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Jo Leinen and Almut Möller**
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INTERNATIONAL QUARTERLY EDITION

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Editorial

Europe is engaged in a dramatic struggle. In fact, some people would say it is the final, life-or-death conflict. Be that as it may, it is true that the precarious balance between waxing centrifugal and waning centripetal forces has shifted markedly in favor of the former during the last few years and especially the last few months. It has now come out that Poland's newly elected premier, in an act that was both malicious and laden with symbolism, had the flag of the weakened EU removed from her audience chamber. So it looks as if an important ally might be joining Hungary, a country that has been de facto disloyal to the EU for some time now by flouting the rule of law and the norms of tolerance incumbent upon all members of the Union. Or will there be even more such defectors from EU principles? In the other two Visegrad countries, the Czech Republic and Slovakia, there is a growing inclination, as a matter of principle, to withhold solidarity and refuse legal obedience to the Union where the refugee issue is concerned, no matter what it costs them. All that is missing from this dismal picture is the observation that Prime Minister Cameron may have miscalculated in denouncing the EU to his fellow citizens so vehemently. He may no longer be able to check their enthusiasm for terminating Britain's relationship with a fraught organization that, in addition, evidently is exhibiting signs of internal decay.



This is the most critical situation that has confronted the EU since its founding. Where will we find the centripetal forces that can save it? They do exist – that much is clear from the articles in this edition of the *Quarterly*. But are they strong and tenacious enough? One proposal aired by the chair of the European Parliament's Committee on the Constitution, a person with many years of experience in these matters, would be as follows. As provided for in the Treaty of Lisbon, we should call for a convention of the Union as soon as possible. It should mark a new beginning in the quest to restore lost trust and determine the extent to which there is still a consensus among the member states on how to move forward together. It should be able to decide on the next steps needed to refurbish the institutions of this unique regional state and bring its wayward member states back into line. Of course, there is an obvious counterargument: Wouldn't calling a convention at this point in time merely serve to reveal for all to see how threadbare the Union is and thus hasten its demise? Amid all these questions we have to ask what role should be attributed to the Europeans' shared identity. To be sure, it is still rather less than fully developed; however, as opinion surveys suggest, it might lend some additional impetus to the project of unification. Of course, it too has been attenuated by the recent events, but it is still vibrant. Maybe it will recover lost ground as Europeans begin to realize what they are risking if they allow the EU to fall apart. This is a debate we need to have in Europe now. The articles in this edition are a contribution to that debate.

Thomas Meyer

Thomas Meyer
Editor-in-Chief and Co-Publisher

Michael Bröning

»Change I Can Believe In«

A review of Hillary Clinton's political record to date

I know: Hillary Clinton is the lesser of two evils – compared to a Republican field of presidential candidates that would prefer to lock out Mexicans, lock up advocates of abortion, and shut down the government in Washington. Unlike Donald Trump & Co., she does not come across as a wolf in sheep's clothing or a sheep in wolf's clothing. But...is that enough? Clinton supporters point to two notable virtues of their candidate: her potentially pioneering role as the first »Madam President,« and her experience as former First Lady, Senator, and Secretary of State. There is no reason to quibble with the first claim, but her record in office does not work in her favor.

Thanks to health care reform, the Iran deal, and the opening to Cuba, Barack Obama's presidency will be judged as trail-blazing once he leaves office. But the same cannot be said of Clinton, even after her fourteen years as an independent political actor close to the centers of power. The only thing she really has succeeded in doing so far is to change her political positions. Take the case of domestic policy. Outflanked by the »democratic socialist« Bernie Sanders, Clinton is trying to burnish her left-wing profile. She has even turned against the TPP free trade agreement, an unconvincing volte-face from a candidate who has endorsed the pact publicly 45 times. During the first Democratic debate, Clinton tried to pass off her »flip-flop« as a pragmatic decision. But she has defended casino capitalism for years, and – no less important – the Clinton dynasty (worth \$100 million) and her family foundation have profited from it.

Polls show that the leading lady of the Democrats is, of all candidates, the one most favored by millionaires: 31 % of the U.S. moneyed aristocracy would like to see her become President (Jeb Bush comes in second at 18 %). So it should not be surprising that the list of Clinton supporters reads like a *Who's Who* of the banking crisis: Citigroup and Goldman Sachs. That is why the conservative *Spectator* was justified in asking recently how credible Clinton's current call for a just »economy of tomorrow« really is. Her well-heeled associates, the magazine suggested, are clearly delighted with the economy of today. She hints openly that she has never even driven a car since 1996, which certainly would complete the picture of an aloof, out-of-touch character.

Clinton's foreign policy resume looks even more disastrous. U.S. mistakes in the Middle East did not start with Hillary Clinton, yet her personal triumphs in regional diplomacy resemble a hat trick – but with three »own goals.« As Senator she voted for the calamitous Iraq War, then against the successful troop surge under General Petraeus, and finally for the premature withdrawal of U.S. troops from Mesopotamia. Hillary thus indirectly abetted the rise of the Islamic State. Her Libya policy was equally catastrophic, even apart from the Benghazi scandal. Almost alone, Clinton prevailed upon Washington to intervene against the Qaddafi regime, without – let it be noted – the slightest clue about how the resulting power vacuum might be filled. The outcome, of course, was the implosion of that country, with political consequences that include, among other things, the migration crisis in the Mediterranean. In spite of the dismal balance sheet from previous American interventions, Clinton still stands foursquare behind possible military strikes against Iran, while observing the diplomatic posturing around the nuclear agreement from a distance. Even today, Clinton has taken a position

in support of the deal that allows her to distance herself from it in the event that it fails. That may represent progress compared with the 180-degree reversals typical of her, but it certainly does not indicate moral clarity. At present, Clinton only displays that level of moral clarity when she thinks about Edward Snowden. To her, the well-known whistleblower's leaks »helped terrorists.«

And what has become of the »pivot to Asia,« the United States' strategic turn to the Asia-Pacific region that Clinton proclaimed in 2011? Her first trip as Secretary of State took her to China, but otherwise she entrusted the execution of the ballyhooed »Pacific Century« to the Secretary of Defense. Another delicate issue is her pro-escalation rhetoric in the Ukrainian crisis. According to her, Putin is the Hitler of the 21st century who can be stopped only by arms deliveries to Kiev.

Considering this balance sheet, it's a relief that her biggest foreign policy mess now concerns her use of a private e-mail server. The background of that scandal is trivial but still toxic. Very much in the Clinton tradition of taking rules lightly, she used her private e-mail account to conduct some of her official business. Whatever one thinks of that scandal, the way she handled it also has been a source of concern. As is so often the case in the house of Clinton, she responded with public crocodile tears coupled with a carefully scripted mixture of half- and quarter-truths.

By now the case has mushroomed into a crisis of confidence. Earlier this year, Clinton's nomination by the Democrats seemed a foregone conclusion, but she has recently come under considerable fire. One now often hears questions about who the authentic Hillary is – the real person behind the candidate-centered spin. Considering the way politics is conducted in the United States, the quest for the true Hillary has about as much chance of succeeding as the search for intimacy in a circus ring. Still, Clinton has to react. That is the only way to explain why she has raised the stakes recently by playing the grandmother card with her »grandmother knows best« hashtag and – even more strongly – by getting down to the real nitty-gritty: »I, as a normal person...« It is remarkable that anyone falls for this kind of talk. In the end, it is just not that easy to become naive. Even the pro-Democrat *New York Times* recently asked in an exasperated tone: »How can anyone respond to the charge of being too calculating in such a calculated way?«

In the final analysis Clinton may end up as the candidate anyway. With her mainstream positions and deep bench of political supporters, she is better positioned today than she was for her first run in 2008. Her war chest is full, and in the long run the narrative of a sudden Clinton comeback after the public's flirtation with other Democratic Party candidates surely will look attractive to the media. Even in 2008 Clinton put up a tough fight against the Obama phenomenon, winning primary elections in 21 states before losing the delegate count. Clinton is far from facing such a hurricane-force headwind this time around. Despite their strengths, her opponents are not in the same league as Barack Obama. But then the same could be said for Hillary Clinton herself.



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A Democratic Socialist in the U.S.A.

The Bernie Sanders phenomenon

The left-liberal American magazine *Mother Jones* recently asked the question: »Bernie? Can a wild-haired socialist from Vermont change politics for good?« The man they had in mind was the 74-year-old Bernie Sanders, Senator from Vermont, who currently is Hillary Clinton's most formidable challenger to become the Democratic Party's presidential nominee. Initially Sanders was not taken very seriously, because he seemed to have no chance against the former U.S. Secretary of State. Indeed, Sanders was not even a member of the Democratic Party. Instead, he has consistently campaigned as an independent for various offices while proclaiming his allegiance to democratic socialism. Despite these apparent handicaps, his popularity quickly soared. No other presidential candidate was able to mobilize such large crowds to attend his campaign rallies, and Sanders rapidly made up ground against Clinton.

Bernard Sanders was born in Queens, New York City in 1941, the son of Jewish immigrants from Poland. When he was still in school, Sanders joined the Young People's Socialist League. In 1959 he began his university studies with a major in psychology, but then switched to political science, the field in which he received his degree in 1964. During that phase of his career, he won his political spurs by joining in the Civil Rights Movement. After finishing college he went to Israel and lived in several kibbutzim. When asked, Sanders has acknowledged that he is proud to be Jewish, but denies that his Jewishness implies any special religious identity. Yet he also has noted that he learned from the example of Hitler's electoral success and subsequent murder of the Jews how important it is to get involved in politics.

After returning to the United States, Sanders settled in Vermont along with his family. Once there, he launched an up-and-down political career in Burlington, that state's largest city. Sanders ran for both the governorship and a U.S. Senate seat in Vermont several times under the banner of the Liberty Union Party, but he was never able to mount a serious challenge to the major party candidates, winning only between 1.5 and 6.1 % of the vote in the 1970s. That changed dramatically when he ran for mayor of Burlington in 1981. His campaign, which featured the slogan »Vermont is not for sale,« yielded a whisker-thin margin of victory. But he ran for mayor three more times, and each time managed to chalk up wins with wider margins against his opponents. In 1988 he ran unsuccessfully for a seat in the U.S. House of Representatives, but followed that defeat up with a victory in his 1990 run (as an independent) for Vermont's lone House seat.

Sanders' success was by no means a fluke. In the House elections after 1990 he was regularly able to mobilize sizeable majorities, winning 60 % of the votes in 1996 and 68.8 % in 2004. His dominance in House races laid the groundwork for his candidacy for the United States Senate in 2006, when he captured 65.4 % of the vote, and followed that up by sweeping 71 % of the ballots for his Senate seat in 2012. In 2010, a couple of years before his re-election to the Senate, Sanders attracted considerable attention by delivering an eight-and-a-half hour speech critical of the retention of Bush-era tax cuts for the wealthy. In pointed contrast, Sanders advocated a tax policy stressing redistribution that would favor the middle class and align the United States more closely with social policy in the Scandinavian countries. Sanders made this alternative approach the center-

piece of his announcement, on April 29, 2015, that he would be running for the nomination as the Democratic Party's candidate for the Presidency in 2016.

Sanders' favorite theme is growing social inequality, which has led to the 400 richest American citizens acquiring more wealth than the poorest 150 million. While some people work longer and longer hours for ever-diminishing real wages, others are cornering an increasing share of the country's wealth and property. To counter those trends, Sanders proposes a comprehensive tax reform that would increase the burden on high earners while reducing it for the middle and lower classes. All citizens, he says, should be able to attend school and even college without paying tuition, and universal health insurance should take care of their medical needs. Every year, tens of thousands of Americans die because they cannot afford to be treated by a doctor. *Political positions*

On other political issues as well, Sanders is out to reduce the power of the super-rich, whether by limiting their influence on the media or more tightly regulating their campaign contributions. On the latter front he reminds voters of the dangers implicit in a trend that is permitting billionaires to buy candidates and elections. He sees risks in this for both political democracy and social security. This attitude explains, among other things, his antipathy to trade agreements that serve the interest of large corporations in America in generating higher profits. While such agreements may please big business, they increase unemployment and wage-dumping at home. In most cases Sanders would opt for greater restraint in foreign policy. He does regard the »Islamic State« as a growing menace, but thinks that Middle Eastern countries should bear the major responsibility for combatting it.

Sanders' voting record on earlier foreign policy issues should have foreshadowed his current outlook. In 2002 he refused to vote for the Iraq war resolution and in 2003 he vigorously opposed the Bush Administration's Iraq invasion plan. He was convinced that war should be a last resort, not the first choice for solving foreign policy problems. Sanders also has taken a position of critical solidarity toward Israel. In his view, the 2014 bombing campaign in Gaza carried out by the Netanyahu government, which killed many civilians, sowed the seeds of enduring hatred and in the end strengthened Hamas. Sanders has been especially critical of the Israeli government's attempt to curtail or relativize certain fundamental rights on national security grounds. Moreover, he has been among the most persistent critics of the USA Patriot Act, passed in the wake of the attacks of September 11, 2001, and has always voted against its reauthorization and toughening.

Shortly after Sanders' announcement that he would run for the Presidency, opinion polls measured his support at around 5%. In the meantime it has grown to about 33%, although that still puts him far behind Hillary Clinton. However, polls show that he has recently pulled ahead of her in a few states. There are several reasons for that. When they talk or write about Sanders, most commentators use words like »authentic« or »honest.« These expressions describe personal traits rather than political positions, but when they are considered to be such an important way of defining a certain politician, that in itself says a great deal about the public images of the other politicians. Sanders is a true »outsider,« and that is the reason why he appeals to so many people disillusioned by politics. *How do we explain Sanders' success?*

The focal point of his campaign is the growth of inequality in the United States, a trend, he emphasizes, that will have fatal consequences for democracy. In fact, he argues that an oligarchy has already emerged. It has been quite some time since anyone heard establishment politicians offering such blunt commentary on political and social develop-

ments in the United States. Unlike President Obama, Sanders does not indulge in speeches about »one America« intended to foster harmony. He makes it abundantly clear that there are enormous differences between most ordinary people and the minority of the super-rich. There is no question that Americans are aware of the growing inequality in their society, but that awareness is seldom articulated clearly in political terms.

Sanders' program is not fashioned from utopian dreams. He points out that education and health insurance for all are already a social and political reality in other countries. Ever since the onset of the banking and financial crisis, people have had no trouble seeing why banks should be regulated and subjected to a financial transactions tax, precisely Bernie Sanders' positions as well. He easily can support those positions and does so in television interviews by marshalling the relevant statistics. In addition, he can cite his political experience both as a long-serving mayor and as Senator. As an incumbent in these offices and as a U.S. Representative, Sanders enjoyed approval ratings that occasionally reached 70 % or more. The policies he pursued while holding those offices must have something to do with such high approval levels. As a political independent, he consistently took a stand against establishment political forces.

Whether or not candidates succeed in American politics depends partly on how much money they can raise to pay for campaign advertising. A glance at the resources currently available to the top candidates is quite revealing, especially if one includes both official campaign donations and Super-Pac contributions. PAC is short for Political Action Committee, an organization (allegedly independent of candidates' campaign staffs) set up to raise and spend funds, often in behalf of a specific political candidate. In many cases, those funds come from very wealthy donors. Jeb Bush, for example, has raised over 100 million dollars, while Hillary Clinton has pulled in more than 15 million. Sanders has managed to collect only a couple of thousand dollars from large donors. A comparison of the sums raised from the wealthy »donor class« suggests a great deal about the respective chances of the candidates as well as the interests that they will be asked to represent. Sanders is aware of this problem. In his speeches he always likes to say: »they have the money, but we have the people.« Early on, a grassroots movement sprang up to support Sanders' candidacy. The outlook for his campaign will depend a lot on whether this movement spreads and draws in committed followers.

Yet one thing is becoming clear already: The higher Sanders' approval ratings and poll numbers rise, the more likely it is that he will face an escalating »mudslinging« campaign. No one should underestimate the influence that 30-second »negative ads« can have on the electorate. Conservative journalists are already branding this son of Holocaust survivors as a National Socialist. His embrace of democratic socialism could be seen as an open invitation for others to incite hatred against him, even though (in American political terms) his version of socialism has more in common with Franklin D. Roosevelt's New Deal than with the views of Eugene Debs, or (in European terms) more in common with Olof Palme's policy positions than with Vladimir I. Lenin's. The crucial question for Sanders will be whether the grassroots movement that supports him will be able to exert a politically meaningful influence on public opinion and the image the public has of the candidate.

Finally, one has to ask what chance Bernie Sanders would have to enact his vision even if he won the election. Here we must not lose sight of the fact that the U.S. President, though generally regarded as the most powerful person in the world, cannot always get his way. A look at Barack Obama's two administrations should make it obvious that there are sharp limits to what presidents can accomplish. Sanders is an independent. His views are

so far outside the establishment mainstream that it is not hard to imagine how a blocking and prevention strategy against him might operate. The one countervailing strategy that might boost the chances of his program would be for a strong grassroots movement to exert unrelenting public pressure. Obama had just such a movement on his side, but he lost interest in it after he was elected. In his speeches Sanders has already made it clear that winning an election marks the beginning, not the end, of social change. It is this kind of thinking that has enabled a 74-year-old Senator, of all the candidates, to stoke the enthusiasm of young people in the United States ... and not only of the young.



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A Conversation with Jo Leinen and Almut Möller

»We don't have what is most needed: trust«

Thomas Meyer interviews the SPD deputy to the European Parliament, Jo Leinen, and the chief of the Berlin office of the European Council on Foreign Relations (ECFR), Almut Möller. Their conversation focuses especially on the problem of how to reverse the European Union's tendency to drift apart and whether a convention on the future of the European Union would be the most appropriate countermeasure.

NG/FH: Right now a person could get the impression that the centrifugal forces in Europe, i.e., those pulling apart the work of unification, are prevailing over the centripetal forces that consolidate and perpetuate it. Would that impression be misleading? Is it perhaps even something that the media have fostered?

Jo Leinen: National thinking and selfishness are on the rise in Europe. You notice that in many debates. People who support the European project have been forced onto the defensive, while Europe-skeptics have taken the offensive, especially during the past six years following the financial crisis and dysfunctional European policymaking. Europe is indeed under a great deal of stress, so now the crucial question is: Will there be a great leap forward toward more Europe, or a big step backward, perhaps to a point at which the project crumbles or maybe even completely falls apart?

Almut Möller: Nobody thought that things could get any worse, but as a result of the refugee crisis the pressure in the kettle has spiked again.

There are thus two issues that conceivably could lead to a breakup of the European Union: the economic and financial crisis and now the refugee question. And I have a feeling that the political decision-makers also perceive it in that light – as a truly serious and unprecedented situation.

NG/FH: Mr. Leinen, do you also see it that way, as a member of the Constitutional Committee of the European Parliament? And what are the most important centrifugal and centripetal forces currently operating here?

Leinen: One has to ask whether we in the European Union still are pursuing the same goals and values. That is an existentially important matter for any kind of joint policymaking. Do we have the same ideas about European integration? And do we have the same interests? I see that there is an entirely different conception of Europe in, say, Great Britain, than there is in Germany, and another point of view in Northern Europe than the one held in Southern Europe. Furthermore, the refugee crisis has revealed that there is a different sense of Europe in the Western part of the Continent than there is in Central Europe.

Möller: That is an important point. The crucial question is why these divergent ideas of Europe, which have always existed, never before have been pushed to the point at which the entire project has been subjected to such intense pressure as it is now. It seems to me that we are now in a situation in which all the participants – above all the members of the euro zone – notice what is at stake: not simply an ornament or an attractive supplement to our national debates, but the core of what motivates people in all of our countries. How much do I have left in my paycheck at the end of the day? What opportunities do I have to help decide the direction in which politics should move, etc.? Thus, by now people have begun to sense that the European Union is in fact viewed as a political project. And now they are realizing that the different schemes are more likely to be bones of contention among the member states. The British are an extreme case. But even in member states that are on the same wavelength, such as Germany and France, different notions about Europe's future can lead to turmoil.

NG/FH: So aren't we caught on the horns of a serious dilemma now? On one hand we need to take additional steps toward integration, such as economic governance and a social union, in order to overcome the crisis. Yet on the other hand there is now much less willingness to establish such institutions. In other words the European Union is depriving itself of the very means it desperately needs to escape from its predicaments.

Leinen: Among the 28 member states there are different rates of integration. Undoubtedly, the core is the euro zone, the EU of the 19. Then we have the EU of the 27, which includes the countries that would like to join in the common currency. And finally there is the special case of Great Britain. This complicated architecture makes it difficult to govern the EU.

Möller: There are definite limits to the viability of the principle of differing arrangements designed to enable everyone eventually to act in concert.

The central issue is: What actually holds the EU together? Naturally, values are the crucial element. Do we really share the same values, without reservation? We do postulate that we are all democracies, with all that implies. But meanwhile haven't we become vulnerable on this very point? The thing that holds the states of the EU together is law, the treaties they have signed, and the procedures that define the scope of their combined efforts and then generate acceptance of them. At the moment, I believe that we lack precisely these laws and regulations in decisive areas of European policy, especially in regard to the euro zone, which must be reformed. And here I am not referring to the usual debate about the Germans' mania for rules, but instead to what is in principle the function of law – to create order. We tend to fly by the seat of our pants. But when we lack rules, we are missing the very thing that we most urgently need: the trust that we can join together and reach solutions that seem acceptable and reasonable to everyone. All of a sudden, this glue is no longer there.

Leinen: The EU is a very large construction site, a building that is missing entire wings. For a long time the top priorities were peace and freedom. Today they are prosperity and security. Yet European-level policies designed to insure the latter goals lack the remits, instruments, and maybe even the shared vision to achieve them.

Möller: Do we have those instruments? The debate over Europe has always included voices that say we need »more Europe« in certain policy areas. But I believe that we will have to get used to a change on this point and accept that Europeanization as integration in many areas has reached its limits. For example, let us take a look at the area of security. Further steps toward integration would be helpful there, but we cannot carry them out because indispensable countries such as (in this case) Great Britain are simply not prepared to talk about an expanded role for the European Union.

Leinen: As always, the centerpiece of Europeanization is the internal market. The internal market means competition, not just among firms, but also among countries. When the great shock of the financial crisis hit six years ago, the deficiencies of the internal market and the currency union became apparent. The bond between those who have grown stronger as a result of the euro and those who have grown weaker was put to a severe test. In addition there are differences of opinion about what Europe should do. Germany wants a Europe primed to compete, because we are strong. Others would prefer a Europe of solidarity that is capable of balancing the differences between winners and losers, and worrying about economic as well as social cohesiveness.

NG/FH: Mr. Leinen, what instruments would be needed in the current situation to insure that the European Union had a level of capabilities sufficient to attain the goals you mentioned earlier – affluence and security – which are so crucial to its present legitimacy?

Leinen: People want security in their lives. Many citizens of the EU are worried about social security and their economic prospects. For the most part, the EU has remained an internal market project with matching policies. However, the member states of the euro zone had to relinquish an important instrument: namely, letting their currencies rise and fall in value vis-à-vis other currencies. That led to increased pressure in some countries in favor of an internal devaluation. Unfortunately, internal devaluation usually results in a one-sided outcome, with wages and social services suffering the greatest cuts. What is missing here is a European economic policy and instruments for a European union of solidarity. The essence of the dilemma is that the Maastricht Treaty ruled out the possibility of one country helping another except through structural and regional funds.

NG/FH: So basically we need a revision of the Maastricht Treaty?

Leinen: Yes, we need to update and transform the currency area into an economic and social union; otherwise, the survival of the euro is in jeopardy and the consent of the citizens to European policy will continue to recede.

NG/FH: In the Eighties and Nineties there were prominent Europeans in many countries who invested a lot of their political capital in Europe and moved European integration forward, even against their own national interests. They made powerful and persuasive speeches in favor of Europe in their home countries and thus were able to overcome initial resistance. Such European leaders are lacking today. In the current situation, how can we pull ourselves up by our own bootstraps out of the swamp? Where will the support come from?

Möller: One basic problem is that the older images that once were so powerful and convincing no longer are today. For quite a few people the concept of solidarity carries positive connotations. But if one were to do a survey today about solidarity in the European context, the responses would be something like: »Aha, our money is going down another bankrupt rathole.« Our stock of arguments has dwindled in recent years, because we have been forced into a defensive posture. Concepts that once carried positive connotations have now taken on a negative meaning.

The formula »unity in diversity« offers another example of an idea once regarded as positive. At the moment we are going through a phase in which diversity, especially of European economic and social systems and approaches, has come under fire.

Yet there are reasons for limited optimism. I think that those who have fought for Europe with great conviction and continue to do so finally have become aware of the situation and realized that their explanations have to improve, that they cannot be complacent when it comes to the defense of pro-Europe policies. While the tone of arguments has thus become sharper and more polarizing, new European ideas are being developed that will move the Continent forward.

NG/FH: Would it be helpful to initiate a great debate about where Europe should be heading? Do we need a two-speed Europe so that those who are so inclined can take new steps toward further integration?

Leinen: Europe is not the driver, it is the driven. The hectic pace of crisis-management, e.g., in summit meetings of heads of state and government, is accelerating alarmingly. That is why the time has come for a great debate about where the EU actually wants to go. I would welcome the call for a convention on the future of Europe that would include all parliaments and chief executives, and would be held jointly with civil society groups. In the run-up to the actual convention there would have to be an EU-wide discourse on the architecture of Europe and the policies and instruments needed to achieve it and implement common goals.

NG/FH: Might it not prove to be the case that broad areas of common agreement essentially no longer exist?

Leinen: Many people have lost heart and given up hope. That is the reason why the entire European debate has grown lame and defensive. A structured debate on the challenges facing Europe would bring a new dynamism and the necessary clarity.

NG/FH: Let's assume that the necessary steps are not taken and the economic and social union never gets established, so that the crisis just drags on. What will happen then?

And there is a second question that concerns Germany's role. A lot of people are saying a leadership role in Europe might be justified, but only if we rendered some services in advance and made certain public benefits available in a fairly unselfish way. What advance services should those be – i.e., which Europe-wide public goods or concessions do people have in mind?

Leinen: Germany, together with its partners in the euro zone, must be prepared to develop a common design for a European economic and social policy. The idea that Europe needs Germany in order to recover is nonsense. Other countries have different circumstances. Not every country has highly developed industry and can become an »world-class exporter.« We need a European policy that emphasizes investment and job-creation. Otherwise, resistance against the Europe of austerity will only grow stronger.

My wish is to have a European Germany and not a German Europe. Because we are a leading power, we should play that role with prudence and circumspection. In the European Parliament I can already observe how thin the ice has become lately when it comes to other countries making still more unwelcome compromises with Germany. We need to close ranks with France, but we have to get more countries on board to construct a new Europe.

Möller: Will the euro survive if reform of the currency union doesn't succeed? I don't think so. And if there is a reform, it will have to tackle the big problem of serious imbalances. That is a task for the member states but also for the European level. Not only will structural reforms have to be launched, but the appropriate means to them will have to be determined. By this time a degree of social unrest has emerged inside the member states as well as between them. It could even lead to the implosion of the whole modernization project itself, i.e., that we call the European Union. That is where the real danger lies.

What does Germany have to do? The structural power that Germany still possesses at this point, and which also reflects the weakness of other countries, can prove to be fleeting. The way in which Germany is perceived today has a considerable impact on the question of how much other countries will trust Germany in the future. I don't think that we can afford to fritter away any more trust. Germany needs its European partners, as we surely have learned from the refugee crisis. But which of them is willing to give Berlin a hand in devising a common European solution? Years of perceived and de facto German dominance have left a mark. So I wish that we would pay more attention to the way Germany is perceived by the other member states and their people. That would be better than constantly pointing out that we ourselves are confident we are acting in the spirit and interest of the entire EU.

NG/FH: Would the convocation of a European convention be the decisive step toward a new beginning, one that would extricate us from the institutional and political crisis? And here I mean a convention in which representatives of all the relevant countries, scholars and scientists, and civil society organizations would discuss anew the entire European project.

Leinen: A third convention charged with reflecting on the future of Europe would give added impetus and generate positive ideas for the continued evolution of the EU and suggest the next steps toward European integration. The two previous conventions, on the Charter of Fundamental Rights and the Constitutional Treaty respectively, were success stories. The Charter of Fundamental Rights now exists, although no one believed that it would. In the course of the convention a dynamic emerged that led to the enshrinement of 50 values and liberties in the world's most progressive charter. The Constitutional Treaty also began with a limited agenda, yet the greatest modernization project in EU history developed out of it.

Möller: But from the viewpoint of its results, the Constitutional Treaty was not an unqualified success ...

Leinen: Yes it was. About 98 % of the work of the Constitutional Convention was taken up into the substance of the Lisbon Treaty. That in itself is a great deal – at any rate far, far more than many people imagined at the beginning of the deliberations.

Möller: But the expenditure of energy was so enormous that, in the capitals of the EU today, everyone is reluctant to consider any constitutional changes, and that will probably

remain so even in the future. Evidently no one has enough confidence to say: »Yes, we need to make additional changes; we have to open up the Treaty and think it through very carefully one more time.« I am convinced that it is important to debate basic issues, but I don't think the current situation calls for that, because it would most likely end up reassuring the main actors about their own course. If we could afford to have a debate in which it came to light that positions in the European Parliament had become extremely polarized and that there were active enemies of Europe in it, one has to wonder how we would deal with that politically.

Leinen: One big problem is that we have 28 national debates and just as many national perceptions of the challenges facing Europe. There is no great European debate taking place beyond national borders. There is no platform on which ideas and arguments can be exchanged. The treaty of Lisbon now has authorized the instrument of the convention, and it must include all parliaments, all executives, and civil society.

I have twice had very positive experiences with the convention platform. In a process of that kind, prejudices and fears can be sorted out, while new ideas can receive a hearing and be discussed. The pro-Europeans are still the great majority, but they are not as conspicuous because they are less vocal than the anti-Europeans. I am quite convinced that we urgently need a platform during this legislative period, which lasts until 2019; otherwise, Europe will fall apart. In 2016 the referendum is scheduled in Great Britain; in 2017 presidential elections take place in France while parliamentary elections are slated for Germany. But we still have time until the end of the Commission's and the European Parliament's term in 2019. The great European discourse could begin at the end of 2017 with a convention. Unless we achieve clarity about the most important challenges facing Europe and the means to master them, the anti-Europeans and their simplistic slogans will gain even more ground in the next European elections.

Möller: So not calling for a convention right now certainly does not mean doing nothing. I think that we need to take a step toward integration, particularly in respect to economic and currency union. The euro zone governments know that as well. They also know how hard it is to take those steps given the mood of the populace.

Leinen: The deepening of the economic and currency union is one measure that cries out for more progress. Will the euro zone get its own budget? Do we need a European finance minister? And who will exercise democratic oversight over these matters? What will a European economic government look like? These and other questions are on the table.

The third convention would not have to write a new treaty from scratch. It would merely have to build an addition onto the great construction site that Europe has become, wherever there are gaps, and try to make the house weathertight.

NG/FH: Ms. Möller, do the member states still share enough common ground to justify the call for a convention? And, if so, might it not be the case that the disagreements would become more glaringly obvious than they already are?

Möller: Actually, we are in an interesting phase. By this time we have begun to wage debates that lead us beyond national borders.

What insures our prosperity? How do we arrange for participation in political processes? Those are the really big questions. The problem is that, in all these instances,

Europe is more likely to be viewed as the problem than as the solution. We have to get away from that. The question is: Can a convention such as the one under consideration contribute to moving us past the anti-EU rhetoric? I think it would send the wrong signal at this point in time. To the populations of the member states, and even to the ranks of political actors, it would create the impression that Europe is indulging in the luxury of a debate on principles while the house comes crashing down around our ears.

We do have to confront the big issues, but I do not believe that a convention procedure such as this is the right approach, because it will quickly become apparent that the schemes being proposed are very different. I think that it would be better to find a format in which the goal would be to take up and clarify the problems we have right at this moment, while moving away somewhat from this grand rhetoric that, unfortunately, leaves many people feeling bewildered.

Leinen: Of course the European debate should focus on concrete problem-areas in order to find shared ideas for coping with the most urgent challenges. The point here is not primarily to define the final shape of European integration, but instead to come up with policies that we will have to implement jointly to insure that we in Europe can live well and securely. How can we preserve social security in Europe? How can we reduce unemployment? What kind of immigration policy should we choose? How should we respond to the wars and crises going on all around us?

It would represent an enormous gain if we could carry on that debate at the European level rather than allowing it to break up into 28 separate national debates.

Möller: That is one alternative for organizing changes and using the EU framework in the traditional way to talk about treaty reform, the convention, and other such things. But there is another point of view in which we would say: the political process will make it happen. By now we have reached such a high level of politicization in European policy-making that the governments of the member states have taken note, especially the ones that were swept out of power. One notices that politicization in the European Parliament as well. What majorities can we actually muster in Europe behind specific policies? This approach would also be one that puts the instrumentality of a convention on the backburner.

Leinen: But our problem is that a kind of executive federalism has emerged with the European Council. The heads of state and government meet behind closed doors in Brussels. Civil society and the political parties are left out while the EU Parliament is included only grudgingly. Thus, there is no attempt to seek advice about Europe on a grand scale; there is only a truncated Brussels-Europe. And I would like to move away from that. In my opinion a convention would make possible new dynamics, because all the political and social actors would be compelled to show their true colors in European policy. That option also harbors risks. But in both of the previous conventions, things moved forward in the end, because the wheat got separated from the chaff, and the great majority did desire to have a strong Europe. I am firmly convinced of that.

Möller: And I believe that the devil is in the details at this point. To say what is to count as pro-European and what as anti-European lately has become a much trickier proposition. That is the reason why it has become so much more difficult to discover a passageway in which everyone can meet and find common ground. But I would gladly allow myself to be persuaded of the contrary.

Centripetal Forces in Europe

»Europe is in crisis.« Very few speeches indeed are delivered nowadays without being prefaced or concluded by that statement. When did the crisis start? Was it in 2008, when the global financial crash exposed Europe's economic vulnerability? Or was it in 2005, when the citizens of the two founding member states rejected the draft of the EU Constitutional Treaty, displaying the depth of the European Union's democratic deficit? Or was it even earlier, when the EU Lisbon Strategy failed to commit all the participating states to deliver on Maastricht's promise of a social union? In fact, nobody can recall anymore a time when there was no crisis in Europe. This sense of being in a crisis has become a recurring feature of speeches on both the EU and national levels, as well as a mind-set among many Europeans. Crisis is the *explanation* and the *excuse*; crisis is the *limit* and the *incentive* for action; and finally crisis is the only *criterion* in light of which the European project is being perceived, discussed, and evaluated.

Consequently, whenever any new challenge to the Union emerges, many ask the troubling question: is that it? Is that the last nail in the proverbial coffin? And though the end of the EU has been foretold many times, it survives against all odds, almost miraculously. Paradoxically, each successive wave of skepticism and gloom about Europe's future has motivated its supporters to seek solutions that would once have been deemed impracticable. Hence, the more vexing the predicament, the more likely it is that Europe will emerge unscathed from it.

Academics describe this phenomenon as »development based on repeated leaps.« The integration process is not a linear one; instead it moves ahead by rapid leaps following periods of quiescence, driven by external and internal circumstances. The EU is in a somewhat passive position, since it must anticipate and react to new challenges. The latter then give rise to a new set of impulses that stimulate progress in some of the policy areas for which it bears responsibility. The innovations fostered by these challenges usually are focused as much on preserving the foundations of the Union as on reforming them. Progress follows this pattern because there would be no hope of making new arrangements in the EU without a multi-level consensus that the elements of cohesion in the Community are far stronger than those that threaten to dissolve it.

Countless examples could be cited to demonstrate the applicability of this theory, but perhaps the most recent ones would best serve to illustrate it here. When the shock waves of the 2008 crash hit the European Union, it responded in two ways. It took measures to minimize the immediate damages, and then put in place mechanisms to prevent a repetition of such turmoil in the future. Unsurprisingly, from the social democratic point of view the measures imposed by the conservative majority were unwelcome; indeed, their impact was expected to be disastrous. However, objectively speaking, the empowerment of the European Council and the implementation of austerity policies advanced the ordoliberal logic of the center-right majority, especially its project of preserving a »Europe of Nations.« In this way the framework was created for a unique new consensus, one that eventually garnered some support from the center-left as well. Unfortunately, the center-right's programmatic shift earned it the label of the »light austerity party.« It is easy to overlook the fact that progressives were able to include some elements of their own agenda in the package as well. To cite a few examples, there is a Youth Guarantee (against youth unemployment), expansion of the terms of the European Monetary Union to include

a social dimension, and even the more recent »Juncker Investment Plan« that adds flexibility to the rules of the Growth and Stability Pact.

So now, rather than dwelling on the nature of the crisis any longer, we should opt for a more constructive approach to the »future of Europe« debate. The new focus of inquiry should be on two related issues: Of the bonds that traditionally have held the Union together, which now remain? And does enough remain of those older bonds for the progressives in Europe to fashion from them an alternative, modern agenda capable of reinvigorating their movement?

Clearly, that task must be preceded by an evaluation of the current situation. Does such a thing as a »social Europe« even exist, in whole or in part? If not, would it be possible to put it on the agenda as a »future project?« To offer even a partial answer, one must consider four clusters of issues: values and their contemporary interpretation; engines of progress and their future prospects; institutional and intra-state relations; and civic and individual engagement (see the table below).

First of all, at present it seems as though every impulse that brings Europe and Europeans closer together is offset by a countervailing force that cleaves the Continent apart. To offer a concrete example, one can look at the category of progress. When the European Economic Community was established, it was intended primarily to reconstruct countries devastated by World War II and to restore prosperity. The latter aim was to be attained by linking, in a single market, agriculturally-adept France with heavily-industrialized (West) Germany and the Benelux countries. Lifting trade barriers also encouraged more effective use of the resources made available by the Marshall Plan to Europe. Because economic integration was the primary factor that held the countries of the Community together, many social democrats complained that the union was too »capital-driven.« The tide began to turn in 1980s and 1990s, when a social dimension was added to the EU. Nevertheless, social concerns have long played second fiddle in EU policymaking, and that is still true today, as we can infer from the notorious debates about a Grexit or Brexit. In those cases, the chief issue seems to be about how capital would fare in the exit scenario rather than its impact on the living and working conditions of so many people. Thus, it is »capital« in its modern embodiment as international business, that in some way »passively« holds Europe together still.

In respect to the category of progress, the discourses of Euro-skeptics and anti-Europeans, who claim that the EU project has reached its limits, furnish a countervailing force to the integrative trends noted above. They claim that the original design of the EU's socio-economic model today is no longer suitable to attaining its presumed objective: bringing prosperity to the Continent. The slow recovery, sluggish or non-existent, and the difficulty in discovering new resources are all cited in support of their argument. They conclude that, at this moment, there is no comprehensive vision capable of defining the mission of the Union and inspiring the people of Europe to feel as though

		APART	TOGETHER	
ACTIVE	Engine of progress	<i>No common story for the future</i>	<i>Citizens »living« Europe every day</i>	Societies and citizens
	Institutional relations	<i>Lack of solidarity among member states</i>	<i>Principles of EU and pax politica</i>	Values and their interpretation
PASSIVE	Values and their interpretation	<i>Inability to deal with new challenges</i>	<i>Tradition and habits</i>	Institutional relations
	Societies and citizens	<i>Unfulfilled dreams of the younger generation</i>	<i>Capital's vested interests</i>	Engine of progress

they are part of something greater. It is the individual member states, and not the EU, that must battle recession and bankruptcy. And it is the citizens of the Union who feel abandoned as their living standards and working conditions deteriorate. Unemployment increases along with poverty, especially among children. All the new EU strategies – among them the famous Five Presidents' Report and the European Parliament's Work Program 2016, recently passed to guide the European Commission – are regarded by skeptics as little more than wish lists or quick fixes, not as elements of an entirely new vision for the EU's future evolution.

These observations suggest a further one. Allusions to allegedly shared European values are frequently heard, but it seems to be the memory of such values, rather than the values themselves, that still possesses some integrative power. It is in fact true that, for the post-war generation, European integration meant a process in which the participants would join together in a democratic organization dedicated to making and preserving peace. The new European Community would advance the member states' interests and prevent or settle conflicts among them. But it would also hold them jointly responsible for sharing prosperity with their neighbors and the rest of the world. This was the way the founding States initially interpreted the fundamental value of solidarity. Their efforts were directed both toward fostering internal European cooperation and devising a »New Deal« for the multilateral, post-colonial world. The echo of the values that prevailed during those earlier decades continues to hold Europe together even today and suggests one reason why the EU still takes its commitments seriously.

But the problem lies in translating these grand, tangible values into terms that would find acceptance in contemporary politics. At the institutional level it is easy to cite examples of this »lost in translation« problem, such as the recent inability of the European Union to respond effectively to the refugee crisis. Although the situation was urgent, negotiations dragged on for weeks, as member states and EU agencies wrangled over quotas and numbers. While the European Parliament did finally agree on minimum quotas for assigning refugees to specific countries, the xenophobic and nationalistic forces in Europe were busy making hay out of the crisis. Their shrill anti-immigrant proclamations overshadowed a second, less-widely-known part of the story in which many inhabitants of Budapest, Vienna and Munich (among others) rushed to offer help and support to refugees and migrants arriving destitute in their cities. And here is the key point: European societies have not forgotten the fundamental principles behind Europe. Instead, it is the EU itself and the political forces within Europe that are obviously lagging behind when it comes to translating basic principles into actions.

Furthermore, there are over 500 million EU citizens who »live« Europe every day, although many of them do so unwittingly. They pay little heed to the linkage between, say, health standards that keep their food safe and the consumer protection laws that are one quotidian legacy of European integration. But there are some who do acknowledge expressly the benefits they derive from the EU such as those whose job qualifications and training are recognized across borders or students who participate in international exchanges. Still others profit from the common market and its freedom of movement – really the heart and soul of the EU – to seek better opportunities in other countries. Though they may not express their sentiments verbally or by voting, these people are in fact the most passionate Europeanists. They have literally entrusted their future to the EU.

While the decisions of these people actively bind the EU more tightly together, their respective personal stories are often only one side (the shiny one) of the coin. Because of them and the choices they have made, it seems unimaginable that the EU ever could

fall apart or that border controls ever could be reinstated. Yet the coin has another side: escalating social tensions in the EU member states. »Newcomers« are received with misgivings, since it is feared that they will agree to work for lower wages or will become a burden on already hard-pressed social welfare systems. The obvious question here is what the social standards are that the EU's social model is committed to uphold. The European Commission plans to address that question with its new work program. It is attempting to create a blueprint that will clarify the meaning of »social rights,« but there is no guarantee that it will make genuine progress in that area. One might also wonder whether discussions on competitiveness might overshadow arguments about labor-market convergence. The concern here is that efforts to enhance productivity should not produce a »race to the bottom« but rather alleviate the fears that haunt workers about job security. The hope is that the new generation will benefit from the work program and see that the EU takes their dreams of a better future seriously.

This brings us to one final observation. There can be no doubt that Europe has reached a turning point. While the economic backbone of vested interests still holds Europe together, the »social« side of the EU has evoked more doubts and hesitation than solid support, raising questions that the EU's political institutions have yet to answer. It seems as if member states meet nowadays more to uphold their treaty commitments than to solve common problems. Habit and inertia still bring them together, even as disagreements still divide them. Since 2008 there has not been a single relevant issue that has failed to provoke clashes: the bailout of Greece, the nomination of the President of the European Commission, the refugee crisis. While the member states could not afford simply to walk away from the table (with the exception of David Cameron's door-slammng exit), their willingness to continue discussions does not mean they are prepared to reach consensus before they leave the room. EU meetings have stopped debating »what is good for Europe,« and opted instead for a market model in which the participants bargain to secure a »fair deal« for their respective countries. To get it they now brandish threats of »opt-outs« far more commonly than they used to.

By definition, internal rifts cannot promote European integration. Because they understand the futility of splits, social democrats should try to overcome the EU's internal divisions by pointing to a new horizon. They need to come up with a new mission for Europe, but that will only be possible if social democratic parties from many EU countries work together, especially in intra-European blocs such as the PES and S&D group, recover their traditional political competence, and revitalize the project of a social Europe. The EU has to focus on people's aspirations. The current social climate is more than favorable to that endeavor, as citizens hope and indeed expect that their living and working conditions will improve. For that reason, progressives must see existing tensions as problems to be solved in accordance with their values, not as threats. Additionally, timing is on their side. The EU is reassessing its social policies in the wake of the financial crisis and in anticipation of the EU 2020 agenda. What it will take is courage, imagination and consistency. Or, as Willy Brandt assured his contemporaries during the first-ever EU elections in 1979, »*we have to believe in the hopes that are entrusted in us*«.



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Europe and its Foes on the Right

Is Europe disintegrating? A spontaneous response might be: »No, fortunately it's not – not yet anyway.« One thing is certain though: all across Europe the radical right is working toward precisely that goal. It is equally clear that the European spirit and cohesion are currently under duress, not only financially and economically, but also socially.

At a 2013 conference organized by the Friedrich-Ebert-Stiftung (FES) in Berlin, Martin Schulz, President of the European Parliament, noted that »the European Union has always been a thorn in the side of right-wingers and populists.« Since then it has become increasingly evident that the dangers to the EU posed by the right-wing extremist, neo-Nazi, and openly anti-system camp are less serious even than those emanating from right-wing populism. The latter imperils the European Union's entire future, the continuing evolution of its institutions, and the kind of democratic, human-rights-based societies the EU aspires to create, because it is more socially acceptable and well-connected, and thus in a better position to influence the political mainstream.

Right-wing populism may be described as a phenomenon produced by the modernization crises of society, i.e., as a consequence of multiple, interconnected crises affecting economic life, culture, identity, and political representation. Of course, the boundaries between right-wing populism and extremism are often fluid, but the targets of demonization preferred by right-wing populists are comparatively flexible and to some extent even interchangeable. They especially like to demonize migrants, »Islam,« or even the EU, since all of these are targets that enable them to draw cultural lines against what is »alien« while highlighting »national« characteristics. Such techniques allow them to construct threats and stoke conspiracy theories.

An FES survey carried out in 2014, *Fragile Mitte – Feindselige Zustände*, found that 44 % of Germans hold derogatory views of asylum-seekers, while 18 % have negative opinions of Muslims. 24 % say that »Germany would be better off without the EU,« and 55 % insist that »Germany ought to show more toughness toward Brussels.« In addition, on the streets and the Internet and even in much intellectual discourse, you can sense an increasingly strident antipathy to Europe that forms one component of a rampant, anti-political disdain for elites. The latter is yet another Europe-wide feature of the right-wing populist mind-set, although in Germany it had been a latent attitude until fairly recently. But by this time it has emerged into plain view, in Heidenau, in »Pegida walks,« and in party politics (the Alternative for Germany or AfD party). The depiction of AfD in public forums as »Euro-skeptical« was far too lenient, even before its recent split. From its very inception, that party stood for much more than »merely« anti-euro polemics derived from radically market-oriented principles.

Another finding of the FES's study of »middle Germany« revealed that right-wing extremist and anti-humanitarian outlooks were associated with doubts about democracy and negative attitudes toward the European Union, »the people who run things,« »politicians,« and »the media.« All of these inarticulate anti-establishment reflexes are packed into the epithet »lying press,« while nothing serves anti-elite rhetoric better than the caricature of »Brussels bureaucrats.« Crude Europe-bashing also may be encountered in social circles that are or should be pro-European, a fact that plays into the hands of the far right. Those who are tempted to join in this kind of barstool anti-Europeanism over-

look the fact that it is usually the member states – rather than European-level institutions like the Commission – that block and prevent necessary action and are responsible for the sometimes truly absurd pseudo-compromises that follow all-night summit meetings, or for obvious lacunae such as the lack of uniform European policies on immigration and asylum. In his *Der Europäische Landbote* (winner of the political book of the year prize), the Austrian author Robert Menasse offers an illuminating account of how inaccurate these widely-shared images of bumbling, ivory-tower bureaucrats actually are. Regrettably, the anti-European slogans – often disguised as ethno-cultural commentary – that are intended to draw cultural dividing lines rather than encourage integration are finding a receptive audience in the younger generation as well. The latter take for granted the pleasant aspects of a closely-knit Europe such as open borders and the opportunity to enjoy diverse ways of life, but for the most part, at least for now, it evidently counts as cool to be anti-EU. New-right groups such as the »identitarians« exploit those attitudes by coining enticing sound bites along the lines of »Europe yes, the Union no« and peddling the culturally racist idea of a »Europe of peoples.«

Yet Europe's rightist foes are to be found inside its key institutions and not just on their fringes. Right-wing populists already have been invited to accept cabinet positions and thus share power in several member states. And when the EU heads of state and government meet, Hungarian Prime Minister Viktor Orbán sits among them. He is a right-wing populist who despises liberal Europe and, relying on his sizeable parliamentary majority, has managed to incorporate a substantial portion of the extreme-right party Jobbik's platform into the program of Fidesz, his own governing party. He is also a good friend of the Bavarian CSU state parliament group, which he visited recently to great acclaim. Finally, he has manipulated the lofty, largely unmet expectations of his country's populace that membership in the EU would bring major economic benefits. Orbán likes to have posters put up that demand »more respect« for Hungary from the EU. But at the same time, of course, the Fidesz government is happy to accept the lavish subsidies doled out by Brussels. In Hungary today, democracy and the rule of law have been progressively hollowed out in a variety of ways, from the curtailment of media freedom to constitutional amendments that restrict the jurisdiction of the Constitutional Court. This process has advanced so far that Hungary would not qualify for membership in the EU if it were to apply to-day.

Right-wing populists share power

But the EU has to contend with enemies in its own ranks, not only from the member states but even within the European Parliament itself. Currently the Parliament has 751 deputies, of whom 156 could be classified as being skeptical of or downright hostile to the EU, 63 more than there were in the previous Parliament. In June of 2015, Marine Le Pen, whose Front National won 25 % of the vote in French elections for the EU Parliament and thus became the largest contingent from France, succeeded in establishing a right-wing radical bloc in the Parliament known as »Europe of Nations and Freedom.« The formation of that alliance was promoted not only by her, but also by Geert Wilders of the Netherlands. Even while their electoral campaigns were in full swing, the two of them had already announced plans to affiliate. But they were initially frustrated by internal rules that required a minimum number of deputies of diverse origins for the official recognition of an EU-Parliamentary contingent (a minimum of 25 deputies from at least seven different countries). Besides the Dutch Partij voor de Vrijheid (PVV) and the Front National, the bloc currently includes, among others, deputies from the Liberal Party of Austria (FPÖ) and the Italian Lega Nord. But radical right-wing deputies are not confined to this bloc alone and/or a group of far-right deputies

unaffiliated with any recognized contingent (which includes the German NPD's lone representative, Udo Voigt). There is another alliance called »The Europe of Freedom and Direct Democracy« to which both the Sweden Democrats and the United Kingdom Independence Party (UKIP) belong. The Alternative for Germany, the Danish People's Party, and »The Finns« Party all sit together with the British Tories in another bloc, »European Conservatives and Reformers,« while the Hungarian Fidesz even belongs to the Christian-Democratic wing of the European People's Party.

For right-wing radicals, the formation of officially recognized party blocs has been a financial windfall. It is estimated that, by banding together to attain the status of recognized blocs, the far-right parties will receive funding for the remainder of the EU Parliamentary term to the tune of about 17.5 million euros. Undoubtedly, that is the chief motivation behind the entire project. Up until now, personal rivalries, special interests, and ideological differences have prevented the emergence of a unified European right capable of concerted action. But there is no guarantee that matters will remain that way.

Europe in general and the EU in particular confront a plethora of global challenges in the face of which a policy of re-nationalization is not an option, certainly not for the Continent's social democratic parties. The way forward, cumbersome but necessary, involves a deepening of European integration. That project, in turn, will succeed only provided that Europe's continuing evolution is driven both by European institutions and the EU member states. Three areas seem especially salient for this progressive evolution.

First, to recall Willy Brandt's famous assertion, Europe must dare to have more democracy. That is the only way to counteract a perpetual crisis of representation. Some of the proper steps along this path certainly would include giving more responsibilities to the European Parliament and retaining the »top candidates« model that was first tried during the previous European elections.

Second, it is imperative to defend Europe's self-image as a continent committed to enhancing civil society and protecting social rights. To be sure, Europe's social model may have come under fire due to the global financial and economic crises, but ultimately it is also the continent's strength. Europe has to be something more than just a currency union plus free markets. Only thus can it survive as an alternative to authoritarian models of state and economy and as a values-based community of open, democratic, and socially responsible societies.

Third and finally, perhaps the most important task in the years to come is to influence and shape the development of European countries into »immigration societies.« Obviously, this task goes far beyond the chiefly humanitarian response to the present refugee crisis. It is crucial to resist the populist temptation precisely because, all over Europe, the far right is offering simple answers to complicated questions in a globalized world and finding fertile ground for its nostrums even in the traditionally social democratic voter base. The defeat of the populist pseudo-solution will entail a vigorous, active defense of the European model of society, and a resolute refusal to depict social conflicts as ethnic confrontations or to reinterpret the social question in nationalistic terms. In his recent book, *Die AfD: Partei des rechten Wutbürgerturns am Scheideweg*, political scientist Alexander Häusler predicts that new-style right-wing parties increasingly will take radically pro-market yet economically nationalist or chauvinist positions. That is, they will link their pro-market arguments to a kind of nationalism epitomized by the claims that »our country is a better place to do business than all the others« and »we shouldn't share our wealth with immigrant foreigners.« The clearest and most effective response to

the menace to Europe from its right-wing foes would be to uphold a social democratic policy based on the equal worth of all persons against every kind of nationalistic social populism. This is especially true in turbulent times when social rights are being dismantled, countries and towns compete to be attractive business locations, workers are free to move around the continent, and immigration from outside the EU keeps growing.

As Umberto Eco put it not long ago in a chapter he contributed to a book on culture and migration in Europe, Europe is destined to become a colored continent whether we like it or not. And, in *Der Europäische Landbote*, Robert Menasse predicts that either the Europe of nation-states will come to an end, or else the project of overcoming nation-states will fail. Both comments hit the nail on the head by describing the political and propagandistic combat zone in which the confrontation with anti-European right-wing radicals will play out in the coming years.



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Is Europe imploding?

2015 will go down as the *annus horribilis* of the new century for the European Union. After being cut to pieces on the issue of Greek debt throughout the spring, member states showed their impotence in the face of the war refugee exodus from the Middle East late last summer.

Europe has indeed faced many other crises, and they have always been its most powerful vector. But it would be wrong to underestimate the damage caused by this double failure. Such tensions do recall and revive the founding shortcomings of the European project, which could lead to its complete paralysis.

Taken in the long term, European integration (in the words of Fernand Braudel) resembles »a race between the economy and the state, in which the first, at risk of being overtaken at any time, so far has always managed – and no doubt, in our view, more than ever – to regain the advantage.« In this broad historical perspective, the real engine of the Continent’s progressive unification is not the wish to reconcile nations wounded by two intra-European wars in the space of two generations, nor is it an attempt to form a third way between the two Cold War antagonists. Instead, it is the pursuit of a long territorial integration process initiated in the early Renaissance, through which the political authority adapts to the shifting scale of economic power. As markets continually expand their scope, power must follow if it does not want to lose its regulatory capacity. In short, the Europe of today is more the daughter of globalization than of the European civil war or the Cold War.

*European
integration in the
long term*

The move toward greater integration has been accompanied by a process in which customs and mores gradually become more civilized, as has been analyzed by Norbert Elias. That trend reins in the aggressive tendencies of national sovereignty and makes it possible, if not altogether easy, for nation-states to coexist.

In the minds of European leaders who have supported it, this double movement of integration and progressive civilization was not always deliberate or consciously directed; people generally went along with it more out of confusion than enthusiasm. Like any political project, this one was only possible because of an ambiguity that enabled each party to interpret it in its own way, according to its own ideals and interests. Some acted out of pro-European idealism, while others convinced themselves that the European framework was the best way to defend their national interest. Still others allowed themselves to be guided by the actions of their predecessors and a kind of political routine.

The ambiguity that accompanied the European project made it tremendously flexible and adaptable. Originally designed for six Western and continental European countries, it now covers the territory of 28 states and includes more than half a billion people. Formed as an economic community with a definite objective – to support the transformation of key sectors in the industrial economy of the day, namely coal and steel – the

Schizophrenic Europe Union today is a political system so pervasive that few areas of responsibility in internal national politics entirely escape its oversight and regulation. But this malleability has a price: the stubborn persistence of an important misunderstanding that resurfaces periodically. In the era of

Helmut Schmidt and Valéry Giscard d'Estaing, when Europe was seeking to recover from the global economic crisis of the 1970s, the supporters of the »European space« opposed the defenders of the »European project.«

Rooted in free-market thinking, the first approach saw the integration process as a kind of contemporary *Zollverein* or customs union. Encouraging the freer flow of people, capital, goods, and services would liberate the energies of European capitalism and pull the Continent out of the doldrums. According to the defenders of the »European project,« however, freeing the flows would not be sufficient to satisfy the lofty ambitions they harbored for Europe. The Continent would also need a common political authority empowered to formulate rules that would endow it with economic and social cohesion. Only as a cohesive entity, it was argued, would Europe be able to wield influence and advance its interests in the larger world beyond its boundaries.

The schizophrenia that haunts European affairs, which continue to oscillate between these two poles, is neither accidental nor temporary. It has been present since the foundation of the EU, and has never been resolved since.

We must reread the 1949-1956 European diplomatic documents and the abundant historiography dedicated to them to measure how long the vacillation between these two versions of the European ideal has been going on. The European Council, plagued by the disparity between its ambitious goals and limited means to achieve them, embodied Europe as a space. In contrast, the ECSC and then later the EEC exemplified the European project because they were more functional and built on a more solid institutional base.

If one jumps ahead by 40 years and surveys the deliberations that followed the fall of the Berlin Wall, one is struck by the continuity of the debates. Some participants plead for the revitalization of the Council of Europe or the Conference on Security and Cooperation in Europe (CSCE that became the OSCE in 1995), while others defend a stronger Community as a guarantee that a reunified Germany will remain tightly integrated into Europe.

These disagreements result in a Union that is as underequipped as the original Community was. There is a Monetary Union with no economic and social convergence, a foreign policy without the means to carry it out, and a space that permits freedom of move-

ment, but lacks a truly common policy on asylum and immigration. The Maastricht Treaty perpetuated the original tensions and laid the groundwork for the crises we face today. The unambitious Treaties of Amsterdam and Lisbon are merely fragments that lack any vision for a shared project, and thus do not alter the fundamental problems of the EU.

People can live with ambiguity for a long time, just as they can live reasonably well with schizophrenia – assuming that we can believe contemporary psychiatry – but only if they are aware of their condition and willing to accept it. Recent events in Europe, however, have heightened tensions and discomfort rather than having led to a serene acceptance of the limitations implicit in European integration.

When Europe dissolves civic links

The absence of social and fiscal convergence encourages a race to the bottom, to everyone's detriment. The »Polish plumber« has to accept working conditions that no French employee would tolerate, and the humiliation of being portrayed as a usurper, merely because he is trying to fulfill his European dream. There is now a frantic competition among entrepreneurs in fields like construction, transportation, babysitting, or cleaning in the rich Western European countries. It has arisen because potential employers have responded on a grand scale to the posting of workers who come from less well-off countries. This trend has destroyed tens of thousands of jobs in the richest countries and become the most powerful catalyst of Euro-skepticism in the western part of the Continent. The Europe of competition and internal devaluation generates only losers.

The strengthening of the EU's budgetary rules, which happened between the beginning of the crisis in 2008 and the »Greek case« in 2015, completes this delegitimization of the Union in the eyes of its citizens. The new EU scheme of budget »governance,« at least as it is perceived by European public opinion, seems to deprive nation-states of many attributes of sovereignty. This budgetary regime is even less tolerable because it is not accompanied by any new economic benefit. It is simply the price a country must pay if it wishes not to be excluded from the euro zone.

During the summits devoted to the Greek debt crisis, many European leaders seemed motivated by the desire to humiliate the impudent Greek prime minister for his temerity in challenging the troika's austerity dogmas. However, the resistance of Greek citizens to those demands was reflected in their support for their leadership and its policies in multiple referendums and plebiscitary elections. Their defiance set off a powerful wave of sympathy in other countries because it almost perfectly embodied a democratic reaction to the domination of the European technocrats and the diktats imposed by the most powerful member states. But the Greek people's refusal to knuckle under also reinforced the conviction of the conservative European elites that harsh treatment of »bad pupils« is the correct response to their permissiveness and insolence. The confrontation between the Greeks and the economic and political elites thus revived one of the oldest clichéd images that Europeans hold: the standoff between the schoolmaster and the pupil, which has left a permanent – albeit largely unconscious – imprint upon souls still shaped by school experiences.

The European brouhaha over the exodus of would-be refugees from the embattled Middle East is the final touch in this sad picture. Some call for open borders, but then change their minds when they see no way to handle the flood of new arrivals, while others erect barriers of barbed wire. In these confrontations, the early calls for solidarity are replaced by threats to cut funding and close borders.

It is distressing to see Europe look like an organization on its knees. But it is even more disturbing to watch it pitting its citizens against one another. By issuing multiple

threats and moral judgments, European responses to the migration crisis are reviving the old identity complexes that integration was meant to downplay.

If we adopt a clinical observer's point of view, we might say (with Friedrich Nietzsche): »that which does not kill us makes us stronger.« That is, Europe will end up finding a way out of this stalemate by consolidating its standards and procedures.

When Europe dissolves civic links

After all, every treaty that has advanced European political construction and strengthened its legal and institutional foundations was a response to an external shock, from the postwar economic marginalization of Europe to the fall of the Berlin Wall and the September 11 attacks.

However, won't such optimism encounter a threshold effect at some point? Has the founding ambiguity that allowed Europeans to keep going without having to rule on the fundamental meaning of their project not reached its limits? Will European citizens continue to put up with the lack of a European »social constitution« when they realize what a threat its absence poses to their social rights? Can Europe remain a community with no explicit moral foundation, as some brandish their »Christian identity« to dismiss the value of continent-wide solidarity? Can our democratic culture still rely on a conflict-resolution method tied to the opaque European Council, reports with an uncertain value which then become binding treaties, and humiliations inflicted by the most powerful member states on the recalcitrant ones?

Such complex issues do not call for unequivocal answers, but they at least require a clear point of view. Europe can be saved from itself only by the politicization of European issues. In his *Discourses on Livy*, Niccolò Machiavelli expressed his conviction that the opposition between the powerful and the ruled had saved the Roman Republic: by disagreeing about the Republic's role, they made the regime itself an object of shared concern. Even today, only a firm, clear juxtaposition of different versions of the European project can prevent it from foundering.

It would help illuminate the choices facing European public opinion if consistent federalists would insist upon greater clarity about the nature of the Union. Let Europe distinguish and segregate the two original strata: a large community of rights and freedoms on the one hand, and a smaller, more solid core that can lay the foundations of a true economic and social community on the other. Let each nation consciously deliberate and decide to engage in one or the other of the two European ways – or neither of them. British friends, fire first!

European democracy needs extensive civic and social mobilization, and that requires the Commission to act more vigorously against social, fiscal, and environmental dumping. Like any civic movement, the members of the Commission inclined to take that path will face strong resistance. They will find allies as well as opponents among the member states and groups in the European Parliament. But by organizing the debate around the meaning of the integration project within the European framework, we prevent the survival of that European framework as such from becoming the subject of a debate from which it might not recover.



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Alexander Schellinger

No More Flying by the Seat of Our Pants

Political Steering of the euro zone: a task for social democracy

There is a pervasive political mood abroad among the »three cheers for Europe« crowd that, when confronted by any kind of challenge, evokes a fervent, reflexive response of »more Europe.« Five years after the onset of the euro troubles and amid the refugee crisis, this attitude has few if any adherents left. Instead, the apocalypse of Europe is now being proclaimed with renewed enthusiasm. It is characterized by the belief that the euro, if not the European Union itself, is doomed to fail. As advocates of the gloomiest versions of such systemic critique diagnose the situation, there is no way out of the deficiencies inherent in (your choice) the EU's economic, institutional, or legal structures. And so – once again – the debate forecloses all alternatives.

This state of affairs is worrisome enough in an EU in permanent flux, but in the context of the euro crisis it has downright ominous implications. To see why, we need to take another look at the physiognomy of the crisis. For the first time in its history the European Union has extorted ad hoc decisions from its heads-of-government, and has done so *seriatim*. If they had failed to act, the euro would have fallen apart. No crisis in the past – and they include the »empty chair« of the Sixties, the »euroclerosis« of the Eighties, and the breakup of the Soviet Union in the Nineties – ever generated so much pressure for action as this one has. For now the euro has survived while, even in the midst of the refugee wave, European integration is moving ahead by fits and starts. So has everything remained the same after all? Quite to the contrary: the collapse of the euro zone has been put on hold for the time being, but in the middle term, crisis politics have increased the risks rather than reducing them.

Believers in the European apocalypse have pointed out how limited our alternatives are, and their concerns have dominated the debate. In macroeconomics the »optimum currency area theory« has found favor as a way of predicting the demise of the euro. According to that theory, asymmetrical shocks cannot be *Apocalypse now* counterbalanced by adjustments in exchange rates among national currencies. The mobility of labor, and hence flexibility, within the EU's labor markets is relatively limited; the European Central Bank (ECB) has to adapt its interest rate to conditions in the currency area as a whole; and mechanisms of fiscal adjustment are lacking. For all of those reasons, shock waves cannot be cushioned across the euro zone. The breakup of the monetary union is pre-programmed. The theory does shine a light on a variety of functional linkages, but the criteria for a currency's success implied by the theory were certainly not fulfilled in economic areas such as the United States or Great Britain, at least in their early stages. It is more correct to say that they were the product of a long-term political process. And even today they remain unmet in a number of particulars, as Waltraud Schelkle of the London School of Economics has shown. Furthermore, the positive effects of the alternative – exchange rate adjustments among national currencies – have been exaggerated.

Critiques of the EU's austerity policy in the Keynesian mode emphasize different shortcomings, but they end up sounding an equally pessimistic note. They claim that the targets set by the more hardline stability and growth pact and the ECB's focus on price stability have been responsible for blocking a more demand-oriented policy and thus for

intensifying the ongoing economic misery of many member states. Those are important points in a formal sense, but they are not always corroborated in practice. For example, oversight of national budgets has not been nearly as effective as it was intended to be (with the significant exception of so-called »program« countries, particularly Greece). In addition, just this year the EU Commission approved an investment fund totaling 315 billion euros. It comes rather late in the game and there is much debate about its potential impact, but we are definitely not talking about »peanuts« here. Finally, after Mario Draghi announced in the summer of 2012 that he would do »whatever it takes« to rescue the euro, the ECB has considerably expanded the range of its responsibilities. In short, the neo-Keynesian critique has important limitations.

So how do things stand with a final type of broad-gauged structural explanation? There have been a number of underappreciated studies in political economy that have drawn attention to the differences between national economic models, differences that generate systemic disequilibria when those models coexist within a single monetary union. The North's competitiveness and thus its export strength rely on coordinated wage-setting, which – in a pinch – enables them to undersell competitors from (Southern) Europe. By contrast, without periodic devaluations of their currencies' exchange rates, the South's demand-oriented models will lead to untenable current accounts deficits. As Thorsten Schulten of the Hans Böckler Foundation argues, one should not overestimate the significance of wages in influencing the balance of trade. But apart from that, it would be inadvisable to disregard the valuable stock of knowledge accumulated by historical institutionalism in weighing the prospects for a moderate convergence between North and South. Thus, a new edition of the broad social alliances forged during the Nineties that helped usher Southern European countries into the monetary union might be difficult but it is hardly impossible. At the same time, the »German model« is not automatically doomed if demand can be boosted moderately through higher wage agreements, as is currently the case. Here, too, the problems appear to be somewhat less structural than is often assumed.

Quite clearly, analyses of the euro crisis have brought to light the functional links in the currency union among financial, economic, and wage policies, among the member states, and between the national versus European levels. However, their effort to theorize about those links has frequently made their arguments too deterministic and caused them to lose sight of the political factor.

This is exactly the problem that has led Germany's European policy to fail, albeit magnificently. The euro zone will not fall apart due to a lack of automatic stabilizers, the ECB's statutes, or differences in systems of wage-setting in the member states. An unbiased assessment suggests that the euro zone will fail if it lacks a political steering capacity. One can reach that conclusion without Karl Polanyi or prudent ordo-liberalism. As Kathleen McNamara has shown through historical illustrations in her essay for the remarkable collection, *The Future of the Euro* (Oxford University Press, 2015), markets and thus currencies only work when they are imbedded in a society's social institutions. Embedding is the only way to tap the potential of capitalism while channeling and penning up its destructive forces.

Regrettably, German crisis policy has done far too little to bolster the euro zone's steering capacity. Quite the contrary: It has contributed mightily to rendering decision-making more difficult at the European level. The German federal government, especially the Office of the Chancellor, has declared that its goal is to strengthen intergovern-

*The magnificent
failure of Germany's
European policy*

mentalism, which in practice means transferring as few responsibilities as possible to shared institutions while leaving most decisions in the hands of the (big) member states. However, interstate coordination is designed exclusively to reach an accommodation among national interests. The common interest in Europe's public goods such as the euro or freedom of movement loses out in this process. In essence, the federal government's response to this dilemma has been to strengthen legally binding agreements, by means of which the member states are supposed to impose obligations upon themselves (à la Odysseus tied to the mast) to resist the future temptations of national-interest-driven politics.

The problem is that this course of action just doesn't work. Consider, for example, the months-long negotiations that led up to the third Greek bailout package and drove the monetary union to the brink of collapse. Since then, rifts have opened up not only between debtor and creditor nations, but also between France and Germany. The oversight and coordination of national budgets, without which monetary union cannot function, furnishes another example. The fiscal pact, the six pack, and two pack also make it clear that the big member states (in this case, particularly France and Italy) ultimately do whatever they please. The German Minister of Finance and the Expert Advisory Council can get as worked up as they like about the alleged unwillingness of the EU Commission to punish miscreants, but they will not change anything. In fact, this reality has little to do with arbitrary political choices. National elections and national responsibilities set the stage for the perversion and violation of the law by governments that, after all, have been elected democratically.

Nevertheless, as Phillipe Legrain has pointed out in his report for the Center for European Reform, the conceptual or mental mistakes of intergovernmentalism have been even more serious than the impracticability of its policies. Intergovernmental coordination, coupled with the European-level setting of guidelines for national economic policies, assumes that existing legal standards form an adequate framework for *future* economic development. This presupposes a very high level of predictability. Yet the lessons of the global economic and financial crisis and the specific situation in the euro area call for a quite different interpretation. No one could have foreseen that the euro crisis would escalate so dramatically. Existing rules could not have prevented the crisis, nor did they provide a suitable toolkit for softening its impact. What is needed here is the flexibility of political institutions, which the euro zone lacks, even and especially when there is no crisis at hand. Neither the European Stability Mechanism nor the proactive European Central Bank fills the void. Given that the real economy increasingly is dominated by the financial sector, which makes it more susceptible to crises, this is a risk that the euro zone cannot afford to take in the long run.

It must be conceded that, at various points during the euro crisis, intergovernmental solutions offered the only way out of the impasse. Still, the really serious shortcoming of the conservative European policy is its failure to have launched initiatives to create sustainable governance in the euro zone. Instead, its key figures fought tooth and nail against anything that might cast doubt on the preeminence of the member states, for example the lead candidate system for choosing the president of the EU Commission.

The paradoxical aspect of all this is that the intergovernmentalism pushed by Angela Merkel led to a re-nationalization of interests and debates in Europe. That, in turn, made it less likely that European law would be respected – the *sine qua non* for intergovernmental coordination. The German federal government's European policy has reached a dead end.

The German federal government's European policy has reached a dead end

How can we find a way forward? At first glance it seems implausible that the member states of the European Union would agree to push monetary union any further. The interests of the chief actors seem to diverge too much, both in terms of the left-right spectrum and along national lines, especially between Germany and France. The conservative side wants to insure the stability of the monetary union primarily by insisting on strict budgetary rules, whereas the left demands mechanisms of fiscal equalization. The former alternative implies that the EU would possess extensive rights to intervene in national budgetary policy, while the latter would require a common fiscal capacity, perhaps in the form of a budget for the entire euro zone. With respect to the most crucial actors, one might summarize the differences this way: Germany is out to establish a regulatory framework while rejecting any expansion of transfer payments for both political and (neo-classically) economic reasons; France, by contrast, is pressing for an interventionist, macro-political approach while simultaneously opposing intrusions into the sphere of national sovereignty.

However, the most recent debate should make us sit up and take notice. In the last few weeks, François Hollande, Wolfgang Schäuble, Sigmar Gabriel, and Emmanuel Macron have all at least paid lip service to the proposal of creating a European finance minister or a Euro commissioner. The newly-authorized finance minister would enjoy extensive prerogatives of intervention into specific areas of policy (e.g., budgets and labor markets) as well as having a dedicated budget. Of course the old cleavages reappear here too. What is the finance minister supposed to accomplish with these newly granted rights of intervention, how extensive should they be, and what sanctions should be included in the minister's repertoire? How should the euro zone budget be used and for what ends, how big should it be, and where should it come from?

In these various proposals, one can discern the outlines of an alternative European policy. A progressive answer should combine rights of intervention with fiscal capacity.

An alternative European policy

The goal should be to embed the monetary union in the social matrix while augmenting steering capabilities.

Three guidelines ought to be followed. First, there must be symmetry between the framework established for budgetary controls and the macro-economic leeway created by the euro zone budget. Second, as interventions into national budgetary matters grow less dependent on national governments, the financial foundations of the budget should become more of a shared communal responsibility, perhaps via an EU tax, as Wolfgang Schäuble has advocated. Third, either the European Parliament or one of its committees should exercise effective oversight of the newly-empowered European finance minister.

So what is next? Please have no illusions about Angela Merkel. As suggested by the joint German-French communiqué of early 2015 and the German-influenced Five Presidents' Report, she remains wedded to her emergency intergovernmentalism, as does Wolfgang Schäuble, who also seems in no hurry to act. It is easy to imagine that Merkel would not feel any great time pressure in the euro question, as she must in respect to the refugee issue. Her position of power in Europe is too comfortable, and the steady humming of the German economic machine is too reassuring to spark any sense of urgency.

The German chancellor will keep flying by the seat of her pants and accept the exorbitant costs of the next euro crisis or of continuing stagnation. The Social Democrats can do little to change this, but, when the right moment comes, they should be prepared to proclaim the failure of her policies and propose clear alternatives. Such a patient, watchful strategy requires planning as well as clarification in leftist circles about the

future orientation of the euro zone, long before the microphones are switched on and the cameras roll. The probability that this challenge will be met is high, because the most pressing future task in Europe will be to insure the social and political embedding of the euro. The Social Democrats are ideally suited for that task – at least in theory.



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Thomas Meyer

European Identity as a Productive Force

For many people the word »identity« carries connotations of compulsion, while to others it suggests a consoling certitude. A more unbiased assessment might conclude that identity is a kind of ever-present social glue that reaffirms a person's membership in a given socio-cultural form of life. But then there is no indication of how it might be acquired, defined, and maintained as a bonding agent for the inner lives of *entire societies* in the modern world. There are good reasons why people everywhere are talking about an »identity crisis.« But to what does the concept refer? The boundaries among social, cultural, and political identity seem to be fluid and indistinct, especially in the case of Europe. When people seek a cultural element shared by all Europeans, they forget that identity in the modern world always comes in the plural form – with the exception of the currently expanding fundamentalist »identity mania.« Nevertheless, few would care to deny that democratic political communities, including a transnational league of states like the European Union, would lack stability and the capacity to act as well as legitimacy and solidarity without a sense of belonging and a bedrock consensus among their citizens. In fact, the roots of the enduring crises besetting the EU might be found in the Union's identity deficit. Not until an identity suitable for day-to-day life has been forged – that, at least, is a frequently heard diagnosis – can we imbue the machinery of the EU's complex, opaque institutions with something like a »soul« that brings it closer to the citizens of the Continent.

But what are the nature and sources of the minimal shared identity that vital commonwealths need? In retrospect, the notion of a homogeneous, politically constitutive European cultural identity has proven to be a dead-end. As far back as the ancient Greek founders of European civilization, every allegedly unassailable claim to cultural certainty has evoked a corresponding counterclaim. That is the point of the witticism often uttered by historians: the only cultural trait that reliably binds Europeans together is »contradiction,« the perpetual dialectic characteristic of the Continent's culture. Nevertheless, the Greek origins of European civilization suggest that this indispensable common element beyond the cultural contradictions of society may be found in a political community to which everyone aspires to belong, because they can and want to share in its norms and rules in spite of all that divides them.

The ancient myth of the Continent's origins already illustrates Europe's plural past. Europa, the daughter of Agenor, ruler of Sidon, was kidnapped from Phoenicia to Crete

by Zeus himself, the king of the gods, appearing in the form of a bull. But Europa's father was of North African descent, having been born in Egypt. Thus, both the myth and the reality behind it suggest that the cultures of three continents merged to

Hybrid origins make of Europe what it already was *in ovo* – a hybrid.

There is nothing unusual in this intermingling, since all cultures – even long-isolated Japan – at first survived on imports from other worlds. The fictions of rigid homogeneity to which some nations subscribed were late inventions devised to serve political ends. That is also true of the evolution of European history and official self-image in relation to its chief cultural rivals, Byzantium and Islam, against which sharp lines of demarcation were drawn. Europe took over from Byzantium most of the rituals and forms that symbolically constitute statehood. From Islamic scholars in the High Middle Ages it absorbed the idea that faith and reason are distinct. That insight eventually bore its richest fruit in the Enlightenment, the foundational act of Europe's modern political culture. As everyone knows, the Enlightenment itself did not remain uncontested, but it did encourage what turned out to be the European consensus position: a political culture based on the rule of law and democratic accountability. The latter provided a form of equal rights and tolerant coexistence that accommodated persistent cultural and religious differences and thus came to be widely accepted.

Cultural identity consists in the consciousness and everyday practice of shared stories, values, and knowledge. In Europe all of those aspects have been questioned constantly and subjected to profound re-evaluation. To attempt to ground cultural identity on specific traditions or substantive doctrines and complexes of meaning, e.g., Christianity, would isolate those traditions from the dialectical processes to which they were subjected in pre-modern times. That move, in turn, would simply reignite old quarrels without giving rise to any genuine commonalities. By contrast, political identity is founded upon fundamental values that impose obligations on the public life of a political community and sustain the objective validity of the rules and laws under which its citizens live. Political identity is thus both possible and necessary whenever human beings live together in a civic community that establishes and enforces rules binding upon all of its members, regardless of their cultural and political identities. Large, culturally pluralistic countries such as India or the United States show that this arrangement can work reasonably well. Political identity presupposes only two things: that all citizens subscribe to the basic political values that are to guide public life and pledge allegiance to one and the same political community, the decisions, weal, and woe of which will affect all alike.

In contrast to the specifically political identity described above, there are some who seek a stronger European cultural identity that would distinguish the Continent normatively and intellectually from the rest of the world while knitting its citizens more tightly together. They hope to discover a cultural heritage that would found or endow a sense of community. But that quest will not lead to anything other than the reawakening of controversies, differences, and bitter quarrels that reached their apogee in the sixteenth and seventeenth centuries during the Wars of Religion. Undoubtedly, some aspects of European cultural history have been preserved in the present age, but they have not been smoothed over and homogenized enough to count as the common possession or heritage of everyone. That observation holds true not only for Christianity with its many confessions and denominations still locked in controversies, but even of many tenets of the Enlightenment and its post-modern adversaries. And it is certainly true of the unceasing reciprocal interactions between that which one might consider »properly« European and the »alien« influences seeping in from the beyond the Continent's boundaries, since the two

mix so thoroughly in this era of increasing transculturality that they can no longer be separated. Thus, if we push the quest for a common cultural identity of all Europeans too hard, we will be misled into exaggerating the differences between Europe and the rest of the world, and be seduced by the will-o-the-wisp of homogeneity in our domestic affairs.

Understood both as a kind of constitution and as a project, the political identity of the EU is based on certain fundamental values: the rule of law and social democracy. Taken as a composite, they constitute the only way of life and type of state capable of insuring that culturally and religiously diverse citizens will be able to live together in freedom and equality in the same political community. Certainly, the democratic core content of these values was foreshadowed in the ancient polis, while Christianity and stoicism anticipated it in another way by respecting the intrinsic value of the individual. Nevertheless, those values were not incorporated into the law and other universally recognized institutions until history – in the form of two centuries of sectarian warfare – had discredited the idea of society governed according to »Christian« principles. Meanwhile, the Renaissance and Enlightenment introduced new ways of thinking in which the individual and his/her claim to autonomy became the linchpin of a new order in society and the state. The political culture associated with those shifts did not triumph in Europe overnight. Rather, only in the course of the twentieth century, and at varying rates in different countries, did it become established as a public good, often against tenacious resistance, and even then it was called into question again and again. If anything can be considered as the identity of Europe it is this political culture, since it epitomizes the Continent's historical experiences. It lies at the heart of the European Constitutional Treaty (Lisbon, 2008) as well as of most citizens' convictions about the norms and rules of public life. In short, this political culture is both an institutional system and a civic state of mind.

There is no need to draw sharp lines of demarcation between the political-cultural form of European identity presented here and other cultures or religions. Nevertheless, the former is indeed antithetical to autocracy and arbitrary rule, i.e., political conditions that have never been entirely laid to rest, even in Europe itself. If we wish to understand the relationship between cultural/religious identity and citizenship, we must remember that the latter stipulates the minimum level of shared principles or values to which everyone must subscribe.

Political-cultural identity

Beyond that, it grants the greatest possible latitude for all citizens to work out their own identities (whether in terms of world-views, religion, or lifestyles). It is therefore also anchored in the »Constitution« of the European Union. So, more than anything else, the European identity involves an open, tolerant approach to religions and lifestyles in private and public life. The failure of the convention on the future of Europe (2003), which attempted to turn either the Christian or Enlightenment heritage of Europe into a set of binding, meta-political values for a unified continent, ended up indirectly ratifying the conception of shared identity defended in this essay.

Besides the normative core of this identity, it possesses two other specifically European characteristics. First, there are basic social and economic rights, which in principle are equal in status to fundamental civic rights. In the EU, democracy always means »social democracy«- as a constitutional mandate. In this respect, Europe's recent history has shaped its political-cultural identity in ways significantly different from the direction that matters have taken in the United States. The quasi-statist character of the European political community, including its legislative and consultative institutions, is an essential aspect of its citizens' identity, no less so than their normative consensus. It is

the basis for a kind of »existential« togetherness, since all those who live and work in the Union unavoidably are affected by its binding rules as they go about their daily lives. But at the same time they also have opportunities, whether direct or indirect, to participate jointly in consultative and decision-making processes that influence the future shape of the Union. Consequently, they are all linked together in specific ways and dependent on one another in their vital interests and values, much in the way that the people of a nation-state are, albeit less closely. Therefore, they must rely on mutual solidarity in pursuit of their own interests, even though their mutual dependency is less obvious than it is in the context of a traditional nation-state. Identity and solidarity are thus two sides of the same coin.

But solidarity cannot be conjured up by words alone; it has to emerge from the experience of its practical value. European nation-states often were welded together out of quite disparate components. Their history should have taught us that commonalities arise in a slow process centered on the educational system and experience of shared interests. But common ground is created in the political public sphere too, as citizens engage in open, heated debates that bring them into contact with one another. In this regard, the impact of European policymaking since the financial market crisis of 2008 has been highly ambivalent. The credit side of the ledger would have to include the thorough, contentious, Europe-wide debates that followed in the wake of the euro crisis and the Greek debacle, which considerably strengthened the sense of a shared destiny among Europeans. At the same time – and to a hitherto unimaginable degree – the European public sphere expanded, as did the recognition that its policymaking could and should be preceded by controversy and debate. On the debit side, the real reciprocal interests underlying European citizens' social and economic interdependence remained concealed by all sorts of prejudices. It never really entered the minds of the temporary »winners« in the crisis. Yet the future of Europe hinges on broader recognition that »we are all in this together.«

A consciousness of solidarity linking the citizens of Northern and Southern Europe is also one of the prerequisites for a common system of economic governance and a social union within the EU, which in turn would further strengthen the Union. For that to happen we would need to have an exhaustive debate about the enormous – and one-sided – advantages that the wealthy members have derived from the inequality that exists in the EU. Such a debate should foster a greater willingness on their part to give back a fair share of their surplus to less affluent members. In that case the latter would also experience firsthand the true interconnectedness of all the participants' interests. This accommodation on both sides would do more than anything else to promote the political identity of EU citizens. Of course, a European identity bolstered to varying degrees in each of the member countries would not replace their respective national identities but instead merely supplement them. Nevertheless, even successful evolution in this direction would not entirely solve the crucial problem of the EU's final status. After all the experiences they have accumulated, what form of shared statehood – and how much of it – do European citizens today really want? Do they wish to move beyond the level already attained or perhaps even return to a looser, weaker form of association? There is no doubt that the finality question can be resolved best if and when the identity and solidarity of Europe's citizens is deepened, for in that case the solution will work because everyone wants it to.



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