Europe beyond neoliberalism

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A combination of institutional arrogance and neoliberal policy has broken the link between EU and its citizens. And yet, as the mass demonstrations in support of EU membership in Britain since the Brexit vote show, Europe can still inspire affection. To continue to be worthy of such sentiments, the EU must develop forms of integration beyond rules and markets.

‘The owl of Minerva takes wing at twilight’, wrote Hegel. We only understand something when we are about to lose it. This ought to be the motto of the British people, as they get ready to abandon the European Union. And not just because in the UK we are about to find ourselves alone, without trade agreements with our neighbours and with all those other countries - like Canada and Japan - with whom the EU has regulated and organized relations. We are also about to lose scientific and cultural links of various kinds, ties which have enriched our lives and to which we have contributed over the decades. But above all, we are throwing away the sense of involvement in an ensemble, a great and original project.

It is interesting to note how the protagonists in the British government of the so-called Brexit have tried to reassure us, to convince us that outside Europe the United Kingdom can finally rediscover something of its lost imperial role. It has been decades since we have heard any talk of the old Empire, of Britain as a great autonomous actor on the scene of global power. But it has all come back with Brexit. This is strange for two reasons: first because all this relates to an impossible nostalgia, which cannot be turned into anything realistic; second, because there is a deep ambiguity in the anti-European sentiment widely diffused among the British people.

For many who voted for Brexit the aim was isolation, an inward withdrawal, a determination to exclude immigrants from British society and a desire to limit contacts with foreigners. But, for members of the government and other pro-Brexit politicians, the exit from Europe would lead the country to a new global role: ‘global Britain’ is the official slogan. Although they are not sure what this global role might be, it is significant that there are both politicians and ordinary citizens who understand that there does need to be a vision of the role of the country in today’s world, something that would take us out of the short term and give us a sense of direction about our future. They simply want to exclude our nearest neighbours from this vision.
Since the result of the referendum that led to the victory of the ‘Leave’ campaign, there have been several demonstrations on the streets of London and other cities, in which hundreds of thousands of people expressed their sense of loss – loss of a vision of Britain as a European country enjoying positive relationships with its neighbours. These demonstrations have always been good humoured and peaceful, but sad. There were banners with slogans like ‘We love EU’. The conflict going on in the country is not just about trade relations or immigration: it is also about different visions of our own identity.

But how is it possible that an organization like the EU – bureaucratic, technical, which today mainly occupies itself with imposing strict neoliberal rules on its member states – can attract emotions and feelings of this kind? What can the people in Brussels think of the chaos in progress in Britain, and the deep, bitter, apparently irreconcilable divisions clearly visible there? Are the Eurocrats able to grasp how their institutions can attract such extremes of love and hate? After the British explosion, are they perhaps capable of understanding how important it is that European institutions present European citizens with something more profound than rules and markets? Only if they understand these things will they be able to lead Europe along a new path, positive and not just resting on past achievements.

Rethinking the European project

Relations among countries cannot be reduced to purely technical and bureaucratic questions. They always have to do with sentiments, whether of attraction or of hatred. The British case makes it necessary to rethink the scope of the European project and its place in citizens’ hearts. We all know that nations can excite emotions both very profound and very dangerous. The reaction of many British people, now understanding what they are about to lose, shows that an emotional attachment to Europe, beyond the nation, is certainly possible. But the fact that for many others, such an attachment is inconceivable shows that it cannot be taken for granted. Much work is needed.

Brussels will need to rethink the very orthodox neoliberal path along which integration has marched ever since the end of the presidencies of Jacques Delors and Romano Prodi. Neoliberalism cannot inspire the emotions of a people, cannot provide a vision for their future development. The antagonists in the struggle over Europe observable in almost all member states today know well how to exploit emotions and propose accessible ideals: those of the nationalism and xenophobia that destroyed our continent in the first part of the twentieth century. Europe cannot defend itself just by promising ‘more market’.

This does not mean that there is a simple confrontation between neoliberalism and nationalism. Certainly, there are nationalists who are also opposed to neoliberalism, such as the Front National in France, or the Dansk Folkeparti in Denmark. There are also the sovereignists of the left, like France Insoumise, Aufstehen in Germany, or the group around Jeremy Corbyn in the UK, who make the error of viewing European integration as simply an aspect of globalization. But there are also nationalist neoliberals. In Italy, La Lega shares many elements of neoliberalism, such as its support for a ‘flat tax’. A large part of May’s government in Britain sees Brexit as an opportunity to turn the country into a ‘Singapore of the Atlantic’, without regulation, without a welfare state, and with low taxes. In Hungary, Viktor Orbán is attacking workers’ rights under the banner of ultranationalism. Outside Europe, Donald Trump opposes globalization and attacks
cooperation among nations in the name of nationalist independence; but at the same
time, he wants to leave financial markets - the most globalized force in the world –
unregulated. For the most cynical of neoliberals, nationalism serves to prevent
democracy reaching the global places where finance and big business roam at large.
Sovereign nationalism can play with flags and anthems, and spend its time hating
immigrants, refugees and international organizations, leaving the global economy free.
There are many mixtures of nationalism and neoliberalism.

Similarly, we cannot claim that European austerity policies are responsible in a simple
cause–effect way for the sovereignist and xenophobic reaction. The UK is not part of the
Eurozone; however, it has been the principal site of the reaction against the EU.
Denmark and Sweden are also outside the Eurozone and both have major xenophobic
movements. In Norway, which is not even a full member of the EU, the picture is similar.
The only two European countries that seem to be resisting the new nationalism are
Ireland and Portugal – both of which have suffered from Eurozone austerity. So we
cannot interpret the current explosion of nationalism as a simple reaction to
neoliberalism. When I say that in order to renew itself the EU needs to rethink its
neoliberal trajectory, I have something different in mind.

Bringing Europe to the people

In the face of the new nationalism, European institutions need the affection of European
citizens. But neoliberalism does not inspire positive emotions. We can love formal and
remote institutions only when we see how their actions can touch our lives in ways that
make these better – and not only in an economic sense. Only then can we feel them close
to us. Neoliberalism is preventing the EU from acting in this way, limiting contact
between its institutions and the lives of citizens to the scope of the market. It restricts
any new social policy developments, because neoliberals believe that social policy is
necessarily inefficient. Neoliberalism also limits the extension of cultural policies,
because they cost money, and it rejects public spending.

Karl Polanyi explained how industrialization and the creation of free markets destroyed
old ways of life and social security. He showed us how life is impossible for the poor
without security, and that modern social policy became necessary to relieve poverty and
insecurity. There is a more general message here: the market destroys supports of
individuals’ lives, and in turn creates a need for interventions to replace them. It is a
paradox: a central conflict of our societies pits the market against social policy; but in
fact, they need each other.

The European Commission of Jacques Delors understood this. It launched the single
European market, an enormous extension of the power of the market in European
integration, a distinctly neoliberal initiative. But alongside this policy, it also introduced
many policies for achieving integration beyond the market: important social policies, such
as those for improving workers’ rights; policies for extending dialogue at the EU level
between organizations of employers and trade unions; and other measures to create links
between Brussels and social institutions within individual member states, like unions,
local governments, scientific and cultural communities. In some cases, there were highly
local and detailed initiatives, especially for disadvantaged areas, which brought
Commission functionaries into contact with groups of citizens who would normally never
meet people of that kind. This was a true example of Polanyi’s lesson: more market implies more social policy; market relations need various other types of social relationships. But there is also a second lesson: that there need to be human contacts between an international institution and ordinary people.

Margaret Thatcher and the English Conservatives were never able to accept Polanyi’s lesson. Thatcher was a prime protagonist of the single market, but never accepted the other side of the coin. She was a neoliberal for whom the market and social policy were irreconcilable enemies. She was also a nationalist neoliberal and could never accept direct relations between European institutions and ‘her’ people. This was the point of departure for the gradual alienation of the UK from the EU.

Today, many of the policies launched under the aegis of the Delors and Prodi commissions continue – enough to enrage English and other European nationalists. But the emphasis of EU policy has changed. It has been engaged on an uncompromising neoliberalism – in the policies of the European Central Bank, or in some judgements of the European Court of Justice (for example hindering the industrial relations policies of the Nordic countries, despite their successes). In their insistence on the primacy of the market, the European institutions have forgotten everything else.

In reality, the EU does so much more. The central European countries have received vast funds for the modernization of their infrastructures; EU neoliberalism certainly creates more collective goods than Soviet communism did. Italy receives funds for the renewal of its small enterprises, so important to the Italian economy. But the propaganda of nationalist politicians renders all this invisible. Europe’s supporters – whether in Brussels or in the member states – need to combat this propaganda, pointing public opinion to the benefits that we derive from the EU.

But it is not only the nationalists who want to distract from the contribution that the EU makes to our lives. Even politicians who declare themselves supporters of Europe are often disinclined to point to what it has achieved, and to claim its successes as their own. They need to be careful if voters are not follow the extreme sovereignists into a chaos like Brexit.

This is still not enough. There have to be new European policies that create links, which touch the lives of citizens, especially those who normally cannot see the value of the EU. The Commission needs to liberate itself from the neoliberal economists who today inspire most EU policies. We need new sources of imagination. In the UK the great majority of the cultural and academic world opposed Brexit, just as did the majority of trade union leaders and businessmen. Europe touches the lives of all these groups in various positive ways, which they can understand and value. In Britain there have been too few of us, and we did not talk about it enough until it was too late. These are the lessons of Brexit for the rest of Europe.

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