



JEAN MONNET

THE EU AND THE WORLD: NEW CHALLENGES AND TRENDS

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What did the crisis bring to the EU?

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The euro zone brought hope for a more integrated European Union (EU), a way to move the project onward towards not only a political but also an economic union. However, the ongoing crisis is showing troubling signs that the vision of a more integrated economic union has turned into a process of disintegration. This disintegration is evolving due to the hardship that followed the crisis and has so far struck the nations of Europe unequally. It has created indebted and ashamed nations and citizenries that are pushed around by their neighbours, rallying to a nationalist cry. Europe has a history along this pattern, but are we predetermined not to learn from the past?

The crisis of the euro is not over yet, and the EU struggles to establish “firewalls” to protect economically healthier member states from the member states in financial crisis. But what does a firewall as a solution imply? A firewall is the definition of saving something with barricades from the danger on the other side. It is a wall that is intended to confine a fire within a building from spreading, or something that separate the engine compartment from the passenger compartment on a ship, when a fire starts. When a fire breaks loose it is left to be burned out in the designated area. If a country is left to its own demise while its neighbours are watching the fire ravaging, resentment is created. This is especially true if the surrounding states also press painful conditions on the person that already suffer to make her stay alive. This is what is happening when bailout money is offered together with a condition of austerity.

On the safe side of the firewall is a network of united entities combined and protected from the outside. The network is closely linked together at the same time as it is shielded from the outside. The fright of being affected by the difficulties people are having on the other side of the wall makes the people in the network scared, and they are therefore bolstering xenophobia and national protectionism. Firewall is a word which is defined differently depending on which side of the firewall one is situated. It could be a protective barrier from dangers on the outside, but also a wall that hinders one from getting to the safe community inside. No matter on which side of the barrier one stand, the firewall is still having the common feature and definition of division. The word in itself shows the rhetoric of division between the allegedly sound economies, and the hazardous ones. Even if the action seems like a proper response to a crisis, where higher interest rates could be life threatening for the euro zone, the measure of firewall implies the idea of saving some from the dangers on the other side of the wall, a

perspective of “we-and-them”. Put differently, the rhetoric of saving the euro is implying division between nations, peoples, and citizenries.

A divided EU is always dangerous, may it be by firewalls, by nationalist protectionism, or by xenophobia. The question of how the EU could be able to revitalise a truly inclusive vision of European integration in the wake of the financial crisis is therefore more relevant than ever. In line with this are the socio-economic cleavages within the EU a major problem that needs serious awareness in order not to see a repetition of the troublesome European history. The fact that citizens in some member states are in a very weak financial situation compared to citizens in other EU member states complicates the possibility for both parts to see each other as equals. This is a feature that has to be dealt with to be able achieve understanding and cooperation within the EU.

Because of hardship and bitterness in its wake, nationalistic fervour is on the march again in Europe and is gaining ground on both sides of the firewall. The Finnish right wing party the True Finns, among other, uses rhetoric of current EU policies that is detrimental for integration. They are arguing that Finland pay the bills of other states and receives no returns. A collapse would be a disastrous event globally, for Finland as well as for any other state. Anti-EU parties, such as the True Finns, Le Front National or the Golden Dawn show a symptom that highlights the need to discuss whether the EU is doing enough to consolidate its legitimacy among its citizens or not. If the crisis deepens the parties that feed discontent in a populist way will also grow.

Hence, the crisis has created further bitterness, and even hatred, between different groups of EU-citizens. The Greeks are for example described as lazy and as freeloaders in German newspapers, at the same time as the Germans are, with a disgraceful innuendo to the Nazi period, called occupiers in Greek media. The bitterness the Greeks, as well as the Germans, feels towards each other affects the willingness to understand each other's situation. Thus, aversion to understanding harms the European cooperation. The EU's legitimacy is in addition attracting resentment when people feel forced to agree on bail-outs or downsizing their social security because the EU demands it. This is particularly bad when the EU, not wrongly, is accused for having accepted members that had not fulfilled the financial requirements to enter the euro zone.

Division is not only confined to the euro crisis, it goes deeper. The European society consists of people with very different backgrounds. Not all EU-citizens, foremost citizens from the newer member states, are welcomed in all member states and some ethnic and religious groups are often treated as second class citizens. A form of “othering” is created within the walls of the EU and this is something that clearly disfavours integration and encourages division. Nevertheless, the motto of the EU is “United in Diversity”, a motto where the EU states that the many languages and cultural differences are assets for the EU. It is an antagonism, though, that the EU’s motto is “United in Diversity” while the struggle for further integration such as the economic and monetary union, as explained above, in some aspects seems to favour disintegration and xenophobia. Even though diversity is told to be one of the assets for the EU, it is not defined what kind of diversity that is desirable. Economic disparity between different groups of people, or member states, is a form of diversity as well as the existence of different religions and ethnicities in Europe is another. However, it is clear that diversity in the shape of socio-economic cleavages is not what the motto implies. Hence, either firewalls between the economically thriving member states and the poorer ones or between different ethnic and religious groups are not in line with the motto. The citizens of the EU must be more equal in economical terms to make the motto come true. At the same time, the EU must in different ways show what “United in Diversity” really means, and that it is not only empty words but something that the union is actually fighting for. If unity is not reached, other problems within the EU are complicated to solve. Thus, unity needs to exist before solutions on other issues could be agreed on i.e. international relations, energy-dependency and economical issues.

Could the crisis also be positive in terms of bringing a possible change towards integration and mutual understanding? Most people might say that the crisis is only bringing bad aspects, and it is hard to argue against that notion while watching unemployment rising and discontent spreads. This said when a problem is out in the open no solution, no matter how dramatic, is off the table. When discussing solutions and compromises, dedication to transparency and accountability could be important in order to make all participating nations to accept compromises to ease the crisis and to gain understanding for each other. At the same time there is a need for transparency within the EU institutions in order to make people feel that they have insight and are part of the solution making process. The debt crisis indicates that European integration is vital to meet the large budget deficits and to build strong enough firewalls to prevent the euro area from a collapse. Meanwhile, a rapid integration and increased

supranationalism, without public support, could have the opposite effect on the goodwill of the EU-project from the citizens. This is a danger that should not be underestimated. The need for transparency and accountability, to foster legitimacy and support to unpopular policy decisions is therefore a high priority. The importance of cooperation grows with the global world that is getting bigger and includes more regions in terms of trade and usage of resources. Transparency and accountability are therefore important tools for the EU to be seen as a legitimate transnational institution.

A firm dedication to transparency and accountability would hopefully serve to reduce tendencies of nationalistic fervour and the notion of positioning yourself away from others. More transparency would help to increase the understanding of other people's situations, and therefore manage the feeling of difference and mistrust between "we-and-them". Accountability would make both different EU-members dependent of one another, and increase the possibility for the member states to be able to express and affect each other politics. This will further promote integration. In other words, concerning transparency, if the rest of the EU would have had better insight in the Greek economy, someone might have reacted earlier and a huge part of the crisis could have been prevented. As well, with more transparency the Germans could have seen that the Greeks did as best as they could and the Greeks could have seen that Germany has good intention to help Greece. Better transparency gives better conditions to accountability. As noted above, if the rest of the EU states could see what happened in other member states they could call to account them.

Another more practical endeavour to ease the pain of the crisis could be to think about redoing the regional policy of the EU. The EU spends as much as a third of its budget on structural funds and cohesion funds that spans over seven years. The aim of these funds is to reduce regional disparities in terms of income, wealth, and opportunities. Even so, projects that have been financed by these funds have been scrutinised and criticised for being superfluous in recent years. There might be a risk that the system with seven year programmes is too static and that the money spent on the funds could be used better if they are recast and adapted for a more fluctuating economic situation. For example, the need to redirect loss of jobs from a closing factory to a more fruitful industry, such as renewable energy, will only grow in the coming years. These will not only lowering discontent but also save essential industry and know-how. It could therefore be a good idea to put some of the money in a fund that could be used for those acute problems in specific regions that the crisis

has hit. The main point is that the structural funds and cohesion funds could exist in a more flexible form where the money that is planned to be used in one region, or area, easily could be transferred to another if necessary.

It is useful to return to the idea of the need of more transparency and accountability, mentioned above, while discussing a possible change of the regional policy. If these concepts are kept in mind, the structural funds and cohesion funds could more easily become flexible, mobile and easy to handle. Furthermore, to be able to see where to put the money transparency is crucial. Consequently, this leads to better accountability - if it is possible to see where and how the money is used, it is easier to see who is responsible for how the money is spent. The important issue is that the money that the EU member states are giving to the funds should work for a more socio-economic equal EU and as well to comfort the regions that are harder hit by the crisis than other. Consequently, to use the funds more wisely might be a fruitful way to receive a more economically equal Europe, and in the long run also socially stable. Put differently, a Europe where all citizens and all regions in the EU can prosper, a way to be United in Diversity.

Finally, crises makes anti-EU and national parties flourish and nourish from the reluctance to help other member states that are near bankruptcy. This creates a fertile ground for the xenophobia that Europe has fought against since World War II. However, it is possible for the people of Europe to see the crisis as something different and something that binds the nations together. The book of Stefan Zweig, *The World of Yesterday*, describes during the Great War, Russian and Austrian soldiers shared cigarettes and showed photos of loved ones even though one was the captivator of the other. They saw that the war hitting them equally hard and as something that were outside their control and because their hardship was similar, they saw each other as brothers.