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6. The Crisis of 'the Crisis of Europe'

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It is not a dirty secret that there has never been a popular appetite for the idea of Europe – the European Union has been an elite project, and a highly pragmatic one at that. There is nothing very inspiring about the four European Freedoms – freedom of movement of goods, services, people and money – anyone ready to die for these freedoms must be out of their mind. It is logical, then, that citizen indifference has been one of the most persistent sources of the infamous 'crisis of Europe'. Just a few years ago, in 2012, I was invited to speak at a Battle of Ideas session in London on a panel entitled 'Is Europe Boring?' – the year when the EU was awarded the Nobel Peace Prize.

Well, Europe is no longer boring, and the UK's referendum vote in June put an end to the crisis of indifference. Brexit and the passions it stirred displayed that Europe matters – that it is a matter of intense importance to the formerly indifferent citizens. In a way, Brexit transformed Europe from a project of elites to a project of its citizens – it gave birth to a new Europe – whose existence is affirmed equally in the gestures of endorsement as in those of rejection. Conflicts, turbulence and affect, be it positive or negative, are symptoms of the existence, even of the vitality, of an entity.

However, Brexit created a curious situation which I would like to describe as 'crisis of a crisis'. A crisis is a state of extreme challenge to an entity's existence that marks a turning point with just two possible outcomes – either death or transformation. Shortly after the negative vote in June, it became clear that leaving the Union is not a solution to the concerns that motivated the 'leave' vote, and that exit from the Union creates more problems than it solves. As Britain acted on its

Tanatos, its death drive, it eliminated the death of the EU as a viable solution to the crisis – thus, it solved the existential crisis of the Union. How about the other solution to the crisis – transformation? The transformative power of crises is exactly how the integration of Europe was meant to proceed. To quote Jean Monnet, one of the founders of the Union: ‘I have always believed that Europe would be built through crises, and that it would be the sum of their solutions’. It is pragmatically and incrementally, but also by means of solving crises, that an ever closer union was to be built.

However, nowadays the road of transformations is blocked by radical disagreements (Eastern and Western member states oppose each other on social policy, and the North and South of Europe are at loggerheads on economic policy.) We are stuck. We are in a situation of radical ungovernability in which, as Claus Offe has observed, it is very well known what should be done to solve the crisis (e.g. large-scale and long-term debt mutualisation resulting in social transfers between member states and between social classes), yet these rather obvious solutions are considered politically unfeasible, nay, unthinkable. If what is well known is unthinkable, one is in real trouble. (This reminds me of the last years of the communist regime in Bulgaria when we were haunted by a sense that what is happening was neither right nor wrong, it was simply abnormal, and of us being stuck into what seemed like a perpetual abnormality.)

So, as Europe survived its existential crisis, it finds itself in a situation far worse – what I call a ‘crisis of a crisis’ – in which death, that is, the dissolution of the Union, is not an option, but neither is transformation in the offing.

I do not believe that a road ahead can be found in grand ideas such as the recently fashioned Global Foreign Policy and Security Strategy. Such grand visions tend to be divisive. But there is a path, the traces of which can be discerned in the reasons for the earlier tacit endorsement of the project, of the times when Europe was boring.

Publics endorsed their leaders’ experimentation in political and economic integration due to a broadly shared belief in the benevolent power of Europe. According to the narrative identity that the EU governing bodies have been actively generating, the integration of national economies ensured the prosperity-in-peace which Europeans have enjoyed in the second half of the 20th century. This is why the EU was awarded the Nobel

Peace Prize five years ago. Even if the causality behind that reasoning is questionable (we might have achieved both peace and prosperity without said integration), the belief in the healing power of ‘belonging to Europe’ rests on a more broadly shared notion – that such belonging enables nations to reach their excellence: belonging to Europe makes us no less British, Bulgarian, or German, it helps us be British, Bulgarian or German *at our best*. Let us call this Europe’s vocation for achieving national exemplarity.

This positive attachment to Europe as an uplifting force was tangible when the post-communist states of East and Central Europe were preparing to join the EU. Let me resort to the example I know best – that of my native Bulgaria. Bulgarians have always looked up to ‘Europe’ as a source of a superior manner of being modern (the word ‘European’ is used as a synonym of ‘civilized’ and ‘sophisticated’) – it designates a certain noble modernity. Joining Europe was meant to compensate certain ‘Balkan provincialism’ as well as a deficiency in being modern – *to be Bulgarian at our best*. This is a narrative that long predated the communist regimes. With the fall of communism, another dimension of attachment to Europe emerged – of course, people were seduced by the affluence of the West, but they also saw the EU as a force able to protect them from their corrupt political elites who were robbing them of their chance to become properly, nobly, modern. The EU was seen as a way of Bulgaria becoming *a democracy at its best*.

I believe this role of Europe in achieving national exemplarity is more broadly valid. For Germany, EU membership has helped cleanse the idea of national greatness from the toxins of chauvinism, thus gaining Germany the image of a benevolent power. For Britain and France, EU membership allowed cosmopolitanism without imperialism. It is this function of exemplarity that Europe has lost. The growing disaffection with Europe now in Bulgaria as well as in other new member states has much to do with the EU disappointing these hopes, as political corruption, mismanagement and impoverishment have increased since accession. Many Bulgarians now experience themselves as being ‘at their worst’, and do not hesitate to blame the EU for this. The same, I believe, goes for other member states – from Britain to Greece, the EU is being accused of bringing countries to their worst state. We should not blame this simply on politics of ‘post-truth’ – misinformation and manipulation of public opinion by the mass media and wicked politicians. There is an additional, overarching cause which I would like to address in some detail.

Some 20 years ago, the policy regime of the EU took the shape of what I would like to call a *socially irresponsible rule* – rule where political and economic policy objectives are pursued without regard for their impact on society. This is neither a matter of bad will nor of ideological commitments, but rather a matter of the institutionalised distribution of policy competencies in the EU. Let me explain.

The Single European Act was adopted in 1987, came into force in 1994 and thus inaugurated an integrated economic space – a single market among all member-states. Since then, the protection of this trans-European market economy became the core function of the EU decisional bodies. This is engraved in the distribution and stratification of policy competencies in the Union. The EU has an exclusive competence in ensuring the competitive nature of the single market, as well as in matters of commercial policy; EU law in these spheres has supremacy and direct effect vis-à-vis national legislation. The logic of market efficiency thus gained political hegemony in disregard of the social consequences of market efficiency – a job left to the member states. Thus on the level of EU decisional bodies, a *raison d'Économie* began functioning as a *raison d'État*. It is the very constitutional structure of EU policy that established a socially irresponsible rule in Europe.

There has been one distinct impact of this on European societies – they have been plagued by massive economic and social uncertainty. We have heard repeatedly that Brexit, and generally disaffection with Europe, is a revolt by the losers of globalisation. I do not believe this hypothesis is correct. Note, for instance, that the 52% of Brits who mobilised for exit from the EU united very strange bed-fellows: the 'losers of globalisation' saw the EU as imposing threatening to them open border policies, while the winners of globalisation (the political leadership of the Brexit campaign) deemed that the EU was preventing Britain from being a free-trading, deregulated, competitive entrepôt. Thus, taking back control meant different things to these very different groups. Yet the common denominator was regaining control to fight uncertainty.

What I call an institutionalised socially irresponsible rule – rule without regard of the social consequences of policies – is destabilising life-worlds; it is triggering risk-aversion instincts even among the winners of globalisation and is prompting people to seek, in vain, shelter in national economic sovereignty (which is often mistaken as a quest for more democracy). Telling in this regard is the nature of anti-immigrant sentiment (xenophobia), which is worth addressing.

While the rise of xenophobia is usually a consequence of economic malaise and political turmoil (as in the Nazi Germany of the 1930s), the current wave of xenophobia arose in the affluent 1990s in conditions of robust growth, rising living standards and low unemployment. Importantly, the anti-immigrant sentiment was not triggered by the economic crises, *it preceded it*. However, the affluent 1990s were also the time of rapid economic liberalisation and open-market policies enacted under the EU agenda for global competitiveness. Populist leaders managed to mobilise unprecedented support, banking on the nebulous fears, rather than the distinct risks, the policies of open borders had unleashed. Thus, a new order-and-security public agenda of concerns emerged, with four elements – physical insecurity, political disorder, cultural estrangement and employment insecurity. It is this agenda that the new populist parties and movements have effectively endorsed as their political platform, while centre-left and centre-right political establishments remained trapped by their old ideological commitments.

The new populism is using the old language of xenophobia, but is driven by quite different motivation than the political chauvinism and cultural arrogance that defined the post-WWII far-right. The hostility to foreigners now is predominantly economic in essence. It is related to perceived threats to socio-economic wellbeing (especially job loss) brought about by the open border policies in the context of globalisation, for which the EU has been an active agent. ('British jobs for British workers' sums it up nicely.)

This means that the roots of disaffection and discontent across Europe have less to do with European integration itself, or with falling standards of living and growing inequality, as they have to do with a type of political economy that engenders a socio-economic insecurity to which most citizens are subjected. This has entailed the failure of Europe to play its role of exemplarity, of helping member-states be at their best. Rather the contrary: through the politics of uncertainty and fear the EU institutes, it renders its members at their worst.

If I am right that it is the *institutionalised insecurity* that is the culprit (more so than the rising inequalities and the social marginalisation of the 'losers of globalisation'), we need to embark on a counter-project which I have named a 'political economy of trust' at EU-level. It consists in a set of policies and institutions designed to counter economic insecurity, in defiance of much of the old ideological truths of the Left and the Right. Economic and social precariousness can neither

be fixed by labour-market deregulation and austerity policies, nor via a resurrection of the bureaucratic redistributive welfare state.

I cannot give here full detail, but let me mention just the two core ideas. Instead of providing short-term and ad hoc compensation to those who have lost their jobs due to globalisation with devices such as the European Union Globalisation Fund, the EU should redesign globalisation away from the *laissez-faire*, free market formula: the global economy is rule-based, we can have the rules we want, including high environmental and social standards. The first trajectory is that of a socialist globalisation.

In terms of internal market policy, we need to set in place conditions for voluntary employment flexibility. The new economy does not produce a lot of jobs – not only because jobs are being exported away, but also due to robotisation. Even when they recover, European economies are likely to find themselves in a situation of jobless growth. We need, therefore, to put in place the conditions for job sharing – a ‘universal minimum employment’ policy platform. A radical liberalisation of labour markets is necessary to allow the labour markets outside to get in. But this needs to be coupled with a trans-European social insurance, based on EU citizenship, as well as diminishing working hours and length of employment. A secure source of income will encourage those willing to exit the labour market to do so. Currently, studies show that even those who value leisure time stay in employment because they are haunted by financial and employment uncertainty.

A pragmatic synergy between radical economic liberalisation and a robust social safety net at EU-level would allow the return of socially responsible rule – rule that takes full responsibility for the social consequences of economic policy. Admittedly, it is not in the remit of what is currently *politically thinkable*. Hopefully, not for long. And hope, in contrast to optimism, as the playwright-president-dissident Václav Havel observed, ‘is not the conviction that something will turn out well, but the certainty that something makes sense’. To the extent that the idea of a political economy of trust *makes sense*, we need to make it also politically thinkable. And the British Academy is very well placed to do just that.