

Solidarity and the European Union: From the Welfare State to the Euro Crisis

André W.M. Gerrits¹

International Studies / European Union Studies, Leiden University

'Solidarity is part of how European society works and how Europe engages with the rest of the world.'²

'Solidarity is a duty. It is not a virtue, because a virtue is voluntary.'³

'Solidarity' comes with the social market capitalism of Europe and is widely considered as an essential aspect of European integration. Solidarity is routinely mentioned in European Union documents as the core of integration, and it is persistently presented as an essential component to solve the current Eurozone crisis. But how do we conceptualize solidarity at the European level? Is it a moral value, a legal principle, a political option, or merely a rhetorical device? And why should we feel especially concerned by appeals to solidarity between states and citizens in Europe? Is solidarity the key to restore trust in Europe and in Europeanised politics, or is it better left to the domain of the nation state? What kind of solidarity is conceivable, feasible, or required at the European level?

Judging from the frequency with which it is being referred to in EU documents, Solidarity may be considered as a cornerstone of European integration. References to solidarity are numerous and varied. The very first article of the Treaty of Lisbon cites solidarity as one of the EU's 'common values'. In other parts of the Treaty 'mutual solidarity' and fair sharing of responsibility are presented as principles which govern relations among member states in the domains of external and security policies, and of freedom, security and justice. The 'mutual defence clause' of Article 42.7 of the Treaty on European Union requires member states to collaborate in the case of armed aggression; while the 'Solidarity Clause', framed in Article 222 of the Treaty on the Functioning of the European Union, formulates an explicit demand on the member states to come to each other's assistance in the event of terrorist attacks, natural or man-made disasters.⁴

Solidarity is prolific, but it is also ambiguous and disputed. Solidarity allegedly supports cooperation between member states and fosters and maintains social equality within states. It is mentioned as an aspect of social policy, of security policy, and as a mechanism of monetary union crisis management and of sustainable post-crisis integration. Most solidarity provisions in the European Union are intergovernmental in character; others are left at the discretion of European institutions. Some entail binding commitments amongst member states, others again remain mostly rhetorical. In any case, and most importantly, shared solidarity is widely considered as a pivotal element of how Europe works and how it perceives itself. This essay briefly discusses two facets of solidarity in Europe: assistance to the countries which have suffered most from the euro crisis, and, more generally, the European dimension of the welfare state ('Social Europe').

¹ The author is grateful to Michael Dauderstädt and Jan Marinus Wiersma for their comments and suggestions.

² European Commission, 'Opportunities, Access and Solidarity: Towards a New Social Vision for 21st Century Europe'. (Communication) COM 2007.

³ 'Speech by Herman van Rompuy, President of the European Council, on the Occasion of the Departure of the President of the ECB', Frankfurt, 19 October 2011

(http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/125374.pdf)

⁴ Sara Myrdal and Mark Rhinard, 'The European Union's Solidarity Clause: Empty Letter or Effective Tool? An Analysis of Article 222 of the Treaty on the Functioning of the European Union'. *Occasional Ulpapers*. Swedish Institute of International Affairs, 2, 2010.

Solidarity within member states – the ambiguous and contentious nature of ‘Social Europe’

The issue of collective solidarity in the European Union is inextricably linked with the welfare state. ‘Social Europe’ as the main manifestation of the EU’s welfare role, builds on the communal and protective functions of the national state. The welfare state is crucial to Europe’s self-image, and the process of European integration is regularly presented as a prime mechanism to strengthen and protect the welfare state against the excesses of the market and the threats of globalization. In theory, the Union serves its familiar goal: to enable national states to enhance their problem-solving capabilities. In reality, however, and despite the fact that European initiatives in the social sphere have remained limited, ‘Social Europe’ remains one of the most controversial and ambiguous aspects of European integration.⁵

Additionally, the welfare state is not only central to the self-perception of the European Union. As diverse as welfare states’ arrangements actually are, they are a crucially important aspect of the legitimacy of all member states. Social Europe is therefore often considered as encroachment upon one of the most vital prerogatives of the national state.

It is a truism to assert that the national welfare state is under pressure. The growing heterogeneity and open nature of modern society as well as the increasingly strong forces of global competition seriously challenge the three pillars of the welfare state: political choice, financial feasibility and solidarity. Solidarity is never a given; it needs to be achieved, and sustained. The redistributive dimensions of the welfare state is bounded empirically, they require a sense of commonness and solidarity which has proven difficult to realize outside of the realm of national history and culture. The national welfare state was designed to function as a relatively ‘closed’ arrangement, limited to the citizens of a given state, and lawfully discriminating against those of others.

Two major features of European integration seem inevitably at odds with these fundamentals. The cultural and socioeconomic diversity at the European level makes it difficult to recognize the ‘other’ with whom we are supposed to share the fruits and burdens of cooperation. In other words, the sense of communality that sustains the welfare state at the national level, is absent at the European one.⁶ Furthermore, the complex, multi-layered and contested European polity, often perceived as insufficiently democratic and accountable, seriously weakens the institutional dimension of solidarity, i.e. citizens’ allegiance to common institutions. Solidarity needs effective and legitimate administration. So whilst the lack of communality undermines the commitment to, or moral justification of distributive justice, deficiencies in representativeness and accountability challenge the legitimacy of and the trust in a fair and responsible distribution.

Many European citizens therefore tend to consider the European Union as a threat rather than a support to their welfare provisions. They perceive a mismatch between the ‘market-making’ (liberalization) and the ‘marking-correcting’ policies (social protection) of the European Union. And these citizens may be right. The social policies of the European Union follow market integration.

⁵ Too ambiguous to simply assert that the legitimacy deficit of the EU would be especially related to the ‘failures’ of its social policies, as John Grahl and Paul Teague assert, ‘Reconstructing the Eurozone: The Role of EU Social Policy’, *Cambridge Journal of Economics*, 2013, 37, p. 678.

⁶ A related discussion focusses on the impact of migration and increasing ethnic heterogeneity on solidarity in individual welfare states in Western Europe. While growing diversity of societies is frequently mentioned as problematic for the sense of shared identity and commonness that underpins national solidarity, recent research shows more mixed results. See for example Steffen Mau and Christoph Burkhardt, ‘Migration and Welfare State Solidarity in Western Europe’, *Journal of European Social Policy*, 19 (2009) 3, pp. 213-229.

European directives have generally strengthened economic liberties and individual rights, thereby creating insecurity rather than security for larger parts of the working population. Initiatives which may be inspired by perfectly sincere concerns of justice and fairness at the all-European level are perceived as unfair and illegitimate at the national one (such as the directive on services or the discussion on European-level minimum wage). ‘Ironically’, as has been argued, ‘solidarity is protected by Europe, but also from Europe.’⁷ And given the combination of the changed relation between decision making at the European and at the member states’ level (aptly phrased as from ‘permissive consensus’ to ‘constraining dissension’⁸) and the fact that debate on Europe has been progressively ‘framed’ by the sceptics of European integration⁹, there is very little reason to believe that the European Union’s social policies (‘Social Europe’) will become less controversial any time soon.

Solidarity between member states – about reciprocity and self-interest

A second dimension of solidarity in Europe concerns relations between member states. In a recent publication the Paris-based think tank *Notre Europe* distinguishes between two driving ‘logics’ behind solidarity at the all-European level, one based on reciprocity, and the other inspired by enlightened self-interest.

Solidarity based on reciprocity resembles a joint insurance policy. It is a common exercise in risk sharing. Direct reciprocity is at the basis of the Solidarity Clause and most other European facilities mentioned above.

Enlightened self-interest is a more complex driver of solidarity. It demands considerable political foresight, because it is generally based on a longer-term identification between national and common (European) interests and ambitions. In Europe today, solidarity grounded in self-interest mainly comes in the form of financial redistribution or assistance. It is the inspiration behind the EU Common Agricultural Policies, the Cohesion Funds, and recent crisis instruments as the European Stability Mechanism. Redistribution is considered sound, because it is expected to *eventually* impact positively on the donor countries too – in terms of investments, trade, and market opportunities, and in the case of the ESM more existentially as a means to save the euro, if not the union.¹⁰

For solidarity in Europe to be sustainable, one could argue that it needs a combination of enlightened self-interest *and* reciprocity. This applies in particular to the current euro crisis. ‘The crisis has revealed what it takes to be in a Union’, Herman van Rompuy stresses. ‘In fact this is the very first real test of solidarity in the history of the Union!’ If we accept Van Rompuy’s argument, solidarity in Europe has indeed reached new dimensions. ‘Wie is das möglich?’, Ulrich Beck pondered when the German Bundestag discussed the second financial rescue package for Greece. ‘Was heist das eigentlich, wenn eine Demokratie über das Schicksal einer anderen Demokratie abstimmt?’¹¹ Solidarity may seem more important in Europe than it has ever been before - but is it really present?

⁷ Jean-Claude Barbier, ‘Languages, Political Cultures and Solidarity in Europe.’ *RECODE Working Paper Series*, No.1, 2012, p. 5 (<http://www.recode.fi/publications>).

⁸ Liesbet Hooghe and Gary Marks, ‘A Postfunctionalist Theory of European Integration: From Permissive Consensus to Constraining Dissensus’, *British Journal of Political Science*, 39, 2008.

⁹ *Ibidem*, p. 21.

¹⁰ In terms of solidarity, European agricultural policies are rather eccentric. They distort international free trade, are biased towards the richer member states (France); they harm the interests of many poorer non-European countries; and they seem incongruent with the official ambition to make Europe ‘the most competitive and the most dynamic knowledge-based economy in the world’.

¹¹ Ulrich Beck, *Das deutsche Europa*. Berlin: Suhrkamp Verlag, 2012, 9.

At face value, one could argue that the form of solidarity exercised during the euro crisis is mostly of the non-reciprocal or transactional kind: member states provide financial assistance to other member states in the perceived common interest.¹² A closer look, however, reveals an element of reciprocity too. The creditor nations' agreement to these financial transfers is not based on the expectation that they may eventually benefit from comparable assistance by the present creditor countries (the 'insurance' option), but rather on the idea that these measures are in their own longer term interests, i.e. on the expectation that these transfers serve the viability of the euro as a common currency. Reciprocity is also to be found in the structural political and economic reforms which the creditor nations require the debtor countries to take.¹³ However, what creditor countries see as an opportunity, if not a necessity; debtor nations may consider as unsolicited and unfair. Paradoxically, though typical of the controversial nature of solidarity at the European level, the creditor states tend to *emphasize* the cold transactional nature of their financial assistance. It is a matter of calculated domestic legitimacy. In order to 'sell' the transfer of tax payers' money to the countries in crisis, they rather stress the demanding nature of these transfers than the inspirational force of solidarity.

Public opinion research seem to indicate that a majority of citizens in various countries believe that member states need to demonstrate solidarity and to work together to address the current social and problems. However, support percentages are consistently highest in countries on the receiving end of assistance¹⁴, and there is no evidence that a majority of Europeans consider institutionalized solidarity as an important feature of integration. There are reasons to believe that financial assistance to the countries-in-trouble challenges rather than supports a sense of solidarity within the European Union. The major explanation may be that a crucial condition of solidarity is largely lacking, namely mutual trust. Trust is a vital prerequisite of (political) community, of mutually shared responsibility, and ultimately of sustainable solidarity, whether based on reciprocity or self-interest. Citizens are more likely to trust an institution that operates at a level on which they experience a shared identity.¹⁵ It is often argued that without a clear sense of (political) community or common identity the process of European integration may stagnate or actually decline. Community, identity and trust refers to a feeling of togetherness and similarity which is strong enough to feel a solidarity 'that goes beyond mere short-term, instrumental calculations'.¹⁶ The rounds of enlargement during the 2000s have undoubtedly increased the cultural and economic heterogeneity of the European Union. And although enlargement and the euro crisis are only loosely connected, and scholars disagree on the extent to which growing diversity negatively impacts on the sense of political community among Europeans, it seems difficult to imagine that the two are wholly unrelated.

Trust and responsibility are not a given. They need to be supported and maintained. And trust in Europe goes beyond perceptions of the European Union itself. In the current crisis euro-scepticism

¹² Interestingly, monetary assistance did not necessarily flow from the richer to the poorer member states. Ireland was the second richest member state of the European Union when the crisis hit and it received assistance from poorer Slovenia and Estonia. Greece, Spain and Portugal are richer than most of the member states in Central and Eastern Europe (thanks to Michael Dauderstädt (*Friedrich Ebert Stiftung*) for this important observation).

¹³ To be sure, contributors and beneficiaries are far from simple categories in the current euro zone crisis. In various ways creditor nations have benefitted enormously from the financial and economic distress of the debtor member states.

¹⁴ *European Economic Crisis Survey (March 2013)*, prepared by Open Society Foundations, appendix to 'Europe Stands Firm: Europeans Back Solidarity Over National Self-Interest to Get out of the Crisis' (<http://www.opensocietyfoundations.org>)

¹⁵ Eelco Harteveld, Tom van der Meer and Catherine E. de Vries, 'In Europe we Trust? Exploring Three Logics of Trust in the European Union', *European Union Politics*, July 2013, p. 5.

¹⁶ Hans-Dieter Klingemann and Steven Weldon, 'A Crisis of Integration? The Development of Transnational Dyadic Trust in the European Union, 1954-2004', *European Journal of Political Research*, 52, 2013, p. 459.

seem to be particularly targeted towards other member states (negative images and perceptions along the 'north-south' divide) rather than towards Brussels. The responsibility of the receiver of solidarity for his own predicament is taken much more seriously at the European level, than it is at the national one – another indication of the relatively lower level of identification and trust in Europe.

Prospects

This essay discussed two aspects of solidarity in Europe: current attempts to assist countries to overcome the financial and economic crisis, and, more in general, the European dimension of the welfare state ('Social Europe').

Let us return to Van Rompuy's dictum that solidarity is not a voluntary virtue, but a binding duty. How does Europe cope with this obligation, while mutual trust and responsibility, the bases of effective solidarity, seem to be weak at best? There is an answer to this dilemma, and it is typically EU: by creating more Europe. Within the context of the current crisis, the need for stronger and more sustainable forms of solidarity is primarily looked for in the legal and institutional sphere, in the creation or strengthening of regulatory and supervisory mechanisms.

There seems an inverse relationship between solidarity and coordination in the European Union. Capacity and institution building need to compensate for the inadequate level of solidarity. Is this a viable strategy? Considering that solidarity and trust are typically based on a combination of normative and institutional allegiances, the current measures only answer to the rational dimension of solidarity, to the hope or expectation that resources will be spent appropriately and effectively. Creating new supervisory mechanisms may help to repair lacunas in the current body of rules and supervisory regulations, but it remains highly questionable whether a technocratic exercise can be the ultimate response to a deeper lack of a communality, of shared Europeaness. Contrary to early expectations, the functional logic of European integration has never really reached into the affective or the emotional dimension of cooperation. The sense of 'Europeaness' seems to have declined rather than increased over the course of the recent crisis.

Would this be a problem? Is solidarity at the European level really the binding, obligatory duty Van Rompuy's wants us to believe it is? Does Europe need a deeply felt solidarity to ensure its political legitimacy and administrative effectiveness? Here we enter again my second question, about the future of the European dimension of the welfare state.

My final argument is twofold. In line with the observation by Alan Milward that 'to supersede the nation-state would be to destroy the community'¹⁷, I would stress again that European integration can only be based on strong and self-assertive nation-states. In the context of solidarity, recent research interestingly concludes that among the causes of trust in the European Union, '(t)rust in national institutions has by far the greatest impact...(...) To an important degree, citizens' trust in the EU can be predicted by their trust in national institutions...'¹⁸ The idea that viable and effective integration at the European level necessarily needs a transfer of functions and prerogatives to the European level is empirically wrong and politically self-defeating. This may apply in particular, my

¹⁷ Alan Milward, *The European Rescue of the Nation State*. London: Routledge 2000, p. 3.

¹⁸ Hartevelde, van der Meer and de Vries, 'In Europe We Trust?', pp. 15, 20. The authors add that trust in the EU cannot simply be extrapolated from trust in national institutions. Trust implies a common source on both levels, most possibly related to personality and general outlook. The research also concludes that of the three hypothesized causes of trust (rationality, identity and extrapolation), identity is the weakest explanatory logic. European identity plays a 'small and inconsistent role' as a source of trust in Europe, they argue contrary to the outcome of other research.

second concluding argument, to those aspects of member states' policies that are firmly underpinned by specifically *national* bonds and solidarities, including the welfare state. Solidarity may be different from other aspects supporting integration. To a large extent, solidarity is a matter of mutually shared trust and responsibility. And here we enter the realm of culture, of political culture in any way.¹⁹ I do not argue that trust or a shared understanding of responsibility cannot reach across state borders. But as yet, the national state proved to be the political form most appropriate to effectively generate them, and this is unlikely to change in the foreseeable future. This requires us to be cautious when it comes to appeals to strengthen the social dimension of European integration – a prevalent sentiment among social democrats. Realistically, 'Social Europe' is neither the answer to Europe's perceived lack of legitimacy, nor is it an effective response to the subversion of our welfare state achievements. If our ambition is to strengthen European integration in these or other respects; we better focus on the national state first.

¹⁹ I don't want to be overly *culturalist* and refer to the quantitative analysis of Klingemann and Weldon ('A Crisis of Integration?', p. 471), which indicates that cultural factors are secondary to economic variables in explaining trust patterns. Given the significant economic disparities in Europe, this may offer little consolation to the European Union.