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A NEW AGENDA
SOCIAL EUROPE DOSSIER
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1 EUROPE’S DESTINY IS AT STAKE

BY LÉONCE BEKEMANS

Throughout its shared history, Europe has always developed as a dynamic entity with many faces, multiple identities and various forms of co-operation. Today, however, its diversified social model is in crisis.

‘Europe’ has never been so necessary and yet Europe has never been in such danger. In this rapidly changing world, political courage, inspiration and a citizen-centred perspective are needed to shape a new European renaissance.

Europe is at a crossroads. The challenges facing the project of European integration are both internal and external. They comprise rising global exposure, threats to economic and social cohesion, growing cultural diversity, increasing complexity, a widening political agenda, the climate crisis and—last but not least—imperilled legitimacy and trust.

The prolonged ‘Brexit’ negotiations have created more uncertainty. Our democracy is in crisis and EU citizens are losing faith in it, because political leaders cannot deliver their promises on a national level. The state is no longer the exclusive actor and, meanwhile,
power has been globalised—defying attempts to return to national solutions, as the ‘migration crisis’ illustrates.

The French sociologist and philosopher Edgar Morin recently spoke of a ‘planetary crisis’ and the need ‘to change civilisation’ to address the complexity of today’s world. And the various crises Europe faces are indeed symptoms of a broader, systemic crisis.

Europe’s capacity to respond depends on its ability to adopt an open-ended vision and a forward-looking narrative. To consolidate and develop the EU’s peace role on a global scale and at the same time strengthen its democratic dimension, the European elections in late May offer a historic opportunity to European citizens to regain full sovereignty, defend their interests and contribute to building a fairer and more just international society.

International context

Europe today is in the midst of complex and interconnected transformations at all levels. The international system is more complex, more interdependent and more fragmented, with diverse actors involved. The EU plays a global role, mainly in trade, development, environment and social issues, more recently in security strategy. With the Lisbon treaty, it made an important step towards strengthening its global aspirations.

Yet, although the EU is the world’s leading exporter of goods, the largest trader of services and the biggest provider of development and humanitarian aid, the second largest foreign investor and a main destination for migrants, still chaos, fear and uncertainty reign. Some speak of a European malaise, a decline of its economic and political power.

This weakening is related to various factors: external, such as increasing competition at the global level and the management of complexity; internal, such as demographic developments, migration issues, climate crisis, secularisation, democratic deficits and populist movements. The EU is however slowly taking measures for
better and more efficient governance, amid many doubts and differences.

Two essential and distinctive dimensions of the EU’s contribution to global issues can be distinguished: its influence as a model of national and supranational democracy and its impact on international democratisation. Since its creation in the 1950s, the European Community (now the EU) has played a key role in strengthening democratic processes step-by-step throughout its several enlargements, from the Mediterranean to central and eastern Europe. It is also slowly applying democratic practices at regional level through its own institutions and policies.

We should not forget that for centuries the global implications of the European contribution towards peace-building have been addressed by political thinkers, from Immanuel Kant to Jürgen Habermas, Ulrich Beck and Zygmunt Bauman. European studies have become a specialisation in international studies and the EU is perceived as a unique, *sui generis* model of integration—a work in progress used as reference for other regional organisations in the world.

Rethinking ‘Europe’

In a rapidly changing world, political courage, leadership, inspiration and human-centric practices are needed to shape and strengthen the values connected with ‘Europe’ as a never-ending story. As Václav Havel put it, ‘Without commonly entrenched moral values and obligations, neither the law, nor democratic government, nor even the market economy will function properly.’

One can think of two (interrelated) tracks which could further strengthen Europe’s position in the multipolar world of tomorrow: first, differentiated and deepening integration and, secondly, acting as a change-agent within the multilateral system.

As size matters, both for economic and political power, Europe’s fragmentation into a multiplicity of small actors does not help. Increased European integration in specific policy areas (such as trade, competi-
tion, development co-operation, economic, monetary and financial issues, environment and ‘human' security) seems the only way forward. Only then will the perceived national interests of member states become part of the overall European interest, representing unity in diversity within a well-defined international and legal order—we need a multi-level and multi-actor approach.

States, international and regional organisations, transnational policy networks and non-governmental actors are the building blocks of the multilateral system—individual states are merely players among others. Furthermore, the interactions among all these actors are not organised in a hierarchical way but as a network. This implies no single centre of power and blurs the centre-periphery perspective.

Instead, there is a fluid web of relations, alliances and partnerships among different actors at different levels of governance, from the neighbourhood, city and region, to the state, Europe and the international level. The global strategy, *Shared Vision, Common Action: A Stronger Europe*, advanced by the high representative for foreign affairs and security policy, Federica Mogherini, in 2016, is certainly a step forward.

Europe has an appointment with destiny: its model of society, based on fundamental rights, culture as vehicle of emancipation, sustainable development and socio-economic cohesion, and a multilateral vision of the world, is under pressure. We are experiencing a confrontation between the actual confusing European reality (political, economic, cultural and institutional) and the responsibility of Europe as a global actor in a context of ever-increasing globalisation.

The radical transformation of European societies has globalising, Europeanising, regionalising and localising dynamics. Questions about identity, citizenship, governance, borders, democracy and dialogue require proper answers. On March 1st 2017, the European Commission presented a White Paper on the Future of Europe, as a contribution to the 60th anniversary of the Treaty of Rome. It set out five possible future paths, allied to different degrees of integration.
The European Union cannot be summed up in one sentence. It is a peculiar political structure and presents a unique process of integration. It is still in the making and today it urgently needs a new, inspiring and mobilising story, in which the quality of immaterial wellbeing should not to be subordinated to the quantity of material welfare.

Europe has a mission and responsibility to find a new equilibrium between diversity and unity in a globalising world. It is confronted with the moral responsibility to maintain its model of integration and diversity within a radically changing world system. We must ask whether Europe, within a further unifying European economic space, can guarantee internal solidarity—while allowing states, regions, communities and persons to live their diversity—as well as external solidarity, as expressed in its international relations and activities.

This requires the participation and involvement of all stakeholders in society-building. Despite all the dramatic changes, Europe remains a civilisation project, characterised by a rich intellectual and cultural heritage.

Europe as community

A vision for Europe is as a community, in several dimensions.

As a community of destiny, Europe is a unique peace project. It has the strength, experience and resources to play an active, strong and constructive role in world affairs, also on environmental issues. But the concrete realities of everyday life, amid today’s ‘migration crisis’ and politically motivated violence, exhibit growing tension, division and frustration about the role of Europe in the world.

Europe is also a community of values. This refers to human dignity, rule of law, tolerance, humanity, dialogue, fraternity and hospitality. But in today’s Europe these values seem to be questioned by nationalist and populist reactions.

Europe is a community of citizens. To that end, citizens should enjoy
the opportunity to participate more fully in the European process through various dialogues and encounters. More democratic structures are needed to develop a real European public sphere. The 2017 European Commission report *Reaching out to EU Citizens: A New Opportunity* focused on youth, intergenerational solidarity and education.

Europe is an economic and social community. Although from its very beginning in 1957 European integration has been very much economically driven, the current crisis has made it clear that economic integration is an insufficient basis for further developments. Only a socio-economic community that is also culturally inspired may lead to sustainable and cohesive European societies.

Europe is a community of purpose and responsibility. The European continent has close economic, political and cultural ties with many regions of the world, often formalised in co-operation agreements. Only through co-operation and internal and external solidarity can Europe effectively respond to the global and European challenges, including in neighbourhood and development policy—particularly in the politically sensitive area of migration.

Europe is a community and meeting place of multiple identities. Freedom, peace, human dignity, equality and social justice are Europe’s greatest common goods. Yet most Europeans are still very much bound to the territorial dimension of their identity-building with their lived environment and so can become afraid of the ‘other’ and make Europe less hospitable. In this context, cities and multicultural learning spaces are very important for living convivially.

The role of education is fundamental in all this. The learning environment has drastically changed: it is more competitive, complex and fragmented and includes a wide diversity of learning sources. It should prepare people to live together, by acting together to tackle complex issues, and to deal with diversity. This requires a variety of life competences: values, attitudes, skills and behaviours. New forms of and places for dialogue, learning and study, as well as a variety of new and old actors, should be considered.
Four fundamental tasks

This leads me to distinguish four fundamental tasks.

First, Europe has the moral responsibility to build best practice in terms of co-operation internally and externally. We need a radical change if European civilisation is to survive.

Secondly, Europeans have the responsibility to show that people can live together in the world, despite differences of language, culture, religion, origin and so on. EU citizens still need to show that they can form an international public space of mutual respect, tolerance and dialogue.

Thirdly, European countries and regions must work continuously toward making their social and economic systems more efficient so that the weaknesses of the one can be compensated by the strength of others. We must encourage individual initiative, aiming for a broad and just distribution of the benefits of economic welfare and a renewed sense of responsibility.

Finally, Europeans should play a more courageous and dynamic role on the international political scene, defending our model of peace and transnational co-operation and strengthening our method of collaboration with other large regions. Europe should work for a transition away from the traditional management of geopolitical and global economic conflicts and toward a new transversal policy for the world political and economic landscape. This also implies being a global leader on the environment, in line with the Paris climate agreement.

In the current era of globalisation, the EU needs a renewed political project embedded in a long-term vision. Only in this way can the increasing influence of national interests in European policy-making be blocked in favor of the ‘European commons’. Otherwise, the danger is that, faced with the growing frustration, criticism and even indifference of its citizens, the EU will become a mere union of
economic interests or disintegrate into national and sub-regional entities.

Undermining the foundations of the European-integration model would undermine Europe’s economic, social and environmental achievements and ultimately lead to its marginalisation in the global system. The crisis of European solidarity—much illustrated by the absence of a European refugee policy—can only be overcome if initiatives and measures are taken which restore citizens’ confidence in the European institutions within a framework of ‘shared sovereignty’.

A mobilising vision that can create a new impetus and a reforged connection with the citizen is crucial. The pragmatic vision of the founding fathers of the EU is certainly relevant: they worked for a European project with a long-term vision but driven by a pragmatic approach. Economic arguments supported the political objective. European integration must remain the common destination to respond to the various challenges of a globalising world.

That is why Europe needs bridge-builders who can complete the rhetoric of the European story, underline the European ideals of peace, unity in diversity, freedom and solidarity and mobilise young people for the European model of society. Yet the rhetoric must be translated into a workable and future-oriented reality where citizens feel at home. Broad and committed participation in the European elections and beyond will be a crucial step.
In his recent, widely-circulated programme for Europe, the French president, Emmanuel Macron, affirms: ‘Europe is not just an economic market. It is a project.’ In so doing, he hopes to move the European Union beyond its current impasse—turning it into a Europe that protects rather than threatens, a Europe of progress for all its citizens. Yet this language reveals something deeply problematic about our imaginary of Europe, which paradoxically stands in the way of the union realising Macron’s aspirations.

Seeing the EU as a ‘project’ echoes a longstanding preoccupation with Europe’s supposed destination—with its directionality. This is omnipresent in its constitutional documents (‘ever closer union’), its legislation (relentlessly oriented towards building the internal market) and the case law of its courts (a teleological interpretation of EU law), as well as in underlying political processes (‘more or less Europe’ as the central framing category of political discussion).

It is this preoccupation with directionality that so strikingly sets the EU apart from its member states. We do not query the ‘destination’ of Italy, or Poland—unless we have some cataclysmic event in mind. These political communities just are. Whatever direction they take, and whatever we think of that, is fundamentally a matter of politics.
Presenting the EU as a project frames it as something unfinished that needs further construction. It becomes an entity that is about policies rather than politics—which always needs to move forward and grow, to avoid Macron’s dread ‘status quo and resignation’.

Functionalism and spillovers

The fact that we are as preoccupied with the EU’s directionality today as we were at its establishment six decades ago is something that should worry us—shouldn’t we know what we are by now?—but it should not come as a surprise.

Europe emerged as a ‘functional’ entity, oriented toward building a common market. The project was invested with many other, albeit secondary, plans and hopes—from ensuring lasting peace to building a political union. And, undoubtedly, it has progressed immensely. Not only is the internal market much more of a reality today than 60, 20 or even just 10 years ago, but economic integration has also ‘spilled over’ into many fields: human rights, health, education, collective bargaining and so on.

This success, however, has not been without its dark side. Many commentators have noted that ‘spillover’ has in recent decades acquired a particularly neoliberal flavour, given that the EU has used competitiveness, the privatisation or ‘liberalisation’ of public services and the ‘flexibilisation’ of labour markets as the main vehicles for integration.

Perhaps even more importantly, despite the EU’s immense expansion, it has not qualitatively changed: it has not turned from a project into a political community, where the question of direction or destination becomes meaningless.

Technocratic

For the most part, the EU has been gradually moulded into its current shape through a large number of technocratic, non-respon-
sive processes, shot through with many contingent moments of political consensus. The union lacks a broad mandate: two issues—one substantive, one institutional—make it different from a political community.

Substantively, the EU has legally and institutionally limited the breadth of topics open for political decision-making. In particular, questions of solidarity and risk-sharing have been at best sidelined in EU constitutional documents and remained anathema in its political discourse, both among the EU’s member states as well as within their territories—hence unquestioned austerity policies. Yet, without solidarity and risk-sharing, there is no (political) community.

Secondly, the member states have jealously guarded their claims to being ‘proper’ democracies by not allowing even the smallest concession that would enable a European public sphere. The rejection of EU lists for the seats in the European Parliament to be vacated by the UK—were Brexit to go ahead—is the most flagrant example. Such institutional constraints have made it extremely difficult to develop the EU-wide political programmes and movements that would allow of a qualitative change in EU politics.

The gradual and laborious expansion of the EU ‘project’ has thus come at cost. The breadth of its influence, combined with the heavi-ness of its governing structures, may be unproblematic in times of relative prosperity. But they become a problem amid increasing inequality—for which the EU may itself be at least partly to blame.

In such a constellation, an overwhelming sense of the non-transformability of the EU increasingly permeates the political imaginaries of those not only on the right of the political spectrum (as evidenced by the growing support for parties such as Forum for Democracy in the Netherlands) but also on the left (as in ‘the left case for Brexit’).

However unrealistic the ‘taking back control’ phantasms—in either their UK or continental variants—are in geopolitical terms, they do
illustrate the limits of building the EU as a project. By undermining the basic democratic imaginary of ‘popular sovereignty’, the EU presents its citizens with what they see as unchangeable, inherited hierarchies, rather than tools and spaces to change collectively their common destiny.

**Political community**

The EU is undoubtedly the most powerful weapon against the threats posed by globalisation—and thus also the most effective answer to the concerns of those who vote for the populist right today. Yet the fact that the EU has not transformed itself qualitatively into a political community, and remains a heavy-handed project subject to consensuses of intermingled political classes, not only stands in the way of its mobilisation against the forces unleashed by globalisation but also exposes it to such existential threats as those presented by the growing anti-EU coalition.

Not all is lost, however. Broadly, we need to accomplish two things if we are to make a qualitative leap to a political community in the EU: first, we need to make risk-sharing and redistribution (among individuals, groups, regions or member states) a topic of democratic exchange and decision-making—even if the discussion may be divisive at the outset. Secondly, we need institutions that would allow this discussion to be broad and inclusive.

In recent months, at least five realistic proposals have been made that could contribute to this transformation. First, Macron’s programme proposes a relatively achievable set of objectives, which would go a long way towards demonstrating the EU’s protective capacity in the face of globalisation. A second path to transform the EU (see, for example, Piketty, the Green New Deal, Euromemo) would be to commit more financial resources to it to redistribute. These need not be taken from any particular member states but rather could be raised by the EU independently.

Thirdly, the creation of transnational electoral lists for the European
Parliament would be an excellent first step towards stimulating exchange on Europe. A fourth route lies in creating successful Europe-wide political movements (such as Diem25) as a means to build an EU public sphere—while certainly necessary, this is also slow and difficult. Finally, many pro-European politicians are turning their attention to raising support at the national level, with a view to transforming the EU from the bottom up by mobilising the member states.

Only a combination of these five paths may allow Europe to take the step that has eluded it during the last 60-plus years—the transformation of the EU into a political community. The first two paths take us closer to a union in which ‘solidarity’ (or Macron’s ‘protection’) exists across national borders. The final three, if taken simultaneously, would create a relatively robust institutional basis from which the difficult conversations about risk-sharing and solidarity could take place.

While the impending elections to the European Parliament are certainly not without importance, the tragic paradox of the EU project is that such elections in principle never decide Europe’s future. Yet all of us, and the political class in particular, need to realise that it is at best five minutes to midnight if we are to tackle the EU’s predicament.

Unless the member states’ representatives make a serious commitment to more inclusive democratic institutions in the EU, the number of those disenchanted with the non-transformability of the union will grow—and, with that, the number who will be against the EU project altogether. Every day counts.
Nearly 700 delegates will be debating the future of our continent at the 14th congress of the European Trade Union Confederation, just before the elections to the European Parliament. Needless to say, trade unions focus on social and economic policy. The congress will formulate the European trade-union movement’s demands and objectives.

Making these trade-union claims part of European policy will however not be easy. The European political landscape has changed fundamentally.

Right-wing populist and anti-European parties are not only represented in national parliaments—they are in government. There is the unanswered question of a unified refugee and migration policy. There is no convincing and effective European response to the dangers of climate change. The further division of Europe into the ‘rich north’ and ‘poor south’ could bring the EU to breaking point. And then there is the pervasive problem of ‘Brexit’.

All this seems to leave little room for the question to which we need a quick answer: how can we reform the European Union so that it becomes better, more transparent, more efficient and more capable of
action? A thorough overhaul and reorientation of governance, funding and institutions is inevitable. Trade unions must also participate in this process in the coming years.

Detailed proposals

The unions need to use all their energy to develop, apply and defend their political ideas in at least two main directions in the coming legislative period. First, they must come up with detailed proposals in all the areas that make Europe more social. These include social policy, labour-market policy, active collective bargaining, employee-participation rights, occupational health and safety and much more.

Secondly, unions need to make an active contribution to the reconstruction and expansion of the ‘European project’, with equal energy and perseverance. If we want to safeguard freedom, peace, democracy and a tolerant society on a lasting basis, we need to rebuild Europe. If European values and ideals are to remain a reality—and to be reinstalled, where they have already been shrugged off—then we must act now.

Visions need concrete policy proposals to become reality. The trade unions must actively participate in the reform of European institutions and structures. This requires a systematic and well-structured internal debate, to make the common, binding and convincing voice of employees heard in the European political arena. I would like to encourage an exchange of ideas with the following suggestions:

- After the elections and the appointment of the new European Commission, the member states should hold a ‘convention’. The aim would be to develop a new and ambitious EU treaty. The big goal—a European constitution—would (still) be appropriate, but probably not achievable. A fundamental reform of the EU treaty is however indispensable.
- The new treaty should transfer significant powers from the European Council to the European Parliament. It should
confine decisions requiring unanimity to just a very few areas, such as military intervention. When European rules and laws are passed, elected MEPs must have the last word, not the council. The parliament should acquire the right to legislate and European commissioners should be directly elected and controlled by it.

- The number of European commissioners should be reduced, rescinding the right of each member state to appoint a commissioner.

- The Committee of the Regions should have a double function, gradually taking the place of the European Council. While still concerned with the regions within the member countries, a second chamber, composed of representatives of member-state governments, would formulate claims and positions *vis-à-vis* the parliament and the commission.

- The European Economic and Social Committee must be fundamentally reformed—otherwise it risks being crushed by dwindling finances and the constant demand for a ‘much-needed reduction in bureaucracy’. The committee must be exclusively a body of social partners—employers’ organisations and trade unions—and together with the parliament it should have the power to initiate European social and employment legislation. Members would be elected: social elections, which already exist in several member states to fill mandates on boards of health or pension funds, could serve as a model. MEPs would be appointed to the committee to help prepare legislative initiatives in defined social and labour-market policy areas, together with elected members. In these areas, legislation would be valid if the parliament and the committee together voted in favour of it.

- In the context of what has been called the differentiated integration of the union, an ‘invitation to participate’ system should be introduced. If core countries can agree on deeper co-operation—for example, on social, fiscal or defence
policies—they should be able to implement that. In a way, they would be creating a ‘political euro area’.

- This is the prerequisite for a euro budget to secure investment initiatives and a European Monetary Fund. Such a common budget requires binding liability rules.
- A Tax Harmonisation Commission should be established to gradually reduce the huge differences in taxation. A European financial-transaction and digital tax should be introduced first. Member states which use low taxation as a business model must be allowed to make the transition to a harmonised fiscal policy—if necessary, with compensatory measures.
- A European ‘financial equalisation’ among member states is needed. In all countries, a legally guaranteed minimum for social assistance, healthcare and pensions should be introduced over 10 to 15 years. Some national budgets would need to be boosted by EU funds—not unconditionally but controlled and bound by rules.
- A Social Progress Protocol could help. It would serve as a regular monitor of social development. Country-specific recommendations would be linked to this. The gradual harmonisation of living and working conditions remains the fundamental motivation for the development of Europe. European cohesion is still the goal of the European community, embodying practical solidarity across the union.
- Making peace without weapons does not seem to work. It requires the construction of a European army. In the coming years, ‘mixed’ units should be created. Operations would be co-ordinated by a European Defence and Security Council. Military technology, such as the Eurofighter, would be produced jointly to common standards. At the same time, active disarmament initiatives should be initiated and vigorously pursued. The EU should take joint responsibility for the safety of all Europeans, including in dealing with terrorist attacks.
- A Council for Sustainable Industrial Production—
comprising member-state governments, social partners (in this case industrial associations more than employers’ organisations) and industrialised nations’ innovation and science centres—should be quickly established. This council should be co-ordinated by a European economic commissioner. The goal would be to develop binding agreement on a European industrial policy.

- Successful innovation policy needs clever minds. Education, science and research, as a joint concern, must be a priority in the EU budget to continue to promote the strengths of the regions, thus keeping Europe globally competitive as a business location.

If trade unions want to be actors in shaping a new Europe, they must debate, develop and fight for their positions now. Do we want to be a cork in the current, or the water itself? Leaving Europe’s future to politicians is not an option.

More detail can be found in Peter Scherrer, Juliane Bir, Wolfgang Kowalsky, Reinhard Kuhlmann and Matthieu Méaulle, The Future of Europe, forthcoming from the European Trade Union Institute.
Governments are fond of long-term strategies which are seldom implemented in practice. This is because political reality is usually about coping with unexpected shocks, which turn neat strategies and careful planning on their heads. It is also because we are confronted with many challenges and have limited resources to address them. Choosing priorities is therefore the most important and contentious exercise.

While priorities should emerge from our vision of a good society, they must also be guided by practical considerations. Not everything can be achieved overnight and there are various routes to our destination. In the next few years, I would like the European Union to make progress in two crucial domains: democracy and equality.

My vision of the good society envisages a government by the people and for the people. The latter is primarily about equality, the former democracy. Of course, there are as many notions of democracy and equality as there are different ways of achieving them. And what I consider priorities may clash with other objectives. Security may demand some curbing of democracy, while prosperity and equality are not necessarily mutually reinforcing. We would therefore need to perform a difficult balancing or ‘rebalancing’ act.
In recent years, the EU has however put more emphasis on prosperity and security than on equality and democracy. The *acquis* is very thin in social policy and democracy has been perceived mainly in terms of representation rather than participation, deliberation or contestation. Unfortunately, representation at the European level is still opaque, while representation on the national level has been discredited. We therefore need to be innovative and engage in experimentation.

Enhancing democracy

Without enhancing democracy, it is hard to implement any other task in Europe. The era of elite-led ‘permissive consensus’ on European politics has ended. The Eurosceptics may not be in the driving seat but this does not mean that we can take pro-European citizens for granted. They want to see more transparency within European institutions and they want to have a greater say on European matters. They also want the EU to work for them and not just for a privileged few, which highlights the issue of equality.

Transparency should not just concern the process of political decision-making. The EU is primarily an economic giant and citizens ought to be granted more insight into financial and contractual matters. The existence of tax havens in Europe is particularly deplorable and the fact that we learned about them from WikiLeaks speaks volumes about the selective transparency of European institutions.

These EU institutions also have murky relations with lobbyists. It is telling that the European Parliament recently snubbed a proposal to make contacts with lobbyists more transparent. This kind of attitude must end or else it will be impossible to talk seriously about enhancing Europe’s democratic credentials. There is no democracy without transparency. The EU is cosy with big business and lobbyists while ignoring its citizens, especially the poor ones. (As the *EU Observer* recently revealed, the European Commission has for months...
refused to disclose the results of emissions tests it did on a Porsche
diesel vehicle—at the request of Porsche.)

Democracy can also be enhanced by curbing central powers in Brus-
sels and bringing them closer to the local level, both territorial and
functional. When decentralisation within the EU is discussed, the
focus is on subsidiarity, which is about giving more power to states
rather than citizens. I am more interested in empowering citizens, as
individuals or as members of various sub-and trans-national public
and private bodies. And dividing power helps to enhance trans-
parency, accountability and access. The concentration of power, far
from citizens, is usually difficult to understand or engage with, let
alone control.

The first step towards dispersing centralised power within the EU
could be to set up a second chamber of the European Parliament,
featuring representatives of cities, regions and non-governmental
organisations. The latter category would include business associa-
tions and trade unions. I would prefer entrepreneurs to argue their
case in the European Parliament, rather than in private dining rooms
in Brussels, Berlin or Paris.

This second chamber would likely have not only a different member-
ship but also a different logic from the first chamber, which is domi-
nated by professional national politicians. Cities, regions and NGOs
handle migration and poverty differently from states. They are from a
different political universe in terms of their priorities, organisation
and corporate culture.

Another step to curb centralised power would be to strengthen the
numerous European regulatory agencies. These are located across
the entirety of Europe, not just in Brussels. Actors involved in distinct
domains, from food safety and maritime traffic to human rights and
migration, watch them closely and take part in their work.

More power and resources could also be given to the European
ombudsman, who has proved effective in enhancing transparency
and ethics within the EU. Numerous documents have been made public upon the ombudsman's insistence and the College of Commissioners has bowed to demands to tighten the rules on the declaration of interests.

Combating inequality

Enhancing equality within the EU is probably more difficult than enhancing democracy. This is because creditor states do not want debtor states to ‘grab’ what they deem ‘their’ money. This is also because economic distribution is chiefly in the hands of ‘the markets’, with their peculiar ascribed views on inequality. Moreover, redistribution is difficult to enhance in a period of economic stagnation.

It is also true, however, that inequalities have grown in an ideological climate which has given priority to the private sector over the public. Neoliberal ideology was chiefly about individual liberty, not social justice. Challenging this ideology is therefore the first step in combating inequality.

This should be followed by a few specific and largely experimental measures. We should aim to make the EU a genuine transnational institution with a meaningful redistributive capacity. It should chase firms failing to pay taxes as heartily as it is chasing indebted states. It should also be given a budget which would allow it to pursue meaningful redistributive policies—the current EU budget is tiny and each member state wants to get ‘its’ money back from Brussels under various pretexts. EU laws and regulations should also start defending those in the most dire social and economic positions.

The concrete measures to pursue these goals include a tax on financial transactions, a Europe-wide minimum wage and regulations benefitting workers from the poorest parts of the continent, mainly living in suburbs of large cities or agricultural plantations where modern slavery and social deprivation are notorious.
Policies should be legitimate as well as effective. The EU has been concerned principally with the latter, while neglecting the former. Enhancing democracy and equality can put Europe back on the right track.
Throughout the past decade the European Union has been swept by a growing tide of Euroscepticism, which emerged in the wake of the triple banking, economic and sovereign-debt crisis in the eurozone and the subsequent migration crisis. The effects of both linger on inside the EU in multiple ways.

Not only did the eurozone crisis deepen the economic and social divide between the richer core group of countries, led by Germany, and the periphery in south-eastern and central-eastern Europe. In response to these cries, Germany’s dominant role in determining the EU’s political agenda further alienated the group of ‘sovereigntist’ member states which remain sceptical towards the deepening of political integration.

Hardened Euroscepticism

In the case of the United Kingdom, longstanding English Euroscepticism hardened under conditions which were perceived as threatening the foundations of the British state and its model of liberal financial capitalism. The German ambition to include ultimately the whole of
the single market in the strengthened regulatory framework of the eurozone was considered by Eurosceptics there to be an outright attack on the competitive advantage of the UK economy. This was reflected in the demands of the Conservative prime minister, David Cameron, in 2015 to renegotiate EU membership, aiming to secure a permanent UK opt-out from deeper political integration in the EU and from enhanced political regulation in the eurozone.

The main concern of the British government was that the emerging eurozone banking union could eventually be expanded towards the financial sector in the City. The British public on the other hand was more concerned about the impact of labour migration from the central-eastern member states of the EU. The Leave campaign, spearheaded by Boris Johnson, exploited these concerns by offering the British electorate the option to ‘take back control’ of its domestic affairs by exiting the EU. The 2016 EU membership referendum was therefore dominated by concerns about freedom of movement inside the EU but to a certain extent also by the rise in migration from outside Europe in the wake of the migration crisis in the summer of 2015.

Migration has also been a major factor in the trend towards democratic ‘illiberalism’—a new form of populist autocracy—in central-eastern Europe. The central-eastern member states have predominantly been passive policy-takers since their accession in the first decade of the 2000s. The EU applied strict conditionality to these countries during their accession. This reinforced their self-perception as second-class Europeans and contributed to the more recent return to a new form of self-confident nationalism.

In particular, the Visegrád countries—the Czech Republic, Hungary, Poland and Slovakia—firmly rejected appeals to manage the lingering migration crisis through solidarity. They hence have remained firm opponents of the attempts by the German chancellor, Angela Merkel, to introduce binding refugee quotas across the EU. This illustrates the new central-eastern self-confidence, which has
driven a deep wedge between Germany and its formerly close European allies.

Legitimacy problem

The internal divisions of the EU are accompanied by an ever more apparent legitimacy problem.

In formal terms, the EU’s legal *acquis* and the primacy of union law is fully legitimised through the mechanisms of its multi-level governance system. The basis for its formal legitimacy is the electoral mandate citizens in each member state grant their governments to negotiate supranational policies and laws on their behalf. The European Council, where representatives from member-state governments determine the legal framework, the political agenda and the overall strategic direction of the union, hence remains the prime institution of collective decision-making.

Constitutional experts, such as Joseph Weiler, have however emphasised that the EU has failed to match its formal legitimacy with a deeper form of social legitimacy, where European citizens would develop value-based loyalties towards union institutions and policies. This has become even more obvious since the public controversies accompanying ratification of the Maastricht treaty which emerged in many member states in the early 1990s.

The debates surrounding Maastricht demonstrated that the ‘permissive consensus’ of passive public support for governmental decision-making in EU negotiations, which had supported the European-integration process during its first four decades, was beginning to break up. The result has not only been demands for increasing public scrutiny over EU institutions and decision-making procedures. National governments have also come under growing pressure to justify their European diplomacy, as voters turn towards Eurosceptic parties which in many cases question the fundamental purpose of the EU and advocate a return towards national solutions.

Under such circumstances, it has become ever harder to make a posi-
tive case for the deepening of political co-operation in the EU. Unfortunately, national governments have also frequently tried to gain political capital from the growing Euroscepticism in their countries by making the EU a scapegoat for domestic problems. Six decades on from the ratification of the Treaty of Rome, solidarity within the union is consequently hard to find, as member states are retreating towards their perceived national interests. Indeed, it resembles more a fragmented political, economic and social disunion.

Long-term viability

Creating social legitimacy for the EU is a momentous task in an age where European societies face swift and persistent change. Its long-term viability will nevertheless remain in jeopardy if its future economic and political architecture is not based on the support of the people it is supposed to represent. As the third largest member state is set to exit the union later this year, business as usual or continuing to muddle through based on the status quo is no longer an option. The EU should take the challenge of ‘Brexit’ as an opportunity to rebuild the foundations of the European project.

A crucial starting point would be to establish a broader and more inclusive leadership agenda, aimed at bridging the multiple divisions among member states which emerged over the past decade. This would require political elites to start engaging in a collective dialogue, which takes place on an equal footing and concentrates on bridging the diversity of values, as well as determining a consensus on the long-term strategic aims of the EU’s political, economic and social agenda.

A comprehensive transnational dialogue must however not remain stuck in the backrooms of intergovernmental negotiations. It needs to be transparent and open towards public engagement, on many levels and through various channels. The dormant European Citizens’ Initiative shows that any attempt to gain value-based public support for EU institutions and policies through a half-hearted, one-size-fits-all approach is bound to fail.
In the third decade of the 21st century, EU leaders need to show they have the collective resolve to reconnect with their citizens through a range of innovative methods of pan-European communication, such as online consultations, townhall meetings and the live broadcasting of European Council discussions. It is time for the EU to let new light shine through old windows.
After the European Parliament elections, it is time to decide how the European Union will meet the challenges of the near future. If the EU is to survive in the long term, it can only be via deepening European relations.

The priority to which member states and the European Parliament, in particular, should devote their efforts is to make the EU and monetary union crisis-proof. Some steps have been taken but they remain to be completed.

Rapid response

True, the need for a European Monetary Fund is no longer controversial, at least in the overwhelming majority of member states. But they oppose a monetary fund as a European, as against an intergovernmental, institution. Yet the latter would likely make decision-making more complicated, causing damaging delays especially in crisis situations. A rapid response to panic-driven imbalances in the financial markets would hardly be possible. Only a turnaround in the political debate—currently unlikely—can ensure Europe is ready for the next crisis.
Rendering the eurozone resilient to crisis fundamentally entails completing the remit of the European Central Bank, so that it can be the lender of last resort. So far, it has not formally fulfilled this role, even though it did *de facto* during the peak of the euro crisis in 2011 and 2012. Crises, however, raise the question of its credibility and thus of its effectiveness, which must be clear from the outset and not dependent on uncertain, *ad hoc* decisions.

All players in the financial markets need to be confident at all times that the ECB can rush to the aid of member states with liquidity, buying up their government bonds. This will nip some financial panic attacks in the bud. Central banks of all major economies have exactly this function.

The European currency area is distinct because of the national independence of its members. Decentralised national fiscal-policy decisions however conflict under certain circumstances with European monetary-policy requirements.

The concern of many member states is that excessive borrowing by a single government could force the ECB to buy up massively that government's bonds to keep the financial markets stable for all member states. In other words, the possible negative consequences of such an operation—such as inflation or a general loss of confidence in the currency—would be borne by all eurozone members. This leads to the fear that such a setting is an incentive to risk high public debt more easily and that, in the end, the entire monetary union would be heavily indebted.

This conflict between greater financial safety for the entire monetary union and increased incentives for risky behaviour by individual members remains unresolved. An unavoidable conflict, which has been a source of controversy among economists and politicians since the beginning of monetary union, it can ultimately only be resolved politically.

After all, the states of the monetary union must ultimately bear the political and financial responsibility. If they do not give the ECB a
mandate, they risk a crisis of confidence spreading rapidly, with considerable economic and financial consequences for individual states. If they do however give it the mandate, national debts could rise—especially under the influence of nationalist governments—and consequently the burden of high interest rates.

One way out would be to give the ECB a graduated mandate. In the event of a crisis, the bank would have a free hand to buy up to 60 per cent of a country’s government bonds on the secondary market. To go beyond that would require an explicit resolution of the European Parliament. This would mean that the political responsibility for increased intervention would be assumed from a European perspective and the ECB would be relieved of this responsibility. Irrespective of the parliament’s decision, a European Monetary Fund could grant conditional loans at reduced prices to member states in distress, with the help of which they could more easily survive such a crisis.

Investment lagging

Protection against crises is one urgent task and creating greater economic dynamism is another. The European economic area is still suffering in many regions from the after-effects of the financial-market crisis and, above all, the crisis in the eurozone. Investments are particularly weak. In some cases, public investment is lagging far behind demand and its usual dynamics, while in others private investment is also very subdued in view of the economic situation.

At the same time, there is a high need for investment, particularly from a European perspective, in view of the requirements of climate change, energy-system transformation and the digital revolution. All these challenges can be met much more easily on a European level than by purely national efforts.

This can be achieved through an improved division of labour among member states, for instance in energy production. Another avenue is to exploit economies of scale in Europe-wide production. This is particularly important with regard to digital developments.
Against this background, a European investment programme in public goods and within the framework of a European industrial policy should be launched. A sustainable and secure energy supply, achieved through the massive expansion of renewable energies, could be a desired public good. European industrial policy could meanwhile create good supply social conditions for the digital economy by investing in a state-of-the-art digital infrastructure across Europe.

These investments could be financed by merging the numerous investment funds, such as the European Fund for Strategic Investments (the Juncker funds), and additional funds could possibly be raised via a European financial-market transactions tax.

With this double step of improved crisis management and a dynamic investment policy, many of the economic challenges facing the EU could be overcome. In the end that should serve to foster acceptance of increased European integration.
Progressive social movement organisations have long been critical of the European Union—and progressively more so. Yet at the same time they have sought to promote ‘another Europe’.

They Europeanised their organisational networks and action strategies, developing cosmopolitan identities. As with the labour movement during the development of nation-states, they seemed destined to play a valuable role in pushing for a social and democratic Europe. At the beginning of the millennium, cosmopolitan activists of the global justice movement (GJM) developed significant critical visions of Europe, elaborating complex proposals for reform of EU policies and politics.

The financial crisis, and especially the EU’s response of austerity—the treatment of Greece epitomising an increasing market orientation, with less and less attention to a ‘Europe of the citizens’—has certainly frustrated hopes for a social Europe. The promotion by the EU of a narrative of the crisis as the responsibility of the weaker countries and the imposition of neoliberal programmes, oriented to the mantra of privatisation, liberalisation and deregulation, have not only made for ‘social butchery’ but also promoted competition
among countries, through the (unsustainable) idea that all member states must simultaneously build an export-oriented economy.

During the same period, the treatment of the so called ‘refugee crisis’ via a strengthening of the external border—making Europe more and more similar to a fortress—has also manifested the lack of solidarity within the EU, with the battles over the allocation of migrants to each state and the visible failure of the Dublin regulation. Meanwhile, the management of the eurozone crisis increased the power of the least transparent institutions within the EU, reducing the role of the European Parliament, as also the parliaments of the member states.

Given such an evolution—going against all proposals for a social Europe, an inclusive Europe and a democratic Europe—is there still time to develop ideas of another Europe?

Repoliticisation

Research on social movements and Europeanisation had indicated a move away from protest towards advocacy, understood as an adaptation of movements to EU structures. But there was also evidence of a repoliticisation of EU issues, which saw the selective use of unconventional, protest-oriented strategies among groups forming part of the GJM. The European Social Forum, the largest annual gathering and arena for debate for the GJM in Europe, had expressed criticism of representative institutions within a broader frame, where the EU in particular was stigmatised because of its neoliberalism and lack of democratic accountability. Trust in the EU among activists surveyed at various ESF meetings was indeed low and dropped steadily from one forum to the next.

Within this critical political vision, however, images of another Europe signalled hope in reformist efforts to make European institutions more democratic and accountable. The image of ‘another Europe’—rather than ‘no Europe’—was often stressed in debates. While critical of existing policies and politics, many social-movement organisations were open to interactions with some institutions within
the EU (such as the European Parliament and some departments of the European Commission), building upon the belief that representative institutions could be usefully reformed.

Recent progressive movements—from those mobilising against austerity to those mobilising in solidarity with refugees—testify to a shift in visions of, and practices towards, ‘another Europe’. In particular, anti-austerity protesters targeted what they perceived as the collusion of the economic and political elites. Social-movement organisations which mobilised in solidarity with migrants saw European institutions as betraying very basic rights. Protesters in those countries hit hardest by the economic crisis, cuts in public expenditure and related increases in inequality tended to have particularly low trust in EU institutions. As for their protest repertoires, counter-summits at meetings of the European Council have been replaced with occupations of public squares—that is, at the local level, where protesters feel some headway may be made in terms of rebuilding democracy.

Protest campaigns at the EU level—such as Blockupy actions targeting the European Central Bank or days of action promoted by the European trade unions—testify to the perceived need for political contention at that level but also to the great difficulty of mobilising transnationally. The acampadas against austerity policies, what have come to be known as the Indignados and Occupy movements, have been read as spaces of prefigurative politics—spaces for living out and building real democracies, as opposed to engaging with a system no longer capable of implementing democracy. While certainly inclusive, they however also point to a downward shift of scale for contentious politics, from the EU level to the national or even the local.

The increasing criticism of existing EU institutions has targeted their democratic deficit, perceived as worsening during the financial crisis and counterposed to national sovereignty, but also their policies, perceived as less and less driven by considerations of social justice and solidarity. There has been criticism too of the definition of
Europe as an exclusive polity, with proposals to go instead ‘beyond Europe’. While federalist visions are therefore less and less widespread, a soft cosmopolitanism aims at combining different territorial levels—regaining territorial controls at the national, but also the local, level within mutualist conceptions.

In particular, the financial crisis, with the increasing power of the least democratically accountable institutions (such as the European Central Bank or the Eurogroup), is seen as a critical juncture, bringing EU institutions even closer to business and further from the citizens. In addition, the failure of the EU to deal with the ‘refugee crisis’ is perceived as further reducing the opportunities to create inclusive European institutions.

Social-movement studies have distinguished paths of domestication (the targeting of national government to address Europe-wide problems and policies), externalisation (the targeting of EU institutions to address national problems and policies) and transnationalisation (the construction of European networks targeting EU institutions). While the European Social Forum process had been analysed as an example of transnationalisation, more critical visions of Europe interact now with a move towards domestication, within a downward territorial shift of scale.

Arenas for debate

Neoliberal governance at the EU level has attacked those actors, such as trade unions or civil-society organisations, which had participated in the creation of arenas for debate around another Europe. These had also provided important mobilising resources for protest events such as counter-summits and the European Social Fora—which, while critical, had been however pivotal for imagining another Europe. Lacking these resources, with the fragmentation of struggles which late neoliberalism has brought about, progressive social movements seem less and less able to produce alternative frames for Europe, or even to talk about Europe.
At the same time, however, with very marginal exceptions, they have retained a cosmopolitan vision, with the idea of building another Europe proving resilient even in the face of these challenges. In fact, through the continuation of transnational interactions around issues such as gender rights and climate change, progressive movements are calling for a convergence of struggles—from which other visions of Europe could yet develop.
A new politico-institutional cycle begins in the European Union. Besides appointing new decision-makers to head the institutions, this is an opportunity for the EU to review its agenda and priorities for the coming years. The European Council published its Strategic Agenda in June and on July 16th Ursula von der Leyen presented her political guidelines, to win endorsement as incoming European Commission president, in the European Parliament.

While the council and the commission will focus on various policy areas, which ‘mode of action’ the EU chooses often remains under the radar. Yet, rather than the discourse on the methods of integration being delegated to academia, decision-makers should rethink their strategy on moving forward in Europe—especially if they want to ensure the EU has the capacity to act and regains its eroded legitimacy.

The union needs to focus on its polity: arising from the integration methods it chooses are the structural reforms it decides to adopt. None of the traditional methods—a neofunctionalism assuming an automaticity of ‘spillovers’ or an intergovernmentalism wary of pooled sovereignty—is appropriate to today’s challenges. Unfortunately, the current trends point towards a power shift back to the
European capitals. This is why the EU institutions should strategically rethink their mode of action—possibly based on a new version of the multi-speed Europe, to balance the interests of those who want faster progress with those who are less willing to go forward together while avoiding stagnation.

Deeper conflict lines

To find a constructive way forward, the deeper issues and conflict lines at the core of the EU will have to be addressed first—even more so since the EU has had to tackle a complex ‘polycrisis’ in recent years.

First, the ‘output legitimacy’ on which the EU has traditionally relied (what it delivers) has been increasingly transcended by a need for ‘input legitimacy’ (the voice it provides). This is not so much an issue for a democracy at national level but it is for a political system with a sui generis architecture which suffers from a democratic deficit. The European Citizens’ Initiative, more powers for the European Parliament and citizens’ consultations have been first steps to counter this lack of citizen engagement.

As the constitutional lawyer Dieter Grimm pointed out decades ago, however, without a European public sphere there cannot be a demos which decides and acts together in solidarity. This is why the EU has permanently to reconcile the ‘union of states’ and the ‘union of citizens’—and has to work at the intersection between an intergovernmental body and a federation. It has failed to balance these two core aspects, focusing mostly on member states and thus becoming a technocratic body far removed from the reality of its citizens.

Secondly, the Franco-German alliance which in the past led European integration has stalled. Germany is reluctant to abandon its conservative positions, frustrating a proactive French government over the past two years. And emerging alliances—such as the Visegrád countries on migration issues and the New Hanseatic League on economic and financial issues—will lead to a shift in the
power dynamics. There has also been resistance by smaller countries against decision-making by the large ones. Who will be the frontrunners of European integration thus remains an important question.

The shift from output to input legitimacy, the dual nature of the EU’s democracy (states and citizens) and these developing geographical divides and alliances all need to be taken into account in the decision-making processes, in a much more comprehensive manner.

A democratic EU

Building a democratic EU is not a piece of cake. A few measures could, however, help reduce the democratic deficit.

First, much stronger exchange and dialogue platforms, to ‘burst the Brussels bubble’, would channel the diverging views and enable a broader range of actors to develop their stance on EU affairs—building a political debate which goes beyond the ‘closed doors’ of the EU institutions. This requires much stronger bi-, tri- and multilateral co-operation, not only on the part of top decision-makers but also among the civil-society actors: trade unions, associations, local governments and regions.

The Committee of the Regions and the Economic and Social Committee are existing consultative bodies which could have much more prominent roles in the decision-making process. EU institutions should further strengthen civil-society organisations, such as trade unions or consumer-protection associations, and institutionalise relations with them.

Secondly, the EU needs to complement its institutional architecture. For instance, it could design a long-term strategy on how to include citizen voices in its institutional setting. The development of ‘future councils’ and deliberative fora at EU level would ensure a permanent dialogue with citizens and include them in the decision-making process, in a more sustainable way than through one-off citizens’ dialogues in which the self-selection bias is extremely strong. The planned ‘Conference on the Future of Europe’ announced by von der
Leyen should therefore go beyond a ‘nice-to-have’ public-relations event.

Thirdly, the EU should put at the forefront of its agenda measures to promote a European public sphere. The Spitzenkandidaten process failed this time because it lacked the necessary support. That does not mean it is dead—rather, it needs to be complemented. Transnational lists should be proposed in such a way that citizens understand what candidates they vote for. European political parties need to be reformed to ensure better co-ordination of national party lines. In addition, bilateral co-operation between national parliaments should be strengthened. The Franco-German parliamentary assembly created in 2018 is a step in the right direction.

Creating a European public sphere also requires more ambitious investments in educational and civic-engagement programmes, as well as in vocational and professional exchanges across the EU. Creating a European social network as well as a European media domain, including TV, radio and online—not only for EU affairs but more generally to promote the European ‘way of life’—would also improve social cohesion in the union.

Finally, pro-European forces should never lose sight of the objective of building a European political union, not merely an economic one. This requires a long-term strategy to build stable majorities for a forward-looking political agenda in the EU which effectively counters populist, anti-European forces. Having faith in this process, despite setbacks, is crucial. The EU has not been built in a day, it is still ‘in the making’ and indeed it can easily and quickly be destroyed if pro-European forces do not have a strategy they believe in. Democratic patience and stamina are inner values we need to work on if we want the European project to be successful in the future.
Many of us who live in Britain feel embarrassed and ashamed by the contortions of our politics and the meanness of our government, towards the poor, the foreign and, particularly, the European—which is only going to get worse with Boris Johnson as prime minister.

Yet, paradoxically, the continuing struggle over ‘Brexit’ is an expression of democracy: the fact that the UK has not yet left the European Union is due to debates and positions which have been taken in Parliament, based on a mix of tactical advantage, public pressure and moral conscience. ‘Britain is thinking,’ I remember the great English-European historian Edward Thompson saying during the 1980s —’and it only thinks every 50 years or so.’

Yes, the rise of right-wing populism has unleashed the dangerous demons of racism, homophobia, misogyny and general human cruelty. But it has also galvanised a new engagement with progressive politics, which could help to make possible the reforms needed if the EU is to survive until 2025.
Cry of frustration

The new political tendencies on both right and left are an expression of a pervasive distrust of formal politics and political institutions, evidenced in a series of Eurobarometer polls. Brexit was a cry of frustration about not being heard, at Westminster or in Brussels: a project on its impact at local level undertaken in my research unit at the London School of Economics showed that the most significant demand in majority-leave areas was for political empowerment. That is why the slogan ‘take back control’ had such resonance in 2016.

In explaining this frustration, it’s useful to distinguish between procedural and substantive democracy—as Alexis de Tocqueville did when he studied 19th-century America. Procedural democracy has to do with the formal rules and processes necessary for democracy, including free and fair elections, an independent judiciary, the rule of law, freedom of media and association and civilian control of security services. Substantive democracy is about political equality, a democratic culture, being able to influence the decisions that affect one’s life—the ‘habits of the heart’, as de Tocqueville put it.

The problem today is the weakness of substantive democracy: we have ‘a vote but not a voice’, said the Spanish indignados. And this is the consequence of three decades of neoliberalism.

The Maastricht treaty of 1991 was a compromise between the new wave of Europeanism, constructed from below by the peace and human-rights movements which opposed the cold-war divide during the 1980s, and the then newly-fashionable (if retro) market fundamentalism pioneered in Britain by Margaret Thatcher. Maastricht enshrined in law the requirement to reduce budget deficits and the imposition on debtor countries of the burden of deflationary adjustment of fiscal imbalances. Meanwhile, the freeing up of capital movements and the liberalisation of markets associated with the establishment of the single market speeded up the process of globalisation, facilitated by the emergent information and communication technologies.
In a world where democratic procedures remain focused on the national level but where the decisions that affect one’s life are taken in the headquarters of multinational companies, on the laptops of financial speculators or otherwise in Brussels, Washington or New York, substantive democracy is evidently weakened.

But neoliberalism has also weakened substantive democracy as a consequence of what is happening at national levels, especially since the 2008 financial crisis. On the one hand, it has spurred the erosion of the welfare state and a dramatic increase in social and economic inequality. On the other, the growth of finance relative to manufacturing, as in the US and UK especially, or the dependence of governments on external finance, as in central and eastern Europe and many third-world countries, has meant that states are increasingly dependent on rentier forms of revenue, with all the worrying tendencies associated with rent extraction.

In addition, the contracting-out culture introduced into government, as part of the ‘new public management’ associated with neoliberalism, has given rise to crony capitalism. We see a new breed of politician for whom gaining a political position is a means of access to contracts and other rents with which to reward supporters.

Bad behaviour

These phenomena help to explain the rise of the new right. They are different from classic fascists. They tend to be crony capitalists—some, such as Viktor Orbán or the oligarchs in other eastern-European countries, have become very rich. Their stances are less ideological and more to do with a celebration of bad behaviour—some analysts call it ‘transgressive’. They lie, steal and say horrible things to blacks, Muslims, women or gay people, and they get away with it. It is a licence to all those who would like to be bad, especially those who resent the ‘politically correct’, socially liberal, educated ‘elite’.

They promise to give back control by ‘making America great again’ or
by otherwise restoring sovereignty. It is a very dangerous phenomenon because they cannot actually give back control and the licence to bad behaviour weakens the values underpinning the rule of law and increases the risk of violence. Yet they make political capital out of the damaging consequences of neoliberalism—the inequality, the poverty, the resentment—and they make material capital out of their access to state rents.

To oppose the new right we need to be able to ‘take back control’ in reality, to construct or reconstruct substantive democracy. At the local level, citizens need to be able to feel that there is some hope for the future and they have a chance to shape that future. But because of globalisation, this can only be achieved via substantive democracy at the European level. So what would this involve?

First of all, it is necessary to shield the local level from the harmful effects of globalisation. We need to develop mechanisms in financial terms so that creditor and debtor countries share the burden of adjusting imbalances—so that a Greek-type crisis, with its devastating effects on the ground, cannot be repeated. We need to restrain financial speculation, so that national and local policies are not vulnerable to the vagaries of capital markets. We need to develop automatic stabilisers, such as a Europe-wide unemployment-insurance scheme. Multinational companies need to be regulated and taxed. Conflicts need to be addressed and migration needs to be managed.

This list could be extended endlessly. The point is that we need far-reaching measures to tame globalisation, so as to create space for action at local and national levels.

Secondly, the measures which need to be taken to create more space for genuine participation in decision-making require substantive democracy at the European level—debate and deliberation, and activism, across Europe. There are widespread complaints about the bureaucratic character of the EU but this has to do with the absence of politics: the European bureaucracy is not actually that large but it
appears overwhelming because it represents a substitute for political engagement.

Some argue, as for example DiEM25, that the problem is procedural and that we need a constitutional convention. As a matter of fact, EU procedures, while they could be improved, do involve serious mechanisms to ensure the accountability of the institutions to citizens. The parliament has far-reaching powers to amend legislation, as well as to approve appointments and the budget. The Europe Citizens’ Initiative, introduced in the Lisbon treaty, offers another mechanism. The neoliberal Transatlantic Trade and Investment Partnership trade deal was stopped as a result of a citizens’ initiative, as was the abolition of roaming charges on mobile phones, hugely improving communication across Europe while reducing the excess profits of the supplier companies.

The problem is that these powers are not utilised sufficiently because of a lack of serious political engagement. What is lacking, as the Italian federalist Altiero Spinelli said decades ago, is the ‘substance of politics’.

Political mobilisation

But this may be changing in response to the rise of the far right. Ever since the early 2000s, there has been a social mobilisation against neoliberalism, first in the World Social Forum and the European Social Forum, then in the occupations of the squares in 2011 and 2012. But at that time, this activism tended to be ‘anti-political’ and, even where it led to the formation of political parties as in the case of Podemos in Spain and Syriza in Greece, it tended to be focused on local and national levels. The further rise of the far right in Europe has however provided an impetus for an activism that is more political and more pan-European.

The European elections of 2019 represented the beginning of a debate about different visions of Europe. There were real differences among the parties. Since the Brexit referendum, the far-right parties seem to
have shifted from wanting to leave the EU to the idea of creating a European alliance of nationalists. The Party of European Socialists (PES), the greens and the far left put forward radical manifestoes for ending austerity, tackling climate change and addressing inequality. The turnout was higher than for decades. And, with the exceptions of Britain and Italy, the elections were about the future of Europe rather than being proxies for national issues.

Europe is beginning to think.

The risks are huge. There could easily be another financial crisis, because the appropriate measures were not taken after 2008. The Pandora's box of bad behaviour opened by the far right is very difficult to close. How things will look in 2025 will thus depend on our individual analyses and collective actions—on whether pan-European public pressure can reconstitute the ‘substance of politics’.
The new European Commission, set to take office on November 1st, will face a daunting future.

Today, many people feel that the main pillars of the social contract which kept Europe together after World War II—guarantees of peace and wellbeing—have been broken, while young people no longer expect to live a life better than their parents’. According to Eurobarometer, in 2018 almost 75 per cent of Europeans expected the economic situation to remain the same or deteriorate in the year ahead and, when asked about the impact of the recent economic crisis on the job market, about 45 per cent responded that the worst had yet to come.

To regains people’s trust, the newly formed commission should place at the heart of its agenda the empowerment of modern, dual-earner households. It should push for a radical transformation of welfare provisions into social investments, exempting the required funding from the Stability and Growth Pact (SGP).
Social-investment imperative

For two decades, EU institutions have paid lip-service to such a transformation of welfare—from the idea of ‘social policy as a productive factor’ in the 1997 Amsterdam treaty, to the ‘social investment package’ launched by the then commissioner László Andor in 2013, up to the activation principles laid down in the 2017 European Pillar of Social Rights. The 2009-11 great recession corroborated the social-investment imperative, as the high-spending welfare states of north-western Europe—with comprehensive services in cash and kind—proved the most proficient in absorbing the global credit crunch and the eurozone crisis. The time has come for the next commission to put its money where its mouth is.

Traditionally, welfare states have included measures to help people withstand periods of uncertainty and duress. Unemployment benefits help workers after they lose their job and pensions support people after they retire. Today, however, European countries need a new welfare state, which invests in current and future generations before they need help.

New-style welfare should include early, high-quality childhood care, which maximises the chances of children growing up healthy and knowledgeable; education and training over the lifetime, which ensure young adults can withstand ever-changing labour markets, and good parental leave for both women and men to improve the work-life balance of modern families. As neuroscientists and economists point out, early years are critical for a child’s social and cognitive skills and future life-chances and, in the aggregate, child development pays off in terms of economic performance.

Three complementary policy functions underpin the new social-investment edifice. First, it should raise and maintain the ‘stock’ of human capital, including skillsets and health. Secondly, it should facilitate the ‘flows’ between various labour markets and the negotiation of life-course transitions. Thirdly, it should ‘buffer’ against and mitigate social risks, such as unemployment and sickness, through
income protection and economic stabilisation. Resting on these foundations, the new system of welfare will produce mutually-reinforcing effects over the life-cycle by generating employment growth and social wellbeing at the individual and household level.

Not easy

Social-investment policies should be accounted for as an investment, not treated as current spending. Foolishly, the SGP disqualifies public investments in lifelong education and training as if wasteful consumption expenditures. As it is, transforming traditional welfare policies into social investments during times of slow growth, tight budgets and increasing life expectancy will not be easy.

The current Italian government, for example, has found it more politically convenient to go in the opposite direction. Its ‘Threshold 100’ reform allows workers to retire when they are 62, having worked for 38 years. Financed by increasing the budget deficit, this shifts to the coming generations of Italians the burden of paying for today's early retirees, condemning youngsters to walk through life with the ball and chain of a public debt to repay.

The new commission's policy platform should instead build the case that investing more in our families now will generate large savings in the future—an effort that will require technical innovations as well as adaptive changes in the mindset of national policy-makers. Rather than sentencing our children to a fiscally overburdened future, we must invest in them.

The collapse in interest rates after the onset of the recession must be put to use to establish, consolidate and expand social investments which benefit future generations and consolidate long-term fiscal health, in the face of adverse demography. The new commission should therefore introduce a ‘golden rule’ of exempting human-capital ‘stock’ spending from the eurozone fiscal rulebook, to the extent of 1.5 per cent of gross domestic product for at least ten
years. By doing so, domestic social investment could be ratcheted up within the context of economic and monetary union.

Risk prevention

Social investment shifts the welfare balance from the traditional model of male-breadwinner compensation for realised social and economic risks, experienced by families during hard times, to the prevention of old and new risks. Families ought to be enabled to withstand the ever-increasing industrial automation which replaces traditional male-dominated jobs, such as those of metalworkers, as well as the delocalisation of jobs traditionally performed by women, such as in the textile industry.

The research is clear that the best guarantee against child poverty is when mothers work. And it is no surprise that in countries at the vanguard of the ICT revolution men and women work the most, obsolete jobs are converted and innovation helps create new fields associated with higher productivity.

A new social contract in Europe, anchored in social investment, must empower and enable people to care and provide for their families. A basic safety net for all is a *sine qua non*. But the social-investment contract not merely reinforces a sense of security during labour-market and life-course transitions but also assertively offers families a renewed sense of autonomy in the 21st century.
Back in early 2016, although the outlook for the European Union was uncertain, there was a moment when—some hoped, if things went well—the UK would vote to stay in the EU and Hillary Clinton would win the US presidential election, followed by Marine le Pen losing the French presidential ballot in 2017. With ‘Brexit’ and Donald Trump, however, only Emmanuel Macron remained a candle in the dark by the autumn of that year.

Three years later, as the EU looks forward to a new five-year term, it’s still possible—despite, or even because of, Boris Johnson taking over as UK prime minister—that Brexit could yet be defeated in a second referendum. And Trump might lose next year. Yet, equally, UK politics may carry on imploding, driven by the chaotic development of English nationalism. Trump’s destabilising of geopolitics and geo-economics may continue (and for sure will have done more damage by the end of next year).

Meanwhile, the EU’s other big challenges—from the rule of law and populism to climate change, tackling migration, lack of solidarity, inequality, reform of the eurozone and more—will doubtless remain for much or all of the coming half-decade.
Causes for hope

Yet there are causes for hope too. And, despite Ursula von der Leyen's weak mandate from the European Parliament as incoming president of the European Commission, the commission, the European Council and the parliament now have the chance to develop an overarching new strategy to drive the EU forward in the face of these challenges. Climate change has moved rapidly up the agenda and growing political support for green parties across many EU member states, not least in Germany, is already shifting public and policy debate and concerns.

Support for a Green New Deal is growing in the EU and in the US. The challenge for the EU is to take this on board and make it the centrepiece of its strategy for the coming five years. The risk is that the union will move too little, holding on to its old, cautious approach to industrial strategy and sustainable development.

An innovative and comprehensive new strategy must not be one that retreats to protectionism and old-style ‘picking winners’. But it mustn't stick with an equally old-style emphasis on infrastructure and support for research, with all other tools labelled as ‘interfering in free markets’. Faced with global competition—not least from China and the US—and a continuing rise in global temperatures, a radical new approach needs to be drawn up.

A major Green New Deal strategy must also put social and economic inclusion and tackling inequality at its heart. The austerity years since the global and eurozone economic crises have left a damaging legacy.

The EU has to show it now puts people first, across all member states, not leaving inequality or lack of prospects for young people to national governments alone. And if the EU, in the face of a growth slowdown or recession in the coming five years, resorts to austerity again, then hopes for an inclusive Green New Deal, showing new purpose and renewed solidarity within and across the EU, will surely falter.
Wider neighbourhood

Against a backdrop of shifting global Realpolitik, the EU faces calls to step up its global strategy and strengthen its foreign and security policy. Certainly, a major shift, with a transformative Green New Deal at its centre, cannot be effected in isolation from global developments, on climate change, trade, development, human rights and security. But the EU should start by looking to its wider region and neighbourhood, where many concerns and challenges exist.

It’s easier to list the challenges—from Vladimir Putin’s Russia, to a Brexit UK, to an authoritarian and volatile Turkey, to the middle east—than to indicate the solutions. There is much to keep the EU busy.

But the union could use a new green strategy to bring in some of its neighbourhood, in more constructive ways, starting where it has the more straightforward relationships—with Norway and Switzerland among others. Instead of letting the EU-Swiss relationship become more problematic, not least with the side-impact of Brexit upon it, the EU should seek to bring neighbouring countries in, as partners in its Green New Deal, and look for ways to do so with more challenging neighbours, such as the UK and Turkey.

In the context of a Green New Deal, the EU could find it easier to face up to its own demographic challenges and start to treat migration as an opportunity—in many ways a necessity—rather than a threat. Nor will the EU find it easy to fight to defend multilateralism and global institutions, such as the UN, if it is not defending rights at home and in its region, including those of migrants and asylum-seekers.

The EU’s reluctance to move ahead with enlargement to the western Balkans—and its divisions over this—does not presage a confident EU in its region, let alone in the world. It’s time for progress here too. The start of a new five-year term is a moment to look for renewed confidence, not more defensiveness.
Picking up the pieces

In the short term, the UK’s politics look likely to become ever more unstable—one more challenge in the EU’s region. The bizarre accession of Johnson as prime minister looks to many in the EU, and in the UK, like the nadir (so far) of Britain’s unfolding political implosion.

If Johnson drives through a no-deal Brexit, picking up the pieces will be a bigger job for the UK than the EU. But the union’s leaders need to do what they can to support democratic, and pro-EU, dynamics within the UK (as Donald Tusk did as council president in many ways). In the end, the same three scenarios remain: a no-deal Brexit, a Brexit with the withdrawal agreement or no Brexit.

The UK is surely heading for an election within the next year but whether that could be within the next three months—that is to say, before or after Johnson’s October 31st Brexit deadline—is an open question. This certainly looks like a crucial period.

There are also ways to relate constructively to different parts of the UK, even as its self-inflicted turmoil continues. If Brexit happens and Johnson stays in power, then support for independence in Scotland could rise sharply. The EU will stay neutral on that—if perhaps more positive on the chances of an independent Scotland acceding to the EU than it was in 2014 (should there be a second independence referendum in the next five years).

But Scotland has, in many ways (and despite the North Sea oil and gas sector), a very strong, constructive, climate-change and sustainable-energy strategy—likewise on human rights. And so the EU, through its range of policies and networks, can find ways to engage with more constructive parts of this awkward state, rather than just putting the whole of the UK in the ‘nuisance’ category.

New commitment

In the end, solidarity must be at the heart of the next five years. Fragmentation and division in the EU, over migration, rule-of-law chal-
challenges, eurozone reform and more, have not served the union well. Solidarity cannot be rebuilt by decree. But placing a Green New Deal at the centre of the EU’s policies, despite upsetting a range of vested interests, may provide a route to creating new commitment and buy-in—even while dealing more strongly, not less, with fundamental challenges such as those posed by Hungary and Poland on the rule of law.

The EU’s own divisions will not suddenly disappear and differentiation can and surely must be part of a renewed dynamism. But differentiation can only be part of the answer alongside finding strategic routes to building solidarity and commitment to core policies.

It will be a crucial five years—ambition, confidence and determination will be vital.
Although Europe has never ceased to reinvent itself, we the peoples of Europe love to announce to the world that peace, like diamonds, is forever. That is a nice thought. But peace is never a done deal. Its foundations need to be reinvented by every generation, every polity, every era. Deep peace is not an inheritance but a way of life. It is not about harmony but struggle. It needs armies of defenders, with all sorts of clever strategies, all sorts of ingenious weapons, all sorts of parochial accents.

Journeys of reckoning often have to do with re-knowing something anew that we had almost forgotten. Can we know peace anew?

We can do so through many different paths. One such path is this: a European pivot from space to time. The EU and its critics have focused on the politics of space, a space made single by markets, regulators and judges, a space where free movement reigns supreme and from which we can choose who and how to exclude. What if the EU were to refocus on the politics of time, time when we reflect back and look ahead, time that can be slowed down better to engage with the needs of the next generation, time to allow for a hundred indecisions, and for a hundred visions and revisions ...
Virtues

Would it not be okay to renationalise space a little if we could radically Europeanise time? Inspired by the journey of Er, who at the end of *The Republic* comes back from the dead, can we shape our present life to serve future lives through the virtues we abide by?

This is not an easy proposition, Plato’s myth of Er would have warned us. In the European psyche, Lachesis of the past and Atropos of the future seem to have switched places. European citizens used to be moved by fear of their past and trust in the future, but are now nostalgic for the past and fear the future most. They have witnessed the rise of emergency politics as the new normal, with states desperately trying to match the pace of markets. Traditional politics, that of electoral rhythms and opinion polls in between, remains a relentlessly short-term affair.

Tocqueville in his time was already bemoaning the popular obsession with the present. He saw how the *longue durée* stood as a luxury, a pastime for those who don’t have to worry about a roof over their heads and food for the kids. And yet we now know that it is urgent to act long term. Our planetary future is at stake.

In Europe, incomplete integration is not the problem: unsustainable integration is. Arguably, the European Central Bank stemmed the euro crisis in 2012 by reasserting political time in a fateful utterance about ‘whatever it will take’. We require a quantum leap. Today the EU as a whole must stand in as the guardian of the long term.

Democratic redemption

Perhaps this is the silver lining of the EU’s democratic deficiencies. If mistrust in the people was part of its DNA, the long term can be the EU’s democratic redemption. An EU that is democratically challenged for short-term accountability can be democratically enhanced for long-term responsibility.

Let us dare to think of this moment as the third democratic transfor-
mation. Robert Dahl, the foremost analyst of democracy after the second world war, described two great historical transformations: the birth of democratic city-states in ancient Greece and Rome, and the emergence of large-scale representative democracies in the 18th century. It seems as though the evolution of representation towards increased inclusiveness may have reached its limits.

After the *polis* and the nation, the third democratic transformation will be transnational, as the only way to secure our planetary future. And it will be so inclusive as to stretch democratic time much beyond the voters of today. We will invent a transnational democracy with foresight, to match the long-term planners and autocrats of the far east and elsewhere who threaten to beat us in the mastery of time.

We will stop trying to transform closed and self-centred democracies through vertical restructuring beyond the state. Instead we will practise the art of managing democratic interdependence through horizontal connections and reciprocal vulnerabilities between local spheres, smart towns, cities, regions and states. We can be committed to perfecting our national democracies and at the very same time to a cosmopolitan regard for the welfare and autonomy of others, including those others yet to be born.

We live in a world of second chances, not last judgements. Let us not trivialise this opportunity with serial last-chance summits. Let us instead turn our public spaces, our schools, our screens, our parliaments into the time vessels that our children deserve.

**Take back control**

What if Brexit in the end gave humanity its motto for the rest of this century? We must take back control of our future, prevent a man-made catastrophe that will dwarf the oxygen apocalypse of two billion years ago. Only because it is fragile is our universe creative. The Anthropocene, or age of man, will only last (at least for a while) if we recover our humility in a world formed and reformed gloriously in our absence by comets and bacteria.
How will this happen in a world of predatory super-states governed by manic supermen? Can we still affect today the mindboggling technologies and man-made life forms which may one day erase this very particular stardust aggregate that is the human? How trivial it will seem hundreds of years from now to have focused so passionately on our human entanglements, still blind to the life-world entanglements that were to determine our survival.

This piece is excerpted from the author’s Exodus, Reckoning, Sacrifice: Three Meanings of Brexit