

THE EU CRISIS – REFLECTION ON IDENTITY AND EQUALITY

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The debt of the state is a relative thing. State debt is usually viewed as a percentage of gross domestic product (GDP) because the ability of the country to repay the debt depends on its gross domestic product. One of the ways to avoid the consequences of different fiscal policies of the EU countries and potential crisis was the adoption of the Stability and Growth Pact, which does not allow the budget deficit in one year to exceed 3% of GDP, and total public debt of 60% of GDP. However, the deal from the very beginning was not very applicable. Already when entering the eurozone some countries had more debt than permissible, while the others began to realize deficits above the agreed limit. For the breaches of the Stabilizing Pact rules there were not enough sanctions and the Pact soon became inefficient. In this sense some statistical data are listed (Eurostat newsrelease euroindicators 2013¹). At the end of the second quarter of 2013, the government debt (total public debt) to GDP ratio in the euro area (EA17) stood at 93.4%, compared with 92.3% at the end of the first quarter of 2013. In the EU28 the ratio increased from 85.9% to 86.8%. Compared with the second quarter of 2012, the government debt to GDP ratio rose in both the euro area (from 89.9% to 93.4%) and the EU28 (from 84.7% to 86.8%). The highest ratios of government debt to GDP at the end of the second quarter of 2013 were recorded in Greece (169.1%), Italy (133.3%), Portugal (131.3%) and Ireland (125.7%), and the lowest in Estonia (9.8%), Bulgaria (18.0%) and Luxembourg (23.1%). The disregard of these indicators has led to a series of economic, political and social "earthquakes" within the EU.

Greece had a problem before its entry into the eurozone. Although it was an open secret, later it was publicly announced that this was achieved with the manipulation of budget numbers by the state officials, in which the investment bank Goldman Sachs helped. The fact is that Greece accumulated debt and it is undeniable fault of several previous Greek governments during the last decade. Spillover effect was a result of high level of interdependence within the EU countries. Wind of the Greek crisis initiated the waves of nationalism in the EU countries, first of all in Germany and the UK, that started to shake the European Union. So, where is the responsibility?

¹ Eurostat (2013) Eurostat Newsrelease Euroindicators 153/2013. [Internet], 23 October Available from: < http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-23102013-AP/EN/2-23102013-AP-EN.PDF > [Accessed 10 June 2014].

From 2008, the fear of losing national identity within the EU was more intense, due to important factors such as the global crisis, the rise of unemployment or immigration. In such a disputed social and cultural context, affected by a deep interdependent economic and financial crisis, the EU values of tolerance and empathy, have become increasingly challenged. The current economic crisis paved the way for the re-emergence of nationalism and nationalist governments which have a strong effect on the country's politics, economy and social life. Economic issues in special national configuration of the union were easily transformed into political and national issues. When there is a gap between "rich states" (German and France) and "poor states" (Spain and Greece), there is desire to escape from "poor brothers". Marine le Pen said that the victory of the National Front Party in the European elections (May, 2014) was the first step in a long match to the recovery of French identity from the EU. Great Britain is also a good example for describing the fear of losing identity. Although just after the access into the EU already in the 1970s the British began to deviate from the principle of solidarity in the European Union by insisting on fair repayable use. According to this idea, each member state should have to explicitly consider the relationship between what it gives and what it receives from the EU. There is a sense that the British could not accept the idea to be just "an element" of the "system" such as the EU. Egoism, national pride and fear of losing identity made them always protesting about the membership in the EU.

The idea of respecting equality within the EU is questionable. In the recent past (2011) there were suggestions from Nicolas Sarkozy for a European union on multiple "tracks" although this is contradictory to the EU main principles such as solidarity and equality. According to Sarkozy's idea, one track should be followed by the rich countries in Europe those with a higher degree of integration in the eurozone and the second track the rest of the countries leading towards the confederation of states. It could be dangerous if the decision of a "two tracks" Europe lays on the "first gear" EU countries. In this respect the question of Turkish integration is very symptomatic. One of the worrying problems is that the main theoretical concepts of the EU are not so complementary with EU behavior in practice which refers to equality and solidarity.

Considering a globalised economy, Europe needs to unite and remain competitive and democratic, but also to transform its institutions and politics towards a stronger and fairer Europe. If nationalism wins over Europe, the cohabitation of EU states will be questioned. Time will show if the EU will be resistant enough to challenges of crises.