

The Multiple Crisis of Europe

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Abstract

The EU – the European polity, the European Single Market and the set of supranational institutions are not sustainable in their present forms and functionings.

The methods of the elite-driven integration became obsolete, the European project has lost its attractiveness, the institutions are increasingly distrusted and the promise of a European Social Model and sustainable regional integration are getting further and further away from everyday realities.

Europe's financial and economic crisis turned into a deepening social and political crisis.

The growing social inequalities as well as discrepancies between the European center and its peripheries need to be addressed and widely discussed: Europe needs a New Social Contract which assumes a clear articulation of visions and interests of its major stakeholders.

This would require the politicization of the empty European public space as well as the self-articulation of a great variety of still subterranean networks and movements. These processes are not conceivable without conflict, compromise and co-operation.

Keywords: global and European crisis, democracy, community method, European construction, Eastern enlargement, new social contract, subterranean networks.

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I. Why Europe is not leading the 21st century?

Europe is in a deep crisis today which is recognized by an increasing number of analysts, experts and observers. The crisis of the Euro-zone has been on the front page of leading newspapers for a long time. A lot has been said and written during the past year or two about the impact of the global economic and financial crisis on the EU. But ironically, the recognition that the crisis is actually far more complex and also a deepening political and social crisis for the European Union as such, grasped the attention of analysts only recently.

Although there were enough reasons after the 2004 Big Bang Eastern enlargement and the 2005 double 'no' votes to the constitution to think about emerging crisis symptoms, lingering questions were swept under carpet. Against promises, European integration remained an elite-driven and non-democratic process, and Eurocrats, experts and national politicians remained uninterested in identifying or understanding the deeper structural causes of failures and negative tendencies. The lack of a proper diagnosis left no chance for effective therapy. Self-congratulatory official EU and national propaganda about successful accessions has possibly led to self-deceit: 'Unity in Diversity' remained a main slogan while increased diversity further undermined transnational solidarity and silently turned core European societies against further enlargement.

Before and around Eastern enlargement the proclaimed self-image of the EU was elevated to great heights. Books were published under the title 'The European Dream' (Jeremy Rifkin) and indeed for a while many believed that the fading away of the American dream would open new horizons, not only for new visions of Europe but also for the realization of those visions. It seemed that the European construction had gained new momentum and that Europe would gain greater political significance on the global level and become a model for further regional integrations and as such a shaper of a new post Cold War world order.

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Marc Leonard wrote in 2005: "...far from being the problem, the EU is the remedy: giving countries control over policies that had become global" (ML1. 90).

He continues; "By giving national governments a voice in the world, the EU has saved national democracy from becoming a mere talking shop that comments on global events while the real decisions are taken elsewhere. ... The EU is the only way that small countries can have a measure of control over global markets." (ibid 92) The buoyantly optimistic title of the book 'Why Europe is Going to Lead the 21st Century', speaks for itself.

The overwhelmingly self-congratulating optimism did not last too long. Opinion polls clearly showed that old core Europe had lost its enthusiasm about Eastern enlargement (if it had any) rightly seen and interpreted as an elite decision made above the heads of European citizens. The accession of former Soviet bloc countries had unforeseen and rather frightening consequences and European citizens understood that in the lack of democratic decision making on the transnational level, decision makers would remain unaccountable. The double 'no' votes in 2005 were an expression of dissent about the previously successful and celebrated European construction method and procedure.

European politicians, Eurocrats as well as their expert groups and think tanks had a bubble around their head – a self image determined by an idealized and desired image of Europe. Instead of facing the harsh reality after 2004/2005, postponement and avoidance was accomplished through declaring time for 'years of reflection' and projects like Plan D: Democracy, Dialogue, Debate. The Commission recognized the democracy deficit but couldn't find the method to cure it. Plan D did not produce sufficient dialogue and deliberation on any European, transnational or regional level and failed to strengthen citizens' identification with the EU, bringing them closer to the European project. As opinion polls and Eurobarometer data suggest, trust in EU institutions has further declined and the turnout in EP elections has reached a negative record in 2009. Margot Wallstrom, the commissioner with a human face, created sympathy during her meetings with European NGO leaders, but the campaign did not galvanize and couldn't even empower the so called "European civil society" which largely remained a metaphor from above – an invention of European think tanks and the White Paper on European Governance. This time the genie remained in the bottle – societies remained passive, apathetic and increasingly skeptical.

The 'period of reflection' concluded with an open letter of 27 recommendations at the end of 2007. The European demos remained an abstraction; the European polity remained a non-democracy with diminishing chances for becoming a political authority with global aspirations. The eruption of the global crisis found a Europe weakened by the diminishing trust of its citizens in its non-transparent institutions, by its over ambitious and less and less convincing social policy contradicting its de facto neo-liberal economic policy, and by its political philosophy. Europe was left without real leadership and the capacity for comprehensive crisis management to deal with growing discrepancies between its different regions of North and South, East and West.

Instead of expanding, de facto solidarity has been rapidly diminishing and bilateralism based on national interests took momentum. For the first time during the entire post WWII history of integration, the German population became Euroskeptic, and those who did not believe that European integration was a good thing, started to outnumber its supporters. In the absence of strong institutions, accountable leaders and an empowered parliament, Europeans became increasingly inward looking again. Emphasizing national interests in economic and energy policies was followed by the articulation of the preeminence of national vernacular, culture and belonging: the social need for an exclusive type of democracy has been strengthening, followed by the growth of rightwing populism and extremism. Germany and Britain announced the end of multiculturalism as a new political doctrine. This has opened a new period in the history of European integration.

In 2011, after the NATO intervention in Libya led by the French air force, the French president Nicholas Sarkozy supported by other Western European countries, raised the question of suspending the Schengen treaty and reintroducing national border control to be able to legally turn back refugees from MENA countries. In a long half decade the celebrated European dream has turned into a European nightmare.

II. The Deep Structure and Causes of European Crisis

Up until 1989/2004, those who saw, interpreted and preached post WWII European construction as a success story were not far from reality. The foundation of functioning trans- or supra-national institutions by discovering and applying a new methodology of integration was not only unprecedented and unique since it had been happening among former rivals and ardent enemies, but thanks to its success it became an emerging model for regional integration and development cooperation throughout the world. What was less

or not at all understood was that the conditions for the obvious achievements of European integration were guaranteed by the bipolar logic and military stalemate of the Cold War. Western Europe's integration with itself was a nested and well protected integration – Marshal Aid, the Berlin Wall, NATO and the Soviet (Warsaw Pact) Army guaranteed the peaceful, step by step and undisturbed process of building new institutions, introducing legal guarantees and creating the largest single market of the world. Liberal democracies nurtured upon that base became attractive models for many countries especially in East Central Europe: it seemed –especially from the outside - that welfare and democracy were inseparable.

1989 - as unexpected and undesired as it was for the beneficiaries of this status quo - has created completely new conditions: the Berlin Wall collapsed, the Soviet Union dissolved, the logic of bipolarity disappeared. The entire Eastern border of the European Communities became open both in the physical and political sense. Helmut Kohl, an apt politician, jumped upon on the bandwagon. German reunification, interpreted as the first step towards Eastern Enlargement, started immediately upon the debris of the Berlin Wall. What belonged together started to grow together but nobody seemed to care too much about what did not belong together and therefore could not integrate. It was neither politically nor morally possible to deny the right of post-Solidarnosc Poland, post-Charta 77 Czechoslovakia and post-Kadarist Hungary to 'belong to Europe' or in a more profane way, to access the integration process. After the collapse of the Soviet Union the same was true in the case of Baltic Republics. It was possible to postpone the date of enlargement but it was not possible to avoid it. Maybe due the lack of sufficient time, but most likely thanks to the lack of enough interest, political will and wisdom, potential challenges caused by an immense increase in diversity, were not discussed or understood and were rather swept under carpet by both Eurocrats and their experts, gurus and advisors in the Brussels labyrinth and by old-new political elites of transition and accession countries of East and Central Europe.

The inapplicability of the old community method under completely new circumstances was overlooked by the masters of Eastern enlargement. By formally accepting the *Acquis Communautaire* as well as the economic conditions dictated by the EU, the accession countries contributed significantly to the enlargement of the European Single Market, without contributing to the creation of a European demos and a clear cut European polity.

The number of European market-citizens grew significantly while their identification with the European project stagnated with rapidly fading illusions about material progress. Democracy and welfare was decoupled causing disillusionment, apathy and anger first mostly in 'New Europe', and with the escalation of global crisis, everywhere.

Economic calculations behind the political ornament proved to be wrong: poor and exposed countries as proper peripheries might contribute to economic stability of the centers in the short run. But increasingly complex diversity has destabilizing effects on social and political integration processes in the medium run. The boomerang effects of the one-sided and not well thought over enlargement were felt immediately after the Big Bang and were exacerbated together with many other symptoms of the global crisis.

III. Consequences and Perspectives

The exhaustion of the Community method combined with the lack of understanding of the importance of deep cultural determinants of social and economic change ("ligatures" in Ralf Dahrendorf's terminology) became a major impediment for deepening social and political integration. National democracies, emptied out by international guardian institutions including the unaccountable institutions of the EU, became "no-choice democracies" with increasingly frustrated citizens who felt disempowered and paralyzed on the national level and, at the same time, never empowered as European citizens on the transnational level. As a consequence, Europe has to face a double democracy deficit, a primary source of its escalating and deepening political crisis.

Instead of offering an alternative model of regional integration to the unregulated system of the global economy and its discredited ideology of market fundamentalism, Europe remained exposed to and entrapped by financial market players and neo-liberal economic policies. As a result, it de facto turned against its own aspiration to implement the European Social Model and equal up regional disparities. The East-West divide as well as the North-South divide is stronger or at least more obvious today than before 2004/2005. The process of neo-peripheralization conducted by German-led *ordo-liberalism* has provoked national resistance and led to a further and sharp decline of public trust in both national and European institutions.

The political landscape of Europe is equally intriguing and troublesome. Propagating an obscurant and misleading ideology called the "third way", the left became captivated by neo-liberalism and had less and less to offer to its voters. Facing the devastating social consequences of the crisis it does not have an agenda.

Differences between center left and center right are continuously diminishing meanwhile inward lookingness, xenophobia, racism and exclusivist tendencies are strengthening in both visible and invisible ways. As a consequence, rightwing populism as well as extremism has been on the rise during the past half decade almost everywhere in Europe including model democracies such as France, Holland, Denmark, Sweden and Finland. De facto solidarity is shrinking instead of expanding as if the spirit of Marie Le Pen would replace the spirit of Jean Monnet.

Instead of deepening integration, the famous Franco-German engine now represented by the Merkozy-Sarkel tandem brought the EU to the fringe of disintegration. Where does the road lead from here? Will Europe blow up, as some of its rivals and adversaries hope and suggest or are there options and alternatives for reinventing itself?

In a recently published paper about the possible scenarios of Europe's self-invention, Marc Leonard heralds the "near collapse of the EU's political system" (MLNov.2011). Not referring to his earlier prediction about Europe's leading global role in the 21st century, Leonard puts forward four alternative scenarios: what he calls "asymmetric integration"; the creation of a "smaller, more integrated eurozone", a "political union through treaty change" and finally a "deal among the vanguard" (a Schengen-type treaty).

These scenarios are based upon the tacit assumption that the elite driven integration can be continued with the same methods and in the same spirit. In my understanding this is not the case, since the lack of democratic legitimacy and therefore the lack of trust in transnational decision making, procedures and institutions are among the deep causes for the present failure of the European construction. Instead of being based upon the economic, financial and power interests of an elite which has proved to be unable of transnational leadership, a real alternative should be based upon a new concept and vision of democracy which combine the deep human aspirations for wellbeing and dignity; in other words, a combination of economic, social and legal/institutional aspects of democracy. The new method for further construction needs to be based upon social and cultural constructivism, a permanent feedback and consideration of different and at the same changing values of stakeholder societies. Europeans can escape the iron cage of their nation states only if they are able to find their belonging in a larger, transnational social space. The 'cold projects' of the market and of open society (to borrow Dahrendorf's words again) combined with and guaranteed by European institutions are unable to offer this feeling of belonging and thus do not contribute to a stronger European identity.

The process of an emerging European demos and clear cut polity might not be fast, easy and certainly not possible without conflict. In fact the democratization of the European project presupposes the politicization of the rather empty European public space. Transnational – European political movements, networks, coalitions of civil organizations, etc, need to move into this vacuum to compete for the support of an increasingly transnational post-national public and by doing so define and redefine European public good.

Europe's political and social turbulence, amplified by the global financial and economic crisis as well as by the crisis of democracy, has paved the way for a new public discourse and deliberation. Strongly institutionalized neo-liberalism, rapidly growing national populism and escalating far right parties and movements need to be challenged and counterbalanced by newly emerging or reinvigorated democratic movements capable of representing the interests and aspirations of local, national and regional societies.

IV. No alternatives without self-reflection

In 2000 I had the honor to participate in the Reflection Group on Eastern Enlargement lead by Jacques Delors. After a short introduction during our personal conversation over dinner, Delors showed great interest about East and Central European countries preparing for accession and the next morning he asked me about my view of Central Europe and my major concerns about Eastern enlargement during the group's working session. I briefly summarized the dangers of the historically-based cultural differences and the developmental gap between Western and East-Central Europe and suggested a cautious, well-negotiated, step-by-step enlargement which would better guarantee proper social, economic and political integration. Otherwise, I said, the EU might lose face and Eastern enlargement could lead to failure. "Wishful thinking" – was the short comment of the former (and probably last) legendary head of the Commission. The debate was over.

It took me a while after this episode to understand that the major questions of enlargement, i.e., its size and timing, had been already decided: Big Bang (10 countries) in one step instead of the original three-to four and a step-by step formula. The details about the process and major stakeholders of the decision making, however, remained unknown. Our discussions in the Reflection Group, whose meetings lasted for a year and

a half, were summarized in a publication with an interesting title: “The Political Dimensions of Eastern Enlargement,” but the Group’s impact on the course of events was most likely less than minimal.

After a long period of silence, in April 2012, Delors, the father of the euro and EMU, published a self-reflective article in *Tribune*: “For a Revival of Europe”. In the article he acknowledges the “decline of Europe” vis-à-vis the world as a whole and that the euro and the EMU are in a “difficult stranglehold situation”. Delors tries to learn the lessons of the past and understand what went wrong and who were responsible for the present state of affairs. He notes that the uncontrolled single market with a single currency gave rise to increasing and at the end unmanageable diversification of which basically one country, the economically mightiest and most efficient, Germany benefited.

The EU is supposed to celebrate the 20th anniversary of the Single Market this year which, in Delors’ design, was based on three notions: competition (which stimulates), co-operation (which strengthens), and solidarity (which unites). The roots of the present European crisis lie in the malfunctioning of this theoretical mode: out of the three assumptions only competition has been realized. The EMU in Delors’ view functioned well until 2007, but could not resist the global crisis since it did not have an economic pillar. Since the coordination of economic policies did not work, nothing has counterbalanced the power of the European Central Bank which, according to German interests, only pursued price stability. Besides making the ECB as well as heads of national banks responsible for the lack of coordination and the neglect of amounting public debt as well as lack of financial stability, Delors points to his own responsibility as well. He thinks it was naïve to believe in “cooperation” in the absence of supranational federalist governmental guarantees. Indeed, neither co-operation, nor solidarity came out of this elite-driven model dominated and controlled by multinational companies and global financial players besides the European Central Bank.

Delors believes that he learnt the lesson: “economic and social union should have been reinforced at the initiative of EMU”, and besides the common currency is not possible without a minimum of federation – as he was warned by American economists before the introduction of the euro. But to suggest the implementation of the federalist scenario would have failed at the time when Delors was the president of the Commission – at least he was convinced that it would have been rejected by the nation states – a hypothesis which cannot be proved or falsified retrospectively. It seems that a profound and multifaceted crisis had to arrive to throw light on the weaknesses and exhaustion of the old methods of pursuing elite driven, non-democratic integration. The time has arrived. It seems that all of a sudden everyone seems to be surprised although almost everyone knew it was unavoidable. This new era is the time of politics at the transnational European level: the politicization of the vacuous or rather empty European public space. Since early 2012 there are a lot of suggestions and claims for the reinvigorating a rather paralyzed left which is sandwiched between a neo-liberal ideology and the old labor paradigm. Many authors (Francis Fukuyama, George Schopflin, John Palmer, etc.), independently from their political belonging, suggest that the left does not have an agenda and therefore cannot offer relevant answers to the formidable challenges caused by the manifold crisis. They also conclude – and one cannot but agree with this – that this is the moment for the reformulation of a new agenda, on all possible levels of political activity, but most prominently on European level. In this crisis situation Delors himself turns to politics suggesting that Europe is at the beginning “of an offensive of social democracy in the broadest sense...”.

As a result of less obvious, more undercurrent social and cultural processes of Europeanization, everyday co-operation among civil society activists, student movements, professional circles, artists, journalists and public intellectuals has become routine. The open question of the European social and political crisis is whether the emerging European society will provide enough of a basis and framework for a new public discourse and the politicization of the empty European public space or will Europeans choose to submerge in their national and sub-national interests.

Against all of the odds the European construction can be continued if Europe finds a new method and will be able to step out from the double trap of neo-liberal economic policies and rightwing populism. Debating, deliberating and identifying the new European public good might conclude in a new politics of de facto solidarity. But this has to be seen clearly: the social contract upon which democratic decision making is built is broken or seriously damaged in most of member states of the EU. At the same time, it does not exist on EU level. To recover Europe from the present social, political and economic turmoil, new social contracts are needed on all levels of governance. For this to happen, a broad consensus is needed within and among European societies about the European project. Amidst the present apathy, skepticism, frustration and inward looking tendencies the chances for such a broad social and political agreement are slim. But for exactly the same reasons, the politicization of the European public space is inevitable. In the vortex of the downward spiral, alternatives are popping up. Europe arrived at its political moment. It can no longer be disguised that alongside national democracies the left has emptied out as well. Its main stream being entrapped in neo-

liberalism it lacks a credible agenda. If it falls back to the old state-socialist, distributive paradigm its revival won't last very long. If it opens up towards other progressive groups and new initiatives –including those social movements or subterranean networks who deliberately chose to stay outside the “system” – it will enhance the chances for renewal and getting rid of old hierarchical and vertical power structures as well as obsolete dogmas and attitudes toward society and social change. In a sense the global crisis and especially the crisis of Europe is crying for new visions and thus offers a great chance for progressive forces to come out of their trenches and deadlocks.

This alternative is not a given, it won't occur as a natural side effect of the crisis. It needs political will, courage and imagination which presupposes self reflection. New coalition building would have a significant impact on public discourse and political culture. It could prove the willingness of different old and new, post-modern, post national etc. players to take responsibility in a social sense and on a social scale both on national and supranational levels. New European alternatives and new coalition building might not occur within the imagined “left”. In the spirit of the founding fathers like Spinelli and Spaak, a broader coalition of democratic post-nationalist political forces is inevitable as it is evident from recent calls and memorandums of the European Movement and other pro-European organizations. The lingering questions of this New European Political Moment is if, when and how these different fragments, isolated parties, marginalized, self-entrenched, subterranean networks can emerge and create a political platform in the sense of a European People's Assembly.

There aren't clear answers to these questions. There are no guarantees that this will happen and if it happens that it will be successful. Grasping a political moment also means taking risks; creating long lasting and effective new coalitions requires self limitation and getting rid of the narcissism and self-justification of political fragments and social movements. Democracy itself needs renewal or rather rebirth. As an outcome of the present global and European turmoil, the processes of fundamental social, political and economic transformations will accelerate. At the end of this robust transformation we might have more, but possibly also less democracy. A European renewal would certainly push the pendulum of global democratization.

Tentative Summary

Building efficient and long lasting institutions marked by high level of public trust needs special methods which correspond to the logic of a given historic period's techno-economic paradigm, legal-political regulations and needs to be adjustable both to the conditions of the international system and that of the expectations of stakeholder participants. Looking at the not anymore so short history of the European integration one can observe that its first period ended with 1989, the collapse of the bipolar logic of the political and military world system and a transformation process began that concluded in 2004/2005 with Big Bang eastern enlargement and symbolically enough, immediately after that the collapse of the process of European constitutionalization by the double “no” votes in Holland and France. During the third – rather short – period, the process of integration or rather construction has reached a critical point where its previously and partly hidden contradictions and weaknesses, first of all the exhaustion of the community method have become clear.

The crisis of the EU developed from a fiscal debt crisis to the crisis of the Euro zone and soon thereafter into a complex social and political crisis whose end and consequences are not yet foreseeable. The global financial and economic crisis hit the EU in a moment of rapidly increasing diversification, disorientation and regional disparities when its polarizing single market was not counterbalanced and coupled with common or coordinated economic policies. Neither was it extended by de facto solidarity from its center towards its periphery. Lacking legitimate and accountable supranational governance, good leadership and crisis management capabilities the EU has embarked on a self-destructive phase.

Any further attempt and coordinated aspiration to continue the European construction will depend on the capability of European democracies, social economic and political actors to reach a new consensus about the European public good, redefining the scope, the speed and the method of integration. The European construction has arrived at a turning point. Europe is a complex system that requires the identification of new ways and methods, complex thinking, understanding and analysis. Oversimplified, one-sided and superficial “solutions”, such as further austerity measures, treaty amendments or introducing new fiscal policies, will not be able to serve as real therapies but might instead further exacerbate and speed up the already dangerously fast downward spiral.

There is nothing ‘natural’ about the European construction; neither markets, nor individual nation states will be able to provide automatic solutions. Quite the opposite, so-called ‘solutions’ reflect particular vested interests against the neglected and vanishing European public good. They are rather the causes of problems

than viable remedies. The new paradigm – or “development model”, in Delors’ words, requires the understanding of increased interdependence and the acceptance of the growing uncertainties of our age. Alternatives can be worked out and legitimated by the major players and stakeholders of the European project only in open social debates and deliberations.

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