# Europe's Future Is in Our Own Hands: A Conversation with Othmar Karas

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European integration and governance.

In this fragmented global landscape, new crises seem to arise every day, and the future of the European Union is becoming a clue. Few figures still believe in and embody the fundamental values of European integration; one noteworthy example is Othmar Karas.

A veteran Austrian politician and a foundational voice in continental politics, Karas spent a quarter-century shaping EU policymaking—most notably serving as a long-standing Member of the European Parliament from 1999 to 2024 and as its First Vice-President.

During an EPIS Live Interview on 20 August 2026, Karas discussed the changes in European Democracy and the role of the next generation in this context. Meanwhile, he shared his insights on institutional resilience and the Single Market.

### A Success Story That Is Not Yet Finished

Karas opens with a point he clearly considers non-negotiable: whatever its flaws, the European Union has been a success. He measures it in numbers — from the six founding states of the 1950s to the twelve member states, and on to the twenty-seven of today, with a single market of 450 million citizens and a eurozone of 360 million. "We are the most democratic continent in the world," he says, pointing to the strength of the Union's rule-of-law mechanisms even as he acknowledges the bureaucratic friction and competitiveness gaps that fuel so much of the current criticism.

What has changed, in his view, is the nature of the democratic process itself. The Union began as "only a cooperation of member states," he explains; today the European Parliament sits as an equal legislator alongside the Council. The real obstacle to progress, he argues, is not this institutional architecture but the reliance on unanimity in the Council, which he calls "undemocratic" whenever it is used as a substitute for political will rather than a genuine last resort.

That diagnosis leads him to a striking borrowed metaphor. Echoing the historian Christopher Clark's description of European leaders sleepwalking into the First World War, Karas argues that today's danger is not the extremists but the sleepwalkers — "people in the middle, in politics, in business, in media, who see what is happening and still believe that it will pass." For him, there is no way back to the pre-crisis Europe of the 2000s. "We have to go to the future," he says. "We need more leadership."

### Finishing the Single Market Before Enlarging Further

Asked what structural change could shield the EU from growing political fragmentation, Karas points first to an economic fragmentation that mirrors the political one: a single market that remains, in his words, "over-bureaucratized" and inconsistently applied, with the same European rule interpreted in twenty-seven different national versions. In a world where investors and companies are choosing where to place their capital, he sees the Union's democratic guarantees and rule-of-law framework as a genuine competitive advantage — "a benefit for the European Union in this time of chaos around the world," as he puts it, contrasting the predictability of the European continent with the uncertainty of investing elsewhere.

His prescription is a sequence rather than a single reform: "Reforms and integration before enlargement." Concretely, that means completing the single market in the areas where it remains only partly built — energy, telecommunications, digitalisation, infrastructure, and a common security, defence and foreign affairs policy. Only once that foundation is solid, he argues, should the Union turn to welcoming new members. Alongside this, decision-making itself needs to become "quicker," "more transparent" and more democratic — which for Karas means no major decision being taken without the involvement of the European Parliament, the chamber he calls "the chamber of the citizens."

On the recurring debate over abolishing national vetoes in favour of full majority voting, Karas is careful to first put the scale of the problem in perspective: ninety percent of EU decisions, he notes, are already taken democratically, through agreement between Parliament and Council. Where unanimity still applies — largely in foreign policy — he insists the tools to move toward majority decisions already exist under the Lisbon Treaty, without any need to reopen it. What is missing, again, is political will.

He offers two recent examples as proof of concept. The sanctions imposed on Russia after its invasion of Ukraine — twenty-one packages so far, with a twenty-second in preparation at the time of the interview — required unanimity on every occasion, and the Union "always found a way." Similarly, during the pandemic, health and social policy remained formally national competences, yet member states asked the Commission to act collectively once the shock hit — and, in Karas's assessment, "we were efficient." His conclusion is that more Europe does not come at the expense of national sovereignty. "More Europe and more cooperation inside the European Union is strengthening sovereignty and is strengthening our role in a global world," he says.

**A Mission for the Young**

Karas is unambiguous about where he places his hopes for the Union's next chapter. "Young people are more European than others," he says, pointing to a generation that has grown up with Erasmus exchanges, freedom of movement, and the everyday experience of a borderless continent. But he is equally clear that these freedoms cannot be taken for granted. "This project is not finished, and all these benefits are not guaranteed for everything, every time," he warns. "We have to permanently work on them."

The European project in almost emotional terms rather than a technocratic one. A common currency, a single market, an enlarging Union defending democracy — none of it, he insists, was ever guaranteed. "It is sexy," he says, of the achievement itself. His appeal to the next generation is to take up "the flag of Europe" for their own future, not simply to inherit what previous generations built.

Drawing on his years overseeing economic and monetary affairs — including, he recalls, monitoring the Troika during the financial crisis — Karas turns to a figure he uses often in his speeches: roughly 33 trillion euros of private savings sit in European bank deposits, while around 300 billion euros of that money flows into the American economy every year. "That is stupid," he says bluntly.

The root cause, in his account, is a capital market still split into twenty-seven national systems with different rules — including, in countries like Austria and Germany, pension funds that sit outside the national capital market altogether, unlike in northern Europe where they form a strong pillar of it. Building a genuine European capital market, he argues, is inseparable from finding money for the Union's shared priorities in telecommunications, digitalisation and artificial intelligence. It requires, he says, "a question of responsibility of our politicians" — and a broader shift in mindset, from treating the European budget as a cost measured only against national membership fees, to treating it as an investment in the continent's own future.

**Sovereignty in the Next Decade**

Looking ahead ten years, Karas points to the 2024 Draghi and Letta reports as the Union's de facto working programme, one he believes should be implemented before the next European elections. Alongside finishing the single market — still fragmented, he repeats, in energy, telecommunications and finance — he places the building of a common European defence, security and foreign policy at the centre of what independence will require.

Asked, after twenty-five years in European governance, what gives him the most hope for young people's future, and what he sees as the single biggest threat, Karas returns to a theme that runs through the entire conversation: agency. "Our future is in our hands," he says. He points to the areas where Europe is currently dependent on others — defence largely reliant on the United States, energy exposed to Russia and the Gulf states, research increasingly drawn toward China and Asia — not as reasons for despair, but as a call to build the sovereignty the Union still lacks.

His closing words double as a summary of everything he has argued for over the course of the interview: "If we are not united, we are weak. If we are working together, we have the possibility to win."

**About the Interviewed:** As former First Vice-President of the European Parliament, Dr. Othmar Karas is a top EU expert and has led the European Forum Alpbach since Oct 2024. Born in 1957, he was Austria's longest-serving MEP (1999–2024) and the only Austrian thrice elected to the Parliament's Bureau. For 25 years on the Economic and Monetary Affairs Committee, he shaped current financial regulations and was chief negotiator for bank regulation, EU investment plans, and financial supervision. He has also led Hilfswerk since 1998.