



Barroso: More EU integration 'indispensable for our economy'

Published 23 April 2013

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Tags

[Federalism](#), [Jose Manuel Barroso](#), [nationalism](#), [Sovereignty](#)



José Manuel Barroso participated in the opening of the Brussels Think Tank Dialogue. (Photo: EC)

Background:

In March, the European Commission proposed [new ways to coordinate eurozone economic policies](#), together with a cash incentive for change, as part of a plan to create an economic union to complement the single currency.

The EU executive arm also proposed to create a Competitiveness and Convergence Instrument (CCI).

This would allow the Commission to sign a contract with a eurozone government in which the country would commit to certain reforms and deadlines

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The European Union and the eurozone have already taken important federalist steps to counter the debt crisis, which go beyond mere economic governance, European Commission President José Manuel Barroso said yesterday (22 April) at the 2013 Think Tank Dialogue.

A few months after his state of the Union address, in which he called for turning the EU into "[a federation of nation states](#)," the Commission chief tried to dissipate fears about federalism.

"More integration is simply indispensable for our economy, to shield us from international rough weather to face strong competition and maintain the trust of markets and investors," Barroso told the Brussels [Think Tank Dialogue](#), which was supported by EurActiv as media partner.

To redress the weaknesses exposed by the sovereign debt crisis, the EU has adopted a series of measures, including new surveillance systems for budgetary and economic policies and a new budgetary timeline, which gives a stronger role to Brussels.

By uniting against common challenges, applying what amounts to a federal approach, the EU has averted risks of fragmentation, he insisted.

"Federalism has always been part of the European idea," Barroso argued, noting that Jacques Delors and the EU founding fathers had that as a vision. The single market and the single currency were just the initial building blocks for greater unity.

Not a superstate

But a federation does not mean a superstate, Barroso added, in an attempt to address fears of a United States of Europe, which is rejected by many senior politicians, notably in France.

>> Read: [Forget the United States of Europe, French ex-minister says](#)

Rather than a state-building exercise, federalism should be seen as a concept with two faces: the search for unity among nations, while recognising and respecting their sovereignty, Barroso explained, suggesting the process was a dynamic one.

Quoting the founders, the EU executive chief said “they were able to turn the *fata morgana* of strict national independent into a wake-up call for Europe’s interdependence.”

To clarify thoughts on further integration, the Commission is preparing an outline of its vision for the future of the European Union to be published by the end of the year, in time to spark the debate ahead of the European elections in May 2014.

“There is a deep problem of trust towards the EU,” argued Barroso, pointing the finger at those member states that have blamed the EU for the crisis.

The eurozone economy has contracted for five consecutive quarters in 2011-2012 and unemployment has jumped to a record high of 12%. Forecast for the first quarter of this year, to be released next month is expected to show no improvement.

Austerity policies have reached their limits

“A policy to be successful not only has to be properly designed, it has to have the minimum of public support,” Barroso said. “We have not been able collectively to explain the problems.”

Addressing the lack of coherent discourse around the crisis, the EU executive chief slammed member states for over-simplifying debates, which led to prejudices and reinforced stereotypes, backfiring on the countries themselves, giving rise to nationalism and populism.

Both the EU and the individual member states have shared responsibility. The current economic policies have reached their limits, said Barroso, arguing that cutting spending and imposing austerity measures had to be properly calibrated on the social side, to reduce unemployment and boost growth.

Portuguese MEP Elisa Ferreira stressed the unpreparedness of Europe when the crisis hit. Countries preferred to go down the austerity track rather than immediately adopt anti-cyclical mechanism to get them out of trouble.

“We need to explain the current crisis and how to move forward before addressing the ideal of a federal Europe,” insisted Ferreira.

EU is 'not just a treaty'

Reacting on Barroso’s latest call for federalism, Thierry de Montbrial, director-general of the Paris-based think tank IFRI (Institut français des relations internationales) regretted that nothing was left of the shared spirit of the EU’s founding fathers.

“The EU cannot be considered just a treaty, like is for NATO or the OECD, it is supposed to be the core of a new political unit,” he argued.

According to Montbrial, time has come to build a new political entity for the 21st century, which would be based on strong institutions and culture. The current entity is based on both weak institutions and weak culture, he stressed.

“The EU is at a defining moment, it can survive, but can also collapse,” Montbrial said, arguing in favour of a deeply integrated core of eurozone countries following a common set of rules.

A system of concentric circles would apply, depending on the degree of integration. "Why not Turkey and the UK be in the same circle," he said provocatively, insisting also on the key role of the Franco-German couple.

Next steps:

- **By end 2013:** Outline on future of Europe

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External Links

European Commission

- [Speech by President Barroso at the Brussels think tank dialogue \(22 April 2013\)](#)

Press articles

- EurActiv Czech Republic: [Barroso: Rozpočtové úspory narážejí na mantinely](#)
- EurActiv Slovakia: [Barroso vysvetľuje ako si predstavuje eurofederalizmus](#)
- EurActiv Greece: Swoboda: [«Επιτέλους ξύπνησε ο Barroso»](#)
- EurActiv Germany: [EU-Chefs warnen vor Zerfall der EU durch Spardiktate](#)