

# The good side to Europe

To mark the twentieth anniversary of European Union Citizenship, 2013 has been designated *European Year of Citizens*. But public disaffection with the EU is constantly growing. It is true that the *European Union's construction* is incomplete as yet, but it still offers opportunities: it's up to each and every one of us to seize them.

by David Carretta

**B**russels. 2012 was the year of fear for the euro zone. Indeed, for months the entire European project seemed to be in jeopardy due to the union's monetary crisis.

The threat of a breakup of the euro zone posed a similar threat to the European Union. Even though Europe's political leaders and the European Central Bank made it clear they had no intention of relinquishing the single currency, the danger of Europe losing its power base is still there: the rise of populist forces, the over-simplification of anti-European rhetoric and public disaffection with the EU is rising. Essential economic reforms and action to reduce sovereign debt are perceived as austerity measures imposed by Brussels. In Southern and Northern Europe alike, both the streets and election campaigns are rife with nationalistic and anti-European slogans.

Against this background, the European Commission's decision to designate 2013 as the "European Year of Citizens" might appear paradoxical. As the EU celebrates the 20th anniversary of European Union Citizenship, Viviane Reding, the Commission's Vice-President stated: "We need the direct involvement of citizens to build a stronger and more political Union. Union citizenship is more than a concept. It brings tangible benefits to its citizens". The current crisis and the social and political

conflicts it has triggered have combined to make people forget the many concrete economic advantages that the EU has delivered. To win back the hearts and minds of European citizens, a time machine might do the trick: a leap back to 25 years ago, to the long queues at customs, expensive phone calls, costly airline tickets and the major economic downturns that endangered smaller European countries.

According to Eurobarometer surveys, EU citizens consider the right to free movement of great importance. "They would like to see a true European area in which they could live, work, move, study and shop without facing red tape or discrimination", said a Commission spokesperson. The removal of physical borders is without doubt the EU's most tangible achievement. The long queues of cars and trucks waiting to clear customs at border crossings are a thing of the past. The paperwork to register as a resident in a European country is the same for an EU citizen as it is for a national. Goods circulate freely from Portugal to Latvia. Capital moves without major restrictions within the 27 EU Member States. Since the late '80s, the four freedoms – namely the free movement of people, goods, services and capital – have shaped the EU's large internal market.

Although there's still work to be done, the internal market has opened up national markets to goods from other European countries, multiplying choice for consumers and companies and lowering the price of products: not only are there more Volkswagens than Fiats in Italy now, but car prices have dropped significantly. The single market has allowed "low cost" airlines to spring up, without which flagship national airlines would still be charging disproportionately high air fare prices. The single market has introduced competition into the telecommunications industry, which in turn has lowered prices while boosting technological progress: if the EU hadn't introduced the GSM standard, Italians would still be using

the old TACs standard mobile phones, useless beyond its borders.

The telecoms sector has also shown that even when formal or informal cartels have managed to find a free market foothold, the EU has passed legislation to redress these dominant positions. Roaming regulations adopted by the EU have cut mobile phone call, text message and internet access costs considerably. European antitrust regulators imposed record fines on giants such as Microsoft for their anti-competitive conduct, and have forced national big hitters – like France’s energy player EDF – to relinquish their national monopolies. Small banks have had to merge and create large European banking groups. Thanks to banking integration, EU regulations and competition, small-scale account holders have enjoyed lower bank fees. Of course, major public and private monopolies and oligopolies had to restructure their businesses. But the long-term economic advantages easily outweigh the short-term social costs.

A glance at the EU budget - 130 billion euros a year, the equivalent of 1% of the entire GDP generated by EU Member States - reveals how much the EU does for its citizens on a daily basis. One-third of all resources is allocated directly or indirectly to farmers to guarantee safe, good and abundant food. Another third is spent on cohesion policies, which provide funds for infrastructure, job training and R&D. Thanks to Erasmus grants, over 230,000 students can study at a university in another European country every year. With an allocation of 500 million euro per year, the Globalisation Adjustment Fund helps workers laid off due to company restructuring or relocation to find a new job. The Solidarity Fund has allocated €670 million to help reconstruction efforts in the Italian earthquake-hit region of Emilia Romagna. In 2011, the European Investment Bank conducted operations worth €8.4 billion in Italy, €6.1 billion in Germany and €2 billion in Portugal.



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The euro zone crisis gave the impression the EU was saving countries and banks at the expense of its citizens. The fact is that by doing so, it avoided an even greater financial meltdown that would have resulted in massive collective impoverishment. Many small steps have been taken enabling a kind of quantum leap that would have been unthinkable only three years ago: the European Central Bank is now the *de facto* guarantor of the euro; the European Stability Mechanism can be viewed as an embryonic form of Eurobonds; the road to banking, economic, financial and political union has been mapped. The report drafted by Mario Monti on the completion of the single European market may highlight how much still needs to be done to achieve the four fundamental freedoms. However, despite its detractors, the EU is nevertheless an institution that offers a number of opportunities: it is up to each and every one of us to seize them. **€**

**☒ The headquarters of the European Parliament in Brussels.**