

The rise of Euroscepticism and how to deal with it in the EU

Mark Leonard¹

Introduction

It used to be seen as a British disease, but Euroscepticism has spread like a virus across the continent – infecting creditors, debtors, would-be euro-members and outs alike.

Trust in the European project has fallen even faster than European interest rates. Since the beginning of the crisis, France losses 32 points, Germany -49, Italy -52, Spain -98, Poland -44, UK -36.

The damage is so deep that it does not matter whether countries are creditors, debtor countries, would-be members of the euro or countries with opt-outs: everybody is worse off.

Back in 2007, people thought that the UK, which scored minus 13 points in trust, was the Eurosceptic outlier. Now, the four members of the eurozone come in well below Britain in their trust for EU institutions: Germany -29, France and Italy -22, Spain -52. What is happening?

I think there is a fundamental crisis at the level of narrative for Europe, in the nature of the EU project and in political organization at a national level.

Narrative

Over the last couple of years, I've been talking to some of the key figures inside the new Eurosceptic movement in the UK, trying to understand their arguments, the way they have shifted the political debate, and where Britain's unpredictable flirting with the exit might lead.

One big point stands out from all the interviews I have conducted. The Eurosceptics are accused of wanting to take the country back to the 1950s, perhaps the 1850s. But the uncomfortable truth is that they have done more to modernise their arguments and broaden their coalition than the pro-Europeans. When the euro crisis struck, they seized their chance, rather like the neo-cons did over Iraq after 9/11.

Meanwhile, the pro-European coalition has shrunk and failed to reinvent itself for a new world. What is so puzzling to the pro-European elite is that it is their proudest achievements – helping to create Europe's single market, fostering a European trade agenda and championing the enlargement to the east – that are now the most powerful arguments against the EU.

The genius of the Eurosceptics has been their ability to turn the arguments of pro-Europeans on their head – so that each triumph has become an argument against the EU.

Adam Lury – the thoughtful ex-ad man who once helped New Labour think about communications – thinks that Europe is one of those issues where public attitudes are motivated by identity and values as much as by traditional metrics of class or financial interest. Following the work of the American “humanistic” psychologist Abraham Maslow who wrote about a “hierarchy of needs” in the 1950s, sociologists and pollsters tend to segment the public into three main tribes.

First, the “settlers” who make up 30 per cent of the British population according to Cultural Dynamics' British Values

¹ This brief tried to bring together some of the work I have been doing on this topic over the last two years. It draws heavily on three articles I have written on different aspects of Euroscepticism. Firstly, a paper I co-wrote with Jose Ignacio Torreblanca (The Euro-sceptic surge, ECFR 2014); a long essay on the new Euroscepticism I wrote for the New Statesman (“Its No again to all things euro”), and an essay I wrote for the New Statesman on the European Elections (Rage Against the Machine). I am also grateful to Jose-Ignacio Torreblanca for allowing me to use some of our jointly written material. He has been a key intellectual partner in this project.

Surveys. They are naturally conservative focused on safety, security and belonging.

The next group are “prospectors” who want to maximise their wealth and seek opportunity for personal advancement, who make up 30 per cent of the population.

Finally, are the pioneers who also make up 40 percent. They have satisfied their material needs and are interested in self-actualisation and concerned about the big picture. Lury points out, that the power of the pro-Europeans was that they developed a case for British Membership that appealed to all three. For the settlers, the EU offered peace and stability. For prospectors the single market promised jobs and prosperity. And for pioneers, it was exotic and exciting.

But today, it is the eurosceptics that have found arguments against Europe that appeal to all three tribes.

UKIP (UK Independence Party) and Nigel Farage appeal to settlers. They claim that rather than offering peace and security, the EU has deprived us of control of our borders and flooded our communities with migrants who drive down wages, inflate housing prices and put pressure on local schools and hospitals. UKIP claims to talk for the settled majority, but it adopts the rhetoric and tactics of an oppressed minority with its talk of “self-government” and independence. Farage claims that his goal is more about changing minds than capturing seats.

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The conservative eurosceptics appeal to prospectors. Rather than accepting the economic arguments for the EU, they have a narrative about Britain “tethered to the corpse” of the euro zone. They claim that the single market ties British business in red tape; the Customs Union holds Britain hostage to the protectionist lobbies of all member states. And there constant repetition of these themes plays through into public opinion. For example, a YouGov poll in October 2013 found that 32% think leaving the EU would be good for British jobs, with 31% believe it would be bad for British jobs and the remaining third thinking it would make no difference. The same poll found that 34% think Britain would be economically better off outside the EU, 34% think we would be worse off and the rest that it would make no difference.

The most surprising development is the Eurosceptic appeal to pioneers. The UKIP MP, Douglas Carswell, claims that the EU is not modern and exotic. He says it is a project that has failed; that the EU is provincial and old-fashioned; a fossilized relic of the 20th century in a new digital world. What matters to the his brand of skeptics is “not post-colonial reach or the ability to fight alongside America in military interventions, but the real freedom to trade globally”. They ask: “What is so bad about being a new Singapore off the shore of Europe?” Carswell’s sceptics think that the modern era transcends geography, uniting the world economically and politically in the cloud. The countries they admire the most –

such as Australia, Dubai and Singapore – have successfully managed to carve out a global role without being hung up on trying to shape the world. The intellectual rationale for this move is that while Britain may enter a “new Elizabethan age” where it retains a global outlook, it should refuse to be drawn into disputes about the shape of the European continent.

Behind the UKIP case, the fresh start and the technological is a modern-sounding argument that has a different tone to the blimpish isolationism of euroscepticism past. Settlers are being targeted with the fear that their neighbourhoods are being transformed by a wave of migration from new member states. Prospectors are told of the economic threat of the euro crisis and the burdens of regulation. And Pioneers are told that Europe is a bureaucratic monolith in an age of global networks.

A Changed European Union

One of the reasons that the new narratives are hitting home is that the EU is outgrowing the old stories. The old explanation for EU unpopularity was that there is a democratic deficit within the EU – with decisions taken by unaccountable institutions rather than elected national governments. But the current crisis is not born of a clash between Brussels and the member states – but rather a clash between the democratic wills of citizens in northern and southern Europe.

In the past, there was an unwritten rule that EU institutions would police the single market and other technical areas of policy – from common standards for the composition of tomato paste to lawn-mower sound emissions – while national governments would continue to have a monopoly on the delivery of services and policy-making in the most sensitive areas.

With the onset of the crisis, many creditor countries were unhappy taking responsibility for the debts of others without having mechanisms for controlling their spending. With the fiscal compact and the IMF letters, eurocrats have crossed many of the red lines of national sovereignty, extending their reach way beyond food safety standards to exert control over pensions, taxes, salaries, labour market, public jobs, etc.

To an increasing number of citizens in southern European countries the EU looks like the IMF did in Latin America – a golden straightjacket that is strangling the space for national politics.

But in more and more northern European countries, the EU is seen to have failed as a controller for the policies of the southern rim. The sense of victimhood of the creditors is matching that of the debtors.

In a national political system, political parties would be able to voice these different perspectives – and hopefully act as a referee and find common ground between them. But that is precisely what the European political system cannot deliver. Instead of a battle of ideas, the EU has been marred by a

vicious circle between anti-EU populism and technocratic agreements between member states that are afraid of their citizens. Some people think that the collapse in support for the EU is related to the economic cycle and that it will return along with growth and prosperity. But my analysis is that trust in the EU will not come back once the economy starts growing. The old division of labour between the EU and the member states has come to an end.

A Crisis of Political Representation

In this year's European elections, unprecedented numbers of populist and Eurosceptic representatives were elected, from Denmark and Hungary to Germany and Greece, via the striking successes of UKIP and France's Front National. Voters flocked to a range of insurgent parties new and old – from former communists to the national front. Spain saw the launch of PODEMOS a Latin-American inspired party which grew out of a fraction called "Anti-capitalist Left" with a mission to work "to stop Spain being a colony of Germany and the Troika". In Greece, the leftist Syriza party emerged as the largest group. In Poland there was a surge in support for the Law and Justice Party as well as creation of a radical new grouping, the Congress of the New Right. Why?

In Peter Kellner's words: "The surge of insurgent parties is the political consequence of the economic trends that Thomas Piketty described in his work on rising inequality."

Although there are wide variations across Europe, two groups of voters showed up at polling stations in disproportionate numbers: urban voters from former industrial heartlands, who are at the sharp end of immigration, and rural voters put off by the liberal social values being adopted by mainstream parties of the centre left and right.

These are groups that have largely been abandoned by the mainstream parties, which are becoming "cosmopolitan" and "metrosexual". "Parties of the left now draw support mainly from public-sector workers and the cultural industries, while parties on right now mainly appeal to finance and big business.

A few years ago, the late political scientist Peter Mair, wrote a prescient article about the void that had opened where traditional politics used to be. It is this gaping void that the insurgent forces are trying to fill. His metaphor works on many levels.

It applies, firstly to citizens have retreated into their private lives. All of the indicators for traditional political participation are falling: party membership, political affiliation, turnout. And while today's hyper-connected citizens are able to efficiently monitor the executive power on the internet and protest in lots of new and different ways, they tend to seek out ways to participate in politics as an experience rather than voting in elections.

Secondly, according to Mair, parties have vacated their traditional functions of expressing peoples' views or representing them. Political parties used to be embedded in civic life but they have become mere appendages of the state (a "governing class" that seeks office rather than a chance to represent ideas or groups in society).

Thirdly, parties have vacated the realm of debate. Politics used to be about changing minds, but a revolution of political technology has turned it into a very different pursuit: maximizing the turn-out of people that already agree with you. This was always part of traditional campaigning but the mining of big data has allowed it to happen on an industrial scale. The intellectual roots of this new type of politics lie in part in the work of Obama's former colleague at the University of Chicago, Cass Sunstein, who worked in the White House until last year. Together with Richard Thaler, he wrote the influential book *Nudge*, which shows that it is easier to change people's behavior than it is to change their minds. Central to that is manipulating what they call the "architecture of choice" – in other words framing arguments on policy to appeal to existing biases rather than changing minds.

It is the political void created by the mainstream parties that the insurgent parties are trying to fill. They are recasting politics as a dispute between elites and the people, and are rediscovering the forgotten roles of opposition and expression (rather than seeking to govern, in fact some parties such as Greece's Syriza and the Dutch PVV have gone to great lengths to avoid going into government). In many ways the European elections is the perfect vehicle for these parties as it is not an election that results in the election of a government, an act without consequence.

What does the Eurosceptic surge mean?

The Eurosceptic surge has not had a dramatic affect on the composition of the European Parliament and the mainstream parties are more cohesive than the insurgents – although people who study that body more closely than I do worry about the impact on further EU integration as well as the ratification of trade deals. If the community method becomes more difficult, pro-Europeans are likely to focus ever more on delivering highly sensitive political integration through emergency powers and intergovernmental treaties, thereby excluding the European Commission and the European Parliament even further. In other words, integration will be by stealth – that is, through the back door provided by the European Council – rather than in the open. This could fragment the EU, erode the *acquis communautaire*, and create tensions between the institutions and between euro-ins and euro-out countries.

But, the real danger of the Eurosceptics is the way that they may influence the agenda of the mainstream parties, both in Europe and at home. The policy positions of previously "mainstream" parties on the European issue have already hardened as a response to the rise of Euroscepticism. For

example, it is now often hard to distinguish the positions of the British Conservative Party from those of UKIP. In fact, Farage says his goal is as much to change the position of mainstream parties as to win power himself – and he seems so far to be succeeding.

The Eurosceptic surge in the European elections could reduce even further the appetite for “more Europe” of some key member state governments. This is a particular problem on the crucial issue of eurozone governance. Plans to complete Economic and Monetary Union (EMU) require strengthening EU powers and even a new treaty, but the strength of the populists at home may deter policymakers from ceding more sovereignty or from embarking on treaty change, which in many EU member states will require a referendum. The more progress is made in completing EMU, the more we are likely to find governments succumbing to the temptation of compensation for more European integration with stronger measures to restrict freedom of movement.

The danger is that the response of the mainstream parties will be to retreat into technocratic co-operation and seek to continue business as usual. Instead, rather than forming a pro-European bloc, they should try to create the space for political battles between competing visions of Europe and thereby try to preserve left–right competition at both national and European levels.

That will mean developing:

1. more imaginative ideas on migration, solidarity and responsibility;
2. a new agenda for growth, responsible capitalism and social protection;

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3. and an agenda for self-government that shows how the EU is part of the solution to the problems of the twenty-first century – from dealing with big data to the rise of China.

The challenge is to drive wedges between the Eurosceptics rather than encouraging them to form an anti-elite bloc.

In order to do this, the mainstream centre-left and centre-right parties will need to do much more to acknowledge the Eurosceptic critique of Europe while rejecting the solutions the Eurosceptics propose. Whether they blame it for austerity or uncontrolled immigration, a significant number of Europeans are angry at the EU because it has not worked as they expected. The euro has been saved, but at a great cost in growth, jobs, and divisions between citizens and elites, debtors and creditors, and euro-ins and euro-outs.

If Europe is to defeat the Eurosceptics, it has to confront them at home, where they will be stronger, and not only in Brussels, where they will be weaker. They will also need to pay attention to the new cleavages that have emerged throughout the crisis, such as the one dividing debtors and creditors and euro-ins and euro-outs. In short, Europe needs more politics and more disagreements. Rather than huddling together, mainstream parties need to give people real choices and address the issues that really concern people.

About the author

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