

“European solidarity”– too little or too much?

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Depends on what you mean by it. When it came to brutally forcing the Greek Syriza government to cut public spending, commit to a primary budget surplus and accept strict conditionality for more loans instead of debt relief, the governments of Italy, Spain and France staunchly stood by Germany, in a firm line of solidarity with Austria, Finland and the Netherlands. Moreover, they worked hard to cut their own spending, at the behest of Berlin and Brussels, in line with Amsterdam rules, absurdly trying to achieve growth while reducing debt through austerity, so as to remain members in good standing of that strange contraption, European Monetary Union (EMU). As a result their economies stagnated while their public debt went up, in Italy from 119 percent of GDP in 2010 to 128 in 2019, in Spain from 62 to 95 percent, in France from 81 to 96 percent. In booming Germany, on the other hand, public debt declined from 83 to 56 percent, below the Maastricht limit.

Does this matter? Spending on health care in 2017 was as low as 8.8 percent of GDP in Italy and 8.9 percent in Spain. Of this only 6.5 and 6.3 percent, respectively, was public spending, the rest paid out-of-pocket or through voluntary health insurance schemes. German health care spending was 11.2 percent in 2017, of which 9.5 percent were public. The different impact of Corona in different countries has complex causes, including demographic structures, local air quality, ways of family life and life in general, in particular of so-called “risk groups” including the aged, and the general health condition of the population – but the endowment of national health care systems is certainly one of them. Class structure matters, and so does access to health care; the National Health Service of the United Kingdom is allowed no more than 7.6 percent of British GDP, after decades of government-imposed austerity, and in the United States, with the by far highest health care spending in the world, at 17.1 percent

of GDP, a huge part of the population is without health insurance and cannot even afford a Corona test.

Looking at Europe and the EU, the relationship between Corona deaths and the EMU austerity regime is obvious: Germany prospers under EMU, Italy, Spain and France suffer. No money to make national health care systems fit for the risks that come with “globalization”, risks that have been well-known for a long time, not just since SARS1 in 2002/3. Paying off your debt to qualify as a good debtor, welcome to take up new and more debt, trumps everything else, and perhaps the next virus will take its time and visit only after the political leaders of today are retired? What has the EU done to correct this kind of “European solidarity”?

There are elaborate mechanisms to make countries stick to fiscal consolidation, including the so-called “European semester” under the so-called “Open Method of Coordination”, rituals staged by that elusive Brussels technocracy whose ways only dedicated specialists perhaps understand. But what about coordination for the prevention of epidemics, or for health care generally? Long search reveals the existence of an EU agency called European Centre for Disease Prevention and Control (ECDC), based in Stockholm, with 280 full-time staff and an annual budget of 57 million euros per year, of which no European citizen has ever heard, unless he or she happens to be an epidemiologist. Have they ever checked if member countries had enough facemasks, vaccines, ventilators, trained staff on hand in case the next virus strikes? Have they for example held training courses for health care professionals and regulators on hospital hygiene, disease prevention in homes for the aged? Have they warned the European public that living the global life can be deadly unless you are prepared for it, and that getting prepared for it is anything but cheap? Of course they have not – or at least nobody has heard of it, which is the same, and it would be surprising if among the reasons for this wasn't the fact that such warnings would have been in conflict with the budget consolidation warnings emitted year by year by the various austerity exercises that fueled the German export

machine while depressing growth and rising debt in countries not made for a hard currency regime?

Now there is talk about a different kind of solidarity, which asks for the Northern states, the beneficiaries of EMU, to bail out the Corona victims in the South, as a reward for their cooperation with austerity in general and the Greek “rescue” in particular. Will they now, under the impression of the Corona devastation, finally get what they have demanded all the time in vain, fiscal assistance without conditionality plus “Eurobonds”, now for a change called “Coronabonds”? It seems beyond belief that the political classes of Southern Europe should not know that whatever they can extract from the North under the Maastricht regime, will always fall under the Draghi-like verdict: Believe me, it won’t be enough. Who could seriously expect the decade-long decay of Italy, but also of France, under the monetary and fiscal dictatorship of EMU to be halted and indeed reversed by the injection of a few billion euros from Northern European taxpayers and the ECB? The most this can do is create a public relations opportunity for the “pro-European”, meaning pro-EMU, governments of the southern Eurozone to triumphantly report to their publics a historic victory over the stingy Dutch and Germans. For a while, it may suffice to keep them in power, and for this Merkel and Co. are undoubtedly willing to pay significantly more than their national constitutions and the treaties allow. But keeping Salvini and Le Pen out is not the same as reviving the declining economies of their countries. Even bringing health care spending in Italy and Spain up to the German level, which would require more than two percent of their GDP year by year, is completely out of reach for even the most generous “transfer union”.

The real question, then, is why the political elites of countries condemned under EMU to economic and social decline insist on remaining in the euro, rather than negotiating hard with their Northern European counterparts for a peaceful return, powered by a golden or even platinum handshake, to something like monetary and, with it, fiscal sovereignty – in other words: to politically accountable democracy? Could it be that they have already given up

hope that they can effectively govern their countries under the capitalism of today, apart from symbolic cockfights with the Dutch and the Germans for the entertainment of their electorates? Are they still serious about democratic self-government, or are they trying to sneak under a Northern European imperial umbrella, where they will be governed as a Southern periphery by Brussels, meaning Berlin, with or without Paris? We know the reasons why they wanted to join EMU in the first place, and they are not necessarily pretty: to deploy a German-style common currency as a *vincolo esterno*, in the language of the Italian treasury, an external tie, as a tool for the “modernization” of their unwieldy political economies through neoliberal “structural reforms”. The Germans suspected that this might not really work and opposed the euro until Kohl concluded that he had to give in to Mitterand, for the sake of German reunification. Now, instead of “structural reforms” producing economic happiness under the new European gold standard, we have austerity, economic decline, an increasingly dysfunctional public infrastructure and what is called “populist anti-Europeanism”. How long will it take for the successors of the Southern “modernizers” of the 1990s to realize that the problem with the EMU is structural, therefore cannot be healed by moral rhetoric, and that the historical mistake of the Amsterdam Treaty must be undone rather than papered over with philanthropic “solidarity” – not to mention the disconcerting possibility that capitalist modernization may as such have become a project of the past and that our societies may, as capitalist societies, become more and more ungovernable?