

Francesco Farina and Roberto Tamborini

**"Completing Europe's Economic and Monetary Union". Any Support from the Citizens?**

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Comment by Gian Cesare Romagnoli – Università Roma Tre

The essay by Farina and Tamborini is interesting and very ambitious though of difficult reading. Their conclusions sound quite acceptable. Though I have some questions, either methodological (1-2) or political (3) as follows:

(1) - The Authors (p.1) state that “The fixed rules (i.e. the Maastricht Treaty well known criteria) have proved to be, if not utterly wrong, ineffective as fiscal discipline mechanisms as well as poor substitutes for explicit fiscal policy coordination at the EZ level”. Now, which methodological validity one can assign to such statement? Are we expected to resort to economic experiments? And, in this case, referred to which economic policy goals?

(2) – In order to elaborate a simple index of 'economic pain' for each country, the Authors (pp.11-12) have chosen three variables among the eligible economic ones: “real per capita disposable income, unemployment rate, and 'austerity' as given by a restriction of the public primary budget relative to GDP..... Each variable, except austerity, enters the index as the difference between its average value in 2009-13 and in 2004-08”. Is there a dimensional problem? How does unemployment rates variability compare to that of real per capita disposable income?

(3) –The thesis of the faulty original design of the monetary union, overlooks important aspects:

- a. the monetary union, though unlikely and difficult to achieve, was nothing but an initial step, due to Delors' vision, towards a political union in absence of a common defense policy;
- b. a better design including a political union was, and still is, unrealistic;
- c. the financial crisis, and even more the sovereign debts one, have paradoxically eased the way to a new economic governance though not towards economic convergence;
- d. the missing political will for further integration: economic, financial, fiscal and political ones, is just a metaphor of the real stumbling blocks which are given by productive structures, identity and mentality differences all of which are very present in the European people's minds and votes.

The substantial steps that the Authors urgently advocate towards the creation of truly supranational institutions are on the way, though a rather long one. These questions mentioned above seem to be at the base of the stalemate between 'more Europe vs. less Europe' at the level of peoples. They seriously undermine support for further integration 'from below' because of the incapability of some European politicians to realize the economic policy changes requested by the membership to a monetary union, i.e. to overcome the above cited questions 'from top'. This appears to be the only way to prevent that the actual stalemate lead to disintegration.