

www.kas.de/brasil

# 'The facts' vs. 'the heart': Crisis, Euroscepticism and the difficulty in changing patterns

Kai Lehman

## <u>Abstract</u>

There is broad agreement between commentators, analysts and politicians that the European Union is passing through a severe crisis. However, this article will argue that this crisis actually goes far beyond the European Union or the economic sphere, the issues most of the literature and analysis have focused on. Rather, the EU crisis is also deeply political and is a reflection of similar crises at national level in almost all EU member states. There is deep mistrust between population and those that are supposedly representing them. At the same time, there is a severe crisis of political leadership, with leaders locked in almost permanent crisis-management mode, unable or unwilling to think and act strategically. The paper argues that the key to overcoming this crisis is to look at, and intervene in, the patterns that sustain the current crisis. In order to do so, political leaders have to urgently ask different questions, define different objectives and engage actively with the population they are meant to serve.

## 1. Introduction

That the European Union is passing through a profound crisis is beyond doubt. It also *should* be beyond doubt that this crisis goes way beyond the economic problems of the block in general and some countries in particular. Several authors, such as Kramer (2012), have made the argument repeatedly that the EU is going through a severe political crisis in the sense that it no longer



knows what it was for and in the sense that it no longer seems to have leaders capable of formulating any kind of 'strategic vision'.<sup>1</sup>

What I will argue here is that the problems faced by the European Union and its political leadership are both reflected in – and in many ways inspired and perpetuated by – similar problems found at national level. I would argue that most countries in the EU are led by governments that actually have very little sense of what they are 'for' and what, strategically, they want to achieve. We have, then, governments who govern for the sake of governing, Prime Ministers or Chancellors who are in their position because they think they 'would be quite good at it', as David Cameron put it so succinctly before becoming UK Prime Minister in 2010 (Rawnsley, 2012). This lack of vision is accompanied – and often sustained and intensified- by an exclusion of society from not only decision-making processes but even basic debates that lead to these decisions, fuelling a deep sense of disillusionment with the 'political establishment', be it at national or European level.

Going further, I will argue that – quite apart from the negative consequences this process has for the EU and its member states – it actually undermines much of what was good and admired about the organization across the world, feeding into a much wider 'crisis of politics' which is leading to fragmentation and insularity and which can be seen not just in Europe but also in parts of Latin America and the United States. As a result, I would argue that it is not only regionalism that is facing deep problems but politics as a whole in terms of what is being done (or not being done), how it is being done and why it is being done.

In order to escape this cycle, we need to re-orientate ourselves in terms of not only how we make policy but also in terms of style and substance: How do we define problems? How do we develop solutions and how and where do we implement these solutions? All these issues – and others – will have to be rethought urgently.

# 2. What is the problem?

Everyone knows about the economic problems the EU has been facing over recent years and is continuing to face, though perhaps in different form: public debt, a fragile banking system, severe and lasting economic recessions

<sup>&</sup>lt;sup>1</sup> The present author has also contributed to this debate. See Lehmann (forthcoming), an article on which this work draws from and builds.

in some countries, sky-high unemployment and, recently, the threat of deflation are all problems that have been amply recorded and discussed for some time, as demonstrated by Copsey & Haughton (2012) or Lane (2012). Yet, focusing on these problems, as urgent and real as they are, is not sufficient to understand – never mind solve – the broader issues faced by the European Union and Europe.

If one were to summarize the relationship between European citizens and the EU in two words they would be 'growing mistrust'. According to the European Commission's own 'Eurobarometer' public opinion survey at the end of 2013, only 31% of respondents saw the European Union as 'totally positive'. By contrast, 28% saw it as totally negative. Whilst these figures may not seem too alarming, they are clearly not very good. What, in my view, though, is alarming is the long-term trend in these figures. For instance, the number of those with a positive view of the EU declined from 52% in the same survey in 2007 to 31% now. Equally, the percentage of those with a negative view increased from 15% to 28% in the same period. During this same period, trust of the population in *national* institutions – government and parliament – declined significantly from 41% to 23% in the case of national governments and from 43% to 23% in the case of national parliaments. Whilst this may not be all that surprising bearing in mind the economic travails through which Europe has passed since 2008, as others have pointed out, these trends actually *pre-date* the crisis and have merely been *accelerated* by it.<sup>2</sup>

Other indicators paint a similar picture. In the UK, for instance, membership of the traditional political parties has been in decline for decades, as the House of Commons (2012) has reported. In recent elections in Greece and France so-called protest parties have become part of the political mainstream, particularly the Front National in France. All this points to a deep, and growing, disconnect between the 'political establishment' and the societies these establishments lead and are supposed to represent.

The sources of this disillusionment have been analyzed extensively and there are some significant differences of opinion as to the exact causes of this trend, as a debate organized by Chatham House (2012) makes clear. However, I would argue that the general trend (and problem) with regards to the EU was summed up perfectly by Jochen Bittner (2010), when he argued that the EU does 'small things too big and big things too small'. In other

<sup>&</sup>lt;sup>2</sup> For the full survey, see European Commission (2013)

words, the EU has an inability to tackle big, strategic issues – be they unemployment, education and training, infrastructure or immigration – but does small things that are not only unnecessary but also extremely irritating, critically undermining the legitimacy of the EU with its own population which, as shown, is already disillusioned.

I would argue that this is a problem which is scaled through virtually every level of government that one cares to think about. Taking the UK as an example, since it is the country I know best, successive governments have been unable to tackle crucial long-term problems, be they the increasing economic disparity between north and south, the increasing imbalance in the economy between the service sector and the producing sector, the UK's fragile infrastructure or public concerns about immigration. The Economist (2014) summed it up by arguing that Westminster has simply 'stopped doing things'. As such, I would argue that there is a broader problem of leadership in Europe, an inability – or unwillingness – to confront not only big, but complex issues.

Political leaders would, of course, dispute this assessment and could, quite fairly, point to the enormous amount of activity that has gone on in order to, for example, save and stabilize the European Banking sector or the single currency since the crisis of 2008. They would not be wrong and, clearly, some of the initiatives launched were bold and, often, breathtaking in their scope, the European bail-out fund being one of the best examples (Faiola, 2012).

Yet, I would argue, none of these actions have addressed the fundamental problems that led to the crisis nor, more broadly, reversed the 'anti-politics' trend outlined above. In fact, as Serricchio, Myrtotsakatika and Quagila (2013) have shown, the often painful consequences for ordinary citizens of the attempts to rescue the European financial system have only *added* to the sense of alienation from the 'political class' in general and the European Union in particular.

The question is why and here we have to look at some of the underlying trends and patterns that mark the contemporary political landscape. In other words, we have to look at what the issues described above actually mean.

### 3. So what does it all mean?

In many ways, European Union has always been marked by crises and, as such, its current 'state' is neither new nor necessarily something to worry about. Certainly, as, for instance, Cini & Borragán (2013) have shown, history clearly indicates that the EU has had more 'crisis periods' than other periods: In the 1960s it was de Gaulle, in the 1970s the oil shocks, in the 1990s the various 'ratification crises' and now the 'economic' or 'sovereign debt' crisis.

This is a fair argument but it misses a couple of crucial points that are particular to the current situation. First and foremost, during its previous crises, the EU never lost sight of its essential project, both politically and economically. Even during the 1960s and 1970s the Cold War and ongoing efforts to strengthen French-German relations provided a crucial bedrock to the whole project which meant that it did not collapse. During the second half of the 1980s, one aspect of Jacques Delors' brilliance as President of the European Commission was his ability to unite guite disparate countries and leaders around his single market program which, again, served as a critical context within which differences co-existed but did not lead to the break-up of the Union. During the 1990s and early 2000s, the various ratification crises of the treaties - Maastricht, Amsterdam, Nice- all occurred within a context where all member states were committed to ensuring а smooth transformation towards a liberal, capitalist and democratic society of the former communist states. There was also broad agreement that this process should include the enlargement of the European Union. Crucially, especially during the enlargement process during the 1990s and early 2000s, the EU displayed a significant amount of flexibility and adaptability in response to changing circumstance, as its changing timetable for enlargement clearly showed (*ibid*.).

In other words, there has always been a reasonably coherent idea of what the EU was for, why it existed; there was an overriding theme that sustained it through its crises and the differences that existed between member-states.

It is this overarching theme that is sorely lacking at the moment and, again, this is a problem which exists at both national and European level. This is not to say that there has not been an overarching policy-theme. 'Austerity' has clearly been that theme, but austerity for *what*? Apart from keeping Greece in the euro and keeping the Greek state from going bankrupt, what has austerity *done* for the ordinary Greek? What tangible benefits will it bring for ordinary

people in the future? Apart from saving one of Spain's biggest banks from going out of business, what has the bailout for *Bankia* achieved? What has been done to help the 50% of young people in these countries that are unemployed? What has been done so that the long-term consequences of Austerity can be tackled? In other words, what is the *narrative* that can not only explain what has been done but why? What is the *narrative* within which the unintended consequences of austerity (such as increased infant mortality in Greece (Cooper, 2014) or increased migration (Pidd, 2011)) can be not only be rationalized but turned into innovative, long-term and *sustainable* policies? What has been done, more broadly, to defend and sustain European integration as a *worthwhile* project faced with such an unfavorable panorama?

Bearing in mind the need to develop such arguments, the glaring inconsistencies that have been displayed by political leaders do not help and again it is at the national level where we can find many of these inconsistencies.

Take, for example, David Cameron and Austerity. On entering Downing Street he stressed that austerity was a *necessity* not a choice. In other words, he was not making 'cuts for the sake of cutting'. Yet, in a speech to business leaders in 2013, he talked about austerity as a means to permanently reconfigure the role and the size of the state (see Watt, 2013, on this shift). Only a few months later, in response to the floods of Christmas and New Year 2013/14 in Southern England he promised that the state would pay 'whatever it takes' to facilitate the reconstruction of the regions most affected (Morris, 2014).

I am not saying that any of these polices are wrong *per se*. One can clearly make an argument for Austerity or for a permanently smaller (or in modern speak: more efficient) state or for the necessity to invest much of the state's resources in rebuilding areas of the country devastated by flooding. What one *cannot* do is make all these arguments at virtually the same time without contradicting oneself. What, then, *is* David Cameron's narrative?

European freedom of movement is another example of similar inconsistencies that stretch across various levels of government. Virtually *all* EU governments have trumpeted freedom of movement not only as one of the major positive achievements of the European integration process but as a necessary step in order to compete in a globalized market, 'labor flexibility' being the watchword. Nowadays, the very principle is being openly questioned by many governments and restrictions are being introduced in respect of many rights that have traditionally come with European freedom of movement (Pop, 2012).

One may well argue about the merits of some of the specific proposals currently being put forward, but there are clear inconsistencies in terms of the principles underpinning those, bearing in mind that, on the whole, it is the same 'political class' now pushing for restrictions that used to promote this fundamental freedoms of the EU.

What one has, then, is a hollowing out of the political process and the political discourse. Policies are made in a vacuum without being sustained by any kind of *consistent* narrative which *may* give us an idea of where we are going. In fact, I would go further and argue that, whilst some leaders – like Cameron-have had inconsistent, i.e. frequently changing- narratives, others have had none at all. Why, for instance, has Barroso been the President of the European Commission for 10 years? It is hard to find an answer.

Bearing the above in mind, it is really little surprise that there has been a rejection of 'old politics' and a run towards political actors and parties that decry just the kind of things described above. So, when Nigel Farage, the leader of the UK Independence Party, argues that British politicians should focus on finding jobs for the 'British white working class' or when Greek politicians blame the EU and/or Germany for the country's mess, or when Italy's 5-Star Movement says that they should simply do away with the entire Italian political class, it appeals to a significant segment of the respective population which, as shown above, profoundly distrust those in power and that are on a daily basis confronted by the inconsistencies of those they distrust anyway.

The big danger for both the EU and European leaders is the fact that the policies offered by these parties cannot be countered merely by 'facts' and by showing how unworkable they would be in practice. Here, the example of the UK Independence Party is once again instructive. As the poll ratings for the party have risen, so its leader has been far more exposed to media scrutiny. By common consent, many of his interview performances have been poor and many of the policies that his own party has advocated have been disowned by him, quite apart from the fact that many of his party's candidates have been caught making, to say the least, offensive or, in some cases, openly racist remarks totally at odds with living in, and representing, a liberal society. In

fact, Farage himself is fending off supposed irregularities of his EU parliamentary expenses and is at a loss to explain how he can justify employing his German wife as his secretary. Yet, despite all this, UKIPs poll numbers have continued to rise, as confirmed by the recent European elections, which UKIP won. It seems, as Andrew Rawnsley (2014) has argued that, currently, the 'heart' will overrule the 'head' when it comes to politics in general and the EU in particular.

This may be due to what these parties – and their leaders – represent. On the one hand, as demonstrated, they represent a rejection of the establishment. On the other hand, though, I would also argue that they respond to a deep sense of insecurity felt by significant parts of the population by offering apparently simple solutions to profound problems: leave the EU, stop (or, at least, control) immigration, economic protectionism etc. As mentioned, whether these policies would actually work in practice is, at this moment, almost secondary since, for better or worse, these parties do represent a – in this wonderful German way of saying things - *Politikentwurf*, a political concept or plan, which, at least superficially, is consistent and addresses the problems of the 'common man'. Such *Politikentwurf* is only notable by its absence within the European political establishment.

## 4. And now? Challenges for Europe and the EU

What I have tried to show, then, is that the problems faced in Europe at this very moment in time are not EU-specific, nor are they economic *or* political. What we have are *patterns* which extend across time, space and levels of analysis.

On the side of the 'establishment' what holds all of the current policies together is the idea of 'crisis' and the need for 'austerity', terms that have transcended established party divides. In devising the policies to resolve this crisis, the key measures that make a difference are debt ratios, the size of bailout-funds and GDP numbers. The policies that are being implemented are being devised by the Troika of EU, IMF and the European Central Bank and are communicated to the respective governments, with the important annex that there is really 'no choice' in carrying out the necessary 'structural reforms', one of the arguments German Finance Minister Wolfgang Schäuble used to justify his call for a postponement of the Greek elections two years ago (Münchau, 2012).

Yet, seen from *below*, the perspectives are somewhat different. Here, austerity means *cuts* to services and benefits for which most ordinary people have paid through taxation throughout their working lives. The EU or the IMF are seen not as those trying to *solve* the crisis but, mainly, as those who *caused* it. The key differences, then, are not GDP numbers but *personal experiences* which often bear very little resemblance to overall numbers. The EU and others are seen as imposing a *diktat* and resentment rises accordingly. Some commentators, such as Schmitter (2012), have also pointed out that there is the emergence of new and, for the EU, unusual and dangerous cleavages between North and South, rich and poor, which undermines European solidarity upon which the EU has traditionally been built and often causes destructive political tensions.

These contradictory patterns have led to a set of what Eoyang & Holladay (2013) call simple rules that sustain a very dangerous pattern of development. For leaders, these rules are:

- Resolve the crisis first
- > Think short term
- Protect what we have
- > Do what we can, not what we have to

For significant parts of the population, however, the simple rules are:

- > Mistrust those in charge
- Reject the establishment
- Protect oneself from 'others'

Incidentally, similar patterns can be observed in the United States, in Asia or in South America, including Brazil. Here, too, we have leaders unable or unwilling to do the strategic things that need to be done, focusing instead on protecting themselves, playing to nationalist sentiment and being allergic and -worse- unreceptive to 'outside' criticism. There is worldwide suspicion of the 'other' and a desire for 'strong men' to present simple solutions to complex problems.

What we have, then, are patterns that are working *against* each other and are making a coherent process of development across time and space far *less* likely. What we are seeing is a process of *fragmentation* which needs to be confronted urgently. As such, it is not enough to look at GDP numbers or

unemployment statistics to judge the progress or success of particular policies. We need to look at whether and how these policies have influenced the underlying patterns, whether and how these patterns can be used to establish and scale new 'simple rules' across time and space etc. In other words, what needs to change is the context within which Europe can develop economically, socially and politically. It is for *that* reason that a new *Politikentwurf* is so badly needed because it would actually give European political leaders – and the population they represent – something to work towards, clear objectives around which debates can be had and new patterns can be shaped.

Yet, in order to carry the population in this endeavor it is essential that this same population be engaged with. As shown, one of the key problems faced at the moment is that there is a disillusionment with political leaders which is scaled across time and space, a feeling of alienation and fear of the new and the unknown. In order to address this pattern, it is critical that political leaders do not simply 'talk down' to the population. There needs to be an *exchange* across time and space, across various 'levels of analysis', to use the IR term. Political leaders across the spectrum have got to get away from the idea that they know best, that they exist in order to show us what is best and who treat populations as passive consumers of policies thought out elsewhere.

For the EU specifically this may well mean doing less but doing it better, a slogan which was used by Jacques Santer 20 years ago (to little effect, as it turned out!) but which has perhaps more relevance today than ever before. It means rethinking its basic rules and acting accordingly. What if the EU's basic rules were

- Listen and engage
- ➢ Be honest
- > Learn and evaluate with every interaction
- > Think strategically
- Devolve and decentralize?

If the EU – and European leaders – thought and acted according to such rules, it would clearly not solve all problems, nor would it guarantee particular – or even desirable – outcomes, but it would set out a different path of development and it would allow for the possibility of different patterns of policy-making across time, space and scales.



Whether it is possible for EU and other European politicians to reposition and remodel themselves in such a way is a moot point. In many ways, we have all been brought up to be passive recipients of policies and decisions made by those 'who know best', who we entrust to do what is best for us as a collective and individually.

Yet, as shown, this is clearly not working and dissatisfaction seems to be spreading throughout. The challenge, then, is for political leaders to recognize this dissatisfaction and *use* it to change not just policies but the *way* they are made and the way they interact with those they represent. Radical re-thinking and changes are badly and urgently needed.

### Bibliography

Bittner, Jochen. *So nicht, Europa: Die drei grossen Fehler der EU*, Munich: DTV Premium, 2010

Chatham House, 'Chatham House Debate', *Ever Closer Union? The future of the European Project* (2012), available at: <u>http://www.chathamhouse.org/events/view/182346</u>, accessed on 22<sup>nd</sup> July 2013

Cini, Michelle & Borragán, Pérez-Solórzano, *European Union Politics (4th edition)*, Oxford: Oxford University Press, 2013

Cooper, Charlie, 'Tough austerity measures in Greece leave nearly a million people with no access to healthcare, leading to soaring infant mortality, HIV infection and suicide', *The Independent*, 21<sup>st</sup> February 2014, accessed via <a href="http://www.independent.co.uk/news/world/europe/tough-austerity-measures-in-greece-leave-nearly-a-million-people-with-no-access-to-healthcare-leading-to-soaring-infant-mortality-hiv-infection-and-suicide-9142274.html, accessed on 25<sup>th</sup> May 2014

Copsey, Nathalie & Houghton, Tim, 'Desperate, but not serious: The EU in 2011', *Journal of Common Market Studies Annual Review*, Vol. 50 (2012): 1-5

European Commission, *Standard Eurobarometer 80* (2013), accessed via <u>http://ec.europa.eu/public opinion/archives/eb/eb80/eb80 en.htm</u>, accessed on 27<sup>th</sup> May 2014.

Eoyang, Glenda H. & Holladay, Royce J., *Adaptive Action: Leveraging Uncertainty in Your Organization*, Stanford: Stanford Business Books, 2013.

Faiola, Anthony, 'European leaders agree to use bailout fund to help banks, contain crisis', *Washington Post*, 28<sup>th</sup> June 2012, accessed via http://www.washingtonpost.com/world/europe/eurozone-leaders-holdmeeting-on-emergency-measures-to-help-spain-italymarkets/2012/06/28/gJQArdejAW story.html, accessed on 26<sup>th</sup> May 2014.

House of Commons (2012), 'Membership of UK Political Parties', *Commons Library Standard Note 05125*, 3<sup>rd</sup> December 2012, accessed via <a href="http://www.parliament.uk/business/publications/research/briefing-">http://www.parliament.uk/business/publications/research/briefing-</a>

papers/SN05125/membership-of-uk-political-parties, accessed on 26<sup>th</sup> May 2014.

Lane, Philip R., 'The European Sovereign Debt Crisis', *Journal of Economic Perspectives*, Vol. 26, No. 3, (2012): 49-68

Kramer, Steven Philip, 'The Return of History in Europe', *Washington Quarterly*, Vol. 35, No. 4 (2012): 81-91

Lehmann, Kai (forthcoming), 'Crisis, what (type of) crisis? The overlapping problems of the European Union', *Sociologia e Política*.

Morris, Nigel, 'UK weather: U-turn may see David Cameron reluctantly tap EU flood assistance fund', *The Independent*, 13<sup>th</sup> February 2014.

Münchau, Wolfgang, 'Greece must default if it wants democracy', *Financial Times*, 19<sup>th</sup> February 2012

Pidd, Helen, 'Europeans migrate south as continent drifts deeper into crisis', *The Guardian*, 21<sup>st</sup> December 2011, accessed via <u>http://www.theguardian.com/world/2011/dec/21/europe-migrants-crisis-irish-portuguese</u>, accessed on 21<sup>st</sup> May 2014

Pop, Valentina, 'Winds of populism' threaten free movement', *EUObserver*, 25<sup>th</sup> April 2012, accessed via <u>http://euobserver.com/justice/116032</u>, accessed on 25<sup>th</sup> May 2014

Rawnsley, Andrew, 'Posh boys stood on the burning deck when all but they had fled', *The Observer*, 28<sup>th</sup> April 2012, accessible via http://www.theguardian.com/commentisfree/2012/apr/28/andrew-rawnsley-cameron-osborne-poshness, accessed on 27<sup>th</sup> May 2014

Rawnsley, Andrew, 'Pro-Europeans who shrug off Nigel Farage do so at their peril', *The Observer*, 6<sup>th</sup> April 2014, accessed via http://www.theguardian.com/commentisfree/2014/apr/06/europe-ukip-pro-europeans-nigel-farage-nick-clegg, accessed on 26<sup>th</sup> April 2014

Schmitter, Philippe, 'European Disintegration: a way forward?', *Journal of Democracy*, Vol. 23, No. 4 (2012), pp. 39-48.

Serricchio, Fabio, Myrtotsakatika, Myrto & Quagila, Lucia, 'Euroscepticism and the global financial crisis', *Journal of Common Market Studies*, Vol. 51, No. 1, Special issue (2013), pp. 51-64.

The Economist, 'Britain's idle parliament', 5<sup>th</sup> April 2014, accessed via <u>http://www.economist.com/news/leaders/21600121-legislature-has-stopped-doing-things-so-it-might-well-start-undoing-things-britains-idle</u>, accessed on 27<sup>th</sup> May 2014.

Watt, Nicholas (2013), 'David Cameron makes leaner state a permanent goal', *The Guardian*, 12<sup>th</sup> November 2013