

From Brexit to European Renewal: the fracture of the social contract underlies the current turmoil

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The European Commission's 2017 White Paper on reform of the EU focussed on completion of the single market and firmer governance of the Euro. However, it wholly ignored inequality and social justice.

*Yet this is the 'hot politics' of European progress: the fracture of the 'social contract' between political leaders and the population at large. If ignored, it risks the melt-down of the whole Union, writes **Graham Room**.*



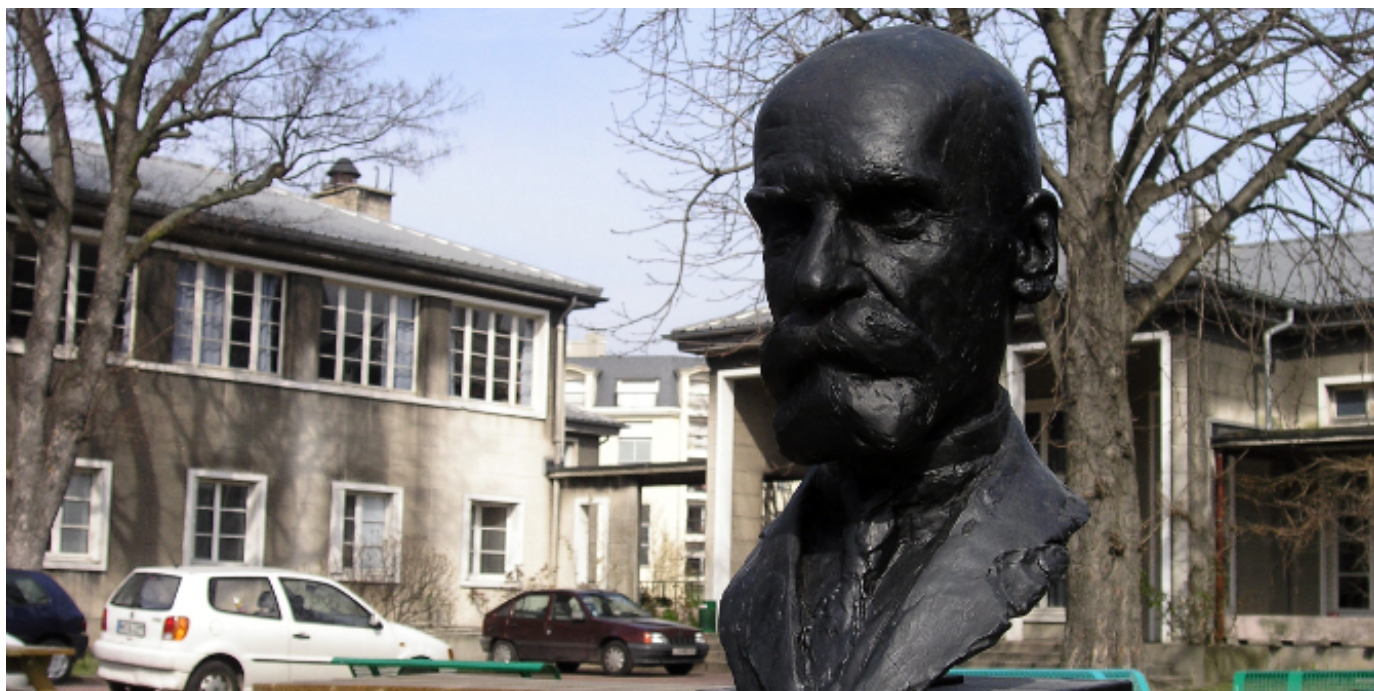
The UK referendum in 2016 revealed deep popular disaffection with the European Union – in particular, on the part of working class communities that felt that they had been left behind, with their cohesion and their very identity under threat. Some of the roots of this disaffection may lie elsewhere – in national government policies or in the effects of globalisation more generally. The disaffection may also have been stoked by opportunistic politicians. The blame may, therefore, have been laid unfairly on Johnny Foreigner – the Brussels Eurocrat as much as the Syrian refugee. Be that as it may, it was sufficient to provoke one of the worst crises in the history of the EU.

Three questions arise.

First, was this a uniquely British malaise: or did it tell a more general story about the European project and the European citizen? In 1848 Marx and Engels focussed their attention on the burgeoning industrial towns and cities of northern England. They assured the world at large: *'de te fabula narratur'*: the story that is unfolding here shows you your own future. How far did the disaffection of working class communities in the 2016 referendum, especially across that same northern England, encapsulate a larger unfolding story about Europe more generally? If it did, the European Commission (2017) gives little sign of paying heed, to judge by its [White Paper on the Future of Europe](#), published in March.

Second, what are the roots of this disaffection and how appropriate is it, to lay the blame at Europe's door? Is the EU distributing the benefits of European integration evenly, so that all communities can share in its prosperity, or is it visiting the costs of change disproportionately on those who are already vulnerable? And how far is the discontent of the aggrieved being given any voice, in the long-standing debates about the 'democratic deficit' of the EU?

Third, what reforms to the European project might address this malaise – and maybe in the process save the EU itself from further disintegration? Whether the promise of such reforms would suffice to reverse popular opinion in the UK, and even provoke the British electorate to apply an emergency brake to the whole Brexit process, is, of course, difficult to say. What seems clear however is that *without* such a positive vision of Europe's future, capable of addressing the grievances that the Brexit referendum revealed, such a U-turn is highly unlikely.



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***task of the most advanced societies is a work of justice* (Emile Durkheim, *The Division of Labour in Society*). Image by Christian Baudelot, (Wikipedia), licenced under Attribution-Share Alike 4.0**

My report for the University of Bath Institute for Policy Research, [From Brexit to European Renewal](#), addresses these three questions.

It starts with the UK referendum and the politics of Brexit. Much has been written about the defenestration of the British political class and the turmoil the referendum result has produced in the British political system. This goes far beyond the politics of Westminster, with strains to the relationship with Scotland, Northern Ireland and the Irish Republic, and with potentially disastrous consequences for the UK's post-divorce relationship with the EU27. My own focus, however, is on the relationship between political leaders and the population at large: the 'social contract' which is part of any democratic society. This is the bargain between leaders and led, the trading of political legitimacy for popular security. It is the fracture of this social contract, I argue, which underlay the Brexit vote; but it also raises for the EU the question of how far those cracks extend, across the body politic of Europe more generally.

The report argues that these cracks derive from flaws in the economic model that drives European integration. The single market involves the free movement of people, a principle that aligns well with the liberties that Europe treasures; but it also involves freedom of movement for goods, services and capital. Freedom of this sort has economic and social consequences which are not necessarily benign – reinforcing the inequalities between regions and eroding the social fabric of communities. Such persistent inequality is bound to alienate the communities most adversely affected.

Constitutional reforms to the European Parliament are here of little relevance: what matters are the principles of social justice by reference to which Europe treats its own. Yet these issues are left largely peripheral to the European debate. This is in part because of an economic orthodoxy, which expects social benefit to be evenly spread, as the natural concomitant to the free market; but also because social policy is assigned by the subsidiarity principle to the individual nation states. I argue that social policy and social justice are too important to be left there: they constitute the 'hot politics' of European progress and if ignored, they risk a meltdown of the whole Union.

The report sets out a programme of reforms which would accord with such principles of social justice: a social contract between European political leaders and European citizens, trading political legitimacy for collective

solidarity and security. This is important for at least three reasons. First, because across Europe, ordinary people have since the financial crisis been struggling to get by on stagnant incomes, even as inequality has grown and the affluence of corporate elites continues to be flaunted. Second, because in an uncertain world, households and communities need to have some sense of stability, underpinned by public institutions. Only on this condition can they engage positively with change. Third, because the limited capacity of the individual nation state, to insulate itself from global uncertainties, means that social stability and justice have a much greater chance of being secured through collective action at European level. Such a social policy can touch the communities which other European policies cannot reach – giving them a critical voice and re-building political trust between leaders and led.

As yet, however, Europe's political leaders seem to lack that positive vision. Germany continues to insist on austerity and financial prudence, as sufficient remedy for the economic malaise of the periphery. The 2017 White Paper makes much of the completion of the single market and the firmer governance of the euro. What it wholly lacks is any clear vision of social justice. Instead, the leaders of the EU seem stuck in a bubble, viewing the problem as one of institutional re-working.

The report concludes with the larger global significance of this drama. In the wake of the US election, the world is more turbulent and uncertain: rescuing and rebuilding Europe assumes an even greater importance. This will require major acts of political leadership by the EU institutions – demonstrating eloquently the positive benefits of European integration and shared purpose in an uncertain world. **It may still be possible for the UK to be part of this grand re-working of the European project. The referendum was a collective decision: and responsible citizens, individually and collectively, are able to change their minds.**

This article gives the views of the author, and not the position of LSE Brexit, nor of the London School of Economics.

Graham Room is Professor of European Social Policy at the University of Bath. He is author, co-author or editor of thirteen books, the most recent being [Complexity, Institutions and Public Policy: Agile Decision-Making in a Turbulent World](#). (Edward Elgar, 2011); and [Agile Actors on Complex Terrains: Transformative Realism and Public Policy](#) (Routledge, 2016). He was Founding Editor of the [Journal of European Social Policy](#) and is a member of the UK Academy of Social Sciences.

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