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Debate

The Great Deadlock in Europe. What Can Romania Do?

(Conference Hall of the European Parliament Information Office in Romania)

– EVENT REPORT –

On 3rd of April 2015, the European Institute of Romania (EIR), in partnership with the European Parliament Information Office in Romania, organised a debate on the occasion of the launch of the volume *The Great Deadlock in Europe. What Can Romania Do?*, authored by Professor Daniel Dăianu.

In the opening speech, Ms **Mădălina Mihalache**, the Head of the European Parliament Information Office in Romania, pointed out that this book, which comprises a collection of up-to-date articles and analyses, tries to provide answers for the economic and financial crisis faced by the European Union and the turbulences that the euro zone is going through, in the context that Europe, as well as Romania are facing strong pressures, especially from abroad. She also mentioned that this debate can be considered part of the permanent dialogue with the European citizens, given that the Members of the European Parliament have to make political decisions taking into account the interests of the citizens they represent.

The moderator of the event, Ms **Gabriela Drăgan**, Director General of the European Institute of Romania, opened the first panel stressing that in Romania there is a certain lack of debate on European affairs and that this event is both necessary and important since we do not have very often senior European officials such as Professor Dăianu taking part in the debate. The speakers in the first panel expressed their views regarding the launched book, as well as the current situation in the European Union, trying to give several answers to the question “What can Romania do?” in the context of the multiple crises that the EU is going through.

Mr **Daniel Dăianu** made a presentation of the book’s main points:

- The European Union is one of the most prosperous regions in the world and a benchmark for democracy, but it is passing through the hardest times in its history;
- The geopolitical crisis in the Union’s Eastern neighbourhood shows that we lack security arrangements;
- The crisis of cognitive models proves that we no longer have powerful reference points in creating and implementing the monetary and fiscal policies;
- Equity becomes an important economic, social and political problem;
- The European institutions are struggling to properly understanding reality (the gap between politicians and citizens);
- We are faced with a new social reality in which the middle class is slowly fading, and this is a real danger for democracy;
- Traditional parties are losing their support and new anti-establishment formations are gaining ground among voters;
- The euro is a “currency without a state” and this shows that we do not have a monetary union, but only a common monetary area.

Starting from these considerations, the main challenges identified by the author are: secular stagnation (low birth rates, economic inequality, a drop in investments by 20% as compared to 2008); regaining citizens’ trust; the issue of young Europeans who have neither the post-WWII



memory, nor their parents' and grandparents' loyalty for the European project; the collective psychology in certain countries, that oppose a more comprehensive integration. The list of answers to the question "What is to be done?" includes solutions such as: a new design and different policies in the euro zone (what the Central European Bank does currently is insufficient); increased public investments (the Juncker Plan is just a timid attempt); increase the cooperation with the United States; and the signing of the Transatlantic Trade and Investment Partnership (TTIP), in so far as the benefits are directed also to small and medium-sized enterprises (SMEs), who do not have the advantages that multinational companies have.

As for Romania, Professor **Dăianu** pointed out that there is a need for a new economic growth model, because although we had a Per Capita GDP growth from 22-23% to 53-54% compared to the EU average, the country still resembles a mosaic, with large development gaps between the regions. Moreover, accession to Schengen area or adoption of the euro remain unfulfilled goals because of the high-level corruption and weak institutions. In this context, strategic alliances within the Union which could help us accomplish the national objectives are particularly important.

Mr. **Ioan Mircea Pașcu**, Vice-President of the European Parliament, Progressive Alliance of Socialists and Democrats, referred to the security issues, mentioning that "this bureaucratic Baroque architecture that is the European Union is holding up a project which has many issues to sort out", and "if before the crisis we wanted to share the good things (the profit), now we are together because we fear the consequences". The MEP also made reference to the deteriorating security climate in Eastern and Southern Europe and, in regard to the Ukrainian crisis, he mentioned that while the Russians saw things through a geopolitical lens, the Europeans saw them bureaucratically. Therefore, the European Union should now think how it can support NATO, given that in the hybrid warfare, there are areas in which the North Atlantic Alliance is not prepared, but the European Union is (like, for example, the fight against corruption and police forces cooperation).

Also in the sphere of geopolitics was the presentation of Ms. **Antonia Colibășanu**, Regional Director Eurasia, Stratfor Partner. Mentioning the fact that we are faced with a change in cognitive models, she argued that the emergence of political movements of a new type (promoting anarchy) are somehow replacing the traditional system of political parties. When it comes to social and political problems, we must take into consideration the great differences between elites and population, because if we make ourselves heard at societal level, we make sure that we have a voice at global level. A concrete example in this case could be the Trans-Atlantic Partnership which comes forward at a critical moment.

Another guest of the first panel was Mr. **Ion. M. Ioniță**, Senior Editor, at the *Adevărul* journal. Making an interesting reference to a book entitled "An enigma and a historical miracle, the Romanian people" (by Gheorghe I. Brătianu), the senior editor said that Romania has a great potential of creativity, but noted that they are characterised by a lack of self-confidence. In this context, making good use of our intelligence, "we have the chance to save the Union", especially since Romanians are among the most loyal to the European Union, according to data from the latest Eurobarometers.

In direct connection with the historical approach of the previous speaker, the journalist **Marius Stoian** shared his opinion that there is a work in progress towards building a European state, but since there is no history of Europe being taught on the territory of a state, the perception of European citizens on each other is limited and often based on stereotypes. A potential solution to this problem could be the positivation of history, by not focusing explanatory activity on the conflict paradigm.

The second panel comprised the presentations of the following guests: PhD Professor **Ionuț Dumitru** (President of the Fiscal Council), Economic Analyst **Aurelian Dochia** (Member of the Administration Board of BRD Groupe Société Générale, Managing Partner CONCEPT), PhD Professor **Bogdan Murgescu** (Bucharest University), PhD Professor **Cristian Pîrvulescu** (Dean of the Political Science Faculty, National University of Political Science and Public Administration),



PhD Professor **Dan Armeanu** (Bucharest University of Economic Studies) and journalist **Ovidiu Nahoi** (The Money Channel).

Mr. **Ionuț Dumitru** said that the answer to the deadlock the European Union is facing is a deeper European integration, and Mrs. Drăgan added that “we need more Europe”. Along the same lines, Mr. **Aurelian Dochia** said that the final solution for the multi-dimensional crisis the Union is going through is the United States of Europe, a project which could solve many of the macroeconomic imbalances. On the other hand the latter speaker reminded the audience that Romania does not have any scenario prepared for the likelihood of dissolution of the community space, and the national situation could be described by the expression: “hope for the best, but prepare for the worst”.

Present in Mr. Dăianu’s new book, with a common article, Mr. **Bogdan Murgescu** shared his view that in the event of the dissolution of the Union, many would suffer substantial loses, and our national interest is that the EU becomes stronger in order to resist the internal and external pressures. Moreover, in his opinion, Bruxelles should be viewed in terms of internal politics, and the community method should have precedence over the intergovernmental one.

Professor **Dan Armeanu** made reference to fiscal and budget aspects, stating that for the European Union to become more efficient we need, in addition to a common budget, fiscal obligations and a fiscal union. Moreover, the EU has to balance the economic growth model, moving from extensive growth to an intensive model. As concerns Romania, the academic noted that the IT field is a vector of economic growth, generating approximately a quarter of it. However, the Romanian state has to continue on the path of reforms, proposing, to this effect, the fiscal, budget and administration reform.

The sociologist’s point of view on the subject of the debate came from Mr. **Cristian Pîrvulescu**. He started by saying that “the crisis of Europe is mainly the crisis of Christian democracy, that is those values that the Europeans wanted to build transformed into conservatory-neoliberal values, and neoliberals don’t mobilise anyone”. Europe should enter a process of rethinking, because as the guest explained, “Europe’s deadlock and Romania’s deadlock compel us to the intelligence of understanding the society we live in”.

Last, but not least, Mr. **Ovidiu Nahoi** had the task of concluding the debate. He made reference to the connection to future events, more precisely the Parliamentary elections in Great Britain which will take place on 7 May 2015, when it is expected that parties less attached to the European Union will receive a substantial vote. As for Romania, Mr. Nahoi maintains that “we need to solve our provincial complex in order to be more credible in our vision”, and Europe has to be seen from a strategic point of view for the Romanian state.

This debate has certainly been an excellent exchange of opinions between the guests regarding the current state of the Union, the sustainability of the European project as well as the answers Romania could come up with in the vent of a community restructuring process. Although the majority of opinions favoured the continuations and the strengthening of the European block, we bring forth, as a conclusion, Mr. **Daniel Dăianu**’s words from the above mentioned book: “If the European Union policies do not improve, it is possible that the centrifuge forces become dominant and strike fatally the European Project. Such an outcome would be a historical regress for Europe – as for those who want to keep the demons of the past in the thrash bin of history”.

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