

## Introduction

### The Elephant in the Room

#### *A Tale of Crisis*

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#### I BACKGROUND: FIVE ‘WISE MEN’, A DARK ROOM AND A BEAST

In a version of an old eastern fable, an elephant stands in a great dark room. Five ‘wise men’, who have never come across such an animal, are granted entrance by the king and asked to describe it. The first goes in, touches the elephant’s leg and, as he comes out, firmly declares: ‘the elephant is like a pillar’. The second goes in after him, but feels the elephant’s tail, thus stating that he disagrees with his colleague; the elephant is like a rope. ‘You are both wrong’, the third one says, having touched the elephant’s ear; ‘the elephant is clearly like a fan’. The fourth touches the elephant’s belly and describes the beast as a wall, while the fifth is awestruck by touching the tusk, which leads him to conclude without a doubt that the elephant is like a tree’s branch. On hearing their conclusion and heated argument, the king scolds them for not having discussed their findings with each other, or not doing as simple a thing as taking the initiative to light a candle before entering the dark room. If they had, they would know the elephant’s actual form and nature.

Over the past years, the financial crisis, rooted in part in the 2008 global crisis, shook the EU to its core and tested its institutional structure, if not its very cohesion. In the immediate aftermath of the crisis, numerous analyses across the social sciences emerged to discuss the nature, causes and repercussions of what came to be dubbed the ‘Eurocrisis’, as well as the steps taken to address it. However, much like the examination of the ‘wise men’ of the old fable, analyses have tended to contain themselves within narrowly circumscribed limits, dictated by the confines of the analysts’ respective fields, with their relevant theoretical preconceptions, assumptions and prejudices.<sup>1</sup>

<sup>1</sup> Indicatively, examples include: (a) constitutional and EU constitutional law approaches: K Tuori and K Tuori, *The Eurozone Crisis: A Constitutional Analysis* (CUP 2014); A Hinarejos, *The Euro Area Crisis in Constitutional Perspective* (OUP 2015); M Dawson and F de Witte, ‘Constitutional Balance in the EU after the Euro-Crisis’ (2013) 76 CMLR 817; M Ruffert, ‘European Debt Crisis and European Union Law’ (2011) 48 CMLR 1777; (b) legal approaches to the EMU and EU economic governance:

Such analyses, moreover, tended to focus on particular features or symptoms of the crisis,<sup>2</sup> as well as adopted solutions. There seemed to be little appetite to engage with its broader political, social, economic and, indeed, legal context, or to examine it in the light of the normative assumptions and structural parameters underpinning and defining the European project. Partly as a result, the Eurozone crisis was diagnosed as primarily financial in nature and its causes traced to either deficiencies in the institutional structure of the Economic and Monetary Union (EMU) or, especially near the beginning of the crisis, to the Member States' lack of fiscal discipline, or to a combination of the two. Consequently, the relevant patches were applied and the Union called it a day.

Once more, 'wise men' were caught not talking to each other to compare and consolidate their findings. Preoccupied by what seemed to be the obvious form of the subject of their examination, they also failed to pause and simply light a candle to illuminate its nature. The elephant in the room was not a simple financial crisis. It was, and still is, we argue, a deeper, far more complex, systemic crisis of the EU, which, in this instance, manifested itself as a crisis of the mechanics, organisation and function of the EMU.

More recent scholarship has engaged in more comprehensive and in-depth analyses. Some commentators have begun to think more seriously and systemically about the nature and causes of the Eurocrisis itself, even questioning the designation of the events as an alarming 'crisis'.<sup>3</sup> Others,<sup>4</sup> while not necessarily focused on the Eurocrisis itself, have tapped into its events and institutional features to develop broader arguments as to the effects the complex transnational nature and machinery of the EU has had, most notably on the nature of fundamental institutional structures (e.g. statehood itself) and their underlying premises.<sup>5</sup> Others still have looked at the Eurocrisis as one of many different crises, now cutting 'to the very core of the EU

M Dawson, 'The Legal and Political Accountability Structure of 'Post-Crisis' EU Economic Governance' (2015) 53 *Journal of Common Market Studies* 976; MW Bauer and S Becker, 'The Unexpected Winner of the Crisis: The European Commission's Strengthened Role in Economic Governance' (2014) 36 *Journal of European Integration* 213; (c) political economy and political sciences analyses: J Caporaso and M Rhodes (eds), *Political and Economic Dynamics of the Eurozone Crisis* (OUP 2016); P Arestis and G Fontana and M Sawyer 'The Dysfunctional Nature of the Economic and Monetary Union' in D Schiek (ed) *The EU Economic and Social Model in the Global Crisis: Interdisciplinary Perspectives* (Routledge 2016); M Matthijs and M Blyth (eds), *The Future of the Euro* (OUP 2015); M Sandbu, *Europe's Orphan: The Future of the Euro and the Politics of Debt* (Princeton UP 2015); C Lapavistas and others, *Crisis in the Eurozone* (Verso 2012); 23; A Moravcsik 'Europe After the Crisis: How to Sustain a Common Currency' (2012) 91 *Foreign Affairs* 54.

<sup>2</sup> D Chalmers, M Jachtenfuchs and C Joerges (eds), *The End of the Eurocrats' Dream: Adjusting to European Diversity* (CUP 2016); M Dawson, H Enderlein and C Joerges (eds), *Beyond the Crisis: The Governance of Europe's Economic, Political and Legal Transformation* (OUP 2015); S Fabbrini, *Which European Union?* (CUP 2015); G Majone, *Rethinking the Union of Europe Postcrisis: Has Integration Gone Too Far?* (CUP 2014).

<sup>3</sup> JE Fossum and AJ Menendez (eds), *The European Union in Crisis or the European Union as Crises* ARENA Report No 2/14.

<sup>4</sup> C Bickerton, *European Integration: From Nation-States to Member States* (OUP 2012).

<sup>5</sup> *ibid* 140–50.

itself.<sup>6</sup> Early such attempts already placed it in the context of a broader set of dynamics that threatened the cohesion of the EU, such as the growing disillusionment of European citizens with the European project,<sup>7</sup> mistrust towards the political process<sup>8</sup> or an insufficient level of economic and social convergence between Member States. More recent work has provided more elaborate topologies of the different dimensions of the crisis (political, economic, social, etc.) as well as examined the Eurocrisis in tandem with the multiple different events that have constituted smaller or larger ‘crises’ over recent years, including Brexit and the so-called refugee crisis.<sup>9</sup>

These strands of the scholarship move the debate in productive directions and make a number of important contributions. As regards the Eurocrisis, they go beyond the original narrative, which purported that it was an isolated instance, whether it was attributed to structural inefficiencies<sup>10</sup> or to supposedly unforeseeable emergency circumstances (such as the global financial crisis or the ‘Greek statistics’ trigger of its European variant). They attempt to dig deeper than some of the rather superficial initial reactions to the Eurocrisis, which, perhaps, were affected by established preconceptions about the value of absolute price stability and financial discipline or the ‘irresponsibility’ of Member States that failed to fully comply with what ought to be the unquestionable core of EMU rules. As such, they begin to reveal a much more complex picture of not only structural, but also substantive and even existential multifaceted issues, that throw a shadow over the triumphalist and teleological narrative of integration that has been constructed over the last decades. In doing so, moreover, they also open up an important, and much awaited, space for more critical engagement with the EU,<sup>11</sup> which has tended to be rather minimal, particularly within EU legal studies. In that sense, the original reactions to the Eurocrisis are also symptomatic of a much deeper reluctance of the academy – itself perhaps the product of the powerful commitment to, and pool of, Europeanisation – to question the more fundamental normative and ideological assumptions of the European project.

Nevertheless, even these more poised critical analyses tend to embrace the symptomatic character of the ‘crises’ they bring to the fore, without really questioning what the malady that gave rise to the symptoms really is.<sup>12</sup> As a result, they also

<sup>6</sup> D Dinan, N Nugent and W Paterson (eds), *The European Union in Crisis* (Palgrave 2017).

<sup>7</sup> JC Piris, *The Future of Europe: Towards a Two-Speed EU?* (CUP 2011) 2.

<sup>8</sup> JC Piris, ‘The Five Crises in Europe and the Future of the EU’ (King’s College London Lecture, London, 28 October 2013) 3 [www.kcl.ac.uk/law/research/centres/european/Jean-Claude-Piris-lecture-text.pdf](http://www.kcl.ac.uk/law/research/centres/european/Jean-Claude-Piris-lecture-text.pdf) accessed April 2018.

<sup>9</sup> M Castells and others (eds), *Europe’s Crises* (Polity 2018); Dinan and others (n 6).

<sup>10</sup> eg Arestis and others (n 1).

<sup>11</sup> I Manners and R Whitman, ‘Another Theory Is Possible: Dissident Voices in Theorising Europe’ (2016) 54 *Journal of Common Market Studies* 3.

<sup>12</sup> It should be noted that this is not the case of works that approach the case of the EU’s recent turmoil as but one of the pieces that reveal an overall crisis of modern capitalism, based upon an economic model that has been stretched almost to its limits. See for example, M Ryner and A Cafruny, *The*

tend to approach different symptoms as separate ‘crises’,<sup>13</sup> linked and mutually reinforcing, but somewhat disassociated as regards their fundamental causes. Tellingly, even in cases where the Eurocrisis specifically is argued to be linked to the other emerging ‘crises’ as part of an overall systemic problem, analyses once more tend to return to the micro level of the EMU, questioning its institutional and substantive deficiencies, with the question of a deeper connecting thread essentially remaining under-explored.<sup>14</sup> Some contributions, particularly from the field of social sciences, have come closer to, although stayed just clear of, touching upon the essence of this common thread, by suggesting that the Eurocrisis was part of a complex multidimensional socio-economic and sociopolitical crisis, a cumulative process unfolding in the continent.<sup>15</sup> Even those that attempt to predict what the future holds for the Union after the events of the 2010s shy away from enhancing their analysis with a deeper examination of the core characteristics, origins and basic foundations of the Union.<sup>16</sup> In other words, a much richer debate around the Eurocrisis has emerged, important light has been shed, but the nature of the beast, the underlying hidden crisis of the EU, remains to be fully uncovered.

In this volume, we attempt instead to go beyond the comfort of established preconceptions and narratives and try to, once more, comprehend how these fragments fit together and what they can reveal about the true causes of the Eurocrisis and, ultimately, the nature of the EU itself. Therefore, our substantive aim, with the slight temporal distance this collection enjoys from the events that have unfolded over the last ten years, is to begin the work of uncovering the hidden systemic crisis of which the Eurocrisis is merely a component – the ‘crisis behind the Eurocrisis’ – as the true nature of the beast with which we are confronted. Methodologically, we aim to encourage dialogue about the systemic causes of the Eurocrisis between scholars from different fields and backgrounds, pooling their different perspectives and prompting them to challenge their own established analytical tools, and reach out to ideas, theories and arguments that transcend their respective fields. In other words, we invite social scientists to avoid the mistake of the protagonistics of the old eastern fable, constrained by the false security of their individual approaches and theories. This exploration of the hidden systemic nature of the crisis, moreover, is undertaken across different ‘dimensions’ of the Eurocrisis, which are used as the main themes around which the collection is structured and the material organised.

*European Union and Global Capitalism: Origins, Development, Crisis* (Palgrave 2017); M Blyth, *Austerity: The History of a Dangerous Idea* (OUP 2013).

<sup>13</sup> Piris (n 8); Piris (n 7) 1–3. See also JC Piris, ‘It Is Time for the Euro Area to Develop Further Closer Cooperation among Its Members’ (2011) Jean Monnet Working Paper 05/11, 3–4 [www.jeanmonnetprogram.org/wp-content/uploads/2014/12/110501.pdf](http://www.jeanmonnetprogram.org/wp-content/uploads/2014/12/110501.pdf) accessed April 2018.

<sup>14</sup> D Dinan, N Nugent and W Peterson ‘Conclusions: Crisis without End?’ in D Dinan, N Nugent and W Paterson (eds), *The European Union in Crisis* (Palgrave 2017), 360.

<sup>15</sup> ‘Conclusion’ in Castells and others (n 9) 428.

<sup>16</sup> H Volaard, *European Disintegration: A Search for Explanations* (Palgrave Macmillan 2018); D Webber, ‘How Likely Is It That the European Union Will Disintegrate? A Critical Analysis of Competing Theoretical Perspectives’ (2014) 20 *European Journal of International Relations* 341.

As the title of the collection suggests, it is these interdisciplinary, multidimensional and systemic inquiries that we hope will begin to illuminate the ‘true’ nature of a crisis that is arguably broader than its Eurozone-related financial manifestation.

## II SUBSTANTIVE AIM: THE ‘EUROCRISIS’ AS THE SUBJECT OF BROADER EXAMINATION AND INDICATIVE OF A HIDDEN SYSTEMIC CRISIS

This approach to the Eurocrisis inevitably begs the question: what do we mean by ‘crisis’ and what exactly is ‘in crisis’? Once the Eurocrisis is regarded as symptomatic of deeper inherent issues that are connected to the very nature of the European project, it immediately emerges that what needs to be questioned is not only its allegedly purely economic character, but, more fundamentally, the conceptual framework that underpins its classification and treatment as a ‘crisis’. As we explain in this section, our examination of the Eurocrisis as indicative of a hidden systemic crisis moves away from traditional narratives of the Eurocrisis as an emergency triggered by external factors or minor institutional deficiencies and is premised instead on a conception of the Eurocrisis as expressive of a chronic, dysfunctional, but inherent condition of the EU.

### *A The Crisis as Emergency Narrative*

A ‘crisis’, by definition, denotes a critical condition, an intense emergency, that either arises due to inherent failures of the subject plagued by its consequences or because of the influence of factors and circumstances external to that subject. The word can also be used to describe a critical juncture in an endeavour, the moment when a crucial event triggers a fateful decision that might alter the chosen course.

It was primarily in the light of crisis construed as an emergency that the financial and institutional turmoil that hit the EMU since the early 2010s was quickly dubbed a ‘crisis’, thereby insulating the surrounding events and policy responses from deeper examination of their systemic context. The ‘crisis’, this narrative went, consisted of an unanticipated set of exceptional events of such magnitude that they created a potentially existential threat for the EU, putting the ‘future of Europe’ in danger, and therefore called for an unprecedented emergency response. Simultaneously, however, according to this dominant narrative, this ‘exceptional set of events’ had merely revealed deficiencies and structural flaws in the institutional mechanisms of the EU’s economic governance<sup>17</sup> that could be patched; nothing broader or deeper than that.

<sup>17</sup> D Schwarzer, ‘The Euro Area Crises, Shifting Power Relations and Institutional Change in the European Union’ (2012) 3 *Global Policy* 28.

For the proponents of the current status quo, it might have been logical, if not useful, to regard the events of the first half of the 2010s as a ‘crisis’. Doing so, would allow, as it did, the promotion of swift course correction changes, without much political debate, often in blatant disregard of even the commonly agreed fundamental legal framework that governs the EU as we know it. The supposedly urgent existential character of these events facilitated the swift adoption of a particular ‘solution’ that reflected very specific ideological and political choices but was presented as an absolutely necessary remedy to which there was no practical (legal and political) alternative. The present danger, moreover, meant there was allegedly no time for discussion, no time for reflection, no time to consider other courses of action, much less for criticism or popular input, as they would potentially precipitate disaster. This ‘existential crisis’ narrative, in other words, allowed for that preordained solution to masquerade as ‘imperative’ and non-negotiable: there was only one way out of the plight posed by this imminent danger that threatened the Union and its already heavily strained citizens. The result was the creation of new mechanisms of dubious legitimacy and minimal accountability at the fringe of normal EU law, cementing what has led some commentators to characterise as ‘embedded neoliberalism’.<sup>18</sup>

That these new mechanisms and embedded dogmas were called for by external factors outside of the EU’s own economic objectives and logic is doubtful. On the contrary, the measures adopted by the Eurocrisis could be seen as necessary to ensure the stability and further advancement of the particular variety of market liberalism the EU was set to promote, and of the particular capital/trade flow and wealth distribution structures the combined framework of the EU internal market and the EMU envisage. As with many events characterised as ‘emergencies’, especially when this occurs so that a convenient pretext for potentially unpopular policies can be created, it is equally doubtful that the crisis of the EMU really threatened the existence of the Union as such. After all, Jean Monnet famously proposed that ‘Europe will be forged in crises’, expressing the pragmatic view that the overall project would be capable of adapting and changing. Arguably what the real threat was, as regards the events of the Eurocrisis, was that the EMU would be revealed as a conceptual and institutional mistake. The narrative of a ‘critical emergency’, though, succeeded in brushing aside any real debate on even this particular question, namely the viability of the current construction of the EMU.

What is clear, however, is that, absent the ‘existential urgency’ the Eurocrisis was perceived to signal, those reforms would not have passed as swiftly and with as

<sup>18</sup> eg B van Apeldoorn, “Transnationalization and the Restructuring of Europe’s Socioeconomic Order: Social Forces in the Construction of “Embedded Neoliberalism”” (1998) 28 *International Journal of Political Economy* 12, who traces its origins back to Maastricht. See more generally on the use of this concept to offer ‘multilevel’ legitimacy crisis of the EU, B van Apeldoorn, “The Contradictions of ‘Embedded Neoliberalism’ and Europe’s Multi-level Legitimacy Crisis: The European Project and Its Limits” in B van Apeldoorn, J Drahokoupil and L Horn (eds), *Contradictions and Limits of Neoliberal European Governance* (Palgrave Macmillan 2009).

minimal scrutiny and debate as they did. As such, the framing of the ‘Eurocrisis’ was more of an adopted narrative designed to garner social and political ‘support’ for changes to the European institutional, financial and, ultimately, political architecture and to foster a very specific direction of integration and governance, than it was an actual exogenous emergency. That narrative also facilitated the ‘promotion’ of specific policies at the level of the Member States where opposition to neoliberal reforms pre-dated the Eurocrisis. There is little doubt that some national governments would have had a hard time – or harder than they eventually did – ‘selling’ any such further measures to their electorate, absent the language of urgency.

The strategy unsurprisingly backfired. Opposition to austerity and the ‘shock therapy’ that was imposed on countries of the periphery, particularly Greece, grew and started to be more explicitly directed at the EU, as common solutions were sought at the European level. At the same time, in other quarters of the population, the EU stirred sentiments already brewing in those that had long experienced the consequences of an economic system approaching a critical conjuncture: nationalism, protectionism, mistrust towards established institutions and, eventually, a turn towards extremely conservative political solutions.

In that, the Eurocrisis was neither unique to the EU case nor exceptional. The pattern has been repeating itself in recent political developments on both sides of the Atlantic, with the ascension of President Donald Trump in the US, the reactionary sentiments that coloured the Brexit vote in the June 2016 referendum, and the debate points and results of recent elections, such as those in Italy, where ‘anti-establishment’ narratives were utilised by essentially every major political player. Nonetheless, in the EU, the Eurocrisis remains a milestone in the European version of a process of political disillusionment. Its mismanagement, its exploitation as a pretext to promote particular agendas and, ultimately, the failure to engage with its underlining ideological roots or address the social needs of those affected by it, fuelled the nationalistic sentiments that lead to endoscopic, reactionary responses to the next crises – the refugee influx and the UK–EU relationship. Ultimately, the return to an entrenched, isolationist perception of the nation state as a response to all contemporary economic and social malaises, was perhaps inevitable. Largely enhanced, if not triggered, by the Eurocrisis, these sentiments and perceptions may have provided the field for the seeds of discontent and populism to flourish, and bear the fruit of utter rejection of the EU.

Ten years on, as Greece is on course to meet its last bailout target, a ‘reform map’<sup>19</sup> for the Euro may be about to be released, a full fiscal union seems on the cards, and the EU is ‘turning the page on the eurozone crisis’,<sup>20</sup> there are signs that a slightly

<sup>19</sup> JB Vey, ‘Merkel, Macron Plan Roadmap by June on Euro Zone Reform’ *Reuters* (16 March 2018) <https://uk.reuters.com/article/uk-france-germany/merkel-macron-plan-roadmap-by-june-on-euro-zone-reform-idUKKCNiGSjY> accessed April 2018.

<sup>20</sup> J Valero, ‘Turning the Page on the Eurozone Crisis: Economy and Finance in 2018’ (*EURACTIV*, 12 January 2018) [www.euractiv.com/section/economy-jobs/news/turning-the-page-on-the-eurozone-crisis-economy-and-finance-in-2018](http://www.euractiv.com/section/economy-jobs/news/turning-the-page-on-the-eurozone-crisis-economy-and-finance-in-2018) accessed April 2018.



different reading of the crisis is beginning to emerge from within the core of the EU's political establishment. This reading does not diverge from the narrative that the events surrounding the Eurocrisis constituted an existential emergency. Nor does it suggest that a more fundamental critical tipping point had been reached in 2010, either with regard to the EU itself or its broader socio-economic and financial context, of which the Eurocrisis would have been merely a consequence. Nonetheless, this narrative now presents the Eurocrisis not just as an opportunity to 'fix' the flaws of the Eurozone, but as a moment that has cleared the path for a new stage in the development of the EU. Under this new version of the original narrative, the Eurocrisis could retrospectively come to be regarded as one of these 'transformative' moments of opportunity that set the EU onto a different trajectory. Monnet was right after all: the EU is and will continue to be forged in crises.

As with the case of the original language of urgency, deployed to publicly justify the implementation of predetermined solutions that might have been met otherwise with much more intense opposition, however, this retroactive rebranding of the Eurocrisis allows supporters of the fundamental tenets of the European project to pour the old wine of previously criticised ideas into new bottles stamped with aspirational labels that market their content as the supposedly novel vision for the future of the EU. Emmanuel Macron's proposals for a multi-speed Europe,<sup>21</sup> for example, which would have been approached with scepticism, as similar suggestions had been before the crisis,<sup>22</sup> are in line with this new reading of the Eurocrisis. At any rate, regardless of the more positive tone this new approach adopts, the fact remains that the framing, unfolding and responses to the Eurocrisis itself were, and continue to be, infused by the paradigm of the 'emergency' through and through, which remains the dominant narrative about its causes and constitutive features.

### *B The Crisis as 'Systemic'*

Our approach to the Eurocrisis is, necessarily, quite different.<sup>23</sup> If the Eurocrisis itself is but a component of a deeper systemic crisis, the word 'crisis' cannot be understood as an 'intense emergency'. The idea that the crisis is systemic first suggests that the causes of the Eurocrisis must be located in characteristics that are internal to the European project, rather than external factors. It also suggests that the

<sup>21</sup> E Maurice, 'Macron Revives Multi-speed Europe Idea' (*EU Observer*, 30 August 2017) <https://euobserver.com/institutional/138832> accessed April 2018.

<sup>22</sup> Indicatively, on the multitude of versions of the idea expressed (and criticised) long before the contemporary reinvigoration of the concept, see ACG Stubb, 'A Categorization of Differentiated Integration' (1996) 34 *Journal of Common Market Studies* 283; Piris (n 7); Piris (n 13).

<sup>23</sup> For examples of critical engagement with the notion of 'crisis', including in the context of the EU see eg N Genova and M Tazzioli (eds), *Europe/Crisis: New Keywords of 'the Crisis' in and of 'Europe'* (Near Futures Online 2016) particularly the 'introduction' and the section entitled 'crisis' <http://nearfuturesonline.org/europecrisis-new-keywords-of-crisis-in-and-of-europe>; D Baker and P Schnapper, *Britain and the Crisis of the European Union* (Palgrave 2015) 2–6. See also Chapter 1 in this volume.



crisis cannot be reduced to a mere economic and financial crisis and its internal components traced solely to deficiencies in the architecture of the EMU. In addition, if the conditions of what came to be perceived as the ‘Eurocrisis’ are deeper and inherent in the project of European integration, it would appear somewhat paradoxical to argue that they could come to pose an existential threat to the European project. Finally, this would also suggest that, to the extent that the Eurocrisis is connected to the global financial crisis of 2008, their interrelationship is not solely one of cause (the global financial crisis) and effect (the Eurocrisis) but far more symbiotic and linked to characteristics that are inherent in the European project.

To the extent that the definition of a ‘crisis’ as a critical juncture in the life of a project or entity like the EU – rather than an isolated emergency – comes closer to our own use and understanding of the term, the crucial question to be asked is: a critical juncture in the evolution of what?

The perhaps easy answer is that the Eurocrisis itself is evidence of cracks in the foundational premises of the EU and the institutional structure that was built upon them. It signifies a critical moment in the evolution of the European project, a certain limit, or crossroads, that has been reached in respect of some of its fundamental objectives and the mechanisms constructed to support them. As we mentioned, this appears to be the direction the wind is blowing in more recent developments at the European level. In that context, however, the ‘cracks’ in the foundational premises of the EU continue to be linked primarily to the Eurozone and the critical moment rooted in an interpretation of the Eurocrisis as an isolated financial event. A more systemic and critical understanding of the ‘critical junction’ thesis, by contrast, would allow for a broader set of institutional and functional deficiencies to be explored that are not limited to the EMU. It would also make clear that it is the wider European project, rather than only the Eurozone, that has reached a limit or crossroads, on the basis that the current framework, with its normative hierarchy impliedly but firmly skewed in favour of free market principles and objectives, has failed to produce the equitable improvement of living standards and the protection of liberal principles it had evangelised. What it resulted in, instead, has been the embedding and locking in of a perpetual process of ‘dys-integration’. Despite appearances that suggest the Member States are bound together and committed to the pursuit of a common fate, the principles, structures and mechanisms the EU embraces and utilises do not in reality ensure harmonious improvement for all. Rather, in a process of dys-integration, they reinforce and recycle stereotypical roles for Member States within the internal market (producer states–consumer states; industrialised North–service-providing South, etc.) and inherently push for a constant race to the bottom as regards social rights and social standards, as well as Keynesian assumptions and promises. What is eventually ‘harmonised’ is the embedment of market liberal and, increasingly, neo-liberal assumptions.

Another answer is that we have not only reached a critical juncture in the evolution of the EU, but a tipping point in something more significant, in which

the Eurocrisis is but a manifestation of more fundamental cracks not just in the EU's institutional architecture and constitutive (legal) foundation, but also in the economic and social model the Union is designed to promote and which, to a certain extent, it has helped bring about. Under that reading, the object under examination ought not to be limited to the EU itself but should encompass the wider liberal market ethos that permeates it and the transnational capitalist market system and structures it has produced. In this sense, what is really in crisis is market liberalism and contemporary capitalism as such, which in turn directly affects the variety of market liberalism upon which the Union has been based since its inception.

In that sense, the Eurocrisis would be inherently connected to a wider set of events, which cannot be considered as 'exceptional' but mark a critical point in the evolution of a certain form of capitalism and the political agendas attached to it. Indicative characteristics and effects of that broader crisis have manifested themselves across the developed western economies: growing inequality; reduction of the traditional social and labour protection networks of the post-Second World War social consensus; prioritisation of economic freedoms and, ultimately, of economic interests, and the apotheosis of the market as a regulatory factor; and disconnect between the demos and political actors, naturally resulting in the disillusion of the citizenry. All these symptoms connect the Eurocrisis with a nexus of global developments unfolding in sequence at an astonishing pace and that share not only the same wider context, but also similar characteristics and, to some extent, political consequences.

However, this is not to say the global financial crisis of 2008 was not felt particularly strongly in the EU. But the fact that it was should not be attributed to the severity of the circumstances and events of 2008 as much as to the inherent nature of the Union. It is not a coincidence that financial crises, grievous consequences though they may have, are rarely regarded as threatening the life of a nation state. The economic, financial and monetary spheres constitute only one of the elements comprising the realm of a state; statehood and national identity, however, are hardly premised exclusively upon these, which may explain why the nation state has been generally more effective both in defusing capitalist crises and creating the conditions for the renewal and reproduction of economic and social relations. These spheres, by contrast, lie at the heart of the EU's existence and its integration narrative. The illusion of post-state citizenship aside, especially since its EU variant is a peculiar market-based, market-compatible citizenship that is devised from above to correspond to the one-dimensional ideal of 'integration-by-free-market', the EU lacks an 'ideology of "belonging" [that] could be mobilised during periods of instability or crisis'.<sup>24</sup> It lacks not only a constitutional moment of popular consent and the constitutive myth of a democratically expressed transnational social and political

<sup>24</sup> Philip Marfleet, cited in C Cantat, 'Narratives and Counter-Narratives of Europe: Constructing and Contesting Europeanness' (2015) 3 *Cahiers: Mémoire et Politique* 5, 12.