

Commentary

CRISIS IN THE EUROZONE: CHALLENGES AND OPPORTUNITIES FOR THE EUROPEAN SOUTH

**A DISCUSSION WITH
EVANGELOS VENIZELOS**

CHAired BY
CHRISTIAN OSTERMANN

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European integration is the result of a series of policy initiatives with strong voluntaristic features. By far the most important of those initiatives was the adoption of the euro as a common currency for the 17 countries-members of the euro zone. The European edifice was designed for normal conditions and not for crisis situations. The budgetary and financial crisis of the recent years led necessarily to the adoption of an extraordinary system of economic governance of the euro area with entirely intergovernmental- and not community- features.

The basic institutional principles that govern the functions of the European Union do not apply to crisis management suggests Evangelos Venizelos, President of the Pan-Hellenic Socialist Movement (PASOK), one of the three parties that form the current Greek government. There is neither institutional equality of Member States, nor a strengthened role of the European Parliament. The role of the strong and fiscally "virtuous" countries that belong to the core the Eurozone is crucial. Member States that are in need of financial support are losing not only their monetary, but also their budgetary and fiscal sovereignty.

While the countries in crisis are predominantly in the European South, Evangelos Venizelos argues that the notion of the European South is a political and not a geographic concept. That notion refers to political forces that realize the need for a different economic policy – one of fiscal consolidation, but friendly towards growth and employment, while preserving the cultural, institutional and historical characteristics of Europe.

Evangelos Venizelos is the president of the co-governing Pan-Hellenic Socialist Movement (PASOK), and a professor of constitutional law at the Aristotle University in Thessaloniki. The discussion will be moderated by **Christian Ostermann**, director of the Global Europe Program.