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## **Re-solidarizing Europe and Defusing the Crisis**

The very existence of the European Union is today under attack by an increasingly virulent Euroscepticism. In our view, the prime root of this “deep” political crisis is the sharp misalignment between the new nature of the EU after the establishment of EMU, its authority structure, and the normative order which underpins cooperation and the “sharing code” among the member states. Dangerous centrifugal forces feed on the apparent lack of awareness among national and European politicians about the “deep” causes of prolonged instability and existential threats. Yet survey evidence signals that a “silent majority” would be potentially available to support a far-sighted project of institutional reforms and of solidarization of the EU.

### **EMU as a complex adaptive system without adequate steering**

EMU has produced an unprecedented fusion of national economies by bringing to completion the single market and introducing a common currency. When the degree of interconnection and the pressures to mutual adjustment among the parts of a collective goes beyond (or is made to go beyond, as with the formal establishment of EMU) a critical level, such collective becomes a complex adaptive system (CAS). This is the key notion of complexity theory. The emergent properties of a CAS are not merely causally active but become irreducible and irreversible. Irreducibility means that it is virtually impossible to disentangle systemic from sub-systemic causal dynamics: systemic properties are non-localizable and non-aggregative. Irreversibility means that initial conditions cannot be reconstituted via decomposition. The breakup of the euro (strongly advocated by some Eurosceptic parties) would not bring back to life the Greek or Italian economies as they functioned under the drachma or lira. Likewise, Brexit shows that it is very difficult for a Member state to disentangle itself from the EU order and certainly costlier than staying out altogether – or having stayed out in the first place rather than joining and then exiting altogether. As aptly noted by Bauböck, ‘the European

Union has become in this – prosaic and not at all romantic – sense a community of destiny’ (2017, p.33).

Yet, precisely because causal dynamics intersect in complex and chaotic ways, the European Union remains vulnerable to collapse, as each crisis becomes exponentially more difficult to disarm. In complex systems, nonequilibrium is the norm rather than the exception. Steering a complex adaptive system like the European Union is thus difficult and demanding: a change in the policy making mindset is required. Complex systems should focus on resilience, i.e. the capacity to adapt to external and internal shocks even under severe adversity. Contrary to mainstream economics and economic policy - emphasizing equilibrium, determinacy, rule-based deductions - complexity economics recommends ‘putting carefully thought-out controls in place’ in order to safeguard a systemic resilience based on heterogeneity and dynamic adaptation.

Conceiving the EU as a CAS allows us to better diagnose a prime root of the existential crisis, namely the misalignment between its irreducible properties and its authority structure. The latter is today unsuited to steer the EU qua complex system as it lacks adequate instruments for addressing the common risks generated by integration as such, as well as the negative externalities arising from democratic interdependencies. These flaws make polity maintenance an extremely difficult task, continuously exposed to the risk of existential failure.

EMU is still largely steered within the traditional frame of ‘methodological nationalism’, i.e. treating the Member States and their political economies as intrinsically self-determined units. But this summation logic can no longer serve as an effective compass (let alone as the only compass) for making policy choices and, even prior to that, for arriving at correct causal imputations. Public policies always suffer from interaction effects which are difficult to disentangle. Yet, with the advent of EMU, interaction effects have grown exponentially: local outcomes have multiple roots and some of them are not local, but systemic. It must also be noted that interaction effects also result from horizontal ‘democratic externalities’ (Nicolaidis, 2013, p. 351). Domestic leaders face problems for their own demos which are the consequence - sometimes quite visibly - of other EU demoi’s decisions and policies (Cheneval and Nicolaidis, 2016) and, in turn, adopt solutions that are very likely to generate cross-border effects (Bellamy, 2013, p. 505). National self-determination is obviously still possible and can make a great difference in terms of functional performance. But in a growing number of sectors, the separation of responsibilities between supranational, transnational and national actions and dynamics has turned into a difficult balancing act, subject to major epistemic constraints (after a point, we just cannot know).

A second root of inadequacy is that this delicate balancing act is largely performed by non-majoritarian institutions, entrusted with the task of identifying and applying rules and technical formulas for steering national fiscal policies (Chalmers et al., 2016). The belatedly acknowledged challenge of interdependence has been met, in other words, by adopting a technocratic mode of governance based on strict surveillance, discipline and sanctions and aimed at an ever-closer top-down harmonization of the standards and practices of Member States.

The institutional reforms adopted during the euro-crisis have not only proved ineffective in terms of outcomes but have also been eroding the necessary conditions for polity maintenance, unleashing the demons of populism and pushing them into attacking the EU as such: for its lack of democratic representation, its constraining rules on budgetary decisions and its erosion of territorial sovereignty and border controls (Hutter et al., 2016; Kriesi et al., 2012).

### **A faulty moral order**

Aligning the fact of EMU-induced “fusion” in the economic and monetary spheres with an authority structure capable of effective functional steering and polity maintenance requires the mediation of an adequate symbolic framework or, more precisely, a ‘moral order’. Moral orders are sets of principles defining ‘what is proper to do and reasonable to expect’ (Wuthnow, 1989, p. 14) in associational relationships, accompanied by clear normative criteria ‘by which people and their activities are valued’ (Harré, 1987, p. 219). In the political sphere, a key component of the moral order are principles and criteria about sharing, i.e. what - and why- the members of the collectivity owe to each other. A certain degree of adequacy between such norms and the facts of socio-economic cooperation and institutionalized “togetherness” must obtain in order to buffer legitimation dynamics.

Togetherness evokes ideas such as continuity and compactness: in a word, solidarity (from the Latin term *solidus*, which refers to ‘a firm and compact body’). Solidarity is a contested concept, but its prime meaning is relatively straightforward: it connotes, precisely, the set of feelings of belonging together, which supports attitudes of mutual acceptance, cooperation and support. Solidarity in this sense is partially grounded on the interest in the integrity of a shared form of life that includes one’s own well-being, which gradually becomes ethically charged and turns into a moral community, whose members feel ‘co-responsible’ for the actions and desires, faults and merits of each other.

The early architects of the EU were aware that economic integration required a solidaristic ethos to activate mutual feelings of community and sustain EU integration. The *Thomson Report* prepared

with the view of establishing the European Regional Development Fund (set up in 1975), stated in turn that a harmonious development of the Community as a whole was a 'moral and human requirement': without sustaining local communities, the 'idea of European unity' would be doomed to 'disenchantment'. In 1977, the European Commission appointed a high-level working group on the budgetary implications of EMU, chaired by Donald MacDougall. The final report suggested that a future 'Federation in Europe' should in principle adopt a public budget of 'around 20-25% of aggregate GDP, as in the U.S.A. and the Federal Republic of Germany', although MacDougall considered 5-7% a more realistic figure in the beginning (as it is known, the EU budget today only amounts to ca. 1% of aggregate GDP). The Report proposed a *Community Unemployment Fund* to cushion temporary setbacks, a budget equalization scheme for weak member states up to 65% of the average fiscal capacity, and a 'conjunctural convergence facility' to counteract cyclical crises (MacDougall, 1977, pp. 12–13). It was through this sequence of initiatives that the 'social dimension' of integration made its silent, but tangible appearance within the EU symbolic and institutional framework and that the value of solidarity – in particular inter-territorial solidarity – came to be a part and parcel of the European 'ethos'.

Contrast this early sensitivity with the current predicament. The transition towards a 'Union of national adjustments' is a dramatic change of paradigm in both descriptive and prescriptive terms. The new outlook assumes that the EMU framework - as currently configured - is essentially well designed and that structural adjustment is fundamentally a matter of homework and rule compliance. The derogatory connotation attributed to the idea of a *Transfer Union* in Brussels and in various Northern capitals testifies to this anti-solidaristic drift of the EU value framework, especially for the Eurozone. The 'myth of the beggar', the idea that solidarity would prevent market pressure and remove incentives to reform has rapidly prompted a de-solidarizing and harshly conflictual polarization between 'deserving' richer and 'undeserving' poorer Member States, saints and sinners, industrious ants and indolent grasshoppers.

### **Solidarization: how feasible?**

The difficulty of further strengthening and solidarizing the EU is often imputed to the shift from 'permissive consensus' to 'constraining dissensus' on the side of national constituencies (Hooghe and Marks, 2009). No common identity, no demos, no electoral room for a political union, let alone a Transfer Union: this is the prevailing line of the reasoning. But can we confidently say that domestic public opinions share this unsolidaristic ethos?

A survey we recently conducted has provided surprisingly hopeful results (Ferrera and Pellegata, 2017). We asked 9326 respondents in six countries (France, Germany, Italy, Poland, Spain, Sweden) to investigate their disposition to support a solidarization of Europe. First, we tested what kind of symbolic image citizens associate to the EU. Four different metaphors were proposed by the survey: 1) the EU as the 'common home' of all European citizens; 2) the EU as an 'apartment building' in which national peoples, with legitimate diversities, live next to each other; 3) a 'playground' (a commons) that facilitates mutually beneficial economic exchanges; 4) a 'sinking ship' from which Member States should escape as fast as they can – the Eurosceptic view. The preferred image turned out to be the apartment building (30.1%), followed by the playground (26.0%), the common home (23.8%) and, finally, the sinking ship (20.3%).

The survey also asked more concrete questions about possible EU policies inspired by pan-European solidarity norms. Almost all respondents (89.1%) agreed that the EU should ensure that no citizen remain without means of subsistence. In addition, more than three respondents out of four were in favour of a specific EU funded scheme to fight poverty.

One may object that people may be in favour of solidarity, but they are not really willing to pay for it. Yet, 77% of respondents were in favour of an increase of the EU budget to support jobless people during a crisis. In particular, the fact that more than two thirds of Germans are ready to support a partial mutualisation of the risk of unemployment is remarkable, considering the reluctance of the German government when it comes to mutualisation policies. In addition, more than three out of four respondents in the six countries were in favour of increasing the EU budget to foster social investment policies (75.9%). By contrast, 'only' 56% supported the introduction of Eurobonds, a percentage that drops to 37.3% if one considers only Germany. Yet, even these numbers mean that potentially one every three Germans is supportive of Eurobonds, a fact which sharply contrasts with the absence of political parties in Germany championing this proposal.

It must also be noted that the results of our survey have been robustly confirmed by other recent investigations (e.g. Gerhards et al., 2017). On this basis, it can be suggested that voter resistance and electoral constraints cannot explain that process of de-solidarization of the EU which we have described above previous section. Quite to the contrary, a 'silent majority' seems to potentially available for supporting a strategy of realignment between the deep togetherness created by the EMU, on the one hand, and the institutional and symbolic architecture of the EU, on the other. The absence of such strategy represents a clear failure of European political elites. An elective (i.e. choice based) partnership such as the EU, based on forward looking objectives, can turn onto fully fledged "family of nations" to the extent that their leaders engage in some fraternal nudging. The exercise

of 'socioemotional leadership', capable of developing a collective fraternal idioculture has become difficult in a world increasingly based on fluid social relationships, self-seeking behaviours and rational-legal authority (Brint, 2001). But the EMU elite has made long steps in the opposite direction, emphasising difference and apartness between national communities and their governments, denigrating, also symbolically, any mechanism of mutual support, promoting a historically unprecedented rule-based formalization of political authority: almost a deliberate recipe for undermining the conditions of polity maintenance.

## Conclusion

In conclusion, the inability to govern the unstable new reality of Europe's irreducible and irreversible integration is alarming. While a polarizing political rhetoric divides Europe's quibbling politicians, there still is a surprising amount of consensus that could be activated by responsible leaders.

In the run-up to the German elections of 2017, Angela Merkel and Wolfgang Schäuble repeatedly stated that in EU politics 'this is no time for visions'. We disagree. As famously argued by Max Weber, world images and visions can sometimes operate as switchmen, channelling historical developments towards new directions. But ideas need political 'carriers'. Today we see some promising ideas with potential popular support, but no available carrier. In this post crisis but still turbulent phase, the long-term sustainability of the EU cannot be taken for granted.

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