Abstract

In this paper, we analyze official speeches delivered by three of EU’s high rank officials, namely the President of the European Commission, the President of the European Parliament and the President of the European Council, and by the two political leaders of the Union, the French President and the German Chancellor. All the examined speeches focused on the 2014-2020 budget and were delivered before the European Council held on February 7-8, 2013, excepting Angela Merkel’s speech, which was delivered at the end of February, in the German Parliament. We used textual analysis to investigate the themes and the meaning categories that appear in the text and how these themes and categories are discursively constructed in order to convey a particular view on the budget and on EU’s future prospects as a viable and trustful project. In our analysis, we started from the premise that there is a gap between discourse and action within the EU, and that this credibility gap can easily add to the already acknowledged economic, financial and political causes of the EU’s decline. Unfortunately, a credibility gap might produce more damage more rapidly as it usually generates popular frustration and exhaustion.

Keywords: European solidarity; Euro crisis; multiannual financial framework; EU-related discourse.

1. Introduction

On the 8th of February 2013, the European Council decided upon and validated the Multiannual Financial Framework (MFF) covering the period between 2014 and 2020. The Council’s decision has generated, among net contributors, a general feeling of relief and satisfaction, whereas all the other states, the so-called “net beneficiaries”, experienced deep disappointment. The true source of their discontent is given by the fact that, for the first time in history, the Union’s budget has decreased as compared to the previous programming period. And it has decreased when the European Union was in much need of money for its own economic revival. According to some European officials, this is for the first time when you are going to witness tensions, if not a true conflict, between the European Council and the European Parliament.

The leaders of the main parliamentary groups gave a joint statement, arguing that “EU leaders agree to a budget that could lead to a structural deficit. Large gaps between payments and commitments will only store up trouble for the future and not solve existing problems.”
Not surprisingly, on 13th of March, the members of the European Parliament voted against the MFF in its current version. Also, the Parliament stated that the MFF should be more flexible and open to revisions. They also insisted on a real system of own resources for the EU. Martin Schulz, the president of the European Parliament, declared right after the EP’s voting session ended that “Parliament cannot accept the proposal from the member states without the fulfillment of certain essential conditions. There must be maximum overall flexibility and an ambitious agreement on own resources.”

The Council’s decision, as well as the Parliament’s vote, exert high pressures on the European politics and, also, on the European decision-making mechanisms. And these pressures come in a context that is both uneasy and unsafe for the European project. The negotiations on the next MFF are emblematic for how this gap is growing deeper and, furthermore, for how economic interests and negotiation skills seem to eclipse Europe’s social and political strain. That is why the strategic decisions formulated around the MFF 2014-2020 should be closely examined and wisely judged, as they impact upon the European project itself. A European Project that is already very much weakened by the citizens’ eroding trust in the EU as an entity with a clear role and with a well-defined perspective.

The financial and economic turmoil within the Eurozone has significantly impacted upon the way in which the European citizens assess the advantages of EU membership and the future of the integration process. The results of the spring and autumn waves of the 2010 Eurobarometer revealed an inversion of the trust-distrust ratio. In spring 2010, for the first time in the history of the European public opinion research, the distrust in the EU outweighed trust (42% of the respondents trusted the EU, whereas 47% said they distrust the Union). According to Eurobarometers between 2008 and 2012, the European citizens acutely perceive the current crisis as a crisis of the European project. Taking into account the European Parliament’s recent rejection of the Multiannual Financial Framework for 2014-2020 in the version proposed and validated by the European Council, it appears that the year 2013 will further erode citizens’ confidence in the European Union, in its legitimacy, and in its power to reconcile the political interests with the economic rationality of the most solid economies. Of course, this assertion could only be examined based on the results of this Spring Eurobarometer. However, the evident dichotomy between the interests of the most powerful member-states, on one hand, and the needs of the least powerful member-states, on the other hand, are nothing but signs of an eroded convergence that is now translating into an eroded strategy for the next programming period.

2. The European Union and its Multiple Crises

Back in 2008, the first reaction that the EU had in relation to the American crisis was to simply decouple from the unappealing turmoil. This was hardly possible from several reasons. For example, it is estimated that one fourth of the American “toxic” mortgages went abroad (Stiglitz, 2010). In this way, the US succeeded in exporting its own crisis to Asia and mostly to Europe. Furthermore, the institutional contagion transformed many financial organizations in Europe, and made them rely on high debt and leveraging. In addition, the US exported their deregulatory philosophy and made European institutions believe in the emblematic “invisible hand” of free markets.
As soon as the crisis began, Europe has almost hidden behind scenes, whereas the political and economic scene has become populated by the leaders of the national institutions, instead of the leaders of the key European institutions. And this is evident if one takes a look at how media has analyzed the crisis. For example, in a vast quantitative study done in 2011, the “European leader” emerged as a specific actor in the crisis-related news posted by the most popular Romanian news portals; however, the “European leaders” were, in fact, the leaders of the most powerful member-states, such as Angela Merkel and Nicolas Sarkozy (Radu, 2012). George Soros has taken a very firm position in this regard: “The euro crisis has its origin in German Chancellor Angela Merkel’s decision, taken in the aftermath of Lehman Brothers’ default in September 2008 that the guarantee against further defaults should come not from the European Union, but from each country separately. And it was German procrastination that aggravated the Greek crisis and caused the contagion that turned it into an existential crisis for Europe” (Soros, 2012, p. 118). It is not in our intention to insist on the plausibility of Soros’s statement. However, we must reveal one basic aspect: the almost four years between the statement given by the German Chancellor and the centralized actions taken by the European Central Bank in order to manage various issues of the crisis. These 4 years represent a historical detour; it is the long road that has finally led to an important discovery: a Union could only be saved through measures taken at the Union level. Even though these measures may be proposed at the national level, their implementation should be done at the central level.

Roger Altman has recently signaled that Europe’s timing for economic reconsolidation is very different from the American one. Altman uses two key arguments. The peak of the American crisis was in 2008-2009, when several measures to tackle the crisis were implemented (e.g. bail-out actions, massive restructuring of companies). In Altman’s view, the US is expected to handle 2 or 3 three more years of harsh efforts and critical decisions, „but after that, US economic growth should outperform expectations” (Altman, 2013). The peak of the European crisis was in 2012, „when the sovereign debt and banking crisis hit the continent in full force, and the Eurozone faced problems comparable to those that had afflicted the US economy in 2008-9” (Altman, 2013). Thus, we have to deal with two different schedules of the crisis. EU is facing, concomitantly, two different economic sufferings: the sovereign debts and the banking crisis. The conjunction of these two issues will affect the timing of the European recovery. Furthermore, if we take into account Europe’s complexity, the different development levels of its countries, the “multi-speed” Europe, and the essential aspect that, in our view, the European construction has a very uncertain outcome, we will become aware of the fact that those who wish to truly contribute to identifying a clear resolution for the crisis has a real difficulty in knowing where to start in this rather complex and incoherent set of issues.

Joseph Stiglitz, a Nobel Prize laureate for economy, wisely observed that "recessions can be seen as the tip of the iceberg; underneath are many ”smaller” market failures, giving rise in the aggregate of huge inefficiencies.” (Stiglitz, 2009, p. 293). As regards the European crisis, observing the unseen part of the iceberg implies, first of all, a general consent regarding the typology of the current crisis. Is it a financial crisis? Is it an economic crisis? Is it political crisis? If we examine the vast literature produced on the European crisis, we could hardly identify an exact typology of the current crisis. For example, some say that we face a European sovereign-debt crisis, whereas others state that this is a crisis of the European single currency. We have to agree that all these assertions are right, as the European crisis embodies many element of fiscal, economic, and monetary nature. However, the question mark...
stands still. What kind of crisis is Europe facing? Might it be a new type of crisis that is an aggregated crisis caused by multiple factors, which have complexly combined and which could potentially change the implicit causality between economics and politics? After all, the recent developments in the European Union financial policies reveal that economics is politics and that the structure of a multiannual financial framework is largely shaped by the bargaining power of the most “prominent” member-states.

Just for the sake of a structured and clear analysis, the crisis that the EU is currently facing should be analyzed under 4 angles at least. The first and the most visible was the financial turmoil. Here we can include the problems faced by the banking sector, as well as the national public debts. The second and the most perceptible for most European citizens was the economic fallout. The most emblematic event here was the crisis of the euro-zone, whereas the most painful actions revolved around the austerity measures implemented in most member-states. The third crisis is the political crisis and, more specifically, the lack of visionary leadership among European officials. By visionary leadership we mean the ability to seize and promote the importance of the European project, as well the need for joint concerted actions aiming at closing the gap between nation states’ interests and EU’ interests. One should not forget that the very first measures implemented in order to tackle the “American crisis” were not taken at the EU level, but, rather, at the states level.

Last but not least, we can speak about Europe’s crisis of solidarity that is starting to become even more acute, even more serious than the gravest economic effects of the Economic crisis. Given the actual context, we could rightfully state that the Europe’s belt-tightening exercise would easily be eclipsed by the EU’s crisis of solidarity. The current crisis has caught the European Union in the midst of fundamental reordering, when citizenship and identity were starting to coagulate. The economic turmoil revealed older tensions and created new ones among EU’s political actors. But, as Jürgen Habermas explains, the main conflict in Europe is not necessarily a purely political one, but rather the genuine expression of the gap between economic rationality and political vision. "On the threshold between economic and political unification of Europe, politics seems to hold its breath and to play low profile.” (Habermas, 2012) The “crisis of the European Union” (Habermas, 2011) has emerged as a new angle of analysis. From this perspective, the current crisis should not be seen solely as a financial and economic crisis, but rather, as an intrinsically political crisis, generated by the EU’s lack of solidarity, by the fact that EU could not take concerted decisions in some moments that many have subsequently deemed as having been critical in the evolution of the crisis. There is general consent that the current economic crises, in general, and the euro crisis, in particular, place the European Union at a crossroads. The problems arising are not only of a practical (economic and financial) nature, but also highly symbolic. In a statement made by the Council for the Future of Europe (Europe is the solution, not the problem, 6th of September 2011) it is admitted that the vision of Europe that will succeed is that which “inspires the commitment of its citizens whose faith in a European future is shaken”. Some talk about Europe’s darkest moment: “The crisis in Europe is existential. It is a question of whether the EU survives as a recognizable entity.” (Giddens, 2012). Even though the outburst of the crisis did not happen on the European territory, but on the other side of the Atlantic, the effects of what started in 2007 are most enduring in the EU and one could safely state that most serious impact of the global crisis is on Europe itself: “what started as the subprime crisis in 2007 and morphed into the Global Credit Crisis in 2008 has become the Euro Crisis in 2009” (Eichengreen, 2011, p. 1). Now, we are dealing with a never-ending crisis – neither of the common
currency, nor of the euro zone or of its banking system, but with a never-ending crisis of the European Union itself (Habermas, 2012). Europe’s crisis of solidarity is now very visible during the process of deciding on the new Multiannual Financial Framework. The disparity between nation-oriented interests and Europe-oriented visions is evident and represent the expression of clearly defined positions in terms of political power.

Under the pressure exerted by both intra-European (i.e. the dilution of convergence, the polarization of the Member States, the private debt in the new member states) and extra-European forces (the pressure of globalization, the emergence of China as a genuine global player), Europe is in the midst of a fundamental reordering. This means that we should indeed deal with those things that we have repeatedly managed to avoid in the past. The “multi-speed” Europe, which implies a division between the EU-17 (euro zone) and a slower non-euro periphery, has been revealed in several instances during the EU’s crisis. The analysts have gone even further and discuss about a periphery of the euro zone, consisting in those member states that did not achieve considerable economic outputs and recovery. In 2011, Finland’s European Minister, Alexander Stubb, proposed a new “geometry” of the EU, based on economic ranking. “Within the EU-17 there is a divide between Germany, Austria, Finland, and the Netherlands, a core Triple-A, net-payers, plus a second tier of Slovenia, Slovakia, and Estonia, neither Triple-A not net-payer. And, on the other side, we can find Greece, Italy, Spain, and Portugal that for a variety of reasons have failed to follow the rules. In between there are euro-area members such as AAA Luxembourg, A+ France, and AA Belgium, net payers, whose positions on fiscal disciplines are somewhat more ambiguous.” (Habermas, 2012). Therefore, within the framework of the crisis, the “two-speed” Europe risks to become a “three-speed Europe”, split among the first tier of countries (Germany, Austria, Finland, and the Netherlands), the second-tier countries consisting in the new periphery of the euro zone, and a third-tier composed of the states outside the monetary union. In the logic of this new “geometry”, several questions mark regarding the survival of the European Project can be raised. Will Europe be able to cope with these new divisions? Will we have more Europe or less Europe after the crisis? Is European solidarity the victim of the current crisis?

3. European Solidarity: Theoretical and Practical Considerations

The questions raised above could only find pertinent answers if we closely analyze the concept of solidarity, including that of financial solidarity. According to the Oxford Dictionary, by “solidarity” it is meant “unity or agreement of feeling or action, especially among individuals with a common interest; mutual support within a group”. Thus, the concept of solidarity encompasses three interconnected dimensions: the group, the common interest, and the unity of action.

Very often scholars who try to explain why the needy are supported mention the classic distinction between “mechanical solidarity” and “organic solidarity” put forward by Emile Durkheim in *De la division du travail social* in 1893 (Thijssen, 2012, p. 455). In the case of *mechanical* solidarity, the emphasis is on the link between likeness and cohesion. As a member of a community, one cannot but show solidarity (Durkheim, [1893] 1967, p. 228). If “illegitimate” differences become apparent, the members of the community will most probably feel a moral determination to alleviate them. The engine of mechanical solidarity is the “conscience collective” that consists of shared values, symbols, and behaviors that take place
among members that are similar. According to Durkheim, mechanical solidarity is characteristic for small groups, such as tribes or hordes, where everyone performs more or less the same task and, thus, where functional differences are rather scarce. The objective similarities between members of a group conducive to mechanical solidarity will decrease when the group size increases and the division of labor expands (Thijssen, 2012, p. 457). That is why we need organic solidarity. In the case of organic solidarity, the emphasis is on the diversity that exists between various members of the community. These differences are necessary and complementary, as they support the community in accomplishing a large variety of tasks and in fulfilling many functions. (Thijssen, 2012) This is the so-proclaimed “unity in diversity”, which promotes, at the same time, group solidarity and group differentiation.

Durkheim subsequently connects his forms of solidarity with successive phases in the history of civilization. While mechanical solidarity, which stems from compulsion, prevailed throughout pre-modernity, in modernity, it increasingly had to make way for more individualistic form of solidarity, namely organic solidarity, which is fed by complementary differences and interdependence (Thijssen, 2012, p. 456). That is to say the organic solidarity was understood as a superior form of solidarity. However, in his latter works, Durkheim has abandoned the distinction between mechanical and organic solidarity for he was not able to demonstrate that organic solidarity could be superior to the mechanical solidarity.

Coleman (1990) focuses on the instrumental side of solidarity, by emphasizing the principle of reciprocity. Trying to explain why rational actors exhibit solidarity, Coleman argues that solidarity is, in fact, an “investment in the future” (1990, p. 309). By helping someone, the provider implicitly accumulates credit from the recipient. Thus, differences are very useful; by integrating individuals with different abilities and skills, the group is able to evolve and to attain more and more complex goals. As Durkheim himself observed (Durkheim, [1893] 1967), the thesis of instrumental solidarity is viable only if the social system that develops this kind of solidarity is built on ethical principles that is to say if social recognition follows a set of ethically validated rules. If reciprocal exchange relationships are left unchecked or if group members perceive these relationships as unfair or unethical, social recognition mechanisms will be perverted and some members of the group will end occupying positions that are not consonant with their own skills and abilities. The outcome of an alleviated solidarity is the erosion of the group.

Honneth (2007) makes us aware of the fact that instrumental solidarity implies the antithesis of emphatic solidarity that takes into account that individuals are guided by social and psychological affinities, which could lead to misrecognized differences. “It is only to the degree to which I actively bear responsibility for another person’s ability to develop qualities that are not my own that our shared goals can be realized.” (Honneth, 2007, p. 261)

Departing from these general theoretical considerations of “solidarity”, we may ask ourselves what kind of solidarity is the European Union. Is it a mechanical or an organic solidarity? Is it an instrumental or an emphatic solidarity? In the Schumann Declaration (1950), it is stated that “Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity” (www.europa.eu). By conciliating two different states (Germany and France) the EU was founded as an instrumental solidarity, meant to prevent the outburst of future violence between the two states: “The solidarity in production thus established will make it plain that any war between France and Germany becomes not merely unthinkable, but materially impossible” (The Schumann Declaration, 1950). The reciprocal advantage of jointly producing two types of critical raw
material – coal and steel – was the key argument for setting the foundation of the European Union. The Treaty of Rome, signed in 1957, represented a noble and ambitious departure in European history. Solidarity and predictability in international relations, based on common institutions and common interests, would ensure Europe’s prosperity and stability much more effectively than had the traditional balancing act of high-wire diplomacy, whose practitioners had too often crashed to the ground (Sutherland, 2012).

After more than 50 years, the motto of an enlarged Union became “United in diversity”, a motto that is, at least in its formal side, emblematic for the organic solidarity. This motto was adopted in 2000, following a European contest joined by over 80,000 young Europeans. In 2004, the motto was written into the failed European Constitution’s Article I-8 about the EU’s symbols. The Treaty of Lisbon, concluded in 2007, does not contain any article dedicated to symbols of the European Union, including the motto. Despite this, the European Parliament took the avant-garde in using the motto on all its official documents. In this context, European solidarity was a headline.

The “united in solidarity” motto was challenged soon after its intensive broadcasting. The Dutch and French rejection of the Constitutional Treaty in 2005 has since been one of the most eloquent and most frequently evoked examples of a public refusal of an EU proposal. More importantly, this rejection might also be taken as a clear indication of the underestimated ambivalence of the public opinion towards the political integration process. However, this has not been a singular event. The shockwave of the powerful “nee” and “no” to the European Constitution hadn’t been completely dissipated when the level of public support for the EU was seriously hit again in 2008 by the rejection of the Lisbon Treaty by the Irish people. Eventually, the Lisbon Treaty was ratified by all the Member States and come into force in December 2009. Such events in which people have been asked for their opinion, and many others, as well, have short-circuited the EU’s legitimacy to a greater or lesser degree, depending on the nature and consequences of the issue under public scrutiny at the time.

Widespread opposition to the EU first emerged during the process of ratifying the Maastricht Treaty, in 1992–93, as manifest in referendums held in France, Denmark and Ireland. This opposition continued in the form of votes for anti-European parties in the 1994 European elections, in the 1994 referendums in Austria, Finland, Sweden and Norway on EU enlargement, in the European elections in 1995 and 1996 in Austria, Sweden and Finland, in opinion polls in the build-up to the launch of European Monetary Union in 1999, and in the first EP elections in the enlarged EU in 2004 (Hix, 2005, p. 151). According to Simon Hix, until the 1990s, the citizens of the member-states embraced a so-called permissive consensus, this meaning that they were either neutral or in favor of the decisions taken by their national governments. “In other words a large majority of the citizens of all member states were either not interested in European integration, and therefore had no opinion about their governments’ actions on the issue, or generally supported their government’s efforts to promote further integration. There was a favorable prevailing attitude toward the subject, but it was of low salience as a political issue – leaving national decision-makers free to take steps favorable to integration if they wished but also leaving them a wide liberty of choice” (Hix, 2005, p. 152). We may say that the citizens of the members-states grew up in terms of political judgment, with these public rejections as a clear indicator for this evolution. This is the explanation formulated by political scientists.

According to social psychologists, individual feelings of identification are strengthened by the perception that group membership is valuable and beneficial to the self (Tajfel, 1972).
For individual actors involved in the exchange of resources, the immediate effect of receiving benefits through an exchange system is to identify more with the group, to view themselves in part as valued group members (Willer, Flynn & Zak, 2012, p. 120). This means that low benefits would actually translate into a low level of group cohesion, and consequently, into a lack of solidarity. “Receiving benefits through structures of exchange can compel individuals to identify as group members, in turn leading those individuals to hold positive perceptions of the group as cohesive and solidary” (Willer, Flynn & Zak, 2012).

The negotiations on EU budget are among the most eloquent exemplifications of how the perceptions of benefits impact upon the process of negotiation and the allocation of resources. The issue of equity in allocating EU budget has previously been analyzed by Bowels and Jones (1992), who use a pooled cross-section time series analysis to conclude that “the EC Budget is neither neutral nor straightforwardly progressive as far as redistribution is concerned” (1992, p. 101). Many scholars have examined the factors that influence the distribution of goods that result from political bargaining. For instance, numerous empirical studies examine how voting power affects the distribution of funds to states in the US (Atlas et al., 1995; Lee, 2000; Ansolabehere et. al., 2002) or the allocation of funds to member states in the EU (Baldwin et al., 1997; Kandogan, 2000). Aksoy (2010) argues that the political power does not totally equate the voting power. What he labels as the “proposal power” plays an equally important role in shaping critical decisions. In Aksoy’s words, “proposal making power associated with the EU presidency helps the member states to obtain preferable outcomes to negotiation.” (2010, p. 172) There are many variables influencing how financial resources are distributed among a group or a community. Political or voting power is among the most evident ones. However, in our view, the most important aspect is not necessarily related to the operational side of resource allocation (how are the resources allocated among the participants?), but, rather, it is linked to how the members of the community perceive and assess the fairness or the equity of this allocation. If members perceive this allocation as being biased or even illegitimate, the community will most probably fall apart. It will disintegrate, as Durkheim and many other socio-psychologists have demonstrated. In this context, the MFF 2014-2020 may have a very important stake: the future of the European project.

4. The Discrepancy between Words and Actions. An Analysis of the European Official Discourse on Financial Solidarity

Built on the compromise of all member states, the “unique success story” of the EU, which the German Chancellor so proudly acclaimed during her address to the Bundestag at the end of February 2013, may not be as successful as she and other EU leaders wish it to be. The European Council has finally agreed to the proposed 2014-2020 multi-annual financial framework, but this consensus should not be seen as a victory of the Union, a fact that has become evident in the rejection done by the European Parliament. It is at best a consequence of the negotiation skills of the member states. The question is this: what kind of federation distributes money based on the negotiation skills of its beneficiaries? We definitely agree that a strong and effective negotiator may bring in some more money and benefits than a weaker one. However, budget should be rationally divided among regions and communities based on a shared financial projection. At this point, what are the EU’s criteria and principles that have guided the distribution of the 960 billion euros of the next seven-year budget? Put it differ-
ently, does this budget reflect the largely invoked solidarity between the wealthier and the poorer countries in the Union?

In the version validated by the European Council, the Multiannual Financial Framework 2014-2020 limits the expenses of an Union composed of 28 member-states (Croatia included) at 959,99 billion Euro in budgetary commitments, which corresponds to a mere value of 1% of EU’s National Gross Product. The initial proposal was around 1078 billion Euro, but it was not accepted by the leaders of the most powerful economies, such as Germany and the United Kingdom. As compared to the MFF 2007-2013, the budgetary ceiling accepted by the European Council, was diminished with approx. 3,4% in real terms (959,99 billion euro for 2014-2020 vs. 994,18 billion euro for 2007-2013).

Two important sections of the newly proposed EU Budget have suffered from important reductions. First, the budget for the economic, social, and territorial cohesion, which is 8,4% smaller than the previous MFF. Despite this important reduction, Herman Van Rompuy stated that these funds will be more effectively directed towards the „poorest states”. Second, the budget for sustainability and natural resources has suffered a major slump – 11% less than MFF 2007–2013. In exchange, the Union’s budgetary resources have been allocated towards several sectors that net-contributors such as Germany and the Northern states have deemed as priorities: competitiveness for growth and new jobs, which received 34% more money than in the MFF 2007-2013, and security and citizenship, where the proponents approved an increase of over 27% as compared to the previous programming period.

In this section, we analyze official speeches delivered by three of EU’s high rank officials, namely the President of the European Commission, the President of the European Parliament and the President of the European Council, and by the two political leaders of the Union, the French President and the German Chancellor. All the examined speeches focused on the 2014-2020 budget and were delivered before the European Council held on February 7-8, 2013, excepting Angela Merkel’s speech, which was delivered at the end of February, in the German Parliament. We used textual analysis to investigate the themes and the meaning categories that appear in the text and how these themes and categories are discursively constructed in order to convey a particular view on the budget and on EU’s future prospects as a viable and trustful project. In our analysis, we started from the premise that there is a gap between discourse and action within the EU, and that this credibility gap can easily add to the already acknowledged economic, financial and political causes of the EU’s decline. Unfortunately, a credibility gap might produce more damage more rapidly as it usually generates popular frustration and exhaustion. As shown in the literature on EU public support and EU communication (Valentini, 2008; Koopmans & Statham, 2010; Bârgăoanu & Negrea, 2011; Radu, 2012), the Union has not yet managed to find the adequate measures to ensure strong public support, especially in troubled times as these when the economic downturn has had a significant negative impact on the Eurozone.

In their speeches, all five EU leaders have acknowledged the importance of the financial and social solidarity in achieving consensus over the budget and in consolidating the European integration. European officials and leaders hold slightly different views on solidarity and on how to foster it in times of crisis. The President of the European Council sees the desirable agreement on the EU budget as an indication of solidarity between EU member states that goes beyond the utilitarian logic of integration.
“[...] we are jointly defining European priorities, not just making individual calculations of how to minimize what each Member State puts in and to maximize what it gets out”. (November 27, 2012)

The cost-benefit ratio of European integration and its impact on the national economies of the EU countries seem to undermine the solidarity that Europe currently needs. Countries put first their own economic and social welfare and then they turn to the common European welfare. This powerful idea is hard to challenge, especially during the crisis when nation-centered feelings tend to coagulate and consolidate. In trying to show that the proposed budget will contribute to the welfare of all member states, Barroso highlights the fact that the EU budget actually relieves economic pressure from national budgets, and therefore it is in the best interest of member states to urgently adopt it.

“In particular at a time when national budgets are under pressure, this framework will not cost taxpayers any more than at present. [...] A Euro spent through the EU budget can usually spare several Euros for national budgets through synergies and effects of scale. [...] we need to put together our resources”. (March 22, 2012)

This optimistic projection seems to be in conflict with the reality of the budgetary projection, which, as the President of the European Commission certainly knows it, represents 1% of GDP. Van Rompuy, too, admits that the proposed financial framework is a “relatively small budget”. Is the EU budget sufficiently strong to financially support EU’s objectives and to grant the growth and development that will bring European regions closer in terms of economic and social standards? To an apparently rhetoric question we answer by quoting a piece from *The Economist*, where reference to other federal budgets is made: “The American federal budget accounts for some 24% of GDP; the Swiss one is roughly 12%”. The figures speak for themselves.

The influential utilitarian approach to integration also worries the representative of EU citizens in the European Parliament. In his speech delivered to the European Council, Martin Schulz, the President of the European Parliament, warns of the deepening of the gap between richer and poorer states of the Union. This is a strong indicator of the lack of solidarity that the negotiations over the next EU budget have shown throughout Europe.

“[...] dividing the Member States into net contributors and net recipients no longer makes sense. The EU budget is not a zero-sum game in which one country wins what another loses”. (November 22, 2012)

Furthermore, the President of the European Parliament suggests that the adoption of the budget is “part of the solution, not part of the problem”, and that member states should seriously take into consideration the incomparable higher damaging effects that continuous disagreement over this crucial issue may have on the future of Europe. He is aware of the fact that an effective and unanimously agreed solution to the “divide” between wealthier and poorer, responsible and irresponsible, creditor and debtor states is difficult to find, given the increase of nationally-driven views of the EU and future integration process. In fact, he openly admits that there are two polarized approaches to EU budget and, by extension, to the future of the European project, which he calls “friends of cohesion” and “friends of better spending”. These two approaches seem to be irreconcilable and incompatible, and this makes it very difficult to reach an agreement that goes beyond the narrow interests of countries in the two groups. Apparently, there is no room for solidarity outside these groups, and the prospects
for a decision that put Europe first seem rather impossible. This idea is backed up by evidence from the latest European Council on EU budget: not only did negotiations promote the interests of member states taken individually, but the “friends of better spending” reported an important victory, as the final budget included significant cuts, especially from the cohesion section of the financial framework. It is at least curious that all EU officials admit that the 2014-2020 budget should focus on investments and growth (“the European budget is a budget for investments, […] not a budget for current expenditure” – Barroso; “EU budget is the most powerful force for growth in Europe” – Schulz; “the MFF (multi-annual financial framework) is essentially an investment budget” – Van Rompuy), while recognizing the need for “fiscal restraint”, which they consider it more a political pressure than an economic one. Given this scenario, how can the financial framework for the next seven year significantly add to Europe’s growth and development if it is based on cuts to essential sections such as cohesion? By trying to reduce development imbalances between European regions, the future budget will generate others between member states directly affected by a double pressure: a reduced EU budget and a very limited negotiation power. Will a “moderation budget” (Van Rompuy) be sufficient to foster economic recovery and growth in a Europe badly hit by the crisis? The years to come will show it.

As expected, Barroso and Van Rompuy’s speeches are more technical and include many references to the structure of the multi-annual financial framework (i.e. distribution of money into budget chapters, new financial facilities, new programs, etc.). Both ground their arguments in favor of the adoption of the budget proposal on comparisons with the previous financial framework and highlight the relevance and the appropriateness of the 2014-2020 proposal within the current economic and financial context. They use figures and calculations to show that there are sufficient “technical” grounds to accept this financial proposal. Building a EU budget is a complicated and complex process, and no “budgetary aesthetics” (Van Rompuy) should be expected, especially in these times “when resources are scarce and when every euro counts” (Barroso). Therefore, member states should understand the constraints of this financial framework and thus should concentrate on the future impact that its implementation will have on development and on deepening European integration.

Barroso rarely speaks directly of solidarity between the EU countries, rather he focuses on the negative impact that a rejection of the post-2013 budget proposal will have on the credibility of the Union. Credibility of the financial framework and of its management is crucial to all member countries. The European Commission takes the responsibility of ensuring all countries that the funding is transparent and used for the investments. Barroso warns that the Commission “will be watching closely and reporting regularly through its scoreboard”. Unlike the President of the Commission, Van Rompuy openly states that the debated financial framework is a “synthesis of solidity and solidarity”, although he does not make it clear in his speech what solidity means and what makes the 2014-2020 budget stronger than the previous one; in fact, one might think the opposite, namely that the next seven-year budget is weaker than the 2007-2013 budget, given the fact that we witness an increase of only approx. 10% in the 2014-2020 budget, from almost 865 to 960 billion euros. As far as solidarity is concerned, the President of the European Council expresses his concerns over the divide between member states that also worried Martin Schulz. However, in addition to the already perceived gap between wealthier and poorer member states, Van Rompuy also brings in the increasingly worrying discrepancy between North and South.
“We should not characterize this process [the budget] as a fight between rich and poor, between North and South. […] My proposal can, by the way, count on the support of a large number of countries even if some Member States are not yet completely satisfied”. (November 27, 2012)

By the time this article was completed, the gap between North and South has deepened even more once the announcement of the devastating consequences of the crisis in Cyprus has been made. After intense and contradictory discussions within the EU, a bail-out plan to save this country from bankruptcy has been approved. Nevertheless, the crisis in Cyprus has revived the popular discontent and mistrust in the EU and the European leaders. The massive cuts in public spending and the proposal of a tax rise affecting people’s savings from Cypriot banks have triggered a strong negative public reaction. Cypriots have rejected the measures imposed by the EU. The crisis in Cyprus has added to the general climate in the Union, which becomes more and more destabilized by the growing discrepancies between the powerful core (Germany, UK, the Scandinavian countries) and the weak periphery (Greece, Spain, Portugal and now Cyprus). This difference is visible not only in terms of economic performance; it has also been invoked more or less openly by EU leaders and officials in their public speeches, a practice that we consider to be indicative of the divide between richer and poorer EU countries, and consequently, between high influential and less influential member states. This divide has contributed to the polarized debate over the post-2013 budget where “austerity-minded EU governments led by UK and Germany prevailed over freer-spending counterparts to secure the first reduction in the bloc’s long-term budget” (Chaffin & Barker, 2013).

The prospects of a deeper gap between the EU countries worry the leaders of the most influential member states – France and Germany. In two speeches on the 2014-2020 budget, both François Hollande and Angela Merkel underscore the importance of the member states’ willingness to compromise over a mutually beneficial solution. However, the French President seems to have a slightly different view on what compromise consists of than that of the German Chancellor. Since France is arguably in an economically privileged position within the EU, Hollande mainly addresses the need for solidarity, especially financial solidarity, within the member states. He remarks that

“solidarity isn’t just a matter of transfer between European nations. […] Solidarity also means financial instruments, through new resources, through the financial transaction tax, through everything that can enable us to imagine the future together”. (February 5, 2013)

The President acknowledges that the future of the European project depends significantly on the budget and the resources that the EU is able to pull in during these difficult times for many of the European economies. Nevertheless, he believes that endless debates over the collection and distribution of money within the EU and continuous negotiations aiming at satisfying to a greater degree the requests of different EU countries may impact negatively on the future of Europe.

“Beyond these budget choices isn’t a conception of Europe which is being debated, and I’m going to tell you mine. Europe can’t make do with being a market, a budget, a currency – invaluable though these instruments are. Nor can it be just a collection of treaties, a set of rules – necessary – for living together. Nor can Europe be simply a sum of nations, with each one coming to get from the EU what’s useful for it, and it alone. Europe – because this is its history, this is its destiny – is above all a political will, in other words a commitment whereby everyone accepts the balance of rights and obligations, rules are respected
and confidence creates solidarity – in other words, a project for which we can’t endlessly be discussing rights we’re entitled to and calling everything into question at every stage”. (February 5, 2013)

Hollande reinforces the idea that Europe should revolve around a political project, and not simply around an economic and financial one. The current economic downturn has made it clear that a union such as the EU cannot provide the most appropriate response on time in the absence of a politically supported decision-making process. Therefore, in addition to complying with the EU rules and obligations, all member states need to show commitment to a common European “destiny”. Equally important, it is necessary that the EU countries have confidence in the European integration process and do not (publicly) display such a high degree of suspicion towards one another. While, according to Hollande, “confidence creates solidarity”, the economic turmoil has substantially eroded the EU solidarity. Basically, the French President fears that questioning (to much) the EU budget is equivalent to questioning the European project as such. Judging from the discussions over the financial framework and their result, one may be inclined to think that Hollande is right.

The view on the post-2013 budget and on Europe’s future for that matter is rather different when we turn our attention to the speech delivered by Angela Merkel to the German Parliament, at the end of February, after the European Council agreement on the budget. Certainly, Germany is the largest net contributor to the UE budget and the most fervent supporter of austerity measures to overcome the crisis, therefore, the agreed structure of a reduced budget seems to quite fit its interests. The Chancellor states that

“we could not have sold this deal, if every European nation is forced to make economies, but not the European Union itself”. (February 21, 2013)

This is how the Chancellor explains the cuts in EU budget. This may seem justifiable; if countries are requested to cut spending, so should do Europe. But, if we look deeper into her words, we might find that they are somehow contradictory to what Barroso and other EU officials have said: the EU budget is not a budget for covering public expenditures; it is a budget for investments. However, if the budget is reduced, so are the investments, which lead to a cruel truth: no investment, no growth. Without economic growth the EU is unlikely to safely weather the crisis, not to mention to emerge stronger. Of course, there are budget chapters that provide explicitly for development, investments in energy and supporting the countries in which youth unemployment is higher than 25%. The question is: will these provisions be sufficient to help the EU get out of the crisis?

The German Chancellor also pleads for “better spending” within the Union. This “better spending” is required especially form the countries that have been badly hit by the economic downturn. Merkel believes that once the budget is agreed upon, this “gives all member states security and allows them to plan”. It is interesting that the Chancellor speaks of security rather than solidarity. Although fully aware of Germany’s role as the strongest European economy, she also admits that it is hard to create and foster solidarity between the “stronger and the weaker”. To these bleak prospects of European solidarity adds some countries’ discontent with Germany’s full endorsement of austerity measures in the member states affected by the crisis.

In conclusion, it seems that the so-called “austerity-minded EU governments” (Chaffin & Barker, 2013) have succeeded in better negotiating during the debates over the 2014-2020 budget. Undoubtedly, austerity has been a leitmotif of the reaction of the European politics to
the crisis. This measure has been almost exhaustedly applied in the Southern member states in order to fight the serious financial and economic difficulties they were facing. However, although austerity may be efficient in the states with excessive social expenditures, lack of austerity is neither the main, nor the sole cause of the crisis. If profligacy had caused the crisis, then austerity should have been the efficient solution to overcome it. In reality, this has not been the case as recent developments in Eurozone countries’ effort to get out of the crisis have shown. Austerity has not actually guided governments in planning the EU budget; austerity has been frequently invoked in order to hide the real motivations for cuts in the budget. On the one hand, a major reason for post-2013 budget reductions has to do with the national dimension of its planning and implementation. Austerity, on the other hand, has been used to justify the lack of sufficient efforts for development. Certainly, cutting spending is important, but it cannot solely provide the way out of the crisis. At the same time, cuts in spending that are too severe, which directly affect consumption, may block and delay economic recovery.

5. Conclusions

An applied analysis would make us discover that the economic stake revolving around the EU’s budget is relatively low. Technically, this budget only represents 1% of the EU’s Gross National Income. Thus, should we believe that 1% could revolutionize the European development for the 2020 horizon? Of course not! If the negotiations are so inflamed is due to the fact that Europe – or, at least, a certain part of it – is confronted with poverty. The MFF billions that may flow into an Eastern European country may literally mean a chance for survival for it. Just like The Economist put it, even though the economic stake of the EU Budget is not so important, its symbolic stake is tremendously important. The annual value of the budget is rather small; however, the seven years value is of almost 1 trillion euro. This is a very significant amount of money.

The current crisis has shown that the only solution for a cohesive Europe is to organize it according to federal principles. Of course, the federal recipe should be built on an organic solidarity that emphasizes the complementarity and reciprocity among member-states. This solidarity is virtually challenged during the current budgetary negotiations. In our view, the process of ratifying the MFF 2014-2020 is emblematic for how national interests have prevailed, have become more relevant even than any political or economic rationality. In this way, the trend of re-nationalization of the political decisions, which has become very obvious during the current crisis, has become triumphant. However, according to Calhoun (2007) such a “shift” is not neutral. “It advantages some and disadvantages others. And that is in fact a crucial reason for the continuing reproduction of nationalism, and a reason why caution is warranted before suggesting that nationalist projects are inherently regressive and cosmopolitan projects progressive.” (2007, p. 17).

The fact that the federal dimension of the EU has faded away is a clear thing and has been suggested in at least two circumstances. First, a symbolical gesture: the Council’s final decision regarding the next MFF was very satisfactory for the United Kingdom, one of the countries that have repeatedly positioned itself against the federal Europe. Of course, the UK could not have decided on its own to reduce the EU Budget. Its decision was supported by the “net contributors”, such as Germany. Could we say that this victory belongs to the “net contributors”? Undoubtedly, this is a defeat of the federal idea. Also, we could refer to a collateral
victory, which is the victory of Eurosceptics. The MFF 2014-2020 is a money-related issue, one may argue. The UK and the Northern states have simply wanted to reduce their contributions. But what is the price for this? Even though a smaller contribution might grant short-term advantages to contributors, it will certainly bring a big disadvantage for the Union and its long-term development. The negotiations revolving around the MFF highlighted a critical aspect, which may impact upon the European project: the explicit desertion of the European solidarity and, at the same time, the tacit abandonment of the federal idea or, at least, a postponement of its materialization.

**Rezumat:** În această lucrare, analizăm discursurile oficiale ale Președintelui Comisiei Europene, Președintelui Parlamentului European, Președintelui Consiliului European, Președintelui Franței și al Cancelarului Germaniei cu privire la bugetul 2014-2020 al Uniunii Europene. Am folosit analiza textual pentru a investiga temele și categoriile de sens care apar în texte, precum și modul în care aceste teme și categorii sunt construite discursive pentru a transmite o anumită abordare asupra bugetului Uniunii, dar și asupra viziorului proiectului European. În demersul nostru, am pornit de la premisa că există o prăpastie între discurs și acțiune în Uniunea Europeană și că această clivaj de credibilitate poate amplifica problemele financiare, economice și politice ale Uniunii.

**Cuvinte-cheie:** solidarietate europeană; criza euro; cadrul financiar multianual; discursul despre UE.

**References**


29. ***Autumn renewal? Having survived a difficult month, the euro zone is grappling with its taboos*, *The Economist*, September 15, 2012.


**Corpus**

31. ***This EU budget has a sense of proportion says the Chancellor*, retrieved on March 10, 2013 from http://www.bundesregierung.de/Content/EN/Artikel/2013/02/2013-02-21-regierungserklaerung-der-bundeskanzlerin-europaescher-rat.html


