



## The Brussels Elite's Bizarre Euro Fixation

**The EU's economic acolytes dismiss the heretical suggestion that imposing a common currency was a bad idea.**

By Marian Tupy

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‘Grexit is not an option,’ says the president of the European Commission, Jean-Claude Juncker. Meanwhile, in Greece, the national debt is approaching 180 percent of GDP, the estimated growth rate was recently slashed from 2.5 percent to 0.5 percent, tax revenue is collapsing, and each episode of debt repayment to international creditors is as suspenseful as a Hitchcock movie.

Some well-meaning economists continue to hope that remaining in the euro will eventually lead to supply-side reforms that will reinvigorate the Greek economy and replenish its treasury. Time, however, is not on the Greeks’ side. A growing number of observers, not to mention the markets, believe that Grexit (a Greek exit from the euro) is inevitable. Meanwhile, politicians in Brussels keep parroting the usual “No retreat. No surrender.” Instead of relying on sober analysis, they cling to the unity of the euro zone with a fervor more appropriate to religious dogma.

Having grown up in the 1980s in Czechoslovakia, I recall the importance of dogma. According to Marx and Lenin, Communism was the culmination of social evolution. As such, Communism was, by definition, a “perfect” state of human affairs, characterized by equality, social concord, material plenty, and peace. Serious deviation from the central principles of Communism was strictly *verboten* — no matter how repressive the state was or how empty the shops became.

There was a genuine fear on the part of the nomenklatura that any experimentation, such as economic liberalization, would bring the whole house of cards down. After all, if one part of the dogma, say central planning, was discarded, why not the leading role of the Communist party, or even (gasp!) the goal of a Communist society itself? Thus it was very important to deny economic and social problems or, if they could not be denied, minimize them. Propaganda, the apparatchiks gambled, would fill the gap between the supposed workers’ paradise and the dreary reality of everyday life.

I thought of life behind the Iron Curtain when I read the comments made by Jean-Claude Juncker earlier this week. Speaking at the Catholic University of Leuven in Belgium, Juncker said that “Grexit is not an option. . . . If we were to accept, if Greece were to accept, if others were to accept that Greece could leave the area of solidarity and prosperity that is the euro zone, we

would put ourselves at risk because some, notably in the Anglo Saxon world, would try everything to deconstruct the euro area piece by piece, little by little.”

Let’s start with the euro zone as an area of prosperity and solidarity. Since the introduction of the common currency, growth in the euro zone has been weaker than in the United Kingdom and the United States — not to mention the developing world. Since 2008, the euro zone has grown by a mere 1.3 percent, as opposed to 5.4 percent in the United States.

As for solidarity, the Greek bailouts have created previously unimagined chasms of resentment on all sides. In Greece, the German chancellor is commonly depicted as a swastika-sporting tyrant for her efforts to impose austerity. The Germans, inflation-wary for historical reasons, worry that by vacuuming up the Greek debt, the European Central Bank is weakening the common currency. And the people of tiny Slovakia, with income of \$17,200 per person, wonder why they have to borrow money and add to their national debt in order to lend it the Greeks, with income of \$23,710.

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Throughout Europe, non-traditional parties are on the rise. A third of the seats in the European Parliament is now filled with MEPs who, for an array of reasons — some more laudable than others — oppose not only the common currency but the EU as whole. This proliferation of Euroskeptic parties is an indictment of the failure of the Brussels elite to deliver on the promise of a pan-European paradise.

After the stunning defeat of the European Constitution in the French and Dutch referenda in 2005, the Brussels elite decided that what the people of Europe really needed was to learn more about the European project. The EU’s propaganda budget has ballooned to some \$500 million, yet it is failing to stem the tide of Euroskepticism. European-election turnouts are farcically low, and those who do bother to vote increasingly cast their ballots for the Euroskeptics.

All the while, Juncker espouses the purported glories of an idea that fewer and fewer people believe in. A maxim [apocryphally attributed to G. K. Chesterton](#) states: “When a man stops believing in God, he doesn’t then believe in nothing; he believes in anything.” The idea of “ever-closer union” resembles a new secular religion with its own set of dogmatic beliefs and no room for retrenchment and compromise. Instead of reform, the people of Europe are faced with stagnation, hopelessness and eventual ruin — one bailout at a time.

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