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THE RE-MAKING OF EUROPE – THE LONG VIEW

1. INTRODUCTION

Writing early in the present century, Habermas wondered what impetus there still was to political innovations in Europe, given their 'rather wealthy and peaceful societies' (2001: 8). Without some crisis, steps towards building stronger and more democratic institutions for the EU risked stalling. He need not have worried. The financial crisis of 2008, the imposition of austerity on the economies of the periphery, and the influx of refugees and economic migrants from the south-east have provided more than enough of a challenge. Nevertheless, positive steps to address these crises have as yet been fragmented and ineffective – and in some ways have only made matters worse.

I begin with three widely voiced judgments on the European Union:

- It was <u>war and conflict,</u> that had twice torn Europe apart, that provided the impetus to EU integration in the post-war decades (1950s-80s). This was an <u>immensely impressive and historic achievement</u>. The expansion to the east, following the end of the Cold War, continued that process (Milward, 1984, Anderson, 2009).

- If integration is to mean more than the reconciliation of nation states and political elites, it requires a <u>stronger democratic engagement for the peoples of Europe.</u> During the 1990s-2000s, <u>this was repeatedly tried but failed</u>.   The root of this failure was <u>the lack of a European '*demos*'</u> – the essential basis for shared democratic institutions (Scharpf, 2014).

- European integration since the financial crisis of 2008 has produced a sense in local communities that they are losing <u>control over their lives, with growing instability and insecurity.</u> This has been a cause for <u>dismay and alarm</u>, with growing Euroscepticism and the danger of EU disintegration.

I re-examine these three judgments and the interconnected processes to which they refer.

2. THE MAKING OF EUROPE

Those who promoted European integration following WW2 hoped to move from the hurt and pain inflicted on each other, by generations of Europeans, to a new trajectory of reconciliation, solidarity and peace: a European *demos* transcending the divisions that had set national communities at each other's throats. When they sought inspiration in Europe's history, they looked back beyond the fissiparous nationalisms of recent centuries, the *Ancient Regime* of the 18th century and the religious wars of the 16th and 17th centuries, to Charlemagne and the making of Europe in the High Middle Ages (Macgregor, 2016: Ch 11).

For us also, that distance can help place our questions in a larger historical context – even if this then raises as many new questions as it solves. I start with Bartlett's study of *The Making of Europe: Conquest, Colonisation and Cultural Change 950-1350* (1993). Bartlett describes a shared European culture and a shared sense of identity – in some sense a European *demos*. This was Latin Christendom – inspired by the Church of Rome and its expansionist crusades from the 11th century onwards, in alliance with the aristocracies of Charlemagne's erstwhile domain. They spread to the pagan north and east and to the Islamic south, hungry for land and feudal dues. This expansion - and the wealth that it brought – then paved the way for the strong nation states of north-western Europe and the consolidation of their own national *demoi*.

Nevertheless, it was military technology, aristocratic greed and religious zeal that drove the new order. Local traditions were brushed aside and local people barely noticed. Cereal production, land enclosures and the feudal system displaced and subordinated the peasantry of the periphery. If there was a European *demos*, it was shaped by the raw power of the European north-west, no less than in

modern times. Then as now, the cultural convergence of the European *demos* was energised by the inducements of agriculture, transnational markets and military firepower. Then as now, scholarly exchange provided a veneer of civility.

This may have looked to contemporaries like the 'end of history'. Even here, however, new seeds and possibilities for disruptive change were also emerging.

First, the new urban settlements in the territories of the periphery typically involved charters from the aristocratic ruler. These offered freedoms and rights to the wealth extracted from the local area, in order to attract immigration from the north-west European core. Behind their protective walls, they enabled local creativity and interdependence to flourish and constituted themselves as new forms of community, limiting the jurisdiction of local rulers.

Second, the early shoots of what would later be celebrated as the 'spirit of capitalism' were already evident: new forms of book-keeping and accounting; the social construction and regulation of new markets, by those involved in trading networks; the endless struggle for positional dominance, born of confidence in God. Here were the seeds of an eventually very different economic order: not just the capitalism to which Marx, Weber and Tawney would give their attention, but the corporate behemoths that today bestride the European Union.

Finally, while the conquerors from the north-west were victorious, in both economic and military terms, this was not without resistance. Local rulers sometimes survived by making complex alliances with immigrant aristocrats, in attempts to 'ride the tide of change'. The English in Ireland became Gaelicised. The pagan Lithuanian state was born in response to the German threat and eventually dominated eastern Europe.

It is therefore somewhat ironic that following WW2, the authors of European integration looked back to Charlemagne and the making of Europe in the High Middle Ages, as an inspiration – or perhaps a lazy nostalgia - for their own efforts to turn swords into ploughshares. That earlier making of the European people was achieved through violent conquest - and a readiness to disrupt and disregard those not sharing the political and cultural legacy of Latin Christendom. Collective memories celebrating the superiority of the conquerors left bitterness and resistance - interdependent histories of dispossession and injustice (Shoard, 1987). That dispossession is arguably no less a feature of European integration today.

3. THE EUROPEAN *DEMOS*

With the Maastricht Treaty of 1992, the people of Europe became citizens of the Union. This prompted a vigorous debate as to whether there is a European *demos* – a people with sufficient shared sentiments and history, to give legitimacy to the formation of a political community, which can act in their name and be democratically accountable to them. Particularly active in this debate have been German political scientists such as Habermas (2001) and Scharpf (2014). Only when there is a European *demos*, having a sense of shared identity, will there be the basis for distributive justice towards those who lose out, from the turbulence of economic and social change that European integration entails.

The debate contrasts the European Union and the nation. The latter has a well-defined *demos*, the former has not reached that stage. Nevertheless, this oversimplifies the contrast. As we have seen, the individual member states and their political institutions were not always established on the back of a national *demos*. On the contrary, it can be state formation itself that brings about a self-conscious *demos*, forged out of disparate communities and cultures. This may remain a work in progress, or a work arrested and incomplete. The formation of a *demos* may then leave those constituent communities advancing competing projects for their shared national destiny.

The national *demos* is therefore typically, to repeat, a contested and power-laden construct, as is its relationship to democracy and citizenship. This is true even of the UK, a long-established nation state that has remained immune to foreign invasion for almost a millennium. That period has seen a variety of rebellions and fissiparous movements, not least in recent decades. There have also been recurrent challenges to the aristocratic dominance entrenched by the Norman invasion and its legacy of elite social privilege. Thus for 20th Century writers such as Tawney (1931, 1964) and Raymond Williams (1961), it was by mobilising the English people, in egalitarian opposition to unbridled privilege, that they could be bound together, in solidarity and common purpose, and their political institutions made effective.

Nations and their political institutions spring however not just from the designs of the peoples who inhabit a particular territory, but also from those of their neighbours and the great powers. Within each of those nations, this interdependent history may then divide the peoples in question, as much as it unites them. The legacy of conflict and contestation can make some borders problematic, from Ireland to the Balkans. It may engender a politics of reconciliation and amnesty - or one of retribution and revenge (Deák et al., 2000).

The forms of economic and political governance adopted now by the EU have the power to heal or to re-open those historical wounds. Some fault-lines of historical conflict, both between and within individual nations, may have more chance of healing in the context of a European *demos*, than within that of the nation state. Ireland is a good example, given additional topical significance by the debates around Brexit. Nevertheless, some forms of EU governance also have the power to re-open submerged and half-forgotten historical antagonisms, notably those arising from the legacy of WW2: as illustrated by recurrent tensions in recent years between Germany and Greece and Poland.

It was never however just a matter of a national versus a European *demos*. For the British there was always the rival attraction of the Anglosphere – never more than today, as Trump's America appears as the main prize for post-Brexit trade deals (Pearce and Kenny, 2018). For the French, plans for European integration were closely associated with their continuing interest in Africa and various projects of neo-colonialism (Hansen and Jonsson, 2014). It was also however part of their effort to resist the Anglosphere and ensure French pre-eminence in post WW2 Europe. This was the Francosphere as *demos*.

Meanwhile, if a European *demos* is indeed forming, it is taking many forms, not all of which embody the noble sentiments of solidarity and civility which German scholars espouse. Eurosceptic parties draw on each other's experiences and political toolkits to strengthen their critique of the European project. They build alliances of European peoples determined to set the EU institutions on fire. [1] The EU institutions, hardly fit for purpose, provide the grit around which this transnational sentiment can opportunistically organise itself.

4. INSECURITY AND EUROSCEPTICISM

Since the financial crisis of 2008 and the ensuing programmes of austerity, many local communities across Europe have faced growing insecurity. This has produced a sense of dismay and vulnerability, with a readiness to blame immigration and European integration.

In June 2016 the UK voted to leave the EU, in the most vivid and dramatic expression of this Euroscepticism. The aim was 'take back control' of its money, its trade deals and above all its borders. Immigration into the UK over the decade until 2016 had been 5.77 million.[2] Many immigrants went into areas of low-cost accommodation, alongside the working class households from whom many Leave voters came. During the same period, austerity and recession meant cuts in public services, in jobs and in benefits, which hit those same communities particularly hard. Was it surprising that established residents should infer a causal connection? And was it surprising that they felt insecure and abandoned? [3]

One response has been rooted in the national memories of 'Britain alone' in 1940: an island people self-reliant and self-contained, and with a strong sense of its external boundaries. This figures large in the language and imagery of the Brexiteers and their hostility to immigration. A second response to community insecurity is also however possible – also rooted in the 1940s, that crucial moment of Britain's national re-definition. Even while WW2 was still under way, government set out a new social contract, with a vigorous social policy strongly related to national identity and solidarity (Marshall, 1950, Titmuss, 1963). This set the fraternity and mutual interdependence of citizenship against the divisions and inequalities of class and the turbulence and insecurity of an urban-industrial society.

In the years that followed the Second World War, the social contract between State and citizen, across the western world, involved a pooling of risks and uncertainties through systems of social security. The same period saw governments confronting the economic instability of capitalist society. This has sometimes been characterised as a consensual process, the benign fruit of economic progress (Wilensky and Lebeaux, 1958). Nevertheless, as T H Marshall (1950) warned: 'in the twentieth century, citizenship and the capitalist class system have been at war'. It was only out of that struggle that institutions of shared security emerged.

By the 1980s and 1990s however, and not only in the UK, those institutions were becoming somewhat threadbare. The economic crisis following 2008 - and the programme of austerity that followed – provided the *coup de grâce*. Solidarity failed; all but the wealthiest suffered; working class communities suffered most of all. They sensed their vulnerability in particular to the loss of jobs - whether these were taken by newcomers from inside or outside the EU, or by the stronger economies of the EU core, out-competing local employers and creating economic wastelands.

Across Europe, the 2008 crisis undermined the legitimacy of major social and political institutions. The general direction of social policies has been to push many into the market place, narrowing public generosity towards those in need. The burden of austerity has thus fallen on the most disadvantaged, multiplying the uncertainties to which they are exposed.

5. SOCIAL AND ECONOMIC JUSTICE

This paper started with three commonplace judgements on the European Union – its success in healing the wounds of war, its failure to win democratic engagement and its vulnerability now to the seeds of disintegration. It has argued that each of these judgements is overly simplistic and for reasons that are closely interconnected. These are moreover the 'high politics' of European integration, expressing the concerns of political elites. Against these, I propose a rather different agenda, in relation to social and economic justice, the turmoil, dislocation and hurt that European integration produces, the critical questioning of political elites and the creative diversity of the Union. I deal with each of them in turn.

European integration in the High Middle Ages involved the dispossession of the peasantry from the common land and their subjection to a feudal system of agriculture. This was a project driven by social and economic elites. EU policy makers have been perennially concerned that their electorates tend to see modern European integration in similar terms. Hence their wish to provide the EU with a 'social dimension'. This involved ensuring common social standards (as much to avoid unfair competition between businesses as to benefit citizens) and exchanging best practices in policies for education, training and social welfare. It developed particularly during the Delors presidency, with the move to the Single Market; and with growing concerns at the turn of the century over the weakness of the European economy, as new digital industries began to dominate.[4] This was never however so ambitious as to intrude on the prerogatives of the member states in social policy, a major area of spending and political saliency with the domestic electorate.

The financial crisis of 2008 changed everything. Now it was the banking system and the public finances that needed protection - by providing a safety net for those banks that held bad risks and by austerity policies that shifted the burden of that safety net onto the population as a whole. The result was particularly severe for the weaker economies of the Eurozone, required to follow the currency's budgetary disciplines, but without any mechanism for solidarity between them, only a debtors' prison for the worst offenders.

The consequence was rising unemployment and impoverishment across much of the periphery. Imprisoned within the straitjacket of German ordo-liberalism and austerity, the EU proved unable to develop a European solution for an interconnected European economy. The longstanding reluctance of national governments to have the EU institutions involved in their national social policies, coupled with the prominent role played by the EU institutions in the enforcement of austerity, meant that those institutions had little to offer the mass of the European population, in terms of social and economic justice in hard economic times.

With the economic desertification of southern Europe, and conflict across the MENA area, pushing many towards the European north-west, it is not surprising that the populations of the north-west have turned against such incomers. This is especially the case with local communities which are suffering from austerity and lack of investment and which fear intensified competition for local jobs. These are the 'hot politics' with which European citizens are fundamentally concerned and by reference to which they judge their politicians. It is however easy for local and national politicians to blame the more distant institutions of the EU. This has been a potent brew for the politics of European disintegration.

Social and economic security for communities across the Continent has become a central political challenge for the EU. If Europe-wide economic and social changes of the 21st Century are to be managed successfully and with public consent, they will need a new social contract to underpin them.[5] This will in turn require reforms to the institutional order of the EU and more active democratic engagement with markets and corporate interests.

Going well beyond traditional welfare systems, this re-orientation of European policy might have three main elements.

Rejuvenate the European Economy

It will be necessary, first, to confront the toxic austerity regime. Austerity insists that reduction of the public sector deficit must be the principal economic goal, pursued mainly through cuts in public expenditure (Blaug). There is however an alternative and very different analysis. Stiglitz (2016) wants a stimulus to promote growth, especially in the stagnating regions. Incomes in surplus countries might be allowed to rise, in the hope that some would be spent by consumers and businesses there on goods and services from the weaker economies.

A better response however would involve a positive industrial strategy aimed to spreading jobs and useful work to all localities and regions, revitalising local communities. This could include investment in infrastructure, human capital and the science base, especially through long-term projects of a scale and duration the private sector cannot contemplate on its own. Concerted action by governments could also build new markets, including for green technologies and energy sources. This is consistent with calls for a European 'Green New Deal' that have recently become more widespread.

Such rejuvenating of the European economy will surely require significant fiscal integration. Various proposals for fiscal union in the eurozone have been advanced in recent years, including by Piketty, starting with corporation tax. They also then argue for the creation of new democratic institutions for the eurozone, lest fiscal union will be experienced as a further loss of sovereignty and accountability.

Security and Creativity for All

Individual security against the risks of income interruption was the heartland of traditional welfare states. Over the last half-century, however, those solidarities have been on the defensive across much

of the industrialised world, in the face of neoliberal hostility to state welfare. The globalisation of markets and the shift to new knowledge-based technologies has brought insecurity to large swathes of the population; and it was this insecurity, in part at least, that created the social conditions for Brexit. In turbulent times, the solidarities of strong welfare systems must therefore be retained, not dismantled, in the face of neoliberal markets (Polanyi, 1944, Rieger and Leibfried, 2003).

Meanwhile however, the financial crisis showed who calls the shots, within western political economies. Governments came forward as guarantors of the banks' viability. The costs were spread across society, in particular by retrenchment in public provision and in the institutions of collective solidarity on which most people depend. Security for citizens and communities was thus, at least in some degree, in tension with security for the financial institutions. The tension is all the greater, when taxation systems become less progressive; when taxation of footloose corporations is driven by a 'race to the bottom' against national tax authorities; and when governments shift from taxation as a source of revenue to borrowing on the bond markets. This is what Streek (2014) describes as the 'Debt State'; Galbraith (2009) as the 'Predator State'. Tax reform is also therefore a necessary part of any European reform, in any attempt to 'rescue Europe'.

The shift to a knowledge economy depends not only on collective security and solidarity, but also on human investment and skills. This is especially important for the demographically challenged societies of Europe, which can ill afford to waste the creativity of their scarce human resources, and must equip them to respond successfully to the new challenges of artificial intelligence and robotics. This will need more investment in the least skilled in particular, since this can yield the greatest returns in terms of economic growth (Coulombe et al., 2004). However, if our education and training systems are to prioritise these groups, they need to be much more inclusive than at present. Otherwise they will be neither socially equitable nor economically efficient.

Re-Think Free Movement

Free movement also needs re-thinking: the free movement of people, but also of goods, services and capital. Being forced to migrate north because of the economic desertification of one's home region is no freedom. It is also no 'free movement' if rich countries denude poorer countries of their highly skilled people, because they have themselves failed to invest sufficiently in training.

Free movement of goods and services may allow economies of scale and reductions in the price of consumer goods – but it can also mean downward pressure on social and environmental standards and the destruction of employment in communities unable to compete. The free movement of capital may mean downward pressure on taxable capacity, as businesses threaten to move elsewhere, and disregard any obligations towards the communities where they are based.

Free movement requires some collective responsibility for the infrastructures of the communities to which large numbers of immigrants come, rather than 'devolving' this burden to the local areas in question. This is true, whether those incomers arrive from outside or inside the country in question, and whether they are coming for work, tourism or education. We allow fragile environments to be protected and watched over by local communities. We encourage their community stewardship (Ostrom, 1990). It would be strange not to extend that thinking to their jealous protection of their social fabric.

This is part of the larger question of how national and European policies can support local communities, especially those facing major social and economic change. Leaving them at the mercy of global markets risks community disintegration – as much through the exit of secure jobs, as through the arrival of incomers. This will require investment in the social and economic security of all our communities. It could mean re-embedding capital within local and regional communities, including for example encouraging community co-ownership of local businesses. This is central to the reforms of the UK economy proposed by Hutton (2015: Ch 5), with business ownership a vehicle for innovation and community benefit as much as for profit.

In short, therefore, the free movement of labour, capital, goods and services requires some more careful assessment of who benefits. Blind commitment to the 'four freedoms' is not a sound basis for public policy (Supiot, 2012: Ch 5). It is as unhelpful to insist on the 'free movement of people' as an absolute principle of the EU, as it is to insist on 'control of its borders' as an absolute necessity for each nation state. A more intelligent conversation is needed, seeking to balance the diverse interests involved, and resisting extremist groups who fan the flames with their divisive rhetoric.

To address these challenges and tensions will require reforms to the European project going much further than those foreseen by the European Commission, in its *White Paper on the Future of Europe* (European Commission, 2017) or Macron's proposals for fiscal federalism and banking reform. The European Pillar of Social Rights, launched with much fanfare at the end of 2017, re-affirms social alongside economic priorities, neatly packaged into twenty (non-binding) principles into three categories. Whether however it develops into a stronger European Social Union is at best an open question, and depends crucially on what diagnosis of the current malaise political leaders adopt (Ferrera, 2018, Garben, 2019).

6. TURMOIL, DISLOCATION AND HURT

War and conflict drove the making of Europe in the High Middle Ages, as it did, *mutatis mutandis,* in our own time. In that earlier period, it left a legacy of resistance, albeit scattered and in general ineffective - and indeed, largely forgotten, with the history being written principally by the victors.

In modern times, it was the determination to avoid further war and conflict that inspired European integration. Reconciliation trumped revenge - the lessons of Versailles had been learned. In addition, within western Europe new lines of potential conflict with the Soviet Union reinforced the urgency of reconciliation with Germany.

Nevertheless, the moral ledger of brutal conflict and oppression cannot easily be wiped clean; it leaves unresolved hurt. Germany acknowledged its guilt in relation to the Jews, but perhaps not sufficiently in regards to the populations of the countries it invaded and devastated.[6] Yet during WW2, the populations of the occupied countries were also gravely compromised. Most of Europe collaborated – and even took advantage of German occupation to settle ethnic and territorial scores. In Hungary for example, the treaties imposed at the end of WW1 had produced tensions and hopes for revenge that structured domestic politics throughout the inter-war years – and the readiness to enter into alliance with Germany during WW2 (Deák et al., 2000: 39-73, 295, 307). Each nation is fractured – none is a homogeneous and cohesive entity with a shared purpose.

Wartime memories and myths were then significant in the construction of post-war states - further complicated by the new east-west divide (Deák et al., 2000). Those memories still fester – as witness the furore in Poland, during 2017-18, over the extent of Polish involvement in the German treatment of Polish Jews during the wartime years.[7] The UK avoided German occupation and the moral compromises this might have entailed; but its own history, in relation to Ireland, is replete with such bitter memories of an intertwined history, that this still threatens a precarious peace. This has also proved the most difficult element of the UK's withdrawal agreement with the EU.

The intertwined hurts of war can only heal as those involved listen to each other, recognise the hurt, acknowledge their responsibility and where possible make restitution. The same goes for the economic turmoil and desertification of today: the result, not of impersonal markets, but of national and European policies, whose effects reverberate across the Continent, destroying the livelihoods of local communities and citizens far removed from the centres of power. Germany has been central to the economic transformations that have re-shaped the EU, but also to the austerity policies which the EU institutions have imposed. This has been unfortunate, to say the least, in re-opening some of the scars and memories of war (most obviously in regards to the treatment of Greece – see Varoufakis, 2017).

How the EU deals with such 'hot' politics could reopen those ancient wounds, so that they become deep fractures. It could, alternatively, establish a system of social and economic justice, in which the distant consequences for local communities across the Continent, of policy decisions taken by powerful European political and business elites, are not left unnoticed and neglected, a matter to be dealt with by local actors, with their limited scope for action. That could indeed set the seal on post-war reconciliation, establishing European social and economic peace for the 21 Century.

7. CRITICAL SCRUTINY AND CREATIVE DIVERSITY

Such an agenda of social and economic justice would surely however founder. Solidarity among European citizens is too weak to support distributive justice towards those who lose out from European integration, as argued in the German debates on the European *demos.*

Middelaar (2014) asks how far European citizens already have a shared sense of European identity. Not much, to judge by their cultural politics and symbols. The European public seems to recognise itself culturally only through the competitive circus of the Eurovision song contest and the European football championship - playing out memories and historic grievances that divide, vilify and blame.

He asks secondly what benefits the EU offers its citizens, as an anchor for their affections. Freedom of movement is one benefit, but it can also increase competition for jobs in the host countries. These effects and costs were always 'vastly underestimated' (p 261).

Middelaar turns finally to the involvement of the European public in political change, as they interrogate their politicians. The European Parliament has had little success in mediating between the people and those who govern; and the very fact that European politics has been extremely consensus-oriented detracts from real debate. We walk on eggshells: forever aware of our conflicting histories, ancient wounds and sensitivities easily re-awakened. The halting development of a European *demos* is hardly surprising.

One response has been that while Europe is too large an expanse for direct democratic participation, interaction among national democracies is both feasible and desirable. This *demoi-cracy* would give expression to democratic interdependence among the peoples of Europe, with 'horizontal transfers of authority, cooperation, impact and representation' (Nicolaidis, 2013). It could be a creative process out of which a European *demos* might eventually emerge (Innerarity, 2014). But through what cross-national practices and transfers would such a European *demoi-cracy* be constituted (Scharpf, 2014)?

One approach is via the principle of subsidiarity. This became well-established in the Euro-lexicon through the Maastricht Treaty. Initially, it was understood as <u>devolution of decision-making downwards</u>. As far as possible, matters should be managed at the national or sub-national level, unless there are cross-border externalities. This is why social policy has remained very much a responsibility of national governments.

The Lisbon process of March 2000 was concerned with the development of a dynamic but socially cohesive knowledge-based economy. National responsibility was retained for most of the relevant policies, but systematic comparison of national performance by reference to common benchmarks would assist the transfer of best practice. This was subsidiarity understood as <u>horizontal cross-national policy learning and convergence</u>, even if within much of the Lisbon process, such cross-national learning has remained limited and rather bureaucratic (Atkinson et al., 2005, Ch 6).

It was however never clear whether the Lisbon process was intended to track the progress of member states towards a single common future, defined by reference to common economic and technological imperatives. Or were benchmarks of national performance instead meant to display different scenarios of potential development, with real political choices and trade-offs (Room, 2011: Ch 16)? If so, how far should these debates involve wider public scrutiny, with domestic political leaders forced to justify their performance by comparison with good practice in other countries? Social

benchmarking of this sort could have major consequences for their political credibility. This would be subsidiarity understood as <u>creative and critical scrutiny upwards</u>.

This is consistent with some of the pressures for change around the 2020 European Strategy, the updated Lisbon process, which called for more opportunities for citizens and communities to participate in European governance, along with trade unions and other civil society organisations (Natali and Vanhercke, 2015: 248, 258). This would constitute a powerful commitment to good governance on the part of the EU, for while it would affirm national responsibility, it would also affirm Community interest in how that national responsibility is exercised (see also De la Porte et al., 2001: 300-301). This sort of creative subsidiarity could thus provide one way of addressing the 'democratic deficit' discussed earlier - connecting-up communities and associating them in a transnational *demos.*

In some small and modest ways, there are already prototypes of this within the history of the EU. One was the succession of 'pilot programmes' to combat poverty launched by the Commission between the mid-1970s and the mid-1990s (Room, 2014). Poverty was of course outside the scope of Community social policy as defined by the Treaty of Rome (Collins, 1975). These programmes were therefore small and required special decisions by the Council of Ministers – but their novelty and their concern with the living conditions not just of workers, but of citizens in general, gave them a certain freedom to develop outside the normal constraints of Commission functioning. So did their small scale, which obliged the Commission to limit them to a range of local communities and to work in concert with NGOs.

The result was a succession of initiatives involving local communities from across Europe, connected through the evaluation experts on whom the Council had insisted. Once connected, they used that intelligence network for their own purposes. Local projects were able to bring their peers together on their own turf, to enrich the debates with city decision-makers in which the local project was involved; they also brought Commission officials and national civil servants to events at which those decision-makers would have to defend their policy choices, in the glare of international publicity (Room, 1986: Ch 4). This was a foretaste of the 'creative subsidiarity' that local communities can exercise, exposing local, national and European decision-makers to public scrutiny – and associating those communities in a transnational *demos,* critical of the prevailing order*.*

Small prototypes of this sort will not change the world, but they may provide models on which other social and political actors can draw – including national parliaments. Hereby a transnational European *demos* – a *demoi-cracy* indeed - is in some measure constituted from below. This involves not just securing mutual respect for what Scharpf (2014: 1,16) terms 'legitimate diversity', but also building *new* forms of that diversity, through transnational association and practice. This would balance an 'ever-closer union', as the goal of European development, with an ever more *diverse and creative union*, enjoying strong social solidarity and participatory democracy (Leonard, 1999: Ch 5).

Meanwhile, however, national governments invoke mandates established by the European authorities, under the rules of fiscal consolidation, against domestic opponents of austerity (Streek, 2014: Ch 3). New forms of domination are also being developed by corporate and financial interests, using the transnational spaces that European integration offers (Varoufakis, 2017: Ch 7). Thus, against the apolitical market optimism of recent decades, what European austerity has exposed are the social class divisions of capitalism. This is why any reform process is much more than an exercise in economic management and social cohesion; it is fundamentally political, a struggle for social and economic justice.

8. CONCLUSION - REMAKING OURSELVES TOGETHER

Much of the discussion on European integration has tended to assume a single direction of travel. The debate has been about the scope for a 'multi-speed' Europe, as against progressing at the pace of the slowest vessel. The European Commission's White Paper of March 2017 continued this theme. Now

however there is growing acknowledgement of the multiple possible futures for Europe – and the political choices in which the people of the Union need somehow to be involved, if they are not to join the growing army of Eurosceptic recruits.

The 'democratic deficit' of the EU is in part a constitutional question, concerned with the institutions through which citizens can have an effective political voice. It is also however a question of how the uneven distribution of the benefits of economic integration – and the insecurity and inequality it tends to produce – can be made consistent with the demands of social cohesion and political stability.

What the European institutions lack is not so much ingenuity in constitutional reform, as the capacity and the will to address the insecurity and inequality that this uneven economic integration has been generating. This will require much more than a single market and a single currency; adding further layers of political union will also not suffice. What is needed is a Europe-wide social contract, committed to social and economic justice for communities across the Continent, as outlined earlier. No less important is for those communities to have opportunities for active and critical citizenship – 'creative subsidiarity' of the sort just described - putting them confidently in charge of their own destinies. This is a necessary bulwark against social and political dissolution - and a precondition for establishing a European *demos*.

This means that 'creative subsidiarity' is not the final destination of this paper. The question is rather how we can re-make ourselves out of the pool of shared European experience. However, maybe we can do this only by first confronting our own ugly face in the interdependent history we have wrestled over – facing up to what we have done to our nearest, if not our dearest. This will involve, alongside the celebration of what we are as nations, a reflective musing on the injuries we have inflicted on others.

This is not therefore just about ensuring that the EU institutions are scrutinised and held to account, but rather that we as European nations are held to account by our neighbours – and are ready to present ourselves for their scrutiny. We draw on our shared experience, not just by borrowing from them 'what works' but also by heeding 'what hurts'. This is evidence-based policy-making as restitutive justice. It means allocating and accepting responsibility, for hurts past and present, and for the way in which power has been exercised.

That is after all what we expect, within a national *demos*. The accountability of government is only a means to that end: ensuring social and economic justice from our national community. We expect to hold people and organisations to account – and to enforce their responsibilities as neighbours. At a European level in contrast, the ECJ is concerned only with whether the EU institutions and the member states have behaved as they should under the Treaties. The Commission has some role in regulating corporations and governments and it has the power to levy fines for breaches of European regulations. Neither ensures restitution for hurt caused. The Strasbourg Court of Human Rights likewise does no more than make judgments; it cannot punish or require restitution; that falls to national courts and governments. The social costs imposed by actors from one country on the communities and citizens of others are largely disregarded.

This means recognising the complex and indirect chains of causation by which the costs and insecurities generated by wealth creation are visited on many less able to bear them (Hayward, 2006, Room, 2015). It requires a readiness and capability to heed the distant consequences of our actions and the distant drivers of our own pain, instead of attributing these ills to the individual failings of those on whom they fall, the disconnected and the disempowered. This is what a new European *demos* will surely involve - with European people holding political and economic power to account without regard to national boundaries.   Thus as Nicolaidis argues: 'Germans and Greeks should not only have the right to put the problems they create for each other's democratic health on each other's political agenda, but should entrench institutional mechanisms to address them. … From this, an enlarged mentality may even emerge, as Kant would have it, of thinking from the point of view of everyone else' (2013, pp 6, 9).

This is however far from the current reform agenda of the European Union. Austerity remains entrenched and there is a sad lack of strategic vision. Not least, it hides the ascendancy of the corporate behemoths that today bestride the European Union. It is not only in relation to nationalistic governments and ossified EU institutions that the reforms discussed here would need to be developed, but in relation to the corporate world: taking back control from corporate Europe and holding _them_ to account. The European Union was established in the afterglow of liberation from German occupation; it is now the corporate occupation of our political and social institutions that must be addressed, if Europe is to enjoy social and economic peace for the 21st Century and not dissolve into competing fragments.

The making of Europe in the High Middle Ages saw the aristocracies of Charlemagne's erstwhile domain spreading across Europe. They appropriated the common lands, imposed feudal dues and forced the peasantry to conform to the new order. Bartlett sees continuities between this and the European expropriation of colonial territories in the Americas, Asia and Africa during more recent centuries. [8] Recent decades have likewise seen public spaces and assets appropriated for private benefit, monetisation and corporate expansion: not least, those public services and forms of collective solidarity established in mid-20th century to protect against the insecurities of the market place. This is what Galbraith (2009) describes as the 'Predator State'.

Even amidst the aristocratic ascendancy that Bartlett describes, new seeds of disruptive change were however emerging. Newly established towns constituted themselves as new forms of community, resisting the power of the feudal ruler and weaving their own networks of trade and communication. Such hinterlands of resistance were again to play a key part, in limiting the expansion of European empires across Africa and Asia in the ensuing centuries (Darwin, 2007). Alongside the celebratory history of the conqueror, there was insurrection and challenge. Today also, there may yet be scope to remake Europe.

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[1] https://www.theguardian.com/politics/2018/jul/29/farage-bannon-populists-eu-election

[2] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/migrationstatisticsquarterlyreport/may2016

[3] Goodwin and Heath (2016) draw together the demographics of the Brexit referendum and of the Leave voters in particular. They emphasise that income and poverty were a major divide, as were skills and education. Those

who were further marginalised, by the lack of opportunities in the places where they lived, faced a 'double whammy'; here the voting divide was even greater.

[4] The Lisbon process of 2000 recognised that the move to a knowledge economy would need to provide citizens with security during the transition period, so that the flexibility which a dynamic and innovative economy requires would not come at too high a human cost. These were collective risks to be managed on a Europe-wide basis (Rodrigues, 2002).

[5] This was after all a central element in the consolidation of nation states in the modern era – think of the role of social insurance in Bismarck's project for German unification in the late 19th Century, and the social contract of social and economic security for all, embodied in British welfare legislation of the 1940s.

[6] Willy Brandt was particularly associated with such acknowledgement, notably at the monument to victims of the Warsaw Ghetto Uprising in 1970.

[7] https://www.theguardian.com/commentisfree/2018/feb/02/poland-holocaust-free-speech-nazi

[8] This raises much larger questions about the drivers of European colonialism and the epistemic, moral and political challenges of empire (Darwin, 2007, Blom Hansen, 2019).