



“Southern countries are only interested in the EU’s money”

[Pau Garcia Fuster](#) / Translation: Neil Stokes [Barcelona](#)

Euro-MP Ramon Tremosa points to the different economic cultures between the north and south of the continent as one of the reasons for the rise in Euroscepticism



In 2009, the economist Ramon Tremosa (Barcelona, 1965) made the leap from the classroom to politics as a member of the European Parliament. In Brussels (and Strasbourg) he has seen first-hand how the community institutions work, taking on such important tasks as presenting the Annual report of the European Central Bank. At a time when the EU is beset by crises on all sides, Tremosa has, with his assistant Aleix Sarri, just published *L'Europa que han fet fracassar* (Pòrtic 2016).

In this interview with VIA Empresa he develops some of the ideas in the book. Different causes that, to his mind, are a threat to the future of the EU: from Brexit to the role of Germany, via the gulf in economic culture between the different latitudes of the continent.

The former Belgian prime minister Mark Eyskens said that "Europe is an economic giant, a political dwarf and military worm". Is that still valid?

It is an economic giant because it is the world's largest market in number of inhabitants and their wealth. There are very strong economies within the EU: Germany is the main exporter in the world, and countries top many different league tables. A political dwarf? That too, and going backwards in terms of European integration as we have seen with Brexit. I am not so sure about military issues, but it is clear that we are not at Russia's level, nor that of the United States or

China.

Beyond the political interest in avoiding new conflicts, the EU was the result of an economic interest with coal and steel union. Are the current political conflicts making the member states forget about the economic potential of the Union? I don't believe so. In 2013, there was a debate in the European Parliament in which a British conservative MP asked Angela Merkel some questions, saying: "We want to continue to strengthen our involvement in the Single Market, we want to improve the free circulation of people, goods, capital and services because that is what everyone in the world copies." The great European success of the 20th century is free circulation; and the rest of other unions around the world are based on trade and this free circulation. The British conservatives said that they wanted to leave the EU because it is an embryo of centralised political power, non-transparent, without enough accountability, undemocratic and Jacobin. They are not interested in that, there is no European demos calling for power for the EU. In no country is there a majority of those that want greater European federalism or to cede more power and tax revenue to Europe. But there are those who want to eliminate the barriers that still limit free circulation. The British want to focus on that and leave the political projects that do not work out of it.

What role has the economic crisis played?

The crisis has increased the gulf between north and south. Not only because of economic divergence, but also because there is a cultural issue. The southern countries are only interested in the EU's money, but when they have to implement rules that affect their status quo, their oligopolies, their bad practices... they reject them. And that is what generates Euroscepticism in the north of Europe. Not only in eurosceptic parties, but also in the rest. I come across MPs from socialist, liberal or conservative parties that are profoundly eurosceptic about how the EU works today and yet who are Europeanists who see the importance of free trade. Therefore, this disaffection is more about how the EU works rather than the successes of the past or what might happen in the future.

Is the fact that there are countries that are net contributors and others receivers becoming more of a problem than a solution?

The EU budget is very small; it is less than 1% of European GDP and equivalent to three times that of the Catalan government. Therefore, the capacity for redistribution is very small. Nevertheless, the countries in the north of Europe have cut the budget because they do not like this cash machine Europeanism of the southern countries. What the Nordic countries say a lot is that they do not want the EU to become a Spain or an Italy, where there is massive north-south redistribution without economic convergence after decades of doing it. That threatens stifling the economic engines (in Spain it is Catalonia and in Italy the north of the country). There is a lot written about the regions that for decades have received huge subsidies that provide rational incentives for their inhabitants to avoid development. The Bank of Spain has been saying this for 13 years. Therefore, the Nordic countries say that they do not want the EU to be a huge Transfer Union, and that is why they cut the budget. What they do want is for the EU to be a union of good practices.

Photo: Jordi Borràs

For example?

Denmark has the world's best job market. So let's make a directive so that the countries in the south imitate the good things Denmark does to converge unemployment rates and the job market. The Netherlands has the best defaulting system in the world, so let's make a directive copying its model that the Nordic countries implement but not the countries in the south because it affects the multinationals. Or Germany, which has the best system of exports; Finland education, and so on. The Nordic countries have a cooperative federalism in which each copies what another does best. That is of no interest in the south. How do Madrid's multinationals compete in the world? Through favourable State regulation, that they do not have to pay their bills to SMEs for up to 300 days with total impunity. There is a cultural divergence that is breaking up the EU. When Quantitative Easing was launched even the German communists released a critical statement. In Germany no one applauded it while here there was a party. Even here, in the PDECAT party, there are people who recommend not paying the debt and moving on. That is a very deep cultural barrier. The socialists in Finland virulently opposed the bailout of Portugal but you don't hear of it anywhere.

Is Spain exemplary in any sphere?

Spain contributes nothing to the EU, and nor does it have any interest in doing so because it tops a lot of negative rankings. Youth unemployment, school failure, defaulting, an inefficient and non-independent judiciary, predatory tax policies, energy costs... Spain is at the top of the rankings in a great many negative spheres related to the management of economic policy. Therefore, that makes Spaniards uncomfortable in the European Parliament. Moreover, the political tradition is very different. The Nordic countries blood young people there. You have to talk different languages, be good at public relations, have the ability to understand and negotiate reports. If you look at the prime ministers, commissioners, etc, of the Baltic, Scandinavian and Central European countries, they were Euro-MPs beforehand. So, when they return to Brussels representing the governments of their countries they understand how the EU works. However, Spanish parties send their out-of-favour and retired to the European Parliament. There is a huge contrast between the young, hard-working Nordic Euro-MPs and those of the Italians, Greeks or Spanish.

It seems like no easy matter to unify good practices...

Spain is not interested; all it wants is the money. In the book we explain how Zapatero in 2006, in a European Council meeting, having boasted about superseding Italy's GDP per inhabitant, asked for more funds now that the eastern countries had joined. But he got nothing. That is what causes massive disaffection among Nordic countries.

Can this cultural gap be reduced?

An Irish communist Euro-MP in the Economic Commission a few weeks ago argued that Ireland could set a 1% tax on companies if necessary. What a communist! Arguing that Google should pay 1% and no more! What does that tell us? That the cultures are very different. In Sweden, a conservative government cut military spending and the current social democratic government is raising it. The prime minister of Austria, a social democrat, recently argued in an interview that globalisation is the best thing that has happened to Europe and that they are reducing the deficit and government debt. And that is a social democrat talking! The Nordic left is nothing like the right in the south, which is much more populist. A German green Euro-MP one day asked me to sign an amendment. I looked at him and said to him: "I can't sign it, as even my own people would crucify me." The amendment proposed fines on countries with excessive youth unemployment due to a lack of labour reform. And that was a German green!

Photo: Jordi Borràs

Do we need a two-tier Europe?

The problem is that there is only one level: Germany upwards. Only Catalonia, the Basque Country and Lombardy are converging with the EU. Milan is converging with Munich and growing further from Naples, in the same way that Barcelona is converging with Stuttgart and growing further from the subsidised south that waits around all day for public money without showing any sign of dynamism in the private sector.

From Catalonia and Spain there have been a lot of criticism of Germany's role, but in the book you insist that it is unable to impose its points of view...

That is what is destroying the European project, the blame game. In the south of Europe in particular they dare to say that what they do well is down to them, while what they do badly is Europe's fault. "Refugees? Europe's fault!" Europe has no power or resources to do anything because the member states have not been willing to ever cede these powers. The same goes for banking union, with accusations that Germany has blocked it. But that is a lie! What Germany says is that before talking about deposit guarantee funds, everyone should first put into effect the eight directives on banking union approved two and a half years ago. They are the ones who say that if there is a banking resolution or a crisis in a bank, it will close without public money at the cost of the shareholders and private creditors. And that happens with everything. But the easiest thing is to blame it all on Merkel and call her an austerity psychopath, when it is the defaulting of the public sector that kills off thousands of solvent SMEs.

The Annual Report of the ECB was recently approved. Among its recommendations is that bonds from the European

Investment Bank (EIB) should be bought to aid projects like the Mediterranean Corridor. Is that any closer?

The Mediterranean Corridor is another flagrant breach. Spain has no intention of doing it because it knows it is the definitive step in Catalonia's Europeanisation. It was passed in 2013 as a regulation not a directive. Therefore, it binding and literal, and not even the maps or terminals can be altered. And it is not only a Catalan train, as it goes from Algeciras to the north of Europe. Spain continues to insist on the Central Corridor to gain time and not carry it out.

In your book you say that the EU is often incapable of making member states comply with their rules...

In the north of Europe it is easy because countries put them into practice rapidly. Great Britain and Norway (which is outside the EU) comply better with European rules than the south of Europe, and this was one of the main arguments for Brexit. Failure is not improvised. When 18 million British people vote to leave it is because there are a lot of things that are not working.

Photo: Jordi Borràs

It is the countries in the north that are most critical of Draghi's management of the ECB...

They are convinced that only market discipline and risk premiums will make the south of Europe carry out the reform needed. That means that most likely the next president of the ECB will be Nordic, who will stop mass buyouts and go back to the scenario in 2011. At that time the PP decided to make cuts in the social budgets of local authorities and autonomous regions rather than touch the military budget, the high-speed train project or any civil servants in the central government. Despite the rise in debt, the greater Madrid train has been maintained. Therefore, if the Catalans have not left before, in 2019 with a different ECB president there will be another wave of social cuts.

All of this is part of the Juncker Plan. Are we failing to take advantage of it?

While the north uses it to facilitate things for SMEs, here we use it for business as usual, for the oligarchies in Madrid. It is very frustrating. While the EIB bonds have been used in the north for innovation, research and startups, Spain said: "I have a great project: the Castor". And we already know how that ended. But the EU does not have the capacity to impose its will on Spain.

Is there nothing to be done?

No... But Spain controls no important post in Europe. This is the only reprisal there is, but in the end it is nothing more than appearances.