

Saving Europe: a new compact across the Atlantic

Concluding remarks by

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The two concepts conveyed in the title of this year's Aspen European Dialogue were aimed at examining how to integrate the policies currently being pursued to achieve two objectives, namely: saving the European Union, and strengthening its transatlantic ties. No compelling arguments were offered up during the debate today that would enable their integration: the two sets of policies are proceeding independently and there are serious doubts as to whether they will even be able to accomplish their own respective objectives, precisely because they are proceeding independently of each other. Their success depends on their being integrated, an undertaking well within the remit of Aspen Italia.

I will therefore proceed to examine the two concepts separately.

Saving Europe. Opinions on how to go about "saving Europe" are still divided between those who think austerity policies are a prerequisite for a recovery in production and, above all, for employment growth, and those who think exactly the opposite. The divided vision of leaders, which has been shaped by pressures from the electorate, weighs heavily on the capacity to find a solution. In the past, agreement among leaders was sufficient for things to move forward, whilst nowadays, in the pursuit of solutions, mass democracy places considerable constraints on their decision-making, for if the political class fails to propitiate growth, voters call for assistance, even though government budgets are already strained beyond measure.

The unpopularity of austerity policy in Europe is growing and geographically manifests itself in different ways and to varying degrees. Germany believes it can continue to grow and is pressing for continued austerity, while Italy and other Mediterranean countries not experiencing growth are pushing for greater fiscal accommodation on the public spending or tax relief side.

Leaving aside this profound difference of opinion, three points of agreement emerged during the course of the debate fueled by hope, political surmise and social concerns. The hope is that Europe is moving towards growth and will therefore require the application of less austerity; the surmise is that the United Kingdom must remain in

Europe (some argue to prevent the EU becoming continental and remaining exposed to German control); and the concern is that anti-EU parties will hold a majority or a high proportion of seats in the next European Parliament, which would make it unmanageable.

These three points of agreement stand in a relationship of cause and effect to each other.

A new compact across the Atlantic. American geo-strategy is not directed towards Europe. It has been made brutally plain to us that “Obama is indifferent to Europe and that if Europeans want to defend themselves, they’ll have to do it at their own expense.” More so than looking towards China, which is nonetheless the object of particular interest, the current focus of US policy is nation-building, a form of isolationism that while not all-consuming is strongly nationalistic in its overtones.

The Transatlantic Trade and Investment Partnership (TTIP) negotiations launched by the European Union to establish a free trade area with the United States are a stab at filling the political vacuum that has come to exist between the two sides of the Atlantic with a fully-fledged (or almost fully-fledged) economic relationship. Although it is hoped that the talks come to as speedy and successful a conclusion as possible, they are not enough to interconnect the imperatives of *Saving Europe* and creating *A new compact across the Atlantic*.

In conclusion, although the debate on *Saving Europe* was fruitful, its outcomes were not sufficiently conclusive to point a way out of the current impasse for the European Union, whereas the discussion on a *New compact across the Atlantic* turned into talk of a *New compact within the US*, with hints of it extending more discernibly *across the Pacific*.