

European Union today. How bad could it get, really?

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Interview taken by Claudiu Crăciun, Lecturer in Comparative and European Politics, FSP- SNSPA in early October 2015 in Bucharest, with the occasion of awarding Simon Hix the title of Doctor Honoris Causa by the National School of Political Studies and Administration. The interview transcript was drafted by Andreea Ignișca.

Simon Hix: "I'm not optimistic. I am normally a very optimistic person and normally, you know, I think about my grandparent's generation. My grandmother's generation fought in the war and she used to say to me: "Simon, why are you so obsessed with politics? You don't need to worry about politics. It's a luxury not to worry about politics. Don't worry about it!". For her generation politics meant communism, fascism, war, Holocaust, the Cold War, the threat of nuclear war, you know, a really big stuff. So I was always optimistic because for our generation it was politics in the sense "How bad could it get, really?" But I do worry. I think it could get really bad. We're facing a new Cold War, we're facing a really global crisis in the Middle East with implications for Europe, migration crisis and we really are genuinely facing a potentially collapse in the European Union."

Claudiu Crăciun: *Difficult times for Europe. We're seeing an economic crisis, a refugee crisis, and a Ukrainian crisis. They are overlapping crises. How does the European Union function on this crisis mode today?*

Simon Hix: Well, on the one hand you can say that Europe has proven with the Eurozone crisis that it's capable of making decisions. So you can say that, I like to say never underestimate the ability EU to find a way to muddle through. You can brag against the EU, but there is a real political commitment at the mid level, a lot of member states try to make it work somehow, to find some kind of compromise. It's messy, it takes time, but eventually they figured out how to fix the Euro, how to find a package for Greece, how to agree a new architecture for the Eurozone with the European Stability Mechanism, the Stability Pack, the Banking Union – it's a very significant agreement. And we're now facing the migration crisis and immediately they sorted the beginning of a sharing scheme, unpopular in several countries, but they will have to be reformed and then it's messy right now but then in the medium term they will find a way to muddle through. It's kind of nasty to watch, its alembicated.

So there's the view that the EU can govern during the crises. But in other view, Europe is facing a really deep, existential crisis. Existential crisis in terms of economic union, in terms of free movement of people, with Schengen. Nobody would have expected that Schengen would collapse so quickly in de facto. Existential crisis even in the single market, people are saying that they do not want the free movement of services, because this means free movement of people. And existential crisis in foreign policy. The EU was completely messed up with the Ukraine, the EU has no foreign policy on Syria, the EU didn't have a common policy on Libya, there's no agreement on

Transatlantic Trade and Investment Partnership (TTIP) and lots of different divisions on every single issue.

CC: *But some people argue that we need some sort of politicization of the EU. Is this the right kind of politicization that we're seeing right now?*

SH: I think it's not the right kind of politicization because it's pitting one country against another country and so it rather being left or right, it does a cross-reference and what we're seeing is Germany against Central and Eastern Europe or Germany against Greece or Britain against the continent. So we see different divisions at the national levels. But, on the other hand, you can argue that any kind of transparency of this conflict is healthy. For the first time, in the national newspapers they're reporting on a vote in the Council. We saw that it was a vote in the Council on the refugee share scheme, there was a discussion on the burden sharing scheme, it was printed in the newspaper, the public knew that their country will have to share, they knew what side their government was on. Some countries like, even in Romania, which officially voted against, where some voices that disagreed with the government. So, for me, any kind of transparency is healthy for accountability, because it leads to understanding, it leads to an acceptance of the majority, even if the majority would accept afterwards the legitimacy of the minority, which I think was not really recognized.

CC: *We might say that the chance for European integration is that the crises are not overlapping to create two coherent camps. For example Germany is not in all crises...*

SH: Bad guy. Germany is a good guy on migration and on monetary union. So you're the good guy on migration if you're Germany and you're the bad guy on migration if you're Hungary or Romania or South-Eastern Europe, that are sucking refugees through these countries into Germany. But I do see some divisions emerging and are quite deep. On big foreign policy issues, for example Russia or the relation with the United States, I think you see a kind of Anglo-Scandinavian-East European bloc against a Franco-German-Peninsular bloc. This is a deep division and it's a division we need because the Eastern Europeans are angry with the Brits because of the British attitude towards the internal EU migration. But in general they have similar view on these global geopolitical issues. Scandinavian countries, Britain and Ireland are very Atlanticists, they always have been and in favor of the Transatlantic Trade and Investment Partnership, meanwhile the Eastern European countries are very Atlanticists because of the fear of Russia. That's a big coalition. There's growing hostility in Germany towards America, towards the Transatlantic Trade Agreement with America and growing sympathy towards Russia or not sympathy, but willingness to appease Russia.

CC: *Let's not forget the scandal regarding the access to private communication by the US. That was a serious crisis. There are two different cultures obviously. Again, with the TTIP we saw in Berlin a huge demonstration.*

SH: Meanwhile, the Swedish are controversially in favor of TTIP. They say that it is free trade as long as it is good for jobs. Sometimes they disagreed with it, but they said that they are not competing with America on some of the major themes so we

trade it and this is healthy. This is a contrast between the German trade unions and the Swedish trade unions, it's really dramatic.

CC: *You were talking about a division line within Europe at the state and government level. What about the political divisions within the countries? Do you think that the recent crises, the Greek one and the refugee one, changed the balance of ideas and power within the EU countries?*

SH: I think it's not just a Greek crisis, I think it's globalization plus Europeanization, which are leading to a growing division within a lot of countries in Europe. But it's not a classic division left-right, it's far more of a rural countryside versus global cities. So you have these globalized cities, London, Paris, Amsterdam, Copenhagen, Frankfurt, Barcelona – these are creating jobs in two areas: financial services and creative businesses – art, design, fashion, media, higher education. And these are two of the growing sectors in most of these economies and they are very globalized and the main centre of interest of the right are the financial services and the business interest and the main centre of interest for the left are the creative industries and the high ratio of the public sector.

The rest of the countries are ageing and are very socially conservative, very anti-immigrant, very anti-gay and industrial cities are in decline and this is the coalition that is a populist one. The populist coalitions are ageing populations and urban underclass in these cities like Manchester, Lyon, Leeds, Marseille, and Rotterdam – these are cities in industrial decline. And this coalition is the coalition that supports the nationalist, the UKIP, the Swedish Democrats, the Danish People's Party, Alternative to Deutschland – all these populist movements all across Europe. So the big split in Europe is the big cities against the rest.

That's a bit different in Southern Europe. It's a bit different in Spain, in Greece and in Ireland, which is more of an anti-austerity coalition; it's more about a coalition created by the austerity measures as a result of the Eurozone crisis. So it's a slightly different cleavage that has emerged in Greece, with Syriza and Podemos in Spain and Sinn Fein which has a growing support in Ireland. We see an anti-establishment populism on the left in this periphery and in North Western Europe we see an anti-establishment populism on the right and both of these movements are a major challenge to the mainstream center-left. The center-right is becoming a dominant party, because the mainstream center left is really collapsing in a lot of these countries. In the Northwest Europe, the voters are going to the radical right and in the Southern Europe and in the periphery of Europe they are going to radical left.

CC: *But isn't it surprising that the center left was historically promoting the welfare state and now gives it up to those promoting the national sovereignty and xenophobia?*

SH: Yes. Well, they're giving up the welfare state partly because the architecture for the Economic and Monetary Union is forcing them to do this. If you're in the Eurozone, that's what you signed up for. And when you sign the convergence criteria, when you sign the architecture for the governance of the public debt, what you're signing for is a kind of German *ordo-liberal* agreement. This is why the Swedish left was opposed to it, why the Danish left was opposed to it, there was a split within the left in Britain. So, in a sense, there is a big surprise that the German social-democrats are

more monetarists than the American Republicans. This is how bizarre the European politics is. The German social-democrats are more in favor of restrictions on the public debt than the Republicans in the Congress in the United States who are the people who designed this massive expenditure program, borrowing, public debt program, to refinance the American economy, to refinance the American debts. So we have the American Republicans in Congress were Keynesians and we have the Social Democrats in Bundestag who are monetarists. This is an upside down world politics right now.

CC: *Moving toward Eastern Europe, how is the region impacting the historical European integration process? Do you think that the enlargement changed something substantially in the European politics? Are the Eastern Europeans changing the balance of power, ideas and policies in some way?*

SH: I think in a short term they have a very positive effect on, I'm thinking about the operation of the single market, the implementation, the extension of the single market, opening up Europe in terms of liberalization of the movement of people and the initial debate about the services directive, even a compromise on the services directive was I think beneficial for Central and Eastern Europe. But we move on ten years from there and I think we are now in a situation where the current crisis is really problematic for Central and Eastern Europe on every front. So, a deeper Economic Monetary Union, the real fear I think is that the Germany, the Benelux and France rather there is a Co-Euro group that does not include Central and Eastern Europe. Meanwhile, Slovakia is being forced to bailout Greece, so Greece with a higher GP per capita is being paid for, partly by Slovakian taxpayers. The Eurozone and pressure for deeper economic and political integration in the Eurozone for most of the core of the Eurozone, they are not thinking Central and Eastern Europe, they are thinking: "You, guys, we don't want you in."

Migration crisis is a big crisis for Central and Eastern Europe because it's forcing Germany to look internally. Germany is becoming generous on the migration crisis driven by domestic factors, driven by the fact that they have an ageing population, driven by the fact that the younger German people want to be proud to be German, quite rightly they want to throw off the burden of history of the German legacy and so they want to make a statement to the world that: "We are open and liberal and also multi-ethnic, multi-racial, multi-religious society.", rejecting the old Germany. That's all very good but what that means is that has big consequences for the transit countries, for Hungary, for Romania...

CC: *Also for Germany. Angela Merkel has problems right now within the party ranks and it's a policy stance that it will cost her popularity and maybe the post as Chancellor.*

SH: Yes and no. The Social Democrats are never going to come out against the policy so it's like she really has nothing to lose. The only opposition will be to her right and that might be dangerous, but that doesn't mean she loses. I mean it's not playing into hands of the SPD, the major opposition, it may be playing in the hands of her rivals in electoral terms

The third crisis for Central and Eastern Europe is Russia and his influence in the region and it's difficult to really pinpoint the Russian influence in the region but

strategically, of course, I think that Russia it's trying to influence a lot of countries in Central and Eastern Europe. Russia would like to see a wedge within the EU so it can have more influence by trying to build some certain alliances.

CC: *If Russia promotes Social-Conservatism in Eastern Europe and Western Europe, you could say that it has a Europe-wide policy. It's not just Eastern Europe, of course, but it is more vulnerable because its political and cultural roots are more socially-conservative.*

SH: Yes, and so if you add all this things together is not surprising to see politicians like Orbán. In certain parts of the left in Western Europe we like to think that Viktor Orbán is a pariah. Like, you know, he is still far from the mainstream, he's so crazy guy! No, he's not. He is actually a mainstream. You know, we could see Polish election with the PIS coming to power in Poland with a very similar policy agenda (*n.red the interview was taken before the Polish elections*). We could see the same thing happening in several countries in Central and Eastern Europe that all bond a more, let's say strident right. I don't want to call it radical right. Is more a kind of we stand social conservative, nationalist, populist.

CC: *Let's not forget Jobbik. It's a good indication where the mainstream of Hungarian politics is when you have Jobbik with at least 10%. That makes you wonder about this whole process of Europeanization which institutionally it went more or less well. Eastern Europe doesn't show like it has a deeper commitment to the European integration.*

SH: Ultimately, I think it goes back to two very basic things. Europe in integration, for most people in Europe is ultimately guarantying security and economic opportunity. European Union is not commonly guarantying security really with Russia, in the arising threat of Russia. With the Eurozone crisis, the downturn European economy, with the single market coming to a stance still, European Union does not really represent economic opportunities, economic growth, and economic freedom, right? There are two major pillars that justify the prices of European integration and neither of them is there right now. Neither of them. Unless, you can rebuild those two things, then the future of the European Union is really bleak.

CC: *In your speech today, you were talking about Britain and how the very complicated interplay of forces in Britain could impact the European integration which is already anaemic.*

SH: The other crisis we haven't talked about is the British crisis, the "British question" as it is being called in Brussels. Britain could vote to leave, I think it's too early to tell, it's very close, I think the assumption of the capital that Britain would vote to stay is a very dangerous assumption. I think that the leave campaign has the momentum, they have the resources, they have the finances, they have the best arguments, it's like the Scottish independence campaign, and they have a more optimistic view of the future. They say that Europe is in crisis, economic crisis, migration crisis, why do we want to be part of this zone of crisis? If we can leave the EU, we can have free trade with China, free trade with America, we can generate growth and we're free to set up our own policies and we are different to the rest of Europe. We are more open, more liberal, more cosmopolitan, and more international. Europe looks now backwards, retro, nasty, you know. And you can see progressive voices in Britain actually starting

to support the exit.

CC: *That's rather new.*

SH: That's a new thing so you're seeing growing discussion: Do we really want to be part of what ultimately is a right wing Europe? Rough and increasingly right wing Europe. They say fortress Europe upon migrants, pro-austerity, German dominated Economic Monetary Union and rising conservative politicians and dominant conservative politics. So, even in centre-left in Britain you're now seeing a split. These could mean that what you get is the mainstream centre-right fighting to stay in, the radical right saying to leave and the left decided not to have a campaign row because they are split and then the campaign becomes: "This is David Cameron's referendum." and if you are a Labour voter, which is 30% of the population, the Labour voters will start to say: "Why? What's the point of voting? Maybe I stay home. Maybe... I hope Cameron loses. I don't want to go out and vote against, but maybe I stay home." We could see a low turnout and we could see differential turnout with a higher turnout among people voting to leave and a turnout among those voting to remain. If that happens, we could find ourselves in a year from now, Britain voted to leave and then the worry that: "Britain will be fine". If Britain votes to stay or Britain votes to leave, "Britain will be fine!" It will make a marginal difference in their GDP perhaps, if we leave or we stay. But most people in Britain and the British economy and the British society we can't survive outside the EU. So what? I mean, we will be perhaps like Canada or like Australia...So what if we leave? The worry for me is more the domino effect. What is this mean for Denmark? It will trigger a referendum. It could trigger a referendum in Sweden. It could even trigger a referendum in France. How does this play with the Front National, the support for the National Front in next presidential election in France and then what does it mean in Central and Eastern Europe? Does this trigger a referendum in Hungary? Does this trigger a referendum in the Czech Republic? And what does this mean for the political and geopolitical position of member states in Central and Eastern Europe who traditionally thought of Britain as an ally. Among the big states, Britain has always been more sympathetic to the interests of Central and Eastern Europe: similar security interest, similar economy interest. Britain and Central and Eastern Europe both were more in favour of more liberal market in Europe, whereas France and Germany wanted a more regulated market.

CC: *Is it possible to have a deal still?*

SH: I think it is possible to have a deal, but it would be maybe too late for that deal to really have an impact in the British debate, because the deal Cameron is asking for, the price he's asking is pretty high. He wants Britain to opt-out from an even closer Union, he wants Britain to be able to restrict free movement of people, and he wants the single market to be protected from the Eurozone. These are big commitments. It's not going to get quickly. It's not going to get clear outcomes on these things and so he may be fighting a referendum campaign with very little to show.

CC: *In the beginning you were saying that European Union found its way to muddle through. That's its historical advantage and after hearing all this, isn't it looking like a very difficult environment to muddle through?*

SH: I'm not optimistic. I am normally a very optimistic person and normally, you know, I think about my grandparent's generation. My grandmother's generation fought in the war and she used to say to me: "Simon, why are you so obsessed with politics? You don't need to worry about politics. It's a luxury not to worry about politics. Don't worry about it!" For her generation politics meant communism, fascism, war, Holocaust, the Cold War, the threat of nuclear war, you know, a really big stuff. So I was always optimistic because for our generation it was politics in the sense "How bad could it get, really?" But I do worry. I think it could get really bad. We're facing a new Cold War, we're facing a really global crisis in the Middle East with implications for Europe, migration crisis and we really are genuinely facing a potentially collapse in the European Union.

CC: *You're not optimistic and I understand, but is there place for a surprise? For forces or ideas that can help EU survive?*

SH: There are, but where are the leaders, the intellectual leaders of Europe. Merkel has a *de facto* leader by default. She didn't want to be a leader. She's become a *de facto* leader and yet now she is facing an EU driven primarily by domestic politics. De Gaulle and Mitterrand were the two leaders that did the deal for Germany unification and Monetary Union, Jacques Delors designed the Economic Monetary Union, Margaret Thatcher, like her or hate her, but she was important for the deal on the enlargement to the Central and Eastern Europe. I don't see the leader who is going to stand up and say: "I will be the leader. I will make the case for Europe." Who is willing to make the case for Europe? I don't see anybody to do that.

CC: *Maybe it will be too late but hopefully the students who attended today, the next generation will be there when the history needs them?*

SH: But the data shows the next generation is more sceptical than the previous generation.