare for the reunification. It must have been this historical event that led German and European politicians to the belief that the fiscal union of the Euro states would enlarge chances to achieve a fuller political union inside the EU. Now, the Euro crisis made obvious a huge gap between economic output of

Northern and Southern member states, and it also made obvious that there seems to be a lack of readiness to share burdens. In succession to that, the refugee crisis showed the world that there is a huge gap between member states in readiness to try and tackle the crisis. In short, following these two crises, readiness to deepen the political bonds between member states seems lower than ever.

It is a shame, to say the least – the vision of a united Europe seems to have weakened in the past years, and maybe it is time to realize that following a period of rapid growth, it is now time for a period of consolidation; it cannot be said how long this period will have to continue, but given the present situation, it might take a couple of years to regain citizens' trust in the European idea as it was originally intended. Because after all, it seems that the original European idea has gotten lost in the bureaucratic processes of the past years, citizens of Europe seem to be exhausted, and there seems to be no future for the European Union without its original spirit or without the trust of citizens into European institutions.

A reduction of the breath-taking speed of EU expansion might also help forming a deeper political Union between the 27 member states remaining after the impending exit of the United Kingdom, to tackle future tasks remaining for the rest of the 21st century. Therefore, trying to reduce the speed in the Bratislava summit should have been the right decision, finding a new common ground for the 27 member states to remain in the EU after Brexit should be the way to go.

The next question would be: Where could the European Union's journey lead after this common ground has been found?

Development policy in non-EU states

In the last few years, one major problem for EU member states was the refugee crisis. Opinions on this have been varied in member states, suggestions on how to handle the crisis were varied as well. One good suggestion on how to solve the crisis was made by Jean-Claude Juncker in his speech on September 14, asking for a development fund for Africa.

Even without any further details being known about the plan, the author of this document supports this idea: If larger numbers of refugees flee the economic situation in their native regions, improving this situation seems the best possible long-term solution to the problem both from a European and from an African perspective. And if it should be true that the present situation of numerous African states is a consequence of sins committed during the colonial era, presenting an African Recovery Program seems like a moral imperative for states that have profited largely during the years of colonization.

One major problem of such a 'Marshall Plan for Africa': Development policies might fail due to corruption and bad administration on the receiving side. Therefore, offering financial and administrative support in parallel would be an option worth considering. Doing so would also offer a perspective for those refugees who have already reached Europe, as they might be needed as translators, interpreters and qualified multipliers in their native cultures. Also, to create incentives on the receiving side of the African Recovery Program, it would be an option to define and establish an 'ARP recipient score' to evaluate the strength of government and administration in potential recipient states prior to actually planning payments for industrial and infrastructural projects. However, with each state meeting the requirements and actually receiving aid, with each project realized within such a program, more people would be inspired to follow potential 'ARP guidelines' to build up their own home cultures rather than fleeing on dangerous routes into a potentially hostile environment. Also, if better education were offered to those who are born and raised outside the EU, those who arrive in Europe (be it as refugee, economic migrant or immigrant equipped with proper visa and work permit) would find it easier to integrate into European societies.

The sheer idea that such a policy could actually work might seem blue-eyed and over-optimistic at the very least. However, it should be observed that this suggestion is not to be implemented today or tomorrow, not even in the next election period of the European Parliament. Undoing the negative impacts of the Colonization policies of the 19th century should be understood as suggestion for an *Agenda 2050* to be discussed in the next decades, and the full effects of such a policy might not be seen before the end of the century. Dreaming of it now might seem a bit premature, but looking at the Chinese approach to development assistance, suggesting to at least discuss the perspective should be seen as an attempt to shape the EU's future in a constructive manner.

A New Deal for Europe

Talking about refugees and colonization in the foregoing paragraph and remembering that this document started off with a look on US American policies in the early 20th century, one might want to remember that America accepted huge amounts of economic migrants in the past: Irish, German, Russian, Polish, Chinese, Japanese and other nations' citizens sought the right to pursue happiness in the USA of the 19th and 20th century, and in result, a former British colony on the other side of the Atlantic ocean became the melting pot of the 20th century. Could the EU become a 'new and improved melting pot' in the 21st century? And if yes, what would be required to achieve this?

One suggestion would be that we as Europeans agree on an attitude of readiness to see that what is perceived as a crisis right now could also mean a huge chance for our common future: Times were not always easy for inhabitants of the USA in the late 19th and early 20th century, but in the long run accepting new members to an existing society proved to be a huge success story. Maybe one of the next steps for EU member states should be to realize the chances that an influx of qualified new members (or new members ready to qualify) means to our societies and agree on a common, future-oriented and sustainable immigration policy.

Defining what is required for an immigration policy to be future-oriented and sustainable might not be an easy task, but the development of immigration in recent years should have shown clearly that there is a strong demand to offer legal ways for foreign talent to gain access to member states of the European Union. If this demand is met with the right measures, the present immigration crisis could indeed become the beginning of a new era of successful immigration policies.

Another measure that might help the EU would be to invest in people rather than in institutions to overcome the financial crisis and regain trust of citizens: Would it be possible for European governments to agree on a 'New Deal for Europe' to foster economic recovery and solve existing problems in economically ailing member states? And if yes, how could such a 'New Deal for Europe' look like in order to help overcome existing problems?

As it is, one gets the impression that the ECB's main task in the past years has been to prevent a complete meltdown of the EU financial system by buying government bonds and bonds of large banks. In doing so, it prevented governments from failing and helped banks continue their business, but also increased the risk of new bubbles building up – that might eventually burst in the long run if such policy is continued.

Now, a suggestion to prevent this from happening would be to shift the focus of policy and increase offers to buy micro-bonds from SMB instead, or find other measures to guarantee a flow of capital into the real world businesses of the primary and secondary sector rather than into the more or less fictional and speculative economy of the financial market only. If done correctly, such a policy would help create major positive headlines for the EU and strengthen the feeling among citizens that the EU is actually an institution real people benefit from. In doing so, the ECB might also help decrease nationalist tendencies in a growing number of member states and thus contribute to one of the

original goals of the European Union and its predecessors: To guarantee a long and lasting peace on the continent.

The only questions that would need to be discussed in a European context would be the following ones: Do we actually want a European Union that is created and governed by the people, for the people? Or would we rather drift towards a 'Union of lobbyists' that puts the main focus of the European idea on maximum profitability for large corporations and their shareholders?

A bold vision for the Future: The European Dream

With the above being said, the obvious question we should ask ourselves would be: What should we do to create a union by the people, for the people? The obvious answer to the question is: The right thing, that's what we should do. We should try to make the right choices, present the right ideas and chose our path into the future wisely, to save the continent of our children from repeating our fathers' and our forefathers' mistakes.

We should not drift apart, we should not renationalize, but we should give a new life to the European idea that was so urgently needed in the years after the Great War of the last century and that now seems kind of redundant, as people across the continent have become accustomed to the thought that peace in Europe is a given and that this peace will last forever, no matter what they do, no matter what political choices they might take or might forsake.

What we should do: We should tear down the last remains of the Iron Curtain in our heads in both eastern and western member states of the EU, we should find ways to level economic imbalance between member states in the Northern and Southern parts of the Union, and we should dare to dream a European Union that our children and our children's children will be proud to live in.

Such a union would offer 'the European answer to the American Way of Life', and it would be a lighthouse for democracy, diversity and integrity, it would be a home of many nations and a melting pot for people from across the world, a place where people learn to respect each other no matter where they come from, a place where people hold the most various ideas and respect each other's dreams and hopes.

It would be a place where capitalism has been tamed, where markets serve the needs of people rather than people serving the needs of the ubiquitous market, where market economy is not a good in itself, but where a sustainable market economy tries to offer necessary supplies to people without sacrificing the natural equilibrium of the world we live in. It would be a place where people have learnt from the complete failure of their economic system and have found a new and better way to deal with the economic needs of a modern society that has got more values to offer than just those of the shareholder.

The citizens of this European Union we should want to dream of would be educated properly in both state and private schools rather than being victims of indoctrination by both private television stations and the so-called social media, they would be able to read and write, they would be able to think and dream, and they would be able to articulate their thoughts and dreams.

Most obviously, this would require an era of reregulation to correction of mistakes that were committed during the reign of neoliberal ideology, and most obviously, correcting these mistakes would not be an easy task. For sure, it would be far too big for a single nation's government to handle, and that's why the EU that we should dream about cooperates with trustworthy international bodies to promote its goals.

We should want to dream of a Union that is not defined by a common monetary and military policy in the first place, but by a common sense of democratic government, by common goals of education and exchange and by a common home and foreign policy rather than quarrels about which group of individuals profits most from a common European policy that multiple groups of individuals have to agree upon together.

We should revive the post-war European Dream of a continent at peace, and if we start to dream, we should dare to dream large: About a union that's not only better than its individual members, but about one that is better than the one we live in now and better than the union has ever been. We should dare to dream the European Dream of a union where citizens do not only have the right to pursue their own happiness, but have reached the insight that a higher degree of happiness for everyone can be achieved if everybody helps each other to pursue their individual dreams. Peace, solidarity and mutual understanding should be three of the main pillars this union can be built upon.

Most obviously, this is just another utopian vision, and no single man would ever manage to achieve the task to form a union as laid out in the document above. That is why it is shared in its present form, hoping that in the end, a public discussion might lead to the best possible result for the highest possible number of people, both in Europe and abroad, not only on a short-term basis, but in a long-lasting, sustainable process of constantly improving this union we call our home.

Frankfurt, October 3, 2016

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