EUROPEAN SOLIDARITY MANIFESTO

http://european-solidarity.eu

Brussels, 24th January 2013

European Solidarity in the face of the Eurozone crisis:

Controlled Segmentation of the Eurozone in order to Preserve the Most Valuable Achievements of European Integration

The Eurozone crisis undermines the existence of the European Union and the Common Market

The creation of the European Union and the Common European Market rank among the greatest political and economic achievements of post-war Europe. The remarkable success of European integration was a result of a model of cooperation, which served all the member states while threatening none of them.

The Euro was believed to be another important step on the road to greater prosperity in Europe. Instead, the Eurozone, in its current form, is now a serious threat to the project of European integration.

The southern countries in the Eurozone are trapped in recession and cannot restore their competitiveness by devaluating their currencies. On the other hand, the northern countries in the Eurozone are being asked to compromise their values of prudent financial policies and act as 'deep pockets' expected to finance the South through endless bailouts. This situation risks the outbreak of serious social unrest in southern Europe and deeply undermines public support for European integration in northern European countries. The Euro, instead of strengthening Europe, produces divisions and tensions that undermine the very foundations of the European Union and the Common Market.

A Strategy under the auspices of European Solidarity

Our view is that the strategy that offers the best chance of saving the European Union, the most valuable achievement of European integration, is a controlled segmentation of the Eurozone via a jointly agreed exit of the most competitive countries. The euro may then remain – for some time – the common currency of less competitive countries. It would ultimately mean a return to the national currencies or to different currencies serving groups of homogeneous countries. This solution would be an expression of European solidarity. A weaker euro would improve the competitiveness of southern European countries and help them escape recession and return to economic growth. It would also reduce the risk of banking panic and the collapse of the banking systems in the countries in southern Europe, which would occur if they were forced to leave the Eurozone or decided to do so due to internal public pressure prior to an exit from the Eurozone of the most competitive countries. European Solidarity would be additionally supported by agreeing on a new European currency coordination system aimed at preventing currency wars as well as excessive currency fluctuations between European countries.

Obviously, at least in some of the southern countries, debt reduction (haircut) would be necessary. The scale of these reductions and the costs to creditors would be smaller, though, than in a situation where these countries stayed in the current Eurozone and their economies suffered below-potential growth

and high unemployment. In this way, the exit from the Eurozone does not mean that the most competitive economies will not bear the cost of diminishing the debt burden of the countries in crisis. This will happen, however, in circumstances in which such assistance would help them to return to economic growth, as opposed to the current bailouts, which lead us nowhere.

Why this strategy is so important?

Needless to say, it is in our common best interest that the European Union returns to economic growth - the best guarantee of European stability and prosperity. The strategy of a controlled segmentation of the Eurozone would facilitate this outcome in the quickest way.

The signatories as of 29th May 2014

The group of the signatories consists of 20 European economists and public intellectuals from 11 European Union countries.

Country	Signatories
Eurozone member countries	
France	**Brigitte Granville** - Professor at Queen Mary University of London, where she is also Director of the Centre for Globalization Research. **Jean-Jacques Rosa** - Professor emeritus, formerly with Sciences Po Paris. **Jacques Sapir**- Professor at the EHESS-Paris and visiting professor at MSE-MGU (Moscow). **Jean-Pierre Vesperini** - Professor at the University of Rouen and a former member of the Prime Minister's Council of Economic Analysis.
Germany	**Hans-Olaf Henkel** - Former President of the Federation of German Industry – BDI. Professor at the University of Mannheim. **Alfred Steinherr** – Former Chief Economist of the European Investment Bank. Professor at the Free University of Bozen-Bolzano, Italy.
Greece	**Costas Lapavitsas** - Professor at the School of Oriental and African Studies (SOAS), University of London. **Michael Kelpanides** - Professor Emeritus of Sociology at the Aristotle University of Thessaloniki teaching currently at the Postgraduate Level of Studies.
Italy	**Alberto Bagnai**- Associate professor at the Gabriele d'Annunzio University, Pescara. **Claudio Borghi Aquilini** - Professor at Università Cattolica del Sacro Cuore, Milan. **Antonio Maria Rinaldi** - Professor at the Gabriele d'Annunzio University in Pescara and at the Link Campus University, Rome.
Netherlands	**Frits Bolkestein** – A former Commissioner of the European Union.
Portugal	**João Ferreira do Amaral** - Member of the Economic and Social Council of Portugal. Professor emeritus at the University of Lisbon. Former economic adviser to the President of the Republic of Portugal.
Spain	**Juan Francisco Martín Seco** - Former Comptroller General of the General State Administration and former Secretary General of Finance. **Antoni Soy** - Former Deputy Minister of Industry and Enterprise in the Government of Catalunya. Professor at the University of Barcelona.
Non-Euro EU countries	
Czech Republic	**Mojmír Hampl** - Vice-Governor of the Czech National Bank.
Denmark	**Jens Nordvig** - Managing Director and Global Head of Currency Strategy at Nomura, the global investment bank.
Poland	**Stefan Kawalec** – Former Vice-Minister of Finance. CEO of Capital Strategy, a strategy consulting company. **Ernest Pytlarczyk** - Chief Economist of BRE Bank S.A. (Commerzbank's subsidiary and the fourth biggest commercial bank in Poland).
United Kingdom	**Peter Oppenheimer** – "Emeritus Student" (retired fellow) at Christ Church (Oxford University).

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