

EU Solidarity in a time of Crises

In his short but pregnant book *Temps des crises*, Michel Serres proposes to excavate below the level of immediate economic and political phenomena (the urgent level, however at which media report, politicians decide, and people struggle) to examine the ‘tectonic plates shifting beneath’. A crisis, he proposes, is more than an accumulation of difficulties: etymologically it is a time of judgement: a time in which much that we can take for granted is revealed to be precarious or deceptive, in which our common practices and assumptions are judged, and in which we ourselves now must judge and choose. In a ‘crisis’ one cannot simply turn back: returning to the status quo ante merely places us at a previous point on the loop that led to the crisis. Reforms will surely be necessary, but they cannot be sufficient. A crisis calls us to a radical reevaluation of our political and private lives.¹ Serres agrees that that he live in a time of crisis but will not reduce it to something that can be ‘solved’ by administrative, political or juridical decision :

‘See, I have set before you today life and prosperity, death and adversity. . . . I call heaven and earth to witness against you today that I have set before you life and death, blessings and curses. Choose life so that you and your descendants may live, loving the Lord your God, obeying him, and holding fast to him’ (Deuteronomy 30: 14-19)

Jean Baptiste de Foucauld poses his own challenge,² arguing that what we may conventionally call the ‘crisis’ is at least four crises:

- financial and economic: brought to birth by the financial crisis, revealing how the market system of globalised economies is radically dysfunctional;
- social: engendered by the economic crisis. De Foucauld notes that in France (not the worst-affected country) 3.8 million are now unemployed or underemployed, yet that this situation has provoked no coherent political response. Unemployment breaks social bonds; in particular, the young unemployed have no effective social representatives. Those in work are exhorted constantly to increase ‘productivity’ so as to compete better, however exploitative that demand might become.
- ecological: Tackling it will require very different policies than those promoting ‘growth’ to stimulate the economy. Even the much-favoured ‘green growth’ will require heavy investment to improve energy efficiency, to renew transport networks, and electricity and water systems, to clean the soil of pollution, etc. While such measures would create employment, that employment will primarily need to be publicly funded. How can we prevent those in poverty, the most affected by environmental problems, from being victims of measures designed to confront these problems? In stating that the ecological crisis is ‘both a menace and an opportunity to live better’ de Foucauld shares the deeper perspective of Michel Serres’
- of meaning: the great symbolic systems that attributed depth to human life and expanded people’s horizons have lost their legitimacy. Democracy, deprived of any transcendent reference (for example the inalienable dignity of every person) can hardly engage the most generous and committed people, falls back on a preoccupation with institutions and procedures.

¹ Michel Serres, *Temps des crises* (Paris: Le Pommier, 2012), pp. 10-14.

² Jean-Baptiste de Foucauld, *L’abondance frugale : Pour une Nouvelle solidarité* (Paris: Odile Jacob, 2010), pp. 16-22,

I would add the dimension of a democratic crisis. Nation states are incapable of managing separately the transversal issues of our day - globalisation, especially globalised finance and the opportunity for global corporations to escape virtually all national taxes; climate change and environmental sustainability; migratory flows. Yet the confidence withdrawn from states is in no way transferred to the transnational - in this case the European - level. This leaves a deficit of citizenship. But significant change in our public life depends on the active engagement of citizens.

In 2007, José Manuel Barroso, President of the European Commission, hailed the signing of the Treaty of Lisbon as a breakthrough. With the institutional impasse resolved for the time being, the EU was free to address what 'the people of Europe really care about': climate change, migration, globalisation, economic growth, and security in the face of terrorism. Speaking admittedly before the economic crisis erupted, Mr Barroso did not add 'solidarity' to his list of what people 'really care about' - or ought to care about. Five years later the political landscape looks very different.

European poverty

To assess the EU's politics from the perspective of justice and solidarity, one should begin from the harsh facts of poverty.³

There are certainly 'new poor' since 2008-09. However, many of those worst hit, in most EU countries, already experienced poverty. The incomes of working or non-working have been squeezed from many directions, including reductions in employment benefit, tax increases, and pension rights.

As always, certain groups suffer disproportionate risk. Women employees are more affected than men by cutbacks in the public and services sectors; migrant workers are at grave risk, since in some countries they may lose their residence permits if they become unemployed, however blamelessly. Some ethnic European groups, particularly Roma, but also other workers migrating within the EU, are especially vulnerable. Most ominously for the future, young non-student adults suffer an unemployment rate of more than 50% in Greece and in Spain. Decisions to raise the age of retirement save governmental money on pensions while raising spending on unemployment benefits and making jobs even harder to find for young people. The Social Protection Committee of the European Commission shows that national measures to reduce public expenditure have first hit social protection and social inclusion systems. Cuts in public spending been given priority over tax increases on higher earnings, and tax increases have often taken the form of increases in the socially regressive VAT.

Europe, centre and periphery

At the level of differences between states, some countries are now commonly described as on the periphery of Europe - for example, Greece and Spain. The term 'periphery' is itself a danger-signal. In the 1960s and 1970s two general theories of development confronted each other. The more optimistic model postulated that marginal economies would simply 'take off' once a critical leverage point had been reached, in virtue of some natural tendency towards progress. Its classic expression was that of the US social scientist Walt Rostow in 1960 in a book significantly entitled *The Stages of Economic Growth: a non-Communist Manifesto*. 'Underdeveloped countries' would not necessarily catch up with the richer ones, but they would increasingly share in the world's growing prosperity, stimulated by the example of their more prosperous neighbours. In the 1980s Margaret Thatcher applied this model to Britain's own poverty, quoting the saying, 'A rising tide

³ See the analysis of the European Anti-Poverty Network (EAPN) as outlined in 'The Social Impact of the Economic Crisis in Europe', Working Notes, Issue 69, July 2012, pp. 16-21 (<http://www.workingnotes.ie/index.php/item/the-social-impact-of-the-economic-crisis-in-europe>)

lifts all boats’, and arguing that the point was not to share the cake more fairly but to bake a bigger cake. I lived in two of the poorest areas of North-west England for ten years – and I can state from experience that this is not how things work. If general prosperity rises and more people acquire washing machines, the local laundrette will close and those without washing machines will be worse off. If more people get cars the local bus service declines – and those without cars are worse off than before.

A competing model contested the ‘take-off’ theory, and stressed instead competition and conflict: a ‘dependency’ or ‘centre-periphery’ model. It was already clear in the 19th century that increased global trade widened inequalities. The centre can exploits the periphery, bleed it dry. This model is the denial of solidarity. In Europe in 2012, the gap between the different rates at which countries are able to borrow through the bond markets is a classic centre-periphery mechanism. Willingly or not, Germany profits from Greek and Spanish hardship. The market system intrinsically denies solidarity.

In contrast to Germany, in 2012 Spain will spend more on servicing its debts (even without substantially repaying them) than on financing its social services. Yet Spain was not till recently burdened with especially high debts, and it balanced its budget till 2008. At that point the housing bubble burst, having been financed by cheap loans to builders and homebuyers. Spain’s debt derives from the need to bail out its banking sector (which had profited amidst the bubble) and its regional governments.⁴

The case of Greece is very different. Its government misrepresented its public finances when Greece adopted the Euro (for which the EU itself, having the technical capacity to unveil such misrepresentation must share responsibility), there was a dramatic subsequent rise in public sector numbers and salaries, the widespread practice of tax evasion. Budget deficits, and national debt both spiralled. Emergency loans amounting so far to some 240 billion Euros by the EU and the IMF, the writing off of substantial bank debts (an operation given the quaint euphemism ‘haircuts’) were accompanied by lenders’ insistence that Greece drastically cut public spending cuts, impose tax rises, ‘reform’ of labour markets and pensions.

What is the EU to do? Practising ‘solidarity’ cannot ignore the danger of ‘moral hazard’ - the risk that overlooking bad practice encourages its future continuation. Two commentators of the Brussels-based think tank, the European Policy Centre, argue as follows:

The Greek government must be ready to continue radically reforming the country’s public administration and the foundations of its economy. But we also have to have mechanisms which ensure that countries like Greece have a realistic chance – and sufficient time and support – to reform their economies and their political systems, while maintaining an acceptable minimum standard of living for their citizens. . . . [to ensure] a European Union which safeguards not only the prosperity of the economically strongest, but also peace, prosperity and democracy for all its citizens.⁵

Solidarity in Christian perspective

The annual reports of the European Commission highlights ‘solidarity’: the word is used to describe any funding of social cohesion projects, or of international development. Now these contributions may be praiseworthy, but they fall short in important ways of what Christian social thought means by ‘solidarity’.

⁴ BBC, ‘Eurozone Crisis Explained’. accessed 24th November 2012: <http://www.bbc.co.uk/news/business-17549970>.

⁵ ‘Armageddon – for Greece, the euro zone and the EU?’, Fabian Zuleeg and Janis A. Emmanouilidis (EPC Policy Paper, 27 July 2012)

First: Solidarity is the moral duty that follows from the fact that we are created by God not as isolated individuals but as persons who are essentially interrelated. It is through solidarity that we express love (agape) to those individuals we will never meet but whom we still recognise as our sisters and brothers. This love is also justice, since justice is that form of love that seeks the well-being of others, even at personal cost, in their specific socio-political circumstances.

In 2005 COMECE attributed this strong sense of solidarity to the EU's founders:

The impulse for the foundation of Europe was given with the aim of instituting 'a real solidarity'. Solidarity here means the achievement of a real unity, in respect for the common good, based on the equality of partners. . . . Solidarity is the method of European integration.⁶

The EU today falls short of this commitment. In the case of Greece, I have suggested that 'solidarity' cannot require the absence of external pressure for the reform of dysfunctional or corrupt systems. Practices that deny social and moral responsibility bring their own redress. Even what is for Christians the crucial possibility of forgiveness does not strip damaging acts of their consequences. On the other hand, there is no sign that other countries are willing to share the undeniable pain of Greeks. At best the 'hair-cut' will require banks, for example, either to accept a dip in profits, or (in the case of consequent overall losses) to project that loss onto the public finances of their own country. It would be fatuous to think in terms of 'self-sacrifice' here. Commerce does not know the concept of solidarity.

Second: the Christian notion of solidarity is grounded in two intermediate axioms:

- The common good: whereas the classic utilitarian ideal of 'the greatest good of the greatest number' inevitably sidelines the well-being of the 'smaller number', the concept of the 'common good' begins with the good of the oppressed and excluded, and can be identified only as they are served, so unmasking many political pretences;
- The universal destination of the good of Creation: western liberalism presumes the quasi-absoluteness of the notion of private property - even when that is in reality corporate and massively extensive. In Christian social thought, the needs of the poor come before the rights of the wealthy to their superfluity.

Third: perhaps the primary form of solidarity is that of poor people with each other which must always be respected by the prosperous. At a recent meeting of the European Parliament's Intergroup on Extreme Poverty and Human Rights, Diana Skelton of ATD Quart Monde cited the liberal mantra, 'Competition breeds excellence'. But excellence at what? Competition in the distribution of humanitarian aid, for example, can be destructive, if donors give way to competitive pressures to be maximally visible so as to impress their own funders. By contrast, speaking of a computer training programme in Madagascar, Skelton described 'the pedagogy of non-abandonment and mutual help'. Young people on the programme did so well that many both gained employment and brought great benefits to the company. Replicating this form of non-competitive solidarity is a profound challenge to Western Europeans.

Fourth: we Western Europeans figure count among the wealthy whose privilege needs to be challenged. Europe cannot escape the global crisis alone and must not try to, and the primary framework for solidarity is global. In November 2012, attempting to craft a budget to meet member

⁶ COMECE, *The Evolution of the European Union and the Responsibility of Catholics*, 2005, §.20

states' demands to economise, the European Council proposed to reduce the EU's budget both for social cohesion and for international development. In this second case of 'Global Europe', the proposed cut was from €65.6 billion proposed initially, to €60.7 - some 8%. (EurActiv). Since this budget revision failed to satisfy some member states' zeal for cuts, we may expect worse news when negotiations resume. Solidarity must likewise shape the EU's policy in trade, in migration - and in seeking policy coherence between these different policies.

Further threats

An economic threat: After rescuing the finance and banking sectors in 2009 at massive public cost, governments cannot afford further such 'stimuli packages'. (In 2013, Greece's debt will amount to 190% of its gross domestic product). Hence the pressure to 'reform public finances' urgently by prioritising immediate and steep debt-reduction.

In neoliberalism, 'public expenditure cuts' appear as an act of virtue. This claim is now fiercely debated by economists. A household can improve its finances by cutting expenditure, so long as its income is safeguarded. For a country to benefit from austerity, it too must maintain its income, for example by diverting the money saved into supporting export growth. That plan is thwarted, however, when most other governments follow equivalent policies. Meanwhile, rising unemployment reduces tax revenue while increasing benefit spending - unless social spending is also squeezed, so further penalising the most vulnerable. There is a strong argument that quasi-universal austerity packages are self-defeating.

A social threat is even more troubling. Mass unemployment is an extraordinary evil, likely to provoke deep social and political unrest, especially as young people lack hope even for future work, and develop the sense that the political class is either callous or helpless. In Greece and elsewhere, such protest has turned violent. We may assume that the thousands of street protestors carry with them far larger number of passively discontented people. If our political representatives lose credibility, what might follow?

Signs of Hope

In the near future we must expect social suffering and even social upheavals. However Christian hope is not optimism. It is rather the assurance that labour now, for justice and the common good, is never wasted but will bear fruit.

The extraordinary efforts expended within the EU institutions, within the European Central Bank and so on during 2012 has shown its leaders working to the point of exhaustion to devise financial and regulatory means of extricating Europe from the plight in which our economic reductionism has helped plunge it. This dedication - not least to preserve Europe's 'social model' - deserves respect and admiration. Perhaps we have got ourselves into this crisis - for example through regarding growth and profit as their own justification, so that regulation was unnecessary or harmful so long as the system yielded satisfactory results in conventional terms of GDP or GNP. Perhaps, also, we have not yet reached the point of societal consensus that our current economic paradigm (unique in the world's history) within which the primary purpose of politics is to serve economic growth) is radically reductionist.

Meanwhile, however, a counter-culture develops, a growing movement in favour of 'de-growth' (the positive perspective on 'austerity', or even 'recession') recognising how liberal capitalism brings about a narrow concentration of wealth and so widens inequalities, privileges capital over

workers, exploits the environment, rewards the production even of goods and services. (Those in poverty, of course, practise 'de-growth' under compulsion.)

The 'economy as absolute' is an idol: in New Testament language, mammon is the Syrian god of wealth. But the founders of the EU restructured the European economy as a necessary and powerful instrument for peace as they bound together the structural bases of Franco-German industry, coal and steel, hoping to make war between these countries almost unthinkable. I suggest that our challenge today is to dethrone the economy, by seeking to ensure that the economy serves (and 'serves' is the key term) not to fracture solidarity but to promote it. This commitment, in turn, requires discernment about growth: where does growth offer only marginal satisfactions, or even become a disvalue (for the many of us in Western Europe who have more than we need)? How can it be directed, directly or indirectly towards those who urgently need more than they have? In this indirect mode, for example, we need research into mitigation and adaptation measures in face of climate change: and we need an enhanced educational and cultural formation to find a humanly more satisfying form of abundance than that offered by wasteful consumption.

This search will always include two foundational elements: to identify injustice, especially that from which we ourselves unwillingly benefit, or which derives from blindness we ourselves may partly share; to learn to practise solidarity with those who are excluded by the economic and political systems we inhabit - even as we seek to reform them.

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