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Critical Exchange on N*ext*G*eneration*EU

Crises and the Limits of the Possible

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A crisis on the scale of Covid-19 leaves its mark on the political imagination, but what kind of mark is less clear. In one perspective, periods of crisis are enhancing. They provide demonstration of the fragility of the *status quo* and the possibility of doing things differently – things that expand our horizons. Variations on this idea have recurred in Europe and North America for several years. In the wake of the 2008 financial crash, many observers felt that the scope for political agency, especially that of the state, had been reaffirmed. Neoliberal discourses about the limits of authorities' capacity to act in economic affairs seemed to have been undone by governments' moves to support failing banks. Faced with an unpalatable alternative, institutions suddenly found the resources and will to act. Never again, felt some, would authorities be able to present themselves as incapable of intervention – they could present themselves only as unwilling. In this reading, the extraordinary policy measures taken in response to a crisis open new political vistas, showing that other worlds are possible. Once drastic measures have been taken, albeit in the name of necessity, a precedent exists for their redeployment in the future, this time perhaps of volition.

In a second perspective, the political meaning of a crisis is quite the reverse – it is to introduce new constraints on the possible. The effect of taking drastic measures to handle a difficult situation is seen as being exactly to rule out further actions of this kind. This was the argument that underpinned the austerity policies adopted by EU states through much of the 2010s. The claim was that the debts incurred in 2008 had placed such a burden on state finances that spending would now have to be radically reduced. Actions taken in the crisis were thus cast as wholly exceptional. In this view, not only

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does it not follow that measures taken of necessity may later be repeated: rather, the very fact that they have been adopted once rules out the possibility of their adoption for the foreseeable future. Rather than opening new political horizons, in this view crises close them down.

Variations on these two positions, which are part of political discourse as much as analysis, have been prominent in the context of Covid-19.[1] One sees the idea that crises broaden the scope of the possible in the notion that the pandemic response provides a template for fighting climate change.[2] The willingness of governments to impose lockdowns and restrict travel, slowing economic activity and profit accumulation for an indeterminate period, has been widely highlighted as evidence that action on climate change is possible if only governments recognise the seriousness of the threat. Crises in this view demonstrate the potential for more ambitious, activist forms of government. (Such arguments recall the early-twentieth-century origins of the welfare state in the transferral of wartime mobilisation to peacetime government.) Conversely – often by the powerful – the pandemic has been cast as presenting new *obstacles* to political agency. It has been recruited to justify sticking more closely to the status quo ante, on the idea that alternatives are now harder to pursue. As a British Conservative MP declared in spring 2021, "everybody in an ideal world would love to see nurses paid far more [...] but we are coming out of a pandemic where we have seen huge borrowing and costs to the government" (Dorries 2021). Nurses would have to make do with a 1% rise.

In truth, neither the crisis-as-enabling perspective nor the crisis-as-disabling one gets it right. Contra the second perspective, there is no necessary reason why crises should signal a major diminution of

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[1] For simplicity in this short piece I restrict discussion to these two paradigmatic approaches, but it is worth noting the existence of variations, including transformations that are dystopian rather than progressive. Consider, for instance, how the use of new technology during the pandemic – for remote learning, public health surveillance, and healthcare – has been embraced by some as demonstrating the potential to do away with a range of jobs in the public and private sectors, albeit at the cost of heightened unemployment and worsened working conditions. On the 'Screen New Deal', see Klein 2020.

[2] https://www.bbc.com/news/science-environment-55498657.

agency. Not all initiatives cost more money than they generate, and to the extent that they do there tend to be borrowing options available. The suggestion that there are not was the great fallacy of austerity. Policy-makers have been able to 'find the money' more than once – in the banking crises of the early 2000s, but also in the lockdowns of the early 2020s. Yet contra the first perspective, one needs to be cautious in assuming that crisis-led actions demonstrate the breadth of options available. First, the condition of these acts of agency may be that they can be credibly presented as responding to necessity – pursued in other contexts, they would surely be harder to carry off. Second, another condition of their adoption is likely to be belief that they do not challenge existing interests and priorities in a fundamental way. However activist crisis decision-making may be, and however many policy innovations it may include, very often it is in the service of existing commitments and the status quo ante. New means are adopted, and old ones discarded, but generally for the sake of established ends – this is change in the name of fidelity (White 2017), and agency that is kept in the hands of the few. The prospects for redeploying such agency for transformative, democratically-chosen ends are therefore a separate matter.

The European Union as it emerges from Covid-19 is the object of such competing interpretations today. Invoking the optimistic logic of enablement, many herald the policy measures associated with N*ext*G*eneration*EU as something more than a temporary regime, as evidence of the obsolescence of austerity thinking and the beginning of something new. In this view, policy-makers have been forced of necessity to develop innovative mechanisms of collective borrowing, common debt and quantitative easing, and however much they may have presented these as exceptional measures to stabilise the situation at hand, the effect is to establish a lasting precedent. Confronted with the crisis, authorities are said to be on the cusp of a new economic outlook that can be harnessed for a new set of projects, including a Green New Deal.[3]

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[3] https://ec.europa.eu/info/strategy/recovery-plan-europe_en. Important to note here is that policy-makers can use extreme circumstances to rationalise shifts they were inclined to make anyway, either because previous (austerity) policies were increasingly dysfunctional or unpopular. An emergency context allows decisions to be presented as responses to necessity. Whereas under 'nor-

It seems premature though to see the pandemic response as transformational in this way, for it remains consistent with the reassertion of existing economic priorities. Not only was the R*ecovery and* R*esilience* F*acility* agreed by the European Council in July 2020 explicitly presented as temporary.[4] The grants it makes available come with additional monitoring powers for the Commission and Council, and an emergency brake allows any national government to suspend the process should it have concerns about the direction of reform.[5] Access to its funds is thus conditional on commitment to the agenda of existing policy,[6] and the possibility of turning the tap off, even if temporarily, becomes a way to enforce this agenda. There have been no moves to write off the sovereign debts of eurozone member-states. It is hard to exclude then that austerity policies may return as a way to balance budgets. It was the mistake of many social democrats in the wake of 2008 to assume that a taboo on high public spending had been definitively broken – that the crisis would be enabling in this sense. This overlooked the resonance that the austerity argument would have, including with mass publics. How far things have really changed today is likely to become apparent only when a left-wing government comes to power in a eurozone member-state and embarks on a policy of high spending and wealth redistribution.

The handling of the pandemic as an opportunity for retrenchment is also evident in the sphere of migration. Since March 2020, EU member-states have invoked the health emergency as a pretext for stripping back the assistance given to refugees and asylum seekers. Securing the public health of the national population has been taken to warrant closing national borders to outsiders, hence e.g. quarantine ships in Italy

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mal' conditions a policy reversal may invite charges of inconsistency or lack of principle, taken under emergency conditions it can be cast as a pragmatic response to changed conditions. Emergencies help policy reversals to be rationalised in a way that upholds the credibility of the policy-maker.

[4] See Art. 4 of the Council Conclusions: https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf.

[5] Arts. 18-19.

[6] I.e. that anchored by the 'European Semester', as emphasised by Economy Commissioner Gentiloni: https://ec.europa.eu/commission/presscorner/detail/en/speech_20_960.

and the suspension of asylum applications in Greece.[7] At a European level, the Commission's new P*act on* M*igration and* A*sylum* of September 2020 states one of its aims as hardening the EU's external borders, and it allows states to derogate from asylum commitments in situations of crisis.[8] The P*act* seeks also to increase the involvement of third countries (e.g. Turkey) in controlling migration and processing claims, externalising responsibility beyond Europe's borders and encouraging return migration.[9] Frontex meanwhile has expanded its activities into the air, with drones that can monitor migrants at sea at lower cost and without being diverted into rescue.[10] In these ways, Covid-19's double threat to public health and to public finances has been used effectively but not progressively. The crisis acts as the occasion for new measures, but these are directed at reinforcing existing goals and entrenching the *status quo* rather than cultivating the agency with which to break from it.

Crises then, just as they promise to push back the limits of the possible, give defenders of the existing order a pretext on which to seek to consolidate it and to argue the impossibility of meaningful change (White 2019). We should be cautious in seeing the EU as fundamentally transformed by recent events, or newly capable of transformation. Certainly there has been extensive policy activity, and quite possibly there is the opportunity to push for more change – the idea that crises are disempowering in a general sense is false. One can only find the boundaries of the possible by testing them, and to this extent there is reason to cultivate public pressure. But it is too early to say that these boundaries have been significantly pushed back. Politically it may be useful to act as though they have been, but analytically there are reasons to hold back.

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[7] https://theconversation.com/how-covid-19-became-a-cover-to-reduce-refugee-rights-156247.

[8] 23 September 2020: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1706); for critical commentary see https://www.hrw.org/news/2020/10/08/pact-migration-and-asylum.

[9] See also the N*ew* EU S*trategy on voluntary return and reintegration* (27 April 2021), to be supported by Frontex (https://ec.europa.eu/commission/presscorner/detail/en/ip_21_1931).

[10] https://fragdenstaat.de/en/blog/2021/08/24/defund-frontex-build-sar/.

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