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Why EU Deserves the Nobel Prize

By Alexei Bayer

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The choice of the European Union for the 2012 Nobel Peace Prize was controversial. The EU is in crisis, and critics are saying that if you do wish to recognize a bunch of eurocrats in Brussels with the world's most prestigious award, now is not the time. Actually, it is the other way around. Precisely because its nature is changing, it is important to remember why the EU was founded in the first place.

Many historians now view the two European wars of the 20th century as a single conflict with a long truce in between. It was about curbing the rising might of Germany, which unsettled the balance of power on the Continent. Germany contended with Britain and France for their colonies and regarded Russia as a potential future rival, which it viewed as a source of raw materials that had to be defeated and dismembered. The three powers buried their differences and formed an anti-German alliance, which survived even the Bolshevik Revolution in Russia.

Adolf Hitler's regime was barbaric, but his war aims, although exaggerated to a monstrous extreme, were similar to the kaiser's.

After 1945, the mission of containing Germany seemed to be accomplished at last. German borders were clipped, ethnic Germans were expelled from central and Eastern Europe, and the country was divided. French President Charles de Gaulle famously quipped that he liked Germany so much that he was happy there were two of them.

While East Germany was an occupied country whose government was controlled from Moscow, it was European economic and political integration that contained the more populous western part. Germany regained sovereignty, rebuilt its economy and even remilitarized within the confines of an expanding and solidifying united Europe, something West German leaders never tired of stressing.

When the Soviet empire crumbled and an opportunity for reunification arose, the Bonn government first went to its Western partners to get their assent. The price extracted from it by France was deeper integration, culminating with the creation of the single currency.

The euro has been good for Germany. German companies could sell their goods to Italy, Spain, Greece and even France, but those countries could no longer devalue their currencies to cut imports. Instead, they borrowed to pay for their consumption binge. Now, an ensuing fiscal crisis has made Germany the lender of last resort, propelling it into the driver's seat. The longer the eurozone crisis drags on, the more Germany will dominate the Continent.

Looking at the map of Europe, it becomes clear that with minor variations, it looks much like it did in early 1941, before Germany invaded the Soviet Union. Britain is out of the eurozone, and so are Switzerland and Sweden, two major neutral countries in World War II. The eurozone and Eastern Europe are under German sway, even if it now dominates by peaceful means and without Hitler's fascist ideology.

To complete the picture, Russia has lost its former empire and has become deindustrialized and weak. It supplies Germany with oil, gas and other commodities, albeit voluntarily and, for the time being, at very high prices.

U.S. financier George Soros wrote recently in the New York Review of Books that the eurozone is now in danger of splitting permanently into creditor and debtor nations, with one class dictating conditions to the other. It is important in this regard to reassert not only the peaceful nature of the European integration project but also its vision of an economic and financial union that brings prosperity to all its members.

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