

Europe's leadership crisis

di Giuliano Amato, Etienne Davignon, Jean-Luc Dehaene e Wim Kok

The global financial crisis has already highlighted both the strengths and the weaknesses of the European Union. Had it not been for the euro, the shock waves from the meltdown of September and October would have spread to the currency markets, creating tensions that would have set Europe's political and economic integration back by decades, perhaps imperiling the whole project.

Much less positively, EU member states have been slow to act in concert. At first it was the European Commission that drew criticism for its slowness in making proposals to rally national governments and their policymakers. Now it is the member states that are resisting the urgent need for a coordinated EU-wide policy response to the deepening crisis.

The speed and the severity of the economic slowdown are far greater than any of the post-war downturns of the past 60 years. In Europe, we by and large failed to heed the warning signals of America's sub-prime mortgage crisis when it erupted in the late summer of 2007, and thus were unprepared when the next phase of the crisis engulfed European banks, too. The lesson to be drawn is that the EU must move more quickly and with greater determination than has been the case so far. Throughout the EU, people are asking, "What is Europe doing to address the crisis?" The answer is "not nearly enough", and the political price may be high at next summer's European parliament elections.

The remaining weeks of 2008 will be crucial to Europe's efforts to regain the initiative and to attempt to attenuate the effects of the crisis while also addressing unresolved problems on the EU reform agenda. As trustees of Friends of Europe, we would urge the European institutions and EU political leaders to renew their efforts regarding both the Lisbon Treaty and the Lisbon Agenda.

France's EU presidency has done much to improve coordination between member states' responses to the financial crisis, and the European Commission has also begun to play the more active role that Friends of Europe called for on October 10. The challenge now is for the presidency and the commission to give fresh political impetus to the EU's stalled reform drive.

The Lisbon Treaty is a step towards adapting the EU's decision-making mechanisms to the 21st century and a membership of 27 or more countries. The global nature of the current crisis makes it plain that Europe must be able to decide quickly and coherently, or suffer adverse consequences. There seems little doubt that public opinion across the EU is increasingly drawing the same conclusions.

The sovereign right of the Irish people to decide their own future is unchallengeable. But Ireland should also allow the EU's other member states to proceed with the Lisbon Treaty if that is what they wish. Even if another referendum is to be held in Ireland, the Irish government should foresee a procedure that, irrespective of the outcome, allows other member states to implement the essential parts of the Lisbon treaty.

The commission now needs to take action to ensure that member states redouble their efforts with regard to the Lisbon Agenda for overhauling Europe's global competitiveness. In 2000, the EU

set a 10-year programme of agreed reform targets, yet in many cases its member states have lacked the political will to implement them. Europe's increasingly gloomy prospects make these reforms more necessary than ever.

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