

How will history judge Jean-Claude Juncker?

The incoming President of the European Commission, Jean-Claude Juncker, will get to work on 1 November 2014 for a five-year term, i.e. until 31 October 2019, or even until 2024 if his mandate is renewed as the legislation permits. The responsibility that rests on his shoulders is immense and we can already say that his name will be inscribed in the History books as either the President of an arthritic Europe on the verge of imploding or the one who, despite limited leeway, was able to set Europe on the course it needs to rekindle the collective ambitions Europe deserves.

Restoring meaning to the European initiative

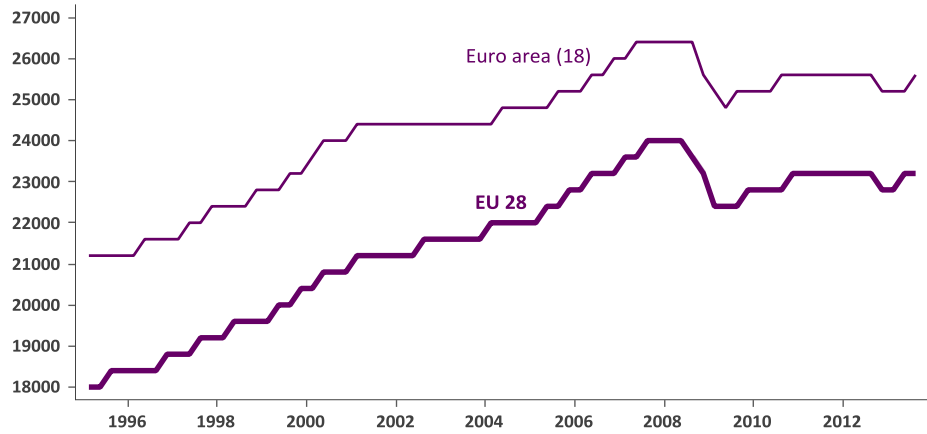
Given the sorry state of the union, this is how the challenge is being framed for the Commission. Let's hope that its President is aware of what is at stake and can muster the resources necessary to successfully rise to the challenge. We are convinced that the task at hand is a herculean one but we do not believe that it is completely out of reach and can be boiled down to one word: ambition.

The European machine seems to have lost the historical narrative. It must find it again quickly and its leaders must once again steep themselves in the documents on which the European Union was founded, starting with Article 2 of the Treaty of Rome: "The Community shall have as its task, by establishing a common market and progressively approximating the economic policies of member states, to promote throughout the community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the states belonging to it."

In the first few decades of its existence, the EU succeeded in meeting the bulk of the challenges put before it. However, the 2008 crisis brought this age of prosperity to a skidding halt and it seems like its return is increasingly unlikely with each coming day. According to Eurostat, the average quality of life of EU inhabitants is where it was in 2006. What is more dramatic, the least-developed countries, which saw a structural improvement in their quality of life during the first few years after joining the EU, were mostly the first victims of the crisis and,

it seemed, were robbed of hope from one day to the next. The European “nation” is a misnomer and the situation could pose a threat to the European construction, which never was founded on the will of the people but rather on the promise of a better future and a guarantee of peace.

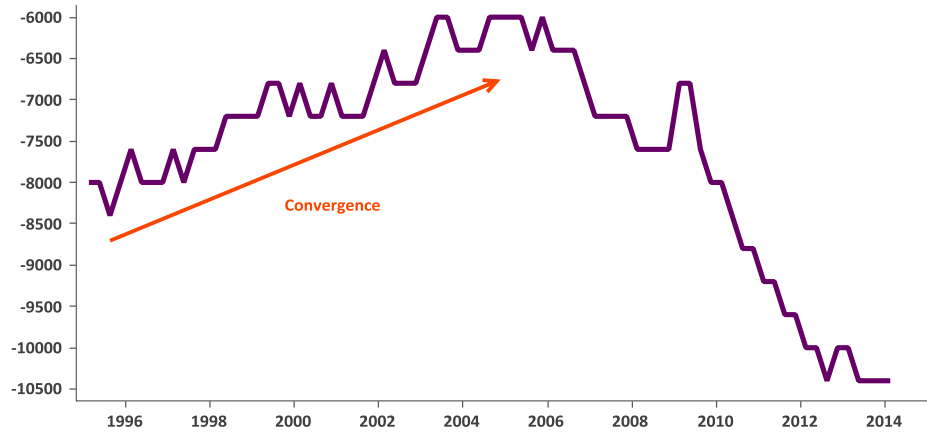
GDP/capita, constant 2005 EUR



Sources: RichesFlores Research, Macrobond

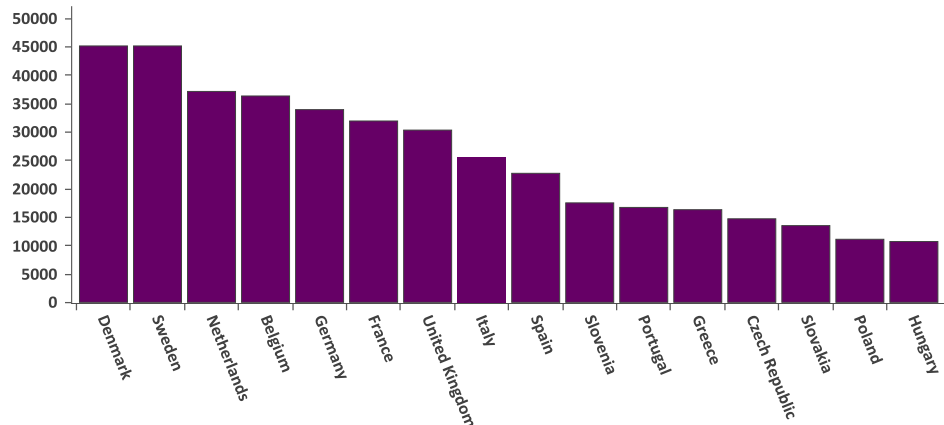
European leaders’ inability to inspire confidence in the European dream is coupled with the risk that European populations will become disillusioned with the European dream.

Spain versus Germany GDP/cap. gap, cts 2005 EUR



Sources: RichesFlores Research, Macrobond

GDP/capita, main EU 28 countries - 2013



Sources: RichesFlores Research, Macrobond

Mobilizing existing resources to build the future

This is precisely what needs to be done in order to put ambition back at the heart of Europe's resources. How do we do this? First and foremost the following inseparable goals must be addressed:

- 1- find the ability to project the EU into the future,
- 2- while restoring the conditions for growth – NOW!

Naturally, these two objectives are within European leaders' reach, as they have access to both the European Investment Bank* (with which it can design an ambitious structural development plan) and ECB financing, at a time when the bank is at a loss about how to intervene effectively.

As a candidate, JC Juncker offered us a glimmer of hope by announcing a €300bn investment plan that was supposed to leave an indelible stamp on his first three years as president. Its rapid implementation and imperative extension will qualify the success or failure of his presidency and will affect the next ten years and maybe the future of the planet.

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*The European Investment Bank as per [its website](#)

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