

August 16, 2011 1:49 am

Democracies may turn on the euro

Feedback?

From Dr Waltraud Schelkle.

Sir, I was honoured that Tony Barber ended his insightful article “Four steps to fiscal union” (Analysis, August 12) with a quote from an editorial I wrote for the journal *Intereconomics*: “In the end, the elephant in the room may squash, if not crush, the euro.” But I was surprised to see my elephant – democracy – turned into Schrödinger’s cat, namely a lack of democracy.

My point was rather that national democracies will turn against the euro if further fiscal integration cannot provide the minimum of economic security that democracy needs to flourish. Yet, it is national democracies that will prevail, not the euro. For evidence, just look at the transformation of the European Central Bank from a proudly independent central bank to the hyperactive fiscal agent also noted by Mr Barber. The ECB had to pick up the pieces because national democracies cannot bring themselves to take the next step in fiscal integration. The squeeze of the euro and the ECB is clearly preferable to the undermining of democracy. But it is national democracies themselves, not Europe’s democratic deficit, that has left us with this dismal choice.

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Printed from: <http://www.ft.com/cms/s/0/e7dc0696-c443-11e0-ad9a-00144feabdc0.html>

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