



FINANCIAL CRISIS AND EUROPE'S PARADIGM SHIFT

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In [a recent article](#), former Spanish foreign minister Ana Palacio pointed out that Europe, in deciding to move toward a common currency back in the late 1980s, made its “greatest miscalculation [in that it accepted] the assumption of stability while on the verge of a systemic transformation impregnated with volatility.”

Palacio's words may sound obvious today with the help of hindsight, especially since the European Union is reeling from the impact of the sovereign debt crisis and the persistent confusion over what to do to correct the mess. And correctly Palacio suggests that what Europe needs is a new **political** paradigm that will allow it to rise to the requirements of a fast changing world order.

This is the greatest challenge that the nominally “united” Europe has come across since its inception. In the recent past, European leaders appeared to assume that enlargement by itself would somehow automatically trigger processes for the “deepening” of European political integration. But, just like in the case of adopting the euro, Europeans again made the incorrect assumptions of a universe operating according to wishful thinking and not according to the laws of Nature.



As the handling of the Greek disaster has more than amply demonstrated, the EU is beset by deep fissures emerging, hardly unexpectedly, from the individual political traditions and concerns of its members, not to mention each member's own "national character."

Germany's glaring monomania with austerity and "clean budgets," for example, is not difficult to trace back to the interwar years and the tenets of a special type of German "discipline." In contrast, the "happy go lucky" European South appears "unstable," at least in German-northern eyes, because of the assumed "lighter" sense of duty down south and the assumption that too much sunshine makes those southerners to take too many siestas.

Those who early on highlighted the difficulties of making a political whole out of nations with long individual histories and also separated by two world wars appear a lot wiser today than when European elites dismissed them as "doomsday" proponents. If anything, history has defeated time and again the "optimists" who tend to ignore what they usually call "simplistic interpretations" because they do not dovetail with the rosy assumptions of the moment. But assumptions cannot avoid the test of practice and, when all the chips are down, they often turn out to be mistaken.

Europe's paradigm shift will require, therefore, a painful re-interpretation of the "values" and "principles" that supposedly drive the EU. Time though is of essence. At first reading, this re-interpretation appears rather difficult to reach given the exceedingly lengthy processes of consultation that underpin the entire EU operation. Furthermore, any attempt to introduce a



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stronger political element in these consultations will inevitably trigger the type of divisions Europe is unfortunately well aware of from its own past history.

At the end of the day though, this paradigm shift is the **only** credible means of effecting the eventual re-positioning of Europe in the developing international power scheme. Without it, the European “union” will continue to trail both established and emerging world powers en route to its inevitable sidelining as a largely irrelevant group of squabbling “member states.”