European Identity Politics

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Abstract

Social and political sciences use the term 'identity' in describing a wide range of phenomena, whether these be personal explanations of self-understanding, descriptions of common interests or the shared experiences of a larger group. It has been used in the recent analyses of countries or larger communities, but also in the historical studies of very different societies in developing or industrialized countries. To make the concept more operational and open to empirical research, we dichotomize it into an inclusive versus an exclusive type. This enables us to carve out the different policy conclusions associated with each type. We then apply the concepts for analysing the emergence of European identity over the past decades, as well as its limits and recent headwinds. We present survey data on national and supranational identity and country differences concerning trust in national and European institutions. As a counter-strategy to populism and the exclusive type of identity, political observers, from scientists to members of the media, are split into suggesting either a "cordon sanitaire" to discourage voting for such ideas versus an embracement strategy by including their representatives into government, thereby controlling them or revealing their incompetence. This paper, in contrast, ventures a proactive strategy of four steps to localize the root causes of the success of populism, offering an inclusive vision for the long run, policy instruments for economic improvements and a new narrative. These concepts are linked to the strategy of the European Commission of a Green Deal and a Social Europe "striving for more", which acts as a program to strengthen the inclusive European identity and pre-empt the renationalization requested by the exclusive type. It is much too early to analyse the COVID-19 crisis under the proposed dichotomization and the new narrative. However, the differences in the initial reactions of countries to the emerging pandemic, bashing foreign sources for its creation and misusing the crisis for a restoration of autocratic leadership on the one hand and looking for solidarity on the national as well as international level on the other, may later be attributed to the concepts of exclusion versus inclusion.

Keywords: identity politics, European integration, migration, renationalization, populism, European

Green Deal, cultural homogeneity, partnership policy

1. Scope and Outline

Research on collective identity encompasses many disciplines in social, economic, and political science. It has not been used broadly in the context of economic issues, although group identities come into play when the economic problems of specific regions or production sectors such as agriculture or rust belts are discussed. This article carves out the dichotomy of "inclusive" and "exclusive" collective identity that has on various occasions been used in the literature with reference to populism(note 1), here with the goal of facilitating empirical applications. We apply these concepts to investigate the identification of citizens with the European Union over the past seven decades, making use of data on the self-assessment of European citizens as nationals or Europeans as well as data on the support of the European Union. Inclusive strategies have been adopted at both the community and national levels to fend off right-wing populist parties from government or to embrace their ideas by a partial shift of mainstream parties to the right. We develop an inclusive strategy in four steps calling for a proactive policy guided by measurable performance criteria (like the UN Sustainable Development goals) and integrating citizens as well as shaping globalization and partnerships. A preliminary glimpse is undertaken to assess the different implications of the dichotomous concepts for politics during and after the COVID-19 crisis.

In Section 2 we provide an overview of the different categories of identity in the socioeconomic literature, from individual to national and global aspects, also considering the range of problems concerned. Section 3 investigates the identification of citizens with the European Union (EU), traces its historical development, and values the various aspects of an emerging European identity. Section 4 discusses the causes responsible for a decline in identification with Europe after the Financial Crisis and for the return to nationalism and xenophobia emerging from "forgotten regions" and amplified by right-wing populism. We recall the roots of populism, supported by elements of the "exclusive" concept of identity, stressing the past glory of a society and its loss of homogeneity.

In the wake of the Financial Crisis, a sluggish recovery led to income losses in many European countries and regions, along with higher unemployment and within-country inequality. Populism and calls for ending the European unification process came up, many of them bemoaning a loss of national identity. The return of polarizing identity concepts was accelerated by the migration wave of 2015. We rate existing survey data on the rise, climax and decline of the increasing self-assessment of citizens as Europeans as well as cross-country differences. We further report on trust in national and European institutions, and on the evidence that only a minority of voters wish to exit from the EU – all of which are indirect indicators on the limits of identity-defying populism.

Section 5 searches for strategies on how the impact of exclusive identities could be pre-empted. We envisage a four-stage strategy which reaches beyond the concepts of fending off vs. embracing populists, including a discussion of the plans of the new European Commission for a Green Deal and a Social Europe and suggestions for changes in governance. We also provide a preliminary assessment of the COVID-19 crisis with respect to the exclusive vs. inclusive

reactions.

2. Identity Concepts in the Socioeconomic Literature

2.1 Individual versus Collective Identity

In the social sciences, "identity" is a complex term that requires further elaboration in order to be meaningfully employed in a scientific discourse. It may encompass (i) various personal and institutional coverages, such as individual, communal, regional, national or supranational identities; and (ii) issue-related domains, such as cultural, social or economic identities. This holds in general but must also be considered when elaborating "European identity", which establishes a bridge from a person's identity to some form of group identity and eventually to an identity with a rather vague multinational construct reflected in humanitarian laws, the need to limit conflicts and the exploitation of the planet. To make things even more complicated, it is generally agreed that an individual holds multiple identities, some of which may be compatible with each other, and some of which may be exclusive (Table 1).

Table 1. Concepts of Identity

Individual identity		Collective identity	
Self-understanding of a person		Shared definition of a larger group that derives from members' common interests, experiences and solidarity	
Personal identity	Social identity	Cultural identity	Political identity
Self-definition in terms of personal attributes ("I")	Self-definition in terms of social category memberships ("We"): family, enterprise, class…	Shared definition by common history and customs	Shared definition by administrative and territorial factors
	Group identification		
	Links social identity to collective identity. People can have many social and collective identities.		

Source: Own presentation based on Van Stekelenburg (2013).

An individual's identity is the result of self-definition based on individual attributes and membership in a self-contained group. One may further differentiate between an individual's personal identity (identity apart from others) and an individual's social identities (identifying with others), both of which are to some extent interrelated. In his literature review on identity

in economics, Berg (2019) delineates that social identities may also result in institutions such as political parties or nation-building, which sets behavioural prescriptions to group members, including sanctions in case of misbehaviour.

In their seminal work on "Identity Economics", Akerlof and Kranton (2000) linked personal identity to economic decision-making through extending the neoclassical utility function by a non-pecuniary term to better represent the behaviour of individuals. In the related approach of "narrative economics", Shiller (2017) deals with the impact of changing social norms on macroeconomic fluctuations. Examples are the gold standard, the Great Depression of the 1930s, and the Great Recession of 2007-2009, but also the general observation of technology-driven unemployment and economic models such as the Keynesian multiplier or the Laffer curve. US President Donald Trump is viewed as a "master of narratives" who in this capacity also contributes to the formation of social identities.

Collective identity may be defined (see White, 2012) as the continuous self-understanding of a social group, which includes both objective factors that exist without the consent or knowledge of group members (such as ethnic kinship, common language, common customs) and subjective elements (e.g., individual consent to the European integration project). Group membership is often underlined by self-imposed rules or rules promoted and overseen by higher-level political institutions.

2.2 Inclusive versus Exclusive Identity

It is a feature of this paper to stress the dichotomy between the inclusive and the exclusive type of multiple collective identities. This enables us to assess the roots, but also the policy conclusions, of the discourse in today´s political situation with particular emphasis on the European integration process.

In the inclusive version of identity, which Herb and Kaplan (1999) call "nested identities", various layers of identity may be in place simultaneously, including regional and local identities. Individuals treat other individuals as possible partners, and common problems as jointly solvable. This version of identity has been the goal of visionary leaders striving to design a more humanitarian society, such as Martin Luther King, Nelson Mandela, or Robert Schuman. Since World War II, a positive European identity has evolved from efforts to obviate any further war between Germany and France and to advance the European integration process. Similar motivation supported the unification of Italy, allowed German counties ("Fürstentümer", small kingdoms) to form a common state, and made Austria a prosperous country no longer deploring the demise of the monarchy or longing for integration into a greater Germany ("Deutsches Reich").(note 2)

The exclusive version of identity could pertain to a nation or supra-national entity, but not to both at the same time. It is characterized by selfishness on the individual level, along with a quest for national or cultural identity that separates individuals and communities from outsiders, minorities and foreigners, suggesting that one's own people(note 3) are exceptional or superior. This concept justifies different rules for insiders and outsiders in defiance of accepted international law.(note 4)

This type of identity separates people, fights other religions, makes use of the own language being overly important ("French exceptionality"). It isolates outsiders or minorities. Border controls prevent immigration, even if a country or region depopulates, notably when immigrants come from distant countries with a different religion or culture. Exclusive identity can justify military operations, even extended wars. "Identitarians" polarize societies and support clandestine or open nationalism and terrorism (Handler, 2018; Schlembach, 2016, Wilson and van der Dussen, 1993). The term "national identity" has been used as a means of getting votes, even by moderate right-wing parties. In the European Parliament (EP), the new faction "Identity and Democracy" is comprised of French, Italian, Swedish, Finnish and Austrian right-wing parties, most of them part of national or regional governments.

It is becoming ever more evident that problems like climate change cannot be solved by isolated national policies. Yet right-wing populistic parties negate or downplay the consequences of climate change and, after winning power, tend to enforce policies that aggravate economic and social problems.

2.3 National versus Supranational Identity

National identity is formulated in ethnic or racial terms, featuring intense intergroup relations, a common language and/or a common religion. A nation is usually understood to be the society of the ancestral native majority, excluding the diverging ethnic background of immigrants, even those of the second generation (Agirdag, Phalet and Van Houtte, 2016). According to Guibernau (2004), national identity may arise from a feeling of closeness of citizens (psychological dimension), common values, beliefs and customs (cultural dimension), a binding to ancestors (historical dimension), geographical boundaries (territorial dimension), and/or a relation with a modern nation-state (political dimension). However, history teaches us that nation-building may also be the result, over time, of usurpation and forceful integration.

The ethnic collective of a "nation" must be distinguished from the civic category of a "state". Herb and Kaplan (1999) perceive the state as a regional entity possessing the territorial power and institutions to establish a rule of law and guarantee the security of its citizens. In contrast, a nation is formed by a shared history and destiny. However, the two concepts are not independent of each other. Nations that strive to preserve their unique identity have also attempted to achieve sovereignty by establishing an independent nation-state. Identification problems arise when historic nations are not congruent with political states. It seems easier to manage a state that includes more than one nation (e.g. the United Kingdom) compared to a situation in which a nation has been distributed over several states (e.g. the Kurdish nation).

Letendre-Hanns (2019) values the nation-state as the bedrock of nationalism, and thus as the prime adversary to European identity. In contrast, the nation as an association of people with common values would be perfectly compatible with a transnational European identity. National identity is the bridge between such socioeconomic concepts on the one hand and the political concepts of right-wing populism and renationalisation on the other. The latter endanger European unification and call for a return to past homogeneity, not only in today's European countries, but also in other non-European countries and the United States. An extreme form of right-wing populism, the Identitarian Movement, even approves of the Christchurch massacre

(Wildon, 2019).

Identification with a supranational project is needed to achieve progress in solving transnational problems. Thus, growing identification with Europe has been the basis of the European integration project, and this can also be extended to securing human rights or fighting climate change.

A frequent critique of the notion of national identity (covering the commonality of a people) reckons that it may contrast that of democracy (connoting equal rights for all citizens). Fukuyama (2018) utters his voice "against identity politics" (representing group-specific attitudes), because it detracts from civic discourse and provides the coercive "lens through which most social issues are now seen". In particular, it would negate the economic and social changes that have occurred in the wake of globalization and the fragmentation of democratic societies "into segments based on ever-narrower identities". To Fukuyama, this helps explain the recent rise in populist nationalism and the strain on liberal democracies, also in the European Union.

In the next section we discuss Europe's striving for identification to support the integration process, and in the subsequent section the limits imposed by pluralism and attempts at renationalisation, before we report on survey evidence and a strategy to further increase welfare in Europe.

3. Emerging Identification with "Europe" as Research Field on the Inclusive Type

3.1 The Quest for a Common Europe

The disastrous consequences of the Second World War and the memory of conflicts between European countries has led to the conclusion that Europe will recover only if the nation states succeeded to work together and look for the fruits of common use of resources and trade. This was the founding idea of the European Coal and Steel Community, which then developed into a trade union and a common market.

A collective "European identity" evolved, which transgresses state boundaries and overlays national and regional identities. It should neither suppress national feelings nor produce a new nation-state, although it can be roughly equated with the EU as a territorial entity. European identity rather builds on values perceived as "common" (due to historical experience) and on the necessity to act transnationally in specific fields (security, global politics, environmental issues). The common values are those invoked by the "Declaration on European Identity", enacted in December 1973 by the heads of state and government in Copenhagen (European Communities, 1973). The Declaration names representative democracy, the rule of law and social justice as the foundations of economic progress. Together with respect for human rights, these goals are envisaged as indispensable determinants of building a European society which measures up to the needs of the individual.

One should be aware, though, that European identity is a concept that differs from national identity in one crucial aspect: it is not defined in ethnic or cultural terms, but in political terms

– that is, "by the sharing of democratic cosmopolitan values" (Agirdag et al., 2016). Thus, European identity is the antithesis to the ideas of radical right-wing populists who are engrained in nationalism and who propagate the dissolution of the EU. Müller (2016) points out that there is (still) no European people that can systematically set the political direction. Above all, the EU has no permanently fixed borders and no common language, and it incorporates a confusing number of sub-entities (Eurozone, Schengen area) which partly overstep the territory of EU member states. This has also given rise to issues of the territorial definition of "Europe" and the range of countries encompassing the EU's enlargement and neighbourhood policies. It is therefore also not straightforward to identify the "others" from an EU point of view.

A further layer of relationship reaches out to the European neighbourhood, which aims at avoiding new dividing lines between the enlarged EU and its neighbours. It strives instead to strengthen the prosperity, stability and security of all countries involved, and is also based on the values of democracy, rule of law and respect for human rights (Aiginger and Handler, 2018).

The idea of a common Europe as a group of neighbouring countries with related history and similar attitudes of their populations has its roots in the Hellenistic-Roman and Jewish-Christian mainstreams with notable inputs also from Islamic, Slavic and Germanic traditions. In recent centuries, these strands were transformed into a roughly common culture by movements such as the Renaissance period, the Enlightenment and the French Revolution as well as the industrialization and the following Socialist revolutions. These developments were gravely interrupted by the two World Wars of the 20th century and the renewal of the power structure of nations in Europe and the world at large.(note 5) As a result, European values are now considered to include the respect for human rights, the rule of law, and liberal democracy.

When the Treaties of Rome were signed in 1957, the idea of Europe was to develop, step-by-step, an ever-closer union among European nations and, finally, represent a powerful global player. Important steps in this direction were the formation of the Single Market (1993), the Schengen area (1997) and the Eurozone (1999), and negotiations about a European Constitution. Although the latter was rejected by referenda in France and the Netherlands, the substance was implanted in the Lisbon Treaty (2007), "founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the member states in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail."(note 6)

By establishing symbols of territorial identity (flag, anthem, euro banknotes, EU passports), the EU has attempted to emerge as a supranational entity, although without a clear vision of the eventual territorial boundaries of "Europe". When exploring European identity, one should keep in mind that from the outset the European project was designed by elites of many kinds, selected politicians, internationally oriented bureaucrats and academics, and the media. It was definitely not a grass-roots movement of European peoples.

3.2 Enforcing European Identity after the Financial Crisis

In a review of various research projects, the European Commission (2012) delineated the

following main theoretical concepts that drive the analysis of identification with Europe:

• European identity, combining individual and collective components that form a mosaic of situation-specific identities (not particularly nested identities). Although not many people may have a primary identity as "European", such an identity can become salient in specific contexts.

• Europeanisation based on national fields of activity which are supplanted by institutions or fields at the European level.

• Transnationalism, referring to the cross-border living of persons who maintain a social existence both in the country of residence and the country of origin.

• Cosmopolitanism, which means actively striving for contact with other cultures, an attitude resembling the perceived European values of tolerance and equality.

The arguments in favour of a European identity may not only justify a supranational identity but also prop up sub-national identities, mirroring the potential conflict between an ethnic-based "national identity" and a superimposed "state identity" when the territorial boundaries diverge. If a nation occupies just part of the state area, tendencies towards secession could emerge. If a nation inhabits an area reaching beyond the state boundaries, tendencies towards seizing additional land could arise. Salient examples for the first case are movements for independence in Catalonia, Scotland and Flanders, and for the second case the Russian annexation of parts of the Ukraine. The international community of states dismisses any legal justification for the second case, while secessions could be argued on the accepted "right to self-determination", as formulated in Article I of the UN-Charter ("respect for the principle of equal rights and self-determination of peoples").

Focused on the goal to form an economic union with centralized competencies in trade policy, the EU has developed only elementary aspects of a common foreign policy, lacking in particular a military power to adequately back it. Alas, the EU has developed a "civilian identity" that relies on non-violence power in conflicts, distinguishing the EU from other large world powers. The EU has also attempted, as part of its policy in external relations including its enlargement policy, to export these universalistic values to other countries and regions.

4. "Ever Deeper Integration" Challenged by Exclusive Populism

4.1 New Challenges and Backlashes

The Financial Crisis has accelerated what has been described as a midlife crisis (Aiginger, 2010; Tooze, 2018). It led to rising opposition against the European quest for an ever-deeper integration in spite of the unquestionable achievements of the process as demonstrated by lower income differences across countries, the successful integration of former socialist countries into the common market and even a common currency for the majority of EU member countries.

We will judge right-wing populism as one of the consequences but want to start with identitarianism as the extreme facet of the populistic spectrum. This seems necessary given the

discussion of the socio-economic concepts of the inclusive features of identity but should not dominate the analyses of upcoming strategies. Our review can be brief, as many studies on the topic are already available (see e.g. Aiginger and Handler, 2018).

Identitarianism is a post-WWII far-right political ideology asserting the right of peoples of European descent to live in a specific region or country and preventing immigration, whether it involves refugees or people looking for work or better living conditions. Radical groups openly espouse ideas of xenophobia and racism. Softer forms of identitarianism result from the opposition to the student movement of 1968 ("let thousand flowers blossom"), and all forms oppose globalization and multiculturalism. The integration of immigrants of non-European background is claimed to be a threat to European culture and society. The European Union is dismissed as corrupt and authoritarian, although EU bodies are welcome when they ward off attacks from superpowers like China and the US.

Right-wing populism includes, but is not dominated by, Identitarians. Populism made significant inroads following the Financial Crisis and the immigration wave of 2015. Populism emerged in many European countries, with a strong presence in Hungary and Poland, but also in France, Sweden and Finland. The Nordic countries are far from the borders where disruptive and illegal migrants flocked into Europe. And they were also not hit hardest by the Financial Crisis or the following sluggish economic recovery.

We prefer the characterization of right-wing populism as an oversimplified interpretation of a society´s problems, conducted by visionary leaders as well as by polarizing parties, where the latter differentiate between a virtuous "us" and a vicious "self-serving elite". Its root causes include economic factors (low growth, high unemployment, inequality), cultural causes (changing values, new lifestyles), the accelerating speed of change (in employment sectors due to globalization or technological change), and an inadequate political response (leading to forgotten regions). Immigration is an accelerator of populism and the forming of new right-wing parties (Aiginger, 2019).

International economic and social disruptions have widened income disparities within advanced countries. The economic and social turmoil within the EU has created globalization losers, even in affluent member states (the Netherlands, Austria), because they feel particularly disadvantaged there (Müller, 2016). This has spurred euro-scepticism and nationalism, and in its wake a mounting crusade by right-wing populists against liberal democratic institutions. In local and national election disputes, right-wing populists used the ensuing insecurity to not only rant against the ruling "elites", but even to question representative democracy itself. The European project is thus challenged by populist forces that propagate a return to an inward-oriented nationalist view and brings to the fore many right-wing movements including the extremist grouping of the Identitarians and their anti-European goals (Handler, 2018, 2019). Since 2015, the massive influx of people with outlandish legal understanding and customs has led to a fear of alienation among the ancestral EU population. At the same time, there is a subliminal concern (stirred also by asymmetric media coverage) that immigration contributes to an increase in crime which, however, is not corroborated by empirical studies.(note 7) Among the major obstacles to a smooth handling of the migration wave are the flaws of the

EU's "Dublin system", which is not designed to cope with a mass influx of refugees.

How difficult it is to deepen the transnational and liberal European identity is demonstrated often by fruitless attempts to invoke solidarity between member states. Instead of collaborative solutions at the EU level, agreements between member states are of an increasingly intergovernmental type, forming parallel structures to the core project of the EU. In certain key areas, solutions have not even achieved such a stage, like the European Social Union and its main concern of community-wide unemployment insurance. The absence of solidarity with established European values is demonstrated in the examples of the Polish attempts to gain control of the Constitutional Tribunal, the Hungarian attacks on universities and NGOs that receive foreign funding, and most recently in the context of the COVID-19 crisis.

Based on eighteenth-century Enlightenment, which demands universal citizenship and provides an intellectual basis for European integration, EU citizenship was introduced by the 1992 Maastricht Treaty as an addition to the national citizenship of a member state.(note 8) Apart from certain basic rights (free movement, settlement and employment within the EU, voting rights in the country of residence and regarding the European Parliament), EU citizenship per se has not achieved the same broad acceptance as traditional national citizenship. Kaina and Karolewski (2013) provide an overview of the discussion on the role that EU citizenship can contribute to identity formation in the Union. The main argument is that citizenship socializes individuals to abide by norms that generate cooperation among individuals. However, citizenship may also be used as a device against identity-building, as often exerted in the case of unwanted immigrants of foreign cultures.

4.2 Trends in Other Regions

The creeping retreat of transnational identities is not limited to Europe. The same applies globally to the recent advance of nationalism at the expense of multilateralism. Pisani-Ferry (2018) points at US-President Donald Trump, who is swinging the national club with protectionist measures and threatening to exit from the Climate Pact and to phase-out the World Trade Organization (WTO) and most recently the World Health Organization (WHO). But China, too, has not lived up to the expectations generated when it joined the WTO in 2001. China's economy is still shaped by traditional state capitalism, whose instruments contribute to distorting competition in world trade. Post-communist Russia under President Vladimir Putin has developed into an autocracy with limited fundamental democratic rights, the prime ambitions being economic development and the restoration of national identity. With the election of Jair Bolsonaro as President of Brazil, another large country has joined the club of populist nationalism.

On the road to power, populistic parties often start regionally and in coalitions. If their concepts do not directly succeed, they try to dominate policies even without a majority among voters. After eventually attaining power, as odious examples reveal, they do not hesitate to change the voting system, abolishing the division of power and the rule of law, closing borders and fabricating an external enemy to stabilize their regime.

In a situation of low growth, persistent unemployment and inequality between persons or

regions, scepticism with respect to the idea of "ever deeper integration" mounts. It is supported by the populist movement which has clinched power in many regions, although the 2019 elections to the European Parliament have revealed the limits: New parties in the middle of the political spectrum have gained ground and the new President of the European Commission has earmarked this body as a "Geopolitical Commission".

Before we go into more detail on this change, we present survey data on the existence of Euroscepticism.

4.3 Trust in EU Institutions and Lack of Support for Exits

The Eurobarometer surveys, collected since 1974, provide evidence on the evolution of European identity (see, e.g., Nissen, 2004; Pichler, 2005). In the early years of the survey (1982, 1985, 1988), there was hardly any relationship between the indicators of national and European identity. Later, particularly since 1994, a statistically significant negative relationship appeared in most countries, indicating a competition between national and European identification. This is also the year in which elections to the EP took place and Stage 2 of the Maastricht Treaty came into force. Both events might have increased the awareness of the EU as a competitor to one's national identification. The same observation holds for 1999, another year of elections to the EP. The negative relationship continued through 2003, including the period of the euro introduction and the discussion in the European Convention concerning a Constitution for Europe (Duchesne and Frognier, 2008).

The refugee and migration crisis has boosted people's awareness of national identity, eventually superseding European identity, to some surprise it was stronger the less people had direct contact to migrants. However, in the meantime the highly negative attitudes and more significantly the moderately negative towards immigration from non-EU countries have dwindled. The EU-internal discussion on how to deal with the refugee problem has evolved from simply repairing the Dublin process to exclusive strategies such as isolation, detention camps and repatriation.

Citizens' approval of the EU experienced a low in 2016 but has since steadily increased. According to the Eurobarometer survey of Autumn 2019 (European Commission, 2019), 20% of Europeans still had a negative image of the EU, but with 42% double as many had a positive image, the rest was indifferent. The survey adds that, on average of the (then) 28 EU countries, 70% of respondents felt as "citizens of the EU" (Figure 1), up from just 59% in Autumn 2014. (while the maximum had been 73% in Spring 2019).
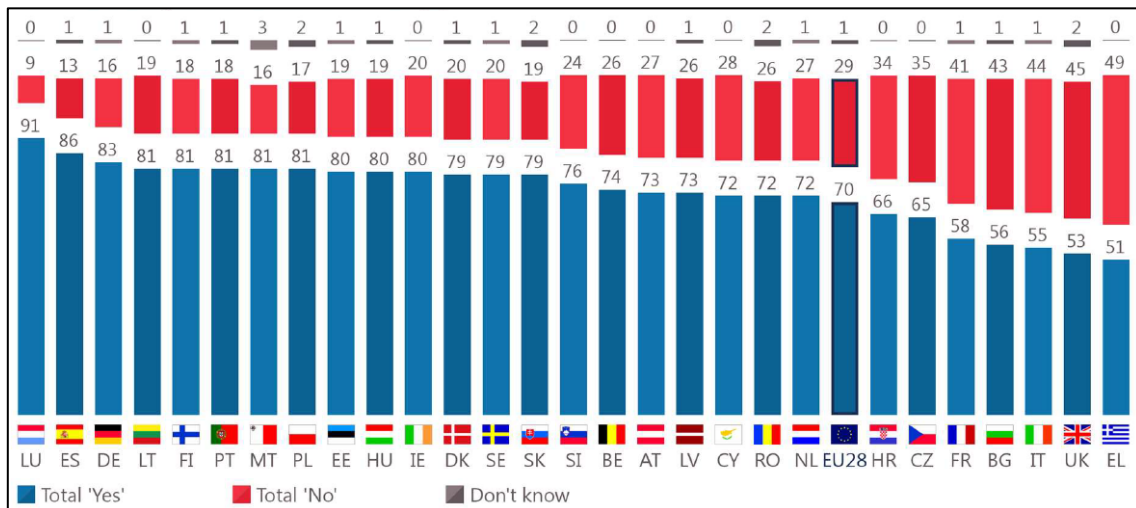
Figure 1. Standard Eurobarometer Survey, Autumn 2019: You Feel You are a Citizen of the EU

Source: European Commission (2019).

Additional information on the trust of people in the EU and its institutions is revealed by the Eurobarometer survey of Spring 2019. Since the outbreak of the euro crisis, there has been a solid majority of respondents who have tended not to trust the EU, although in recent years the gap to those trusting the EU has almost been closed (Figure 2). Not surprisingly, the lowest scores of trust were recorded in the UK and in Greece, the highest in Latvia and Denmark. It is also interesting to see that the tendency to trust dominates among younger and well-educated people, while retired persons and those belonging to the working class are rather sceptical about the EU.
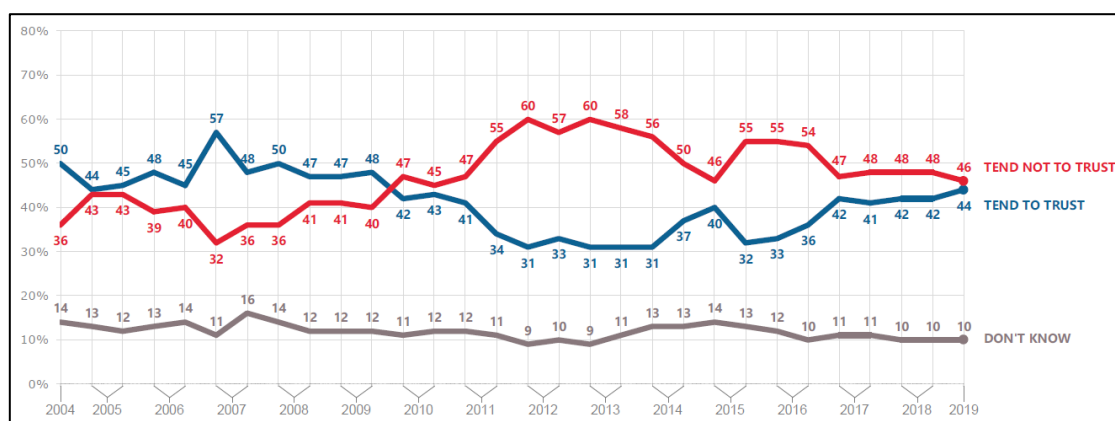

Figure 2. Standard Eurobarometer Survey, Spring 2019: Please Tell Me if You Tend to Trust or not to Trust the EU

Source: European Commission (2019).

Positioning the EU among other public institutions and the media, trust in the EU is higher than that of national government (Figure 3)(note 9). Within the European institutions, the European Parliament is trusted most, closely followed by the European Commission (Figure 4). Furthermore, in all member countries more people "absolutely disagreed" with exit than "absolutely agreed"; it is interesting that this was also still the case in the UK (Eurobarometer Spring 2019).

A recent study by the Bertelsmann Foundation (De Vries and Hoffmann, 2018) connects attitudes towards European integration with the general perception of globalization. The authors find that a considerable number of respondents (44%) feel threatened by globalization. However, almost half of this group (45%) view European integration as part of the solution for combatting their fears. Those who are not anxious about globalization are also overwhelmingly (64%) in favour of more European integration. The difference between those viewing globalization positively and those feeling threatened is apparent when it comes to the question of the intensity of intra-EU cooperation. In all cases surveyed, positive globalists are much more in favour of accepting migrants from other EU countries, refugees in line with EU quotas, creating an EU army and financially assisting EU countries in trouble.

Another result from empirical investigations is that identification with Europe does not just mirror the economic benefits resulting from the integration process. If in interviews on European identity the questions distinguish between a civic dimension (citizens with shared democratic practices) and a cultural dimension (citizens with shared values), respondents feel more 'civically' than 'culturally' European. It is also evident that identification with Europe is achieved by communication at the national level and the gradual "Europeanization" of national institutions rather than contact with European institutions per se (Bruter, 2011).
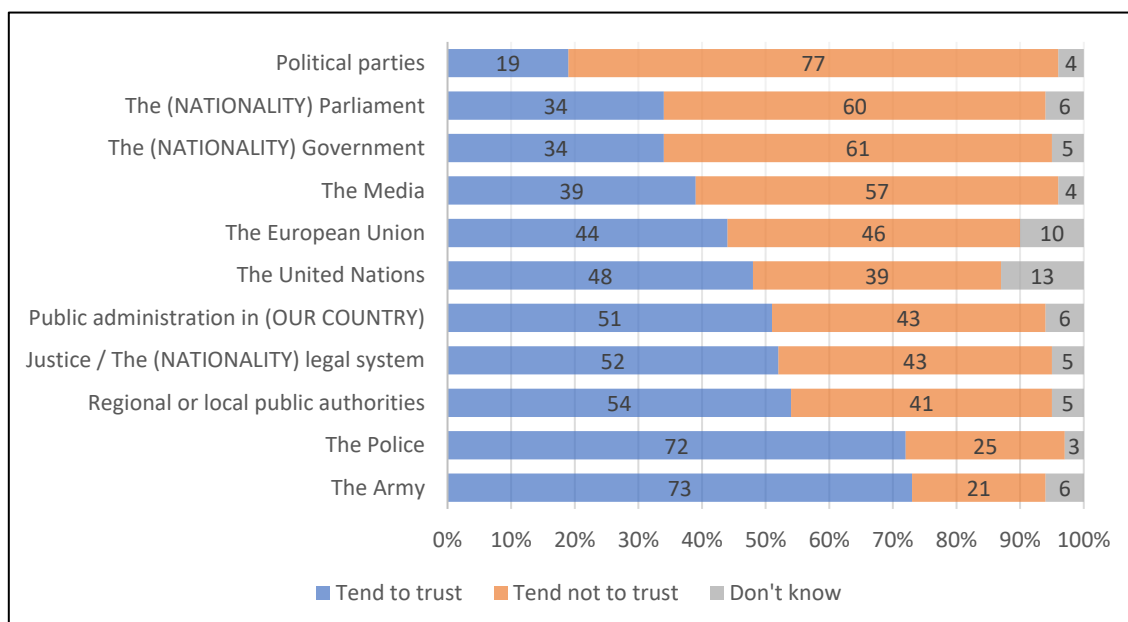

Figure 3. Standard Eurobarometer Survey, Spring 2019: Please Tell Me if You Tend to Trust or not to Trust the Institutions Mentioned
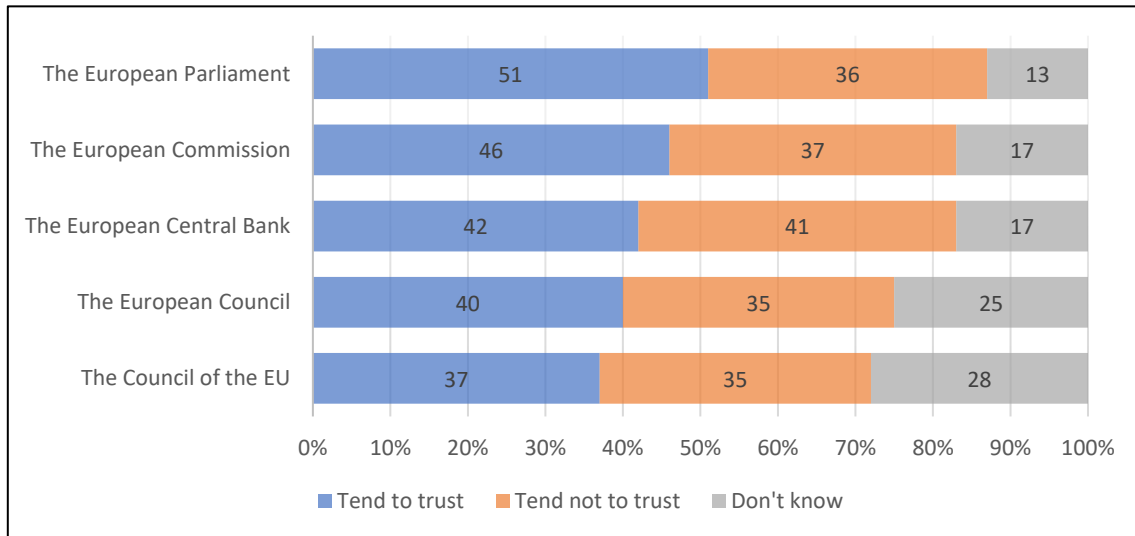
Source: European Commission (2019).

Figure 4. Standard Eurobarometer Survey, Spring 2019: Do You Tend to Trust or not to Trust the Institutions Mentioned?

Source: European Commission (2019).

To summarize, the empirical evidence is encouraging for the European model. European identity has been increasing, and more than half of the citizens now feel like "citizens of Europe" in each member state, ranging from 50-55% in Greece, the UK and Italy to eleven member countries with 80% or more (the unweighted average over all 28 member states is 74%). Surprisingly, the share of citizens feeling as Europeans is above average in Poland and in Hungary, where governments tend to demand renationalization of EU policies and disregard principles of the division of power between legislative and jurisdiction. The general and increasing feeling as Europeans does not preclude that the main identification remains national, but it is way apart from denying a European component of citizens' collective identity. Citizens realize that some important issues can best be solved at the European level. This pertains, among other things, to the ability of Europe to lead in the climate policy and shape globalisations by a more active policy. Trust in European institutions is larger than in national one, and in no country a majority favours an exit from the EU.

5. Overcoming the Challenges and Empowering Europe

5.1 A Strategy against Right-wing Populism beyond Cordon Sanitaire vs Embracement

The unquestionable success of the European Union and its social and economic fundamentals for the well-being of societies and individuals, demonstrates the limits of all forms of exclusive identity formation or insular nationalism as propagated by right-wing populists. However, to reduce the existing support for populists and put an end to their power grabbing is no easy task. A four-stage procedure is needed (Aiginger, 2019).

The first step is to correct the one-sided framing on which today's populism is based. It is the

pessimistic interpretation that life has turned negative, that the economic and social system has collapsed, and that moral and social relations have become worse compared with some "golden era" long past. In fact, in most countries and regions the living conditions were not disastrous before the populists started their attacks on liberal society. Incomes were twice as high as for the previous generation, there was a greater variety of educational choices, training facilities and work locations. Leisure time for those in work was longer than during the "golden age". A clear vindication of the pessimistic story is rising life expectancy – it has increased by three years in each decade, and older people are now able to work and travel up to an age that had previously been unimaginable. But, of course, not everything is positive for everyone, and the potential for further improvement is enormous. Inequality can further be decreased, and employment made fairer with fewer burnouts.(note 10) Reframing, without whitewashing, must be the starting point of a new policy to combat populism.

The second step is to develop a vision outlining where the country or region wants to be in the medium-term, for example by 2030. This includes issues like which jobs can be created, which specialisations by industry are feasible and advantageous, and which abilities and education levels for the young can be attained. The vision should be ambitious but within reach, shared by citizens and developed jointly with experts and political parties.

The third step is to define game-changing instruments and find partners in the process of change.(note 11) Depending on the characteristics of a region, this might mean changing tax systems and making environmental exploitation costly, while supporting a circular economy and innovation. Education should be changed from learning by heart to lifelong learning and retraining. The strategy should be discussed and fine-tuned in a dialogue with citizens, NGOs, reform-minded trade unions and representatives of new firms, while the skills of migrants should be deployed, and their children integrated.

Finally, a new strategy requires a narrative that emotionalizes and unites Europe. Europe's old peace narrative no longer moves its citizens, although each and every day we see that peace is not guaranteed – neither in neighbouring countries to the East and South nor in the Western Balkans. Terrorists may strike anywhere, they may even be trained in camps within EU borders. Since Europe´s share in the world population is declining, the story must be based on quality, innovation and partnership. A probable new narrative for Europe could be to take the lead in making globalisation responsible, fighting climate change and offering a larger variety of products, services and life opportunities than any other region in the world.

5.2 Reforms are Needed in Europe

The European Union needs a middle road between centralization and decentralization, or rather a combination of both. This could be achieved by defining fields in which more centrality is needed due to large spill-overs between countries, making national measures costly relative to national gains. Another solution would be to distinguish between important issues and minor ones. A third (and maybe best) approach could set compulsory goals at the EU level, with decentral implementation at the level of member states and further evaluation of the effects by an EU institution or an independent body. The latter mechanism is to some degree used by the fiscal compacts and the European semester. Incidentally, such a mechanism was the base for

successfully committing 190 countries to adopt the Paris Climate Agreement: the goals were jointly defined (and recommended by scientists), each country is obliged to devise a strategy, which is then monitored by a predefined international process (see Aiginger 2017, 2018).

Due to Europe's historical share in environmental emissions and to the opting out of the US in climate questions and humanitarian law, the EU has the chance and obligation to take the lead in fighting climate change. China is starting to grapple with both areas, but is still far from attaining full leadership, given its arduous relationships with Hongkong, Taiwan, the Uighurs and the sweeping technical surveillance of its own citizens.

To counter the destructive activities of national populists, one must engage with their arguments, first and foremost by disseminating facts to counter the anxieties generated by the real or perceived flooding of Europe by migrants of foreign cultures. This must be complemented by establishing an effective external border control and ensuring the fair treatment of recognized refugees. A reformed EU migration strategy must be based on internationally agreed humanitarian law, but also thwarting the shortfall of young people in the East and the South (predicted to rise to 50% of the 20 to 30 years old) and countering the shortage of skilled workers in metropolitan areas in the West. The migration strategy has to include cooperation with the countries of origin, primarily with respect to infrastructure investments as well as education and training. The European Commission is committed to presenting a draft proposal for a New Pact on Migration and Asylum, including the relaunch of the Dublin reform before mid-2020 (Von der Leyen, 2019) – a timeline that is endangered by the even more pressing measures to tackle the COVID-19 crisis.

The role of the European Parliament should be strengthened, giving them the right of own initiatives. More generally, political parties in the EU practically exist only at the national level, while at the Union level there are just loose interest groups based on national parties. Many European concerns (e.g. elections to the EP) are discussed predominantly from a national perspective. Risse (2010) therefore urges the Europeanization of national public spheres "in which European issues are contested and debated" and which helps create a "European polity" even in the absence of a homogeneous European "demos".

5.3 Change maybe around the Corner

Support for populist parties seems to have peaked, especially where they are in power, such as in Hungary, Poland and Turkey. Opposition leaders have scored majorities in elections in Budapest and Istanbul. The inroads of the populist parties in the European elections of 2019 were smaller than expected, reform parties and the Greens are now represented in the European Commission, Italy´s forceful speaker of right-wing populism lost his job, and Austria´s right-wing party had to leave the government after scandals. Fighting climate change has caught up with migration as top issues deciding elections.(note 12)

The new president of the European Commission has announced a European Green Deal and a Social Europe as the new narrative, and she has already started a dialogue with European citizens. She has built a geopolitical Commission which is likely to adopt an active role in international conflicts and invest in partnerships with non-European countries. All this is linked

to the inclusive concept of a European identity which provides for an open discussion among reform parties concerning shortcomings in the economy and society. The ensuing dynamics could promote a leading role for Europe in the globalizing world, stepping into the vacuum resulting from the retreat of the US from multilateralism and the unfolded deficiencies of the Chinese model.

In the European Parliament, such a strategy is opposed only by the right-wing faction calling themselves "Identity and Democracy". Several members of this faction are in conflict with democratic principles at home and all are advocating a polarizing concept of identity built on the perceived homogeneity and superiority of their nation, culture and religion.

5.4 Reactions to COVID-19

It is much too early to speculate about the consequences of the COVID-19 health crisis and the deep recession it has caused. What can be said empirically is that countries reacted differently according to the policy doctrine of the respective government. When the first casualties became known, governments in Hungary, Poland, the UK, the US and Brazil either downgraded the importance of the problem or blamed outside forces for their occurrence, partly also restricting democracy and calling for emergency power for the government. Mainstream parties and pro-European groupings tried to mitigate the problem through internal rules, expecting solidarity and timely assistance from the EU. The initial reaction from the Community level appeared disappointing, largely due to the lack of competency in health matters, but also the result of diverging national interests in Council meetings. Only step-by-step have rules been developed which promise to forfeit protectionism and end up in mutual assistance. Pro-Europeans hope that further reforms in governance will improve the position of all member countries to be better prepared for handling any future crisis. The experiences from the rules developed after the global financial crisis to strengthen the Euro and the banking system are at hand and should be used.as example for learning from a crisis handling also the health crisis that way instead of accusing foreign forces is a diametrical contrast to the prescriptions of right-wing populists and the concept of exclusive identity.

6. Summary: Why the Dichotomization Makes Sense

More distinctly than usual in the socio-economic literature, we dichotomize between an inclusive and an exclusive type of collective identity. This encourages to analyse the progress and the backlashes of an evolving European identity as a research field of the welfare-increasing effects of the inclusive type, but also the reforms which are needed, given the inroads of exclusive populism on the one hand and the vision of a Europe "striving for more" by the new European Commission on the other.

The European integration project is a role model for the impact as well as the further development of an inclusive collective identity. Exclusive attitudes would glorify national and regional confinements and limit rising welfare resulting from common solutions. Individuals as well as societies are loaded with identities, comprising individual components, like personal and social identity, as well as collective ones, like cultural or political identity. An inclusive

identity encompasses openness to new solutions and international cooperation. The increasing self-assessment of citizens as "national plus European" is an example of such an inclusive, welfare-improving identity that became a driver of the successful European integration model – partly in response to the memory of wars within Europe. Today, more than half of the citizens in each member state and three quarters on average across all EU countries declare themselves as also European. Over time, this has allowed to reduce trade barriers, provide free movement for private and professional purposes, and create a common currency for the majority of member states. All of this has boosted welfare and limited protectionist activities with their negative externalities on other countries.

But European integration has not been smooth. The recovery after the Financial Crisis proved sluggish, with incomes decreasing in the South. The catching up of Central and Eastern European Countries continued, but not at an equal speed and not for all regions and citizens. In general, spatial differences in unemployment and inequality have not shrunk as quickly as expected, and some regions feel "forgotten", often as the result of the emigration of young citizens.

Right-wing populist parties have stepped in, fostered by economic problems, but also for cultural reasons. Extreme political strands warn of an "exchange of the population", vastly overblowing the share of Muslims among immigrants and ignoring the need for immigration in an ageing Europe. Some of these extreme groups are organized as "Identitarians", and all have xenophobic tendencies and call for extreme nationalist policies. When right-wing populists attain power, economic problems tend to worsen, rules are changed. The division of power is reduced, if not eliminated, and foreign enemies are invented, whether in the person of George Soros or as European institutions. In the European Parliament, populist parties – now organized in the fraction "Identity and Democracy" – vote against fighting climate change, but also demand the renationalisation of many policy areas. Learning from other cultures is impeded, even if it is evident that cultural diversity improves choices, and health and management.

These tendencies can be summarized under the exclusive type of identity, which supports protectionism and renationalisation, penalizes minorities within a country and prevents learning from other cultures. This type does not tend to increase well-being, or the choices of individuals or countries.

We conclude with an optimistic assessment that change is around the corner. The inroads of populist parties in the 2019 EP elections were lower than expected, and reform parties in the middle of the political spectrum (including Green parties) made larger gains and are represented in the new European Commission. Surprisingly, proclaiming European citizenship (at least together with national citizenship) dominates in all EU member countries and has not declined – if anything, it has increased over the past five years. In none of the 27 member countries is there a majority for an exit from the EU. Trust in European institutions is larger than in national government. The New European Commission and its president call on Europe to strive harder to take the lead in fighting climate change and shaping a responsible globalization path with partnerships in the East and the South. Towards this end, Ursula von

der Leyen has chosen the "European Green Deal" as a new narrative and proposes developing a Social Europe. Under this strategy, an inclusive European identity will further be strengthened, while the feelings of superiority versus minorities and foreign cultures is likely to decline.

Even the COVID-19 crisis may finally demonstrate the importance of inclusive concepts. The first reactions were national, and populists used the pandemics to bash foreigners and migrants as culprits. But gradually countries have started to assist each other and look for best practice. This was supported by the European Commission, which has little competence in the health sector but is now developing rules for coping with the crisis and mobilizing financial resources for poorer or more indebted countries with inefficient health systems. And there is hope that after this crisis the resilience of Europe with regard to further crises will have increased, thereby imitating the improved stability of the banking system after the reforms induced by the Financial Crisis.

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Notes

Note 1. See e.g. Jesse and Williams (2005), Rumelili (2007), Curtis (2014), Spitka (2016).

Note 2. Such a movement is to some degree absent in Belgium (though mitigated by Brussels becoming the European capital) or Ireland, which was for a long time separated by a religious divide, but in which all parties are now heavily opposed to a new border between the North and the South.

Note 3. The "heartland" it occupies, to use the notion of Taggart (2012).

Note 4. A somewhat related dichotomy is applied by Priester (2012) when she distinguishes between left-wing ("inclusive") and right-wing ("exclusive") populism. More generally, Luhmann (2005) takes a systems-theoretical view of the inclusion/exclusion relationship and concludes that individuals are never completely excluded or included (see also Mascareño and Carvajal, 2015).

Note 5. For an overview, see e.g. Wilson and van der Dussen (1993).

Note 6. Article 2 of the Consolidated Version of the Treaty on European Union (Official Journal of the European Union, 26 October 2012, C 326/15, https://eur-lex.europa.eu/resource.html?uri=cellar:2bf140bf-a3f8-4ab2-b506-fd71826e6da6.0023.02/DOC_1&format=PDF).

Note 7. Maghularia and Uebelmesser (2019) provide evidence for Germany for the period 2003–2016. Based on panel-data and correcting for unknown heterogeneity, spatial correlation and endogeneity, the authors conclude that immigrants do not increase the crime rate. For additional evidence, see the literature quoted in this study.

Note 8. Article 20(1) of the Treaty on the Functioning of the European Union (TFEU) states that "Every person holding the nationality of a Member State shall be a citizen of the Union". However, the acquisition of citizenship is regulated exclusively by the law of the Member State conferring it (for details, see Frendo, 1919).

Note 9. The trust for regional and local institutions is somewhat higher than for the EU-institutions, demonstrating the importance of the subsidiary principle.

Note 10. It is evident that all these improvements will never happen through protectionism, and that past jobs and family structures will not return. Furthermore, it needs to be stressed that heterogeneity is not negative and animosity towards outsiders or foreigners does not solve

problems.

Note 11. Aiginger (2017, 2018).

Note 12. Economists seem to have partly descended from their ivory tower to include societal problems in their agenda, with GDP substituted by Sustainable Development goals and a movement towards interdisciplinary discussions. New interdisciplinary think tanks are on the rise. Young people are more than ever interested in the future of the planet and infecting their parents and teachers with their concerns.

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