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A committee of 27, each with a veto



Paul Taylor

INSIDE EUROPE

PARIS As Europe considers a leap toward closer integration to try to save the euro, it resembles the biblical Tower of Babel, unable to complete an ambitious project because the residents do not speak the same political and economic language.

The spotlight is on the wrestling by Germany, France, Italy and Spain, the euro area's four biggest economies, over proposals for a banking union, joint euro zone bonds and handing more control over national budgets and economic policy to the European Union.

But the European Babel features 27 often-fierce national debates in member states, each of which has the power to block any change to E.U. treaties. Among them are 10 countries that are not members of the currency union.

Each national argument uses a different political vocabulary and historical context, making them hard to reconcile at the best of times and harder still when the going gets tough.

While investors are looking for quick, bold solutions to restore confidence in the euro, Europe's patchwork politics make rapid strides fearsomely difficult, if not impossible. Each major step is subject to ratification by national parliaments or referendums, which can easily trip up the project.

How the debate is framed may determine the outcome.

In Germany, it is a morality play about making profligate "deficit sinners" atone and do their "homework," instilling a "stability culture" (low inflation, low debt) and enforcing a "savings policy" (austerity). It is no accident that "schulden," the German word for "debt," doubles as the term for "guilt."

To Chancellor Angela Merkel, whose frugal caution is lauded at home as embodying the virtues of a "Swabian housewife," the key to the euro's survival is to enforce the rules of budget discipline strictly and make Europe more competitive through economic overhauls, not to dilute responsibility by sharing debt.

In France, it is all about "saving the euro" by showing more "solidarity" with southern countries, seen largely as "victims" of "speculation" rather than as fiscal villains.

The French see the euro above all as a political rather than an economic project — a geopolitical status symbol rivaling the dollar, a potential trade weapon and a way of ensuring that Europe punches its weight in a multipolar world.

In recent weeks, the slogan of the nationalist French right after World War I — "L'Allemagne paiera," or Germany will pay — has again been whispered in Paris, this time mostly on the left.

This struggle for the soul of Europe was encapsulated in an exchange between Ms. Merkel and the French president, François Hollande, after talks with Italian and Spanish leaders in Rome last week.

"Where solidarity is given, control must also be possible," Ms. Merkel said. "Liability and control belong together."

Mr. Hollande replied: "There can be no transfer of sovereignty if there is not an improvement in solidarity."

French-German tension is nothing new in the history of European integration. They were intense before the creation of Economic and Monetary Union



GIAMPIERO SPPOSITO/REUTERS

To Angela Merkel, the key to the euro's survival is enforcing budget discipline.

at the 1991 summit meeting in Maastricht, the Netherlands, shortly after Germany was reunited.

But the balance of power has tilted toward Berlin, while the proliferation of new member states and institutions has multiplied the checks and balances at the risk of fatally slowing European decision making.

In Italy and Spain, the refrain is that the debt crisis is a problem for the

whole euro area, not just for Rome or Madrid, and that it can be solved only by mutualizing Europe's debts, rather than imposing ever tougher austerity on debtors.

Spanish and Italian leaders seem at times to be trying to capture Ms. Merkel's attention by threatening economic suicide and warning that they could take the euro down with them.

With such different narratives, it is hard to see how the deep political commitment to preserving the euro zone, and even a growing awareness of the economic catastrophe that might follow a break-up, can generate decisive action to arrest the crisis.

A virtual tour of some smaller euro zone countries, whose voices are often heard only when they throw wrenches in the works or need bailouts, illustrates how hard it will be to build a consensus for a more federal system.

From Amsterdam to Athens, the political builders of monetary union and business leaders still believe in it wholeheartedly, and many lament the fact that construction stopped halfway.

But a significant chunk of the electorate has turned against the euro, making it harder for governments to endorse any major leap in European integration.

Mainstream politicians are adjusting as they look nervously over their shoulders at the rise of forces like Geert Wilders's Freedom Party and the hard-left Socialists in the Netherlands, the anti-euro Finns Party in Finland, the maverick Five Star Movement in Italy and the far-right Austrian Freedom Party.

A first attempt to create an anti-euro party is under way in Germany, the main contributor to euro zone bailouts, but pollsters doubt the Free Voters, based in Bavaria, will make it into the federal Parliament in October 2013.

Even in historically europhile Italy, a country that long regarded "more Europe" as a desirable alternative to its own shortcomings in governance, the fast-growing protest movement led by the comic Beppe Grillo is outspokenly anti-euro.

Silvio Berlusconi, the former prime minister who still heads Italy's main conservative party, has become more skeptical since being ousted from power last November, saying on his Facebook page last week that "leaving the euro is not a blasphemy."

Paul Taylor is a Reuters correspondent.

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