

Ladies and Gentlemen, Dear Friends,



The European Republic is under construction

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For those who may have not yet understood that Europe will need to bundle its effort, yesterdays football match perhaps was the trigger. So let's start with this tweet from Jan Böhmermann. What is a national team in these days, with Poland losing to Senegal, the Italians not being on board in the first place and Germany out in the first selection round?



So let's create a European state to embed that future European football team that Jan Böhmermann is dreaming off, the Team of Europe as a Republic

That is too radical for you?

Well This conference doesn't happen in ordinary times and that is what everybody feels. We are discussing not less than the survival of the European Project and the survival – at large – of the living conditions in Europe. Whether we can have water as



public resource, protect the bees and insects, save the variety of our tomato and potato seeds, avoid the sold out of our industries to China, protect healthy air without being blackmailed by German car industry or save the climate and planet earth beyond carbon: all needs a strong and orchestrated European effort, beyond single market competitiveness. We need to protect the European common good and contribute to protecting the worlds common goods. So it is time for radical ideas, and I am not the only one saying this: Bernd Ulrich, Editor at large, had the peace in the last edition of ZEIT. What we call the normalcy of today is, in fact, extreme. We are ruining ourselves, Europe and the planet, if we continue like this. Small steps are not enough to cope with it. To quote Niklas Luhman: *“If a system can no longer deliver policy solutions on problems that matter, it invents solutions that don’t matter.”* This is what we currently do in Europe and this must stop. At today’s EU Council we most likely will be again producing minimal solutions for maximal problems, instead of reflecting how we could build an effective European system that works. The biggest problem of the EU today is that we do not have any ambition to fix a morose system; instead we are heading from one pragmatic solution to the next, without any larger or concrete goal. This resembles like walking in a desert without a compass: you always arrive t the same place.

“Wenn Freiheit, Gerechtigkeit und Frieden die Leitideen unseres Gemeinwesens bleiben sollen, dann muss der Gemeinsinn über die engen nationalen Grenzen hinaus gedacht werden. Der politische Rahmen, meinetwegen der Patriotismus, muss größer sein als Deutschland.” (S. 297)

“Der gemeinsame Diskurs zerbricht zunehmend, es ist, als ob wir in völlig verschiedenen Welten lebten. Dieses Gefühl des Zerfalls, des sich unkontrolliert Auflösenden von dem, was verbindet, scheint unsere Zeit zu beherrschen..” (S. 303)

Robert Habeck, “Wer wagt, beginnt” (5. Aufl., 2018)

I am by far being the only one for a different European framework. Robert Habeck has it in his new book: we need to think the *Gemeinsinn* beyond national borders. We need a bigger framework to defend our political ideals of Freedom, Justice, and Peace. Therefore, “patriotism” must become bigger than Germany, meaning: we need to think about something like European patriotism. And that means, ultimately, although we don’t admit talking like that, reflecting about European a statehood, in order to complete the European project, if Europe still has the ambition to become a political entity. We may decide that we don’t want political entity in Europe any longer. But if we do – and we continuously do in all Sunday-Speeches - it’s time to move out of European bigotry. In legal terms, it might be worth to remind that we are still under the constitutional obligation of the Maastricht treaty (“Ever closer union”), unless we openly decide to not go there. So: *Wer wagt, beginnt!*



So let’s dare a European Republic. Or, to reframe Bill Clinton: It’s *politics*, stupid! Overcoming the nation state is, however, to go with Harry Potter, the Lord Voldemort in the room: “*The person who’s name we don’t dare to pronounce*”: We all shy away from this statement, although it is and was always evident: Europe is to overcome the nation state in today’s configuration. Or to quote Jean Monnet: “*Europe is not integrating states, but uniting people.*” And if you politically unite people in a political entity, in one democracy, you need

one single thing (which is the necessary, though not the sufficient condition): all citizens of this democracy but be equal in front of the law. That is what we don't have in the EU, that is where most of the socio-economic distortions in the EU come from. But more importantly: that is what we need, simply because citizens don't compete in the same political entity: some cannot be more equal than others. We already have one market and one currency. A currency in itself is a social contract, therefore market and currency must be completed by one democracy, meaning: the same laws for all European citizens. And citizens who embark into a political entity of same law form a Republic: That is Cicero's definition of a Republic: *ius aequum*. And that is why we should strive for a European Republic, if we are serious about political union in Europe.



A word cloud consisting of several terms in red and orange. The words are: 'refugees' (top right), 'transfer union' (top left), 'enlargement' (middle left), 'brexit' (middle right), 'nationalism' (bottom right), 'populism' (bottom right), and 'budget' (bottom left, oriented vertically).

Europe is sucked down by multiple severe crisis – refugee crisis, austerity crisis, security crisis, trade crisis, strategic crisis, euro-crisis, populism and nationalism – and all crisis seem to be dealt with separately, although they belong together and they have intermingled like Rastafari hair. There is no point in calling for more money for security expenditure, if Europe doesn't fix the budget talks, to spend more money on Frontex and borders, if it fails on Eurozone budget and Eurozone governance, to call for European investments or digital union, if the structures of legitimacy and spending aren't clear, or if Europe is systematically

torpedoed by national interests, go-alone initiatives or bilateral formats. Some speak of Europe of the Fatherlands, others of Subsidiarity, again others of differentiated integration. And at the end, nobody knows any longer what Europe is in the first place. It has also become meaningless to be “in favour of Europe”, as everybody today, even Karl-Heinz Strache from FPÖ or Marine Le Pen are “for Europe”. Europe has become a *chiffre* for everything and nothing. Yet, strategy and currency are entrancingly linked and effect all countries. They must be bound together. That’s why we reached the point, that classical bilateral formats and initiatives don’t bring us further. Europe is neither a Franco-German tandem, nor a Kurz-Salvini-Visegrad formation: Europe is a whole and Europe needs to be treated as a whole, if it wants to be successful. What Europe thus misses most is an executive power and an answer to the question: who decides? Who is the sovereign? In other word: who has the legitimate monopoly of power in Europe? That is the question we will have to answer and if we have an answer to that question, Europe will function.

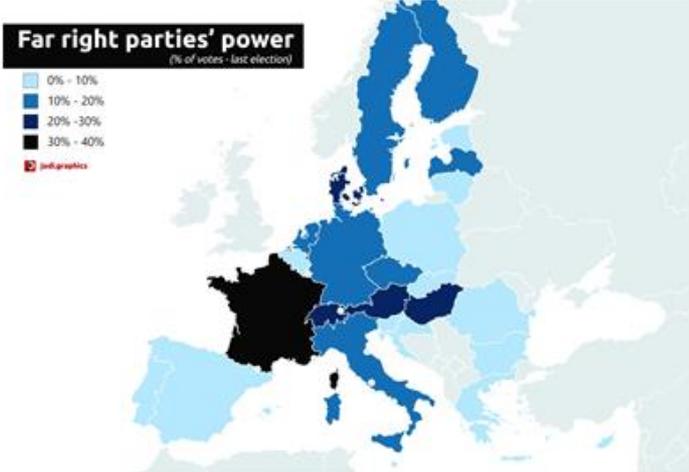


"loud minority"

The US has fixed their banking crisis, not because their economy is so much better, but because they had executive power to close banks and do US-wide regulation, instead of putting a plaster such as Mario Draghi did when he said, in 2012, ‘*ECB will do whatever it takes*’. Europe instead, has lost a decade with national gridlocks, especially German ones, with “*too little too late politics*” since the meandering banking crisis turned into a Euro crisis,

then a debt crisis, an austerity crisis, which created the porosity of the system that fuelled populism, which is now threatening our political systems, with populism being nourished by the refugee crisis on top. The amalgamation of all these poly-crisis now shows a European system, which goes nuts and which is structurally no longer capable to function or to produce any sufficient, let alone good outcome. In short: Europe needs government, not governance.

Whereas Europe doesn't get its act together, whether there is no functional European system around, the populists conquer the national systems all over the place and crack them: each and every EU member state today is divided over Europe. This time of *interregnum* (Antonio Gramsci) means, that the Old cannot die and the New is not yet born. Where Europe defaults, the nation state comes in as the last *refugium*. Even the Left starts to defend the nation state again instead of struggling for a different, social and democratic Europe. (e.g. like left-wing "nationalists": Sarah Wagenknecht, Jean-Luc Melenchon etc., or left wing academics such as Chantal Mouffe or Wolfgang Streeck, who basically argue that we need to retreat to the nation state by default of Europe.)



I don't share that argument, because there is no return in history. We will not find a cosy nation state that socially better protects its citizens. This money for this social protection

requires European wealth, European trade, European taxes, European financial transaction income, European innovation, European research, European growth, European capital union etc. So the economic basis for social distribution comes from Europe today, and not from the nation state. Therefore, we ultimately need to lift the social distribution up to the European level. That is where the future lies: Europe will be social or it will not be! A single market cannot deliver on this. Instead, the European single market petrified social gaps, but not between the European nations, but within all nations. This is how populist could conquer the national party systems all over the place.

Before the refugee crisis toppled everything, it was the social crisis and an increasing (but tabooed) class conflict between the European centre and periphery, between rural and urban areas, between prospering metropolitan areas and forgotten and deserted landscapes that fuelled populism. Rural today means most of the time unemployment and that means populist votes. One European nation after the others seems to “fall” into populist’s hands. Yet, if we look at it in an aggregated way, there are still some 70% European citizens out there, who want a different, social and democratic union, instead of a populist backlash. The populists score roughly 30+ % in Europe, so there are still a minority, yet a loud one.



"structural silent majority."

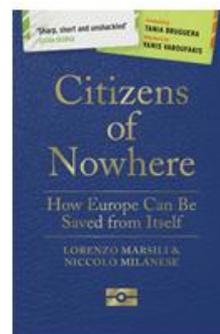
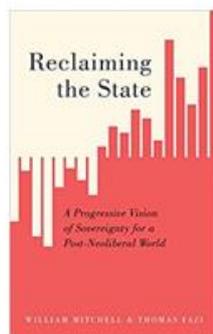
Seldom in history, there has been so much talk about Europe, but less Europe in political reality. My point is that there is a structural majority of 2/3^{rds} for a different Europe and for change. Yet, this structural majority is not united, it is scattered and divided, and the problem is that all this civil society activism for Europe has no clear single goal. The last week's *#March for a New Europe* gathered some 46 European NGOs, but who could barely agree on a common manifesto. Therefore, the civil society majority in favour of Europe cannot translate into visible European politics. There is a clear lack of a driving belt that could bind these organisations together behind one single and simple goal: what do we do together? And this goal must be politically neutral in order to allow a huge alliance.



That is why I think we must pose the right questions to get the right answers. If the problem is about a lacking a powerful executive body in Europe, which is legitimized, then the question is about legitimacy, power, parliament and the people. And not about innovation, growth or structural reforms. If Europe has a political deficit, we do not fix it with economic talk. Thomas Piketty and his team therefore suggest this *Treaty for a Democratization of Europe*, which points straight to the legitimacy question: who decides? Which parliament? And he suggests a sort of merger between national parliaments and the European parliament to ground the legitimacy of European decisions differently. Without going further into details (you can read the book): he is right!



Therefore, however good the consensus last week between Merkel and Macron on the Eurozone was: it is NOT sufficient and cannot work. It is again not more than a plaster. It is pointless to decide about a European finance minister, if he has no budget. And there can't be a Eurozone budget without a legitimised parliament, but a rule for a legitimized parliament is 'one person, one vote', what we don't have in the EP. This is also what Karlsruhe sais in all its judgements about the "democratic deficit" of the EU. It is pointless to look for a European Monetary Fund, which is another technocratic body without transparency and accountability. It is this technocratic structure of Europe, that brought us into the last crisis and the lack of trust into the EU system, that we all complain about.



So what about Reclaiming the State? What about demanding a European polity, a European state that protects? And that can be do an arbitrage of power beyond the nation state, in which European citizens are treated equally? A full fletched European democracy for all

European citizens with no more distinction in nationality? This is where the discussion is heading to and ever more European citizens feel alike.



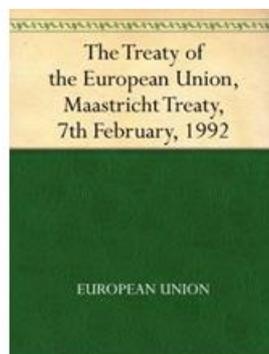
And here I go: If, in perspective, we want to strive for that, we must strive for one thing: legal equality of all European citizens! Today, as this study points out, we are living in an “EU law community” (EU-Rechtsgemeinschaft”); but we are not living in one European legal *space*. European citizens are divided into ‘national law containers’ (Ulrich Beck).

- 1986 European Single Act: legal equality for **goods**
- 1992 Maastricht treaty I: legal equality for **money**
- 2035 (?) Maastricht II: legal equality for **European citizens**

This leads to the weird situation in Europe, that nearly each and every thing is under the umbrella of the EU as “Law Community” (*Rechtsgemeinschaft*), but the European citizens themselves. Yet, we are the sovereign of the system.

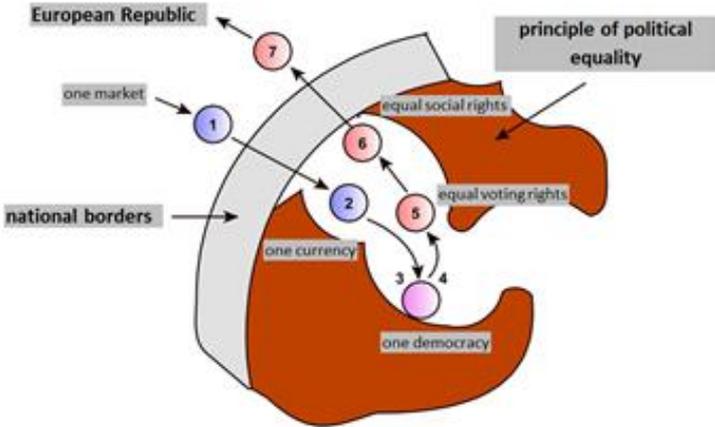
In other words: the single market is legal equality for goods. What we did with the single market is nothing else than legal convergence for goods. The single currency is de facto legal equality of our money: through the fixation of the exchange rate, we forced legal convergence of our moneys. The cucumber, the credit or the service are equal in European law. The citizens aren't. That is the biggest (and undemocratic) convergence of the EU system.

It is very important to remember that we got the best achievements that we have in the EU today, not through discussions, and not through civil society, not through the arts & culture, not through demonstrations, but through **key date regulation**: we produced legal convergence in Europe for a single day: the market for January 1992, the currency for January 2002. This is how we got together in single policies. Yet, we didn't complete this way. European citizens are legally divided into different tax systems, different voting, different social systems. They are permanently put into competition against each other, with race to the bottom tax regimes and different social regimes within the EU, creating huge socio-economic distortions. But citizens do not compete! Never ever a European democracy – if we truly want one – can function like this. Fiscal and social rules of member states are instead misused as an instrument of national competition.



A Union of States AND Union of Citizens

This is not what has been promised to us. The Maastricht Treaty (still valid!) promised social convergence. It promised Union of States AND Union of citizens. We need to come back to this goal, as today, we have only (or barely) union of states, but no such thing than union of citizens. Instead, the citizens are the ones with whom the EU is fooling around. We do not decide in Europe, we do not count, we cannot protest, we cannot outvote a government on the European level: if we want to change this European “post-democracy” (in the words of Colin Crouch), we need a trigger to change this and here is what I suggest:



This is the Wikipedia chart for a catalyst. A catalyst is what changes a system from one form to another. It is heat, that changes ice to water and water to steam. For Europe, it is the law: the law makes a nation! Fact is that in the two most successful European projects that we want to protect today – the market and the currency – we stopped national law making. Many people, including people who wave blue balloons for the *#pulse of Europe*, find this hard to understand, but you cannot have functioning European policies and national law making. If one celebrates e.g. the European roaming fees, you celebrate that there is no national legislation on roaming. If a nation state is, in its essence, the capacity to make laws for a given territory, de facto you abandon the ‘nation state’ everywhere, where we have successful European policies. Doing so in fiscal and social legislation – meaning: lifting the

citizen's issues this to the European level – would have a game-changing effect on Europe. I bet! Please, note, that legal equality does not mean centralisation. I will come back to this.

Maastricht II

Principle of political equality means:

 **Electoral equality**

 **Equal fiscal policy**

 **Equal access to social rights**

So imagine a second we would be able to agree on a Maastricht II treaty, which enshrines today, that in 10, 15, 20 or 25 years, Europe would go for just one thing: political equality of all European citizens. No more discrimination by nationality. It would basically mean to strive for voting equality, tax equality and, over time, same access to social rights. Let's just say we would agree on that single claim.



First thing is to realize that this is precisely what Europe should have been about. The documents we have from the post-war period – Manifesto of Ventotene of 1944 or Hertensteiner Programm from 19946 – are all pointing to the notion of a European

citizenship beyond the nation state and we should activate these plans, if we don't want that this continent blows up in nationalism again; and if we want to save & complete the single market and currency by finally going for a united European citizenship, equal in rights and duties.

We have never been closer to that goal than today, but it is high time to strive for it. Never more Erasmus students, never more public debate, never more awareness of Europe. So let's imagine a second that Maastricht II and its effect. In essence, we would send a clear signal to the world that Europe decides to become – over time – one state: single citizenship, single taxation laws etc.

The effect, as when making the market and the currency, is probably that financial markets don't believe this and test out the deal. Remember what happened, when Maastricht I was signed: 48 hours of financial storm. But then it was over. The thing is that it is all about political will, decisiveness and being bold in order to get the psychological effect of Europe united. In fact, it would be announcing a "European New and big Deal". Imagine we say to go for civic rights equalization in Europe. The effect would be:

- Trust of citizens; no more 2nd class European; European citizens East and South would feel lifted;
- Strong identity impact heading for a single European ID, "Estonian style" meaning digital and electronically. This could lead to a European "GAFA"
- A huge modernization effect on all European bureaucracies: they would need to converge in tax and Social Security Numbers. This would be a motor for citizens contact and dialogue cross borders, increase labour mobility, make moves within the union easier etc.

- Moreover: it would foster FDI, incoming capital and capital union: the biggest hurdle of capital union today is not to mobilize the money, but many different insolvency rights in the EU.
- Moreover, it would give every European discussion a straight sense, because we know where we want to go together, what the task is and what we need to organize: nearly each and every institute and organisation would be touched by process of convergence and “feel” it, as we felt the euro and the IBAN. But this times its for the citizens: a clear goal to achieve a single European citizenship.
- Finally it would end all discussion that Europe is not for the people; it would create legitimacy, increase participation. And close the democracy gap!

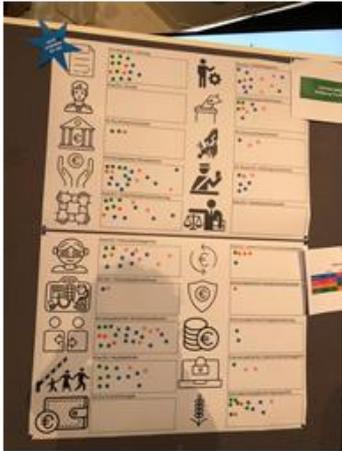


Sounds to harsh? Yet, much of today’s distortions within in the EU which poison the public discourse are linked to the fact that there is a missing link, a missing state element in the EU. See that chart: this is decrease – meaning benefits! - of public debt through low interest rates polices – matched with PRIVATE losses through low interest rates! So how to conquer people’s heart for a system that only treats ‘public affairs’, not the private one, that systematically overlooks that state and market and currency are intertwined and that state and market should be on one level and not disentangled? On the European level, we only

talk public debts and expenditure; or if we talk about European debt, but not about trade imbalances etc: the public and the private are systematically divided in the European realm.



Similarly, this is probably not a good way to “run” a European economy, with nearly all member states being dependent from Germany, but Germany dependent from China. The map shows the export dependency. It is probably not healthy in the long run, if China buys European ports, builds European streets or buys European companies as they like without any level of European state protection. It might well be a super short term deal, but probably not good in the long run. So to think of Europe as an aggregated economic space, as one economy, one legal space and one liquid capital market in order to assure growth and innovation would, indeed, make sense.



You think that cannot be fought through? I think it can. One problem seems clearly to be that we offer European discussion which do not interest people; but we do not offer them but people actually want. This is a chart from a citizens' participation meeting in Wachau, where my university is, and it shows that citizens, if requested what they would like to see, basically come up with requests of equal citizens and social rights, e.g. a European unemployment scheme etc. Yet, these things are not on offer, not in the discussion, not in real politics. I therefore think that if we made them being on offer, we would have a huge effect on the way we discuss Europe, on people's interest for Europe. I also think that a bunch of problems with respect to public discourse, European public opinion, voter turnout etc, all the things we complain about today, would be solved with one move: imagine, discussions on retirement age or health reimbursements or taxation would be on the European level: a European public space would be there before we turn around!



„The nation or the sense of social responsibility“

If we were to decide to make that quantum leap meaning a European citizenship based on equal rights, we would, indeed, make a nation of Europe, Marcel Mauss, in his fantastic book of 1920, has a wonderful definition of what makes a nation: “institutionalised solidarity”. Those who are in a single, common legal framework of solidarity, form a nation. Precisely because solidarity is not a random choice or vote: do we bail out yes or not? That was the question of the eurocrisis. To some extent, this is precisely the discussion which is on the

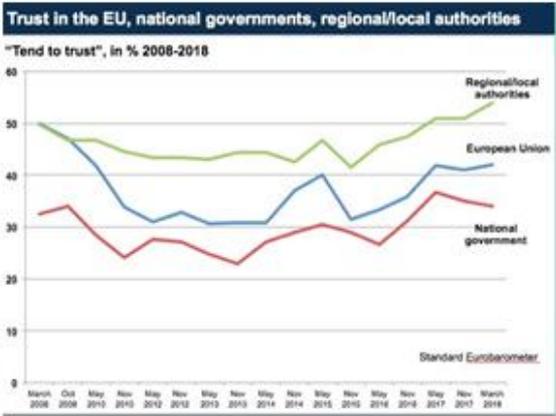
European table: are we going to have a common EU budget, Eurozone budget, finance minister? Are we going to have a banking union with common redemption scheme? It would mean doing the *Rütli-Schwur* on money. If we do it, and if we stopped talking about “Transferunion” and rather accept that we need a financial constitution for Europe in order to embed the single currency?



"Nation, that means citizenship, not language, ethnicity or culture."



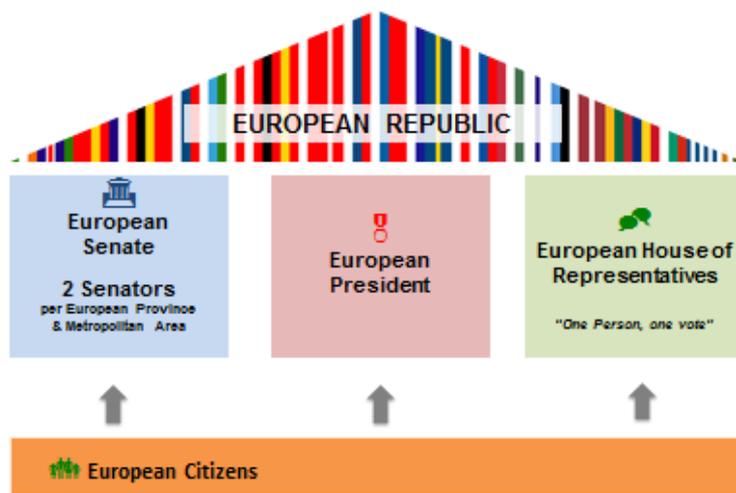
This quote is just to recall that a nation is made of a citizens’ community, based on equal rights, not on ethnic or cultural features. Taking the two quotes from Mauss and Schieder together, we could argue that we are in the making of a European nation (defined as institutionalized solidarity and union of citizenship); or we dismiss this historical moment another time like in the last century.



All current trends speak in favour of deconstructing the nation state in their current form and to enlarge the legal space of solidarity up to the European level: forming a European government build on regions. Trust in national governance is shrinking, but in the regional and European level increasing.



There is a lot of regional energy, towns are coming back and the idea would to form a horizontal network that would resemble to what Montesquieu once called "*La federation des petites federations*". If there is a structural problem of German dominance in the system because of size – or in general because of the different size of today's European nations within the EU – deconstruction today's national aggregations could be it. Nobody needs to quit identity, everybody could have regional identity whilst having European normative unity on the European level: unity in diversity, the European mantra, would be fulfilled. Decentralisation is totally compatible with legal quality.



This is how a new political system of Europe could look like, based on political equality of citizens and strong regions. It is all about division of power and full parliamentarisation, not about centralisation. A different two chamber system, instead of today's trilog.

To close: most European nations are split today on Europe. Brexit or not, etc. This means that political bodies are falling apart. One could argue, that *strictu sensu*, some European countries are in a sort of civil war, with public opinion which are not reconcilable. Perhaps this is the moment in history, where we as European citizens could form a unified political body altogether in the sense of Leviathan, on the basis of equal law, which would overcome the democratic deficit in Europe.

The real question seems to be whether we do this peacefully, by agreement, by treaty, by a new "*European constituante*", rather than falling into a civil war. That is the scenario by this somehow plausible novel, which plays in 2040: Europe post-civil war. All nations states are broken, there are many independent and small regional buffer zones on the European territory and a group of young students tries to unite all Europeans with an APP, called Plebicitum. I truly hope we do not need to go this way, but that we find a bold political solution, and this soon! For this to do, the first thing to recognize is that the EU system is not stable and does not produce solutions any longer.