The outcome of the recent European Council and eurozone summit in Brussels (28-29 June) must be interpreted first of all in the light of three political messages that this meeting gave out to the international markets and public opinion in the different countries.

The first is linked to the fact that the eurozone countries, required to come up with concrete answers, were forced to agree to take immediate steps towards creating a banking and budgetary union, first of all by strengthening the role of the European Central Bank within the new system of credit supervision and regulation. This implicitly opens up the way for the creation of the political union on which the sustainability of any banking and fiscal union depends. The second message was that Europe, ready to make strenuous efforts to avoid further disastrous financial crises, this time in Spain and Italy, clearly has no intention of abandoning any eurozone country to its own devices. This has effectively defused rumours and fears of a possible split between the rich and poor countries of the eurozone. Third, the summit confirmed the centrality of the agreements signed on December 9 last year: the one on the fiscal compact and the one on the European Stability Mechanism (ESM), whose governing board and preferred creditor status have become key elements in the management and reorganisation of Europe’s institutional framework. These agreements have made it possible to think, in concrete terms, of a government of the euro area and of an end to the paradoxical situation of a currency without a state.

Equally significant are the events that have resulted from recent summits: first of all, the Bundestag and Bundesrat’s ratification, by an overwhelming majority, of the fiscal compact and ESM treaties, then France’s declaration of its readiness to follow suit, and similar undertakings on the part of Italy and Spain (where the government and opposition have reached an agreement to ratify the treaties). Of course, without the support of these four countries, which must together contribute about 80% of the funds at the disposal of the ESM, the mechanism would have absolutely no credibility. These are the same countries that attempted to promote an enhanced cooperation between a limited number of states to introduce a European tax on financial transactions; however, this initiative, strongly opposed by Great Britain, had no chance of being adopted by the European Council. This tax is actually now acknowledged to be one of the main possible sources of income for creating, on a permanent and independent basis, the resources needed to fund a European development plan.

None of this means that the euro is safe; nor does it mean that the crisis has been resolved or that Europe has taken irreversible steps along the road to federal union. What it does mean is that a window of opportunity for building a new Europe has been opened.

In the space of just a few months, precisely because of the economic and financial crisis and the European institutions and European countries’ woefully inadequate attempts to tackle it, the climate has changed. The choice facing the Europeans has become clearer: we are seeing the emergence of a broad array of forces in favour of a relaunch of the European unification project in both political and economic terms. In Germany and France, people are now talking openly about the need for a federal leap forwards and about the transfers of sovereignty that, as President Hollande himself has conceded, will be crucial in order to achieve it. Furthermore, for the first time since the start of the sovereign debt crisis, the eurozone governments have done more than just take...
action to gain a little more valuable time. Indeed, they have set this buffer action within a process (albeit one still lacking clear boundaries and contents) that will undoubtedly involve, as recognised by all the leading institutional players at national and European level, the creation of a banking and budgetary union and a political union. In other words, it has been affirmed that, as German chancellor Merkel declared before the Bundestag on the eve of the Brussels summit, these objectives must be more “closely linked” with each other, achieved “only in concert”, and democratically legitimated in an initial seventeen-member framework.

At the level of political and social forces, we are seeing the emergence, in most of the eurozone, not only of widespread acknowledgement of the need to adopt the fiscal compact and ESM treaties – this is shown by the large parliamentary majorities (and referendum majorities) with which these treaties have been approved or are about to be approved – but also of a new terrain of struggle that, overcoming the fruitless contraposition between austerity-based economic policies and policies oriented towards growth and development, is starting to highlight the need to create a European political-institutional framework that is democratically legitimated and – this is an essential condition for boosting the economy – actually able to perform the functions of government.

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It is impossible to say how much time remains for the governance of the single currency to make the federal transition, in other words, how long it will be before Europe is struck by new, perhaps fatal, shocks. Neither can anyone say how much time we still have in which to translate the flurry of proposals, the desire for more Europe and more federalism, and the increasing convergence of intentions in European society and institutions and between some governments, into political action and initiatives. And this uncertainty is precisely why it has become so urgent to define a project to create, within a clear time frame, a federal union and a framework for its institutions, a project that will involve the citizens in a new constituent process.

To take this step it is no longer enough merely to expose the obvious limitations in the intergovernmental method of governance currently used in the EU and in the eurozone. It is necessary to address and overcome, on the one hand, the resistance that still exists in the euro area to the idea of transferring sovereignty from the states to Europe, and on the other, the institutional paradox that continues to prevent resolution of the issue of the democratic legitimacy of European decision-making (and thus a definitive reconnecting of the citizens with the European setting on which their future wellbeing depends). We refer to the composition and mode of operation of the European Parliament and European Commission and the fact that these institutions, which would be required to represent the interests of the citizens of a future federal eurozone, today include countries that have absolutely no intention of joining the single currency or of agreeing to any transfer of sovereignty.

This is the terrain on which the national and European parliamentarians, political parties and governments must now advance proposals, hold debates, and take positions. It is also the terrain on which the federalists will continue to press them, urging them to define a coherent and credible institutional project for federal union among the countries of the eurozone, and to establish a timetable for achieving this. And this must be done without delay, to avoid wasting this opportunity – without doubt the last one in the present historical cycle – to build the Europe we so desperately need.

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