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The Eurozone Crisis and the European Union’s Identity Crises

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Abstract
Several commentators of the Eurozone crisis observe that the EU is not only going through a financial and political crisis, but also an ‘identity crisis’, or even an ‘existential’ one. This paper argues that there are four distinct, yet interrelated ways of interpreting the current identity crisis of the EU. The first concerns the international standing of the EU as a proclaimed global agent of peace, democracy, welfare and prosperity, which is undermined by its inability to provide these goods to its own citizens, let alone the rest of the world. The second kind of identity crisis relates to the EU’s qualitative direction, centred on the question of whether we now face a more technocratic EU, rather than a democratic and social one. In a third sense, the rise of nationalist sentiments, undiplomatic exchanges between EU citizens based on cultural stereotypes and sharp divides between North and South have contributed to the reconfiguration of perceived prototypical meanings of both national and European identities. Ultimately, all of the above culminate in the fourth dimension of identity crisis, related to the internal consistency and citizen support for continuous and further integration, legitimised through the notions of unity and solidarity. In the conclusion, reflections are offered regarding the future of European integration and the role of the EU in international affairs.

Keywords: European Union, Eurozone crisis, international identity, European social model, prototype, solidarity.


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Introduction: The European Union, the European Identity, and the Eurozone Crisis

During the previous century, Europe was marked by the terrible experiences of two world wars, the harsh recessions that followed them, totalitarianism and murderous regimes, the continuing impulse of imperialism and colonialism, as well as the long-standing division of the Cold War (Arendt 1962; Garton Ash 2012; Guibernau 2011a). These experiences severely damaged not only Europe’s unity, peace, prosperity and well-being of its populations, but also its self-understanding and external image (Garton Ash 2012; Guibernau 2011a; Samaniego Boneu 2003). In an attempt for Europe to overcome these challenges and reinvent itself, especially after the events of the second world war, an almost ‘exclusively elitist movement’ of intellectuals and political leaders (Guibernau 2011a: 305) sought to build what has come to be known as the ‘United States of Europe’ (Verhofstadt 2006), a political and economic federation of European states that would ensure the avoidance of war and impoverishment, as well as create an equilibrium international power between the United States and Russia (Garton Ash 2012; Guibernau 2011a; Eilstrup-Sangiovanni & Verdier 2005; Samaniego Boneu 2003; Smith 1992).

However, the ‘federal dream’, promoted simultaneously at the economic, political and cultural levels (Guibernau 2011a; Milward 1984), was repeatedly met with several obstacles and substantial resistance by both political elites and reluctant populations who feared economic and power inequalities between member-states, the loss of national sovereignty and possibility of cultural homogenisation (Alesina & Perotti 2004; Hudson 2000; Jones & Subotic 2011; Örkény 2011). These fears have often resulted in expressions of nationalism and Euroscepticism, two ideologies that have been seen as intimately related (Cinpoes 2008; Halikiopoulou et al. 2012). As a result, the unification of Europe progressed in more modest increments over the years, focusing predominantly on intergovernmental patterns and economic integration (Cinpoes 2008; Delanty 2000; Guibernau 2011a), seen by many as a ‘second-best solution’ to political and cultural union (Favell 2005; Hooghe & Marks 2009).

The galvanising events of the late 1980s and early 1990s, such as German unification, the 1989 Revolutions and the end of the Cold War, pushed integration forwards and led to the creation of the Single Market and the transition to a European Union (hereafter EU) (Delanty 2010; Hudson 2000; White 2010). This time also signalled the prioritization of identity issues in the EU’s agenda (Camia 2010; Duchesne 2008; Mayer & Palmowski 2004). Beyond the lack of political will to proceed to full-blown federalism at several points in time (i.e. see de Gaulle in the 1960s, or Thatcher in the 1990s, Llobera 2003; Walkenhorst 2008), the particularly economic focus of the ‘European project’ was potentially also based on rationalist, materialist and realist assumptions (Guibernau 2011a; Manners & Whitman 2003), additionally prompted by the idea that the benefits of economic integration would eventually bring about further political and cultural unification by ‘spill-over effects’ (see e.g. Haas’s neo-functionalism, 1958; Sassatelli 2002) and long-term acculturation and socialisation of Europeans (Florack & Piontkowski 2000; Neveu 2002; Shore 2000). However, these latter processes have often been seen either as subject to future materialisation, rather than existing reality (Sassatelli 2002), as being in a fragile state (Garton Ash 2001; Guibernau 2011a, 2011b; Inthorn 2006) or even as a matter of impossibility (Toplak & Šumi 2012).
All these preoccupations are intimately related to the EU’s ‘legitimacy’ (Burgess 2002; Cerutti 2003; Kaina & Karolewski 2009; Schmidt 2010), as well as state of ‘confidence’ and ‘trust’ (Pichler et al. 2012; Kaina 2006; Valentini 2005; Vanke 2007), both domestically and internationally, and are encapsulated by the conception of ‘European identity’ (Kaina & Karolewski 2009; Walkenhorst 2008). The concept of ‘European identity’ can be understood as a multifaceted one that is subject to multiple interpretations, while its changing meanings can be traced through the EU’s official documents (i.e. for such text analyses see Ivic 2009, 2010; Ivic & Lakicevic 2011). For example, in 1973, the ‘Declaration on European Identity’ (European Commission 1973) attempted to stress the importance of internal European unity and the purposeful role of Europe in the world as an agent destined to bring peace, democracy and economic development. The concept of European identity was also mentioned in the Maastricht Treaty (European Commission 1992) in the common foreign and security policy section (see Article B, p. 5), indicating that in 1992 the focus was still on Europe’s international identity.

In 1995, after the suggestion of Vaclav Havel that the EU should ‘com[e] up with a new and genuinely clear reflection on what might be called European identity’, the ‘Charter of European Identity’ (European Commission 1995) was drafted. The Charter moved beyond the previous focus on international identity and described Europe with reference to its destiny, values, living standards, economic and social policies and global responsibilities, aiming to stimulate public debate and to make its citizens ‘proud to be Europeans’ (EC 1995: 8). Furthermore, the Charter argued for a federal structure and recognised the need for citizens’ support and participation as a legitimizing factor for the deepening process of European integration (EC 1995: 5). In 2007, the ‘Udine Declaration’ on regional identities attempted to address issues of cultural identities in the EU, multiculturalism and increasing migration flows, and to reconcile the tensions between heterogeneity and homogeneity (Assembly of European Regions 2007).

Nevertheless, the construction of a commonly shared, transnational European identity came to be seen as the ‘political glue’ that would legitimise and sustain the European project (Bach et al. 2006; Bruter 2005; Herrmann & Brewer 2004; Kaina 2006; Kaina & Karolewski 2009; McLaren 2006; Risse 2004), by being an antidote to nationalism and Euroscepticism, widely understood as lack of support for European integration (Boomgaard et al., 2010; Taggart 1998; Toplak & Šumi 2012) and a remedy for a perceived ‘democratic deficit’ induced by the absence of an active European demos (Føllesdal & Hix 2006; Kaina & Karolewski 2009; Kohler-Koch & Rittberger 2007; Lord 2007). This Europeanist spirit became particularly normative with the recognition of the ‘post-Maastricht blues’, the decline of public support after the Maastricht Treaty (Eichenberg & Dalton 2007), which triggered a revitalised research interest not only on identity, but also on Euroscepticism (Verney 2011).

Today, the effects of the global financial crisis, the subsequent sovereign debt crises around Europe and the accompanying Eurozone crisis, pose considerable challenges on European unity and solidarity by giving rise to nationalist movements, popular discontent and resistance towards the EU (Garton Ash 2012; Laquer 2012; Serricchio et al. 2013). In many respects, the Eurozone crisis has been described as a ‘chronicle of a crisis foretold’ (Garton Ash 2012) because of the various inherent inequalities and contradictions of joining extremely different economies with disparate growth and exporting capacities, as well as deficits and debt rates, under a single currency with no fiscal union, lack of sufficient supervision and absence of substantial stabilising mechanisms (Baimbridge et al. 2012; Garton Ash 2012; Hadjimichalis 2011; Knedlik & von Schweinitz 2012; Lucarelli 2012; Müller 2012). All these shortcomings have made the Euro particularly vulnerable to the financial crisis. In this context of failures at the economic register of European integration, it may only be a politics of solidarity and a cosmopolitan culture of mutual responsibility that could hold the EU together (Garton Ash 2012; Laquer 2012), which creates an urgent need for reflection on European identities as these are shaped inside the crisis at the European and wider international order.
This paper will start by briefly reflecting on the EU’s perpetuated state of ‘crisis’ as shaped before and after the Eurozone crisis, and will continue by presenting four distinct yet interrelated ways to interpret the EU’s multiple identity crises, based on different understandings of the concept of European identity. At the end, reflections will be shared regarding the future of European integration and role of the EU in European and world affairs.

Europe’s Identity Crises

Back in 2008, Jenkins (2008) argued that there was a widely shared public discourse of politicians and academics that reckoned that Europe, and more specifically the EU, suffered from a ‘crisis of identity’. This crisis has been attributed from time to time to a variety of events and processes, such as the enlargements of 2004 and 2007, the pending issue of Turkish membership and the disarray of the European Constitution (Jenkins 2008), but also issues such as the lack of mythical and emotional investment in EU identities (Guibernau 2011a; Hansen & Williams 1999) or fear of immigrants from inside and outside the EU (Delanty 2008; Verhofstadt 2006). Moreover, Jenkins (2008) posed the question whether the ambiguity of ‘Europe’ was truly a ‘crisis’ or if described more accurately, a ‘normal situation’. Jenkins (2008: 172) went on to argue that the ambiguity of Europe was ‘completely routine’ and that ‘chronic might even be a better word’ for it, which included the possibility of ‘crisis’ either as an endemic element of the EU project or as a pattern of ongoing or recurring crises, prompted by the size of the European project itself, the historical past of Europe and the uneven economic development of its countries.

Today, in the context of the Eurozone crisis, the EU has once again been said to undergo not only an economic and political crisis, but also an intense ‘identity crisis’ (Alexander 2013; Chalaniova 2012; Galpin 2012; Hadden 2011; Harding 2012; Tekin 2012). Some have even characterised it an ‘existential crisis’ (Garton Ash 2012; Sally 2012). In this context, the ability and potential of the EU to survive as a ‘recognizable entity’ (Giddens 2012) and to reaffirm its purpose and sense of destiny are questioned. This paper argues that we can identify at least four distinct, yet interrelated, ways of interpreting this current ‘identity crisis’ of the EU as it finds itself inside the Eurozone crisis and its dynamics. Given the ever-present character of crisis in the EU’s condition and the novelty of the current crisis, it is argued in this paper that it is worth reflecting on the nature and particular colourings of the kind of crises that the EU experiences during the last years of the Eurozone turbulence.

I. The crisis of the EU’s international identity

One way to think of the meaning of European identity is defined as ‘the international identity of the European Union (EU) in world politics’ or simply ‘the EU in global politics’ (Manners & Whitman 2003: 380, 381). As Karolewski (2011: 44) explains, beyond the challenges that the EU faces in its attempts to create internal identity generation, ‘it also diffuses its visions of collective identity beyond its own borders’. This external identity is an ‘institutional identity’ comprised of procedures and regulations that become transplanted into other countries, and is distinct from the ‘symbolic identity’ that is being produced inside the EU (Karolewski 2011: 44). The notion of the ‘international identity of the EU’ was first introduced in the nineties (Manners 1994; Whitman 1994) aiming not to be synonymous to ‘foreign policy’ or ‘external relation’ but to speak of the EU’s global role as ‘being greater than the sum of its parts’ (Manners & Whitman 2003: 382). Analyses of the EU’s international identity may include issues such as security, federalization processes, relations with the Middle East, competition policy, human rights, neighbourhood policy, environmental policy and sociological understandings of the EU (Karolewski 2011; Manners & Whitman 2003).
In the context of the Eurozone crisis, there is a variety of dynamics that exacerbate a European identity crisis, in the most international understanding of the term ‘European identity’. For example, it has been argued that the EU is now taken less seriously than before (Sally 2012), because Russia and China lose their respect for it, the United States routinely scold the Europeans for ‘not getting their act together’, and European elites themselves have abandoned any pretence that the EU could act as a role model for other world regions (Müller 2012: 53). From a perspective that emphasizes economic might some have argued that since China – and Asia more generally – is foretold to be the next economic superpower and the global multilateral trading regime is wavering, ‘being Asian may be more desirable than being European’ (Lee & Bideleux 2009: 170). Furthermore, Europe’s image of itself as the global agent of peace, democracy, welfare and prosperity is undermined by its inability to provide these goods to all of its own citizens (Garton Ash 2012), let alone the rest of the world. This constitutes a sense of loss of purpose, direction and self-esteem, which disturbs the sense of European identity internationally. Finally, this last argument relates to the next dimension of EU’s identity crisis anchored around the crisis of the European social model.

II. The crisis of the EU’s social model

As argued by some (Jepsen & Serrano Pascual 2005), the various dimensions of the ‘European social model’ concept can be understood as rhetorical resources that are intended to legitimise the politically constructed and identity-building project of the EU institutions. Back in the 1980s, one of the first people to popularise the term ‘European social model’ was Jacques Delors who contrasted it to the US-led form of ‘pure market capitalism’ (Jepsen & Serrano Pascual 2005: 234). The basic idea of the European social model dictates that economic development should ideally go hand in hand with social progress (Jepsen & Serrano Pascual 2005) and economic prosperity which should be strongly allied with democracy (Lönnroth 2002). Some of its normative and regulatory practices include the establishment of welfare regimes for the provision of social assistance to the needy, universal provision of education and health care, social insurance and social services to ensure social protection and equal opportunities for all, comprehensive and legally sanctioned labour-market institutions, respect for human and labour rights as well as an intention for a more equal wage and income distribution than in most other parts of the world, solidarity with weakest members and the resolution of social conflict by consensual and democratic means (Ferrera et al. 2001; Jepsen & Serrano Pascual 2005; Hay et al. 1999; Lönnroth 2002).

To this respect, in the Eurozone crisis context, some have suggested (Marconi 2011; McGiffen 2011; Tekin 2012) that we now witness a more technocratic and economically obsessed EU, rather than a political and socially-friendly one. This constitutes yet another layer of European dilemma that risks alienating European citizens by the negative implications of the instrumental economic logic on their immediate micro-conditions and the lack of democratic legitimacy technocratic solutions entail (Delanty 2012; Hughes 2011; Malakos 2010). For example, Giddens (2012) has commented that the saviours of Europe and the implanted technocrats in the more problematic economies of the European south largely bypassed democratic decision-making processes and led to the paradoxical contradiction of an organization like the EU, being simultaneously so eager to promote democracy around the world and experiencing a severe democratic deficit itself.

Delanty adds (2012) that in this uncoupling of democracy and capitalism, democratic identities are more resistant to embrace a technocratic and elite driven EU, which is ambivalent in that these democratic identities are in part products of the European project itself. To be sure, the view of the EU as a ‘technocratic, managerial, top-down’ project (Shore 1998: 48) predates the economic crisis, although we can evaluate that it has now been intensified. Finally, severe austerity measures, imposed
more intensely on the European South, and rising rates of unemployment with numerous Southerners moving to the European North in search for better life conditions, shred to pieces any form of possible social protection and economic security, and reveal transnational social cleavages marked by Northern xenophobia and diminishing human capital in the South. This last point is played out against the background of the next identity crisis of the EU which is related to North/South divides and prototypical public perceptions of European identity.

III. The crisis of the EU’s prototypical identity

A third sense of ‘identity crisis’ relates to the acrimonious and undiplomatic dynamics that have been created among European politicians and citizens alike, in the form of circulations of negative national stereotypes (e.g. Becker 2011; Bleich 2012; Franco 2012; Rosenthal 2012) and narratives of blaming (Bleich 2012; Kutlay 2011; Wee 2012; Weeks 2011), most often articulated through a sharp divide between the North and the South of Europe (Becker 2011; Tekin 2012). As such, if in the past, the new-born Eastern-European democracies that joined the EU with the 2004 and 2007 enlargements were seen as Europe’s economic, political and cultural ‘internal others’ (Burgess 1997; Crudu 2010; Neumann 1999; on ‘Euro-Orientalism’ and ‘Balkanism’ see Murawska-Muthesius 2006; Hammond 2006), the predominant fault line has now moved towards ‘othering’ the European South (Galpin 2012; Tekin 2012) with representations of it as not truly belonging to the EU and having a European character or identity thereof. This has created a newly intensified interpretation of European identity understood as ‘successful Europeanization’ (on ‘normative Europeanization’ see Brommessen 2010) and adherence to a normative ‘European way of being’ anchored around economic values such as efficiency, industriousness, work ethic and honesty (Tekin 2012), rather than political ones such as cosmopolitanism and solidarity.

However, the same ‘othering’ and discriminating process has occurred with the more economically advanced and productive nations of the EU, such as Germany, albeit in differing ways (Galpin 2012). For instance, in Germany’s case, its European character or identity is questioned by a number of ‘accusations’ regarding the origins and management of the crisis, like being the greater winner of the Euro due to expanded German exports, yet being resistant to admitting this to be true (Lucarelli 2012; Young & Semmler 2011), of procrastinating (Jones 2011; Young & Semmler 2011), being ignorant and ineffective (Ward 2012; Young & Semmler 2011), stubborn and narrow-minded (Augstein 2013; Hübner 2012; Young & Semmler 2011), nationalistic and Eurosceptic, promoting its own interests and norms (Hübner 2012), aiming at punishing Greece instead of helping it (Jones 2011), resisting the leadership role, yet seeking dominance of Europe by economic means (Hübner 2012; Paterson 2011), as well as profiting from the crisis of others (Jones 2011). As such, Germany has found itself in in the most awkward and peculiar position of ‘doing no right’; if it leads too much, it will be accused of acting as a European hegemon, if it leads too little, it will be attributed with irresponsibility towards safeguarding the project of European integration.

However, for Northern Europeans there is the perceived as legitimate argument of why the advanced European economies should transfer their surpluses to deficit, poorer regions or be stalled by Southern limping economies (Müller 2012; Weisenthal 2011). Furthermore, the overreliance on attributing blame to Germany often misses the point that Southern member-states have indeed mismanaged their economic, political and cultural practices to certain extends (i.e. see Diamandouros, 2011 on populism and clientelism in Greece). To this respect, Pagoulatos (2013) concludes that the resolution of the crisis would demand national-level fiscal responsibility, adjustment, and reforms in the South, combined with greater solidarity, burden-sharing and integration across the Eurozone. These lead us to the last dimension of EU identity crisis which is linked to its internal consistency, understood as solidarity and unity.
IV. The crisis of the EU’s unity

Ultimately, all of the above culminate in the fourth dimension of identity crisis, related to the internal consistency of the union understood as citizen support for continuous and further integration, legitimised through the notions of unity and solidarity. The perceived declining international standing of the EU in global affairs, combined with the forceful degradation of the European social model and the exchanges of defensive and offensive nationalisms between member states, have hindered the public desire to remain in European togetherness. As an extension, the notion of European identity has been affected, since in the literature of European identities, the burdens and compromises posed by a solidarity regime characterised by acceptance of ethical duties, compliance with the common good and mutual responsibility, resonate strongly with interpretive dimensions of the concept of European identity (Borger 2013; Kantner 2006). This conception of solidarity is based on shared values and the sense of being part of a particular ‘we’, in this case a European ‘we’ (Eder 2009), although the economic crisis has emphasized sharp divisions of ‘us’ and ‘them’ between European nations.

For instance, sharp symbolic divisions between the European core and periphery led to observable disintegrating tendencies (Becker & Jäger 2011) and practically fostered the seeds for the old proposal of a ‘two-speed Europe’ (see Schäuble & Lamers 1994 paper on Kerneuropa), which was seen by many as disastrous for both economic regions (Apafian 2012; Jones 2011; Young & Semmler 2011). Furthermore, several discussions entertained ideas about exits from the Eurozone (Laquer 2012), whether that would had come from the North, with Germany departing (Jahncke 2012; Sivy 2012; Soros 2013; see also, numerous leading German economists in Kaletsky 2012), possibly taking with it other core countries (Prokopijević 2010), or from the South, with most notably Greece departing, voluntarily or not (Featherstone 2011; Lapavitsas et al. 2010), and possibly other Mediterranean countries (Lucarelli 2012; Valiante 2011) that may had reckoned that the sacrifices made to remain in a Union with the North are neither worthy, nor useful (Münchau 2010). All these proposals and the often vehement ways they have been discussed exposed the intensified unity and cohesion deficits that the crisis unleashed. As explained, the most important issues of the crisis management are not the rescue mechanisms or the legal adjustments, but rather the solidarity gaps and the support of the people (Borger 2013; Laquer 2012).

Conclusions

This paper set out to describe the possible ways that we could speak of the EU’s identity crises as these unfold during the years of the Eurozone crisis. The paper argued that there are multiple conceptions and dimensions of European identities and as an extension of their crises. As a result, four areas of concern were identified and discussed. The first conception of European identity related to the global role of the EU as an international identity based on its capacity to respond to internal and external challenges. The section concluded that the Eurozone crisis has affected adversely the EU’s image inside and outside its borders. The second conception of European identity concerned the qualitative economic direction of the EU in regards with its own citizens and the dilemma between a technocratic EU and one grounded on the European social model. The section indicated that the diminishing labour rights and welfare responses have intensified the image of the EU as a merely technocratic economic entity. The third conception of European identity revolved around issues of European prototypicality and national stereotypes projected as dissonant with a European norm of either economic values or political ones. The section concluded that the damaging national stereotypes created rifts between European nations and impacted on perceptions of European belongingness. Finally, the fourth understanding of European identity as a sense of solidarity, unity and cohesion was discussed as the
culminating point of the previous conceptions and it was concluded that there have been indications of disintegrating tendencies in the EU and suggestions of splits and exits. The overarching argument of the paper is that European identity is a multifaceted concept, subject to multiple interpretations, and as a result the understandings of its possible crises, while the ultimate conclusion suggests that the EU’s varied identities have all been affected negatively by the experience and the dynamics of the Eurozone crisis.

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