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It Takes a Crisis to Make a Continent

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Berlin

BIRTHDAYS are fun; a birth itself is not. There's a lot of screaming and groaning, and even in the easiest deliveries, there's always the fear that something will go wrong.

The birth of a state is no less difficult. Indeed, what pessimists — including many here in Germany — see as an existential crisis for the continent is really just the latest stage in the birth pangs of a new country. While we should of course worry about Greek debt, we should also have hope that we are witnessing the end of the euro zone as an abstraction and the birth of the United States of Europe.

Europe's movement toward unification has always been the product of crises. The catastrophes of World War I and World War II convinced the continent's leaders to cast aside the solidity of fixed borders and with them the old nationalism and isolationism that led to repeated conflict.

And yet idealism was only a small part of the urge toward cooperation. By the early 1950s, the threat of Soviet communism loomed much larger. Common fears as much as a collective vision united us; as Chancellor Konrad Adenauer of Germany once said: "European unity was a dream of a few. It became the hope for many. Today it is a necessity for us all."

During the cold war the European Community expanded its membership and began creating monetary relationships. Though European leaders tried to give sound economic justifications for the merger, the nascent monetary union was first and foremost a political creation, a currency knot meant to bind vastly different states to a common interest.

Crisis and opportunity were also attendant during the early 1990s, when German unification

led to fears of a renewed Teutonic nationalism and a reactionary Russia. The result, after years of debate, was the creation and rapid expansion of the European Union. We also got the euro, as much a political as an economic tool. By design, the currency's strict fiscal and monetary rules would force the stronger economies to balance out the weak, pushing them toward ever closer cooperation.

By and large, however, the European Union has stayed out of the lives of its citizens, and so these past crises have not entered so rudely into the public consciousness. That has changed with the talk of bailing out spendthrift Greece, which is perhaps why this crisis is being seen as so much more serious than those of the past.

Yet historians will likely look back to May 9 as a turning point. That is when, in a conference room in Brussels, European leaders announced a blanket guarantee of 750 million euros (about \$1 trillion) for the countries on the euro zone's southern flank. Even the European Central Bank, which until then had been regarded as an independent body, silently stepped in to bail out the troubled states. Though they would never admit it, the men and women who sat in Brussels formed the first European economic cabinet, making policy on the fly, just as in a regular state.

Yes, the rules governing the euro are being breached every day, causing panic in the market. But this is part of a movement forward, not dissolution. According to the monetary union treaty signed in 1999, member states were never meant to take on the debts of a fellow member state, and the European Central Bank, modeled on the German Bundesbank, was meant to ensure monetary stability at all cost. But, at this critical moment, Europe decided that monetary unity was not enough, that it was worth breaking the rules to bring its members closer together as a political unit.

From now on, the domestic budgets of northern and southern Europe will be connected, a fact resulting not from a long-term plan but, once again, from crisis. Germany did approve an unexpected, unilateral ban on naked short selling this week, but it was more a sop to an angry domestic populism than a signal of things to come; indeed, such national-level decisions will become increasingly rare.

Having forced itself into an era of continental policymaking, Europe must now play catch-up with its democratic system. Millions of Europeans already feel alienated by Brussels; if the achievements of this crisis are to survive, European leaders must figure out how to make sure

the people are heard in the political process. Europe as a decision-making body is a fact; now it has to become more democratic.

The significance of the events that are unfolding now will become clear to us only with time. The press calls it a fatal crisis, but the headlines should really be a birth announcement. All we can do now is hold our breath and hope that the baby will survive.

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