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**A Divided Union in a Time of Crisis:** Understanding political contestation in the European Parliament amid the European sovereign debt crisis

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**MA Programme Euroculture  
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## **ABSTRACT**

The economic turmoil engendered by the collapse of the subprime mortgage market in the US turned into a sovereign debt crisis in the Eurozone in 2010. The debt crisis has put an end to the time of permissive consensus. Euroscepticism has transitioned into mainstream politics within the EU Member States as the public have become more skeptical towards the European project. In the meantime, EU leaders have empowered the EU's competences. The EU began to intervene in national budgetary policies and established a permanent stability mechanism for the euro area. This study examines how different European political groups in the European Parliament responded to the EU's crisis management measures while drawing on the speeches of MEPs from EPP, S&D, ECR, EFD and GUE/NGL. By doing so, it delves into the impacts of the crisis on EU politics, particularly the lines of conflict in the Parliament, and, in what ways, European solidarity was conceptualized by different political groups in the Parliament. The study shows that, amid the crisis, the pro-/anti-EU dimension has become more substantial in political contestation which is in line with the rise of Euroscepticism. It also identifies the center-periphery dimension through which the structural asymmetries of the Eurozone were contested and different standpoints within political groups can be understood. Lastly, it reveals the importance of a multidimensional approach to the concepts of European solidarity employed by different political groups.

## **Keywords**

European sovereign debt crisis, European Parliament, Euroscepticism, European solidarity, Center-periphery divide

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## INTRODUCTION

The economic turmoil engendered by the burst of the housing bubble in the US turned into a sovereign debt crisis in the Eurozone from 2010 onwards. As the European Union (EU) underwent one of its most serious crises, the Eurozone crisis has affected the political dynamics in the EU. When the crisis struck, it became distinct that the Economic and Monetary Union (EMU) had an unfair feature in the sense that some fared better than others under the same system of rules.<sup>1</sup> During the Euro crisis, European integration has become more pronounced, and the salience has headed the Eurosceptic standpoint.<sup>2</sup> Before the Euro crisis, the dominant line of conflict in EU politics was the left-right dimension while the pro-/anti-EU dimension stayed at the periphery.<sup>3</sup> The debate about European integration thus mainly focused around the nature and timing of enlargement in the time of permissive consensus.<sup>4</sup> As the Eurozone crisis put an end to the time of permissive consensus, Euroscepticism has transitioned into mainstream politics. As a consequence, the question of more or less European integration has overwhelmed the question of what kind of European integration.

Even though the public have become more skeptical towards the EU, large established political parties have not actively responded to this change and sought to depoliticize European integration due to their established pro-EU reputation.<sup>5</sup> This strategic decision of mainstream parties has left a clear ‘representational opening’ for Eurosceptic parties to take advantage of.<sup>6</sup> As a consequence, Eurosceptic parties of both the Left and the Right experienced unprecedented success in the 2014 European parliament (EP) elections.<sup>7</sup> The swelling public Euroscepticism has resulted in increasing support for parties expressing Eurosceptic standpoints, and Euroscepticism has become a

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<sup>1</sup> Erik O. Eriksen, “Structural Injustice: The Eurozone Crisis and the Duty of Solidarity,” in *Solidarity in the European Union*, ed. Andreas Grimmel and Susanne My Giang. (Cham: Springer International Publishing, 2017), 100.

<sup>2</sup> Hajo G. Boomgaarden et al., “Mapping EU Attitudes: Conceptual and Empirical Dimensions of Euroscepticism and EU Support,” *European Union Politics* 12, no. 2 (2011): 247.

<sup>3</sup> Simon Otjes and Harmen van der Veer, “The Eurozone Crisis and the European Parliament’s Changing Lines of Conflict,” *European Union Politics* 17, no. 2 (2016): 259.

<sup>4</sup> Paul Taggart and Aleks Szczerbiak, “Putting Brexit into Perspective: The Effect of the Eurozone and Migration Crises and Brexit on Euroscepticism in European States,” *Journal of European Public Policy* 25, no. 8 (2018): 1198.

<sup>5</sup> Swen Hutter and Hanspeter Kriesi, “Politicizing Europe in Times of Crisis,” *Journal of European Public Policy* 26, no. 7 (2019): 1003.

<sup>6</sup> Robert Rohrschneider and Stephen Whitefield, “Responding to Growing European Union-Skepticism? The Stances of Political Parties toward European Integration in Western and Eastern Europe Following the Financial Crisis,” *European Union Politics* 17, no. 1 (2016): 156.

<sup>7</sup> Nathalie Brack, *Opposing Europe in the European Parliament* (London: Palgrave Macmillan UK, 2018), 3.

salient and persistent phenomenon across Europe amid the Eurozone crisis.<sup>8</sup> Although the EU and European integration was heavily contested amid the economic meltdown of the Eurozone, Member States of the EU decided to empower competences of the EU to counter the crisis. The EU provided a series of unprecedented bailouts to safeguard the stability of the Eurozone and enlarged the budgetary oversight power of the European Commission (EC) to restrict the fiscal policy space of the Member States.<sup>9</sup>

### **The Eurozone crisis**

The European sovereign debt crisis was a multi-year debt crisis and had its roots in the 2008 financial crisis that took place in the United States due to the collapse of the subprime mortgage market. In response to the sudden drop of trust in the financial markets, national governments increased their national budget to inject money into the economy to expand economic activity. Since the Eurozone adopts a single currency, increasing their national spending was nearly the only feasible option for Member States of the Eurozone to combat the external economic shock.<sup>10</sup> Several Eurozone Member States – Greece, Portugal, Ireland, Spain and Cyprus – were unable to refinance their government debt or to nationalize over-indebted national banks under their national supervision without the assistance of third parties due to their sizeable budget deficits.<sup>11</sup>

The onset of the Euro crisis was at the end of 2009 when George Papandreou, Prime minister of Greece, disclosed that the budget deficits of Greece were much higher than previous announcements. Financial markets nervously reacted to the disclosure, and the spread between Greek and German 10-year bonds had risen from 2% to 4%. Greece was not able to borrow money on the financial markets as the trust of financial markets in Greece plummeted. The Greek government approached the International Monetary Fund (IMF) to get financial assistance, but the IMF refused to provide it because there was no prior consent of Eurozone Member States on that matter. Europe's heads of state and government gathered in February and March of 2010 to discuss financial assistance to Greece but remained reluctant to provide it. Although EU leaders understood that Greece needed external help to counter the economic shocks, the EU failed to respond

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<sup>8</sup> Daniel Stockemer et al., "Immigration, Anti-Immigrant Attitudes and Euroscepticism: A Meta-Analysis," *French Politics* 16, no. 3 (2018): 332.

<sup>9</sup> Michael W. Bauer and Stefan Becker, "The Unexpected Winner of the Crisis: The European Commission's Strengthened Role in Economic Governance," *Journal of European Integration* 36, no. 3 (2014): 226.

<sup>10</sup> Paul Krugman, "Revenge of the optimum currency area," *NBER Macroeconomics Annual* 27, no.1 (2012): 445.

<sup>11</sup> Eriksen, 105.

promptly.<sup>12</sup> For some months after its beginning in 2010, policy-makers of Europe regarded the crisis as a policy problem for the peripheral Eurozone countries such as Greece, Ireland and Portugal rather than as a European banking crisis. Thus, the politics of response has been dominated by intense conflict about who bear those risks.<sup>13</sup>

By the time when Greece received an EU-IMF bailout package in early May, the spread between Greek and German 10-year government bonds had widened to 10%, and the crisis was spreading to Ireland and Portugal. With the fear of what could happen if the crisis were out of control, the leaders of the EU realized that the health of their own economies significantly depended on the fate of countries in the Union.<sup>14</sup> The EC and the ECB declared that they had agreed to use the full range of means available to safeguard the financial stability of the Eurozone. In line with this unprecedented agreement, the EU established its own European Financial Stability Facility (EFSF) as a temporary measure to ensure financial stability in Europe. Later in October 2010, the EFSF was transformed into the European Stability Mechanism (ESM) – a treaty-based financial institution – as a permanent rescue mechanism. The EFSF and the ESM were very unconventional decisions due to the no-bailout clause of the Lisbon Treaty, and this has sparked controversy within the Eurozone.<sup>15</sup>

Following the bailout for Greece, financial assistance was extended to Ireland and Portugal respectively in November 2010 and May 2011. European leaders also agreed on a second Greek package in July 2011 and bailed out Cyprus in June 2012. In the meantime, the recapitalization of the Spanish banking system was supported with 100 billion euros. As the EU intervened in several Eurozone countries which were heavily hit by the external shocks, the power of the EU in the realm of budgetary decision-making was expanded as well.<sup>16</sup> In order to ensure that Member States could not overspend in the future, Member States of the EU agreed to expand the budgetary oversight powers of the Commission.<sup>17</sup> This resulted in the Fiscal Compact, which gave the EC the power to restrict the fiscal policy space of the Member States by enforcing the budget deficit rules. The Fiscal Compact – also referred to as the Treaty on Stability, Coordination and

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<sup>12</sup> Jean Pisani-Ferry, *The Euro Crisis and Its Aftermath* (New York: Oxford University Press, 2011), 78.

<sup>13</sup> Peter A. Hall, “The Economics and Politics of the Euro Crisis,” *German Politics* 21, no.4 (2012): 367.

<sup>14</sup> Pisani-Ferry, 79.

<sup>15</sup> *Ibid.*

<sup>16</sup> Otjes and van der Veer, 247.

<sup>17</sup> Bauer and Becker, 226.



Governance in the Economic and Monetary Union (TSCG) – is a stricter version of the Stability and Growth Pact (SGP) and entered into force in January 2013.<sup>18</sup>

In the time of permissive consensus, Europeans successfully transformed the European project into a political system through a series of treaty revisions. The European sovereign debt crisis put an end to this optimistic time and plainly disclosed the structural vulnerabilities of the political system. The public have become more skeptical towards European integration, and the Eurosceptic voice was widely shared within the EU. Even though the EU and European integration were heavily contested, Member States of the EU have strengthened competences of the Union to counter the crisis through the aforementioned unprecedented measures and agreements. The European sovereign debt crisis has transformed the structure of the EU towards a more integrated monetary union as the Commission began to co-determine national budgetary policies and established a permanent stability mechanism for the Eurozone. As a consequence, the Eurozone Member States have become more connected to the Monetary Union. This study focuses on *two sides of the same coin*. The European sovereign debt crisis not only has increased saliency of Eurosceptic stance, but also has catalyzed further integration within the EU. Along with this noteworthy phenomenon, furthermore, this study delves into the structural asymmetries within the Eurozone, namely the *center-periphery divide*, that the Eurozone crisis manifested.

### **The center and the periphery**

The Eurozone together shares the common currency and the common monetary policy. When the economic shock from the US struck the zone, however, the impact was not monolithic due to the domestic endogenous nature linked to ‘long-lasting structural asymmetries’ between peripheral and central economies.<sup>19</sup> The center-periphery model is ‘a spatial metaphor’ that illustrates and attempts to elucidate the structural relationship between the advanced ‘center’ and less developed ‘periphery’. The growth in the center is dependent on the growth in the periphery, and vice versa.<sup>20</sup> In the context of the Eurozone, the countries pursuing the export-led growth strategies belong to the center (Northern Europe), and the periphery consists of the Member States operating a demand-

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<sup>18</sup> Eriksen, 100.

<sup>19</sup> Alberto Botta, “Structural Asymmetries at the Roots of the Eurozone Crisis: What’s New for Industrial Policy in the EU?,” *PSL Quarterly Review* 67, no. 269 (2014): 170.

<sup>20</sup> John Scott, *A Dictionary of Sociology* (Oxford: Oxford University Press, 2014), 65.

led growth model (Southern Europe, in general). The structural strains were generated when different types of political economies were joined in a currency union.<sup>21</sup>

A fixed internal exchange rate within the Eurozone had enlarged massive structural imbalances before the onset of the sovereign debt crisis. The export-led strategies of the central economies generated large structural current account surpluses. The trade surpluses of the center were recycled as private credit flows to the peripheral economies, and this resulted in substantial current account deficits in the periphery.<sup>22</sup> These deficits increased the levels of debt in the peripheral countries which raised the vulnerability to the kind of global financial crisis.<sup>23</sup> As a consequence, the impact of the external economic shock was asymmetric. The crisis also magnified the gap between the vulnerable periphery (so-called, debtors) and the more resilient center (creditors).<sup>24</sup>

Political division was more visible between the two regions. In the center, the popular narrative for the crisis was that Southern Europe has tried to avoid paying for its own mistakes. In the periphery, the narrative was mostly that the EU led by Germany was imposing excessive austerity measures on the countries in difficulty.<sup>25</sup> To encompass political dynamics around the structural asymmetries between the center and the periphery amid the crisis, this study incorporates the *center-periphery dimension* into the theoretical lens along with the aforementioned dimensions – the left-right dimension and the pro-/anti-EU dimension – to investigate political contestation around the EU-led crisis management in the European Parliament. In other words, through the lens, this study delves into how the crisis has shaped the lines of conflict in EU politics by particularly looking at different responses of different political groups towards the EU's crisis management measures.

The growing saliency of Europe and Euroscepticism amid the Eurozone crisis has led most European political arenas to discuss Europe as a political issue.<sup>26</sup> Among many political arenas in Europe, this study particularly centers on the European Parliament since Members of the European Parliament (MEPs) – directly elected by EU citizens –

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<sup>21</sup> Hall, 358.

<sup>22</sup> Engelbert Stockhammer, "Neoliberal Growth Models, Monetary Union and the Euro Crisis. A Post-Keynesian Perspective," *New Political Economy* 21, no. 4 (2016): 370.

<sup>23</sup> William Bartlett and Ivana Prica, "Interdependence between Core and Peripheries of the European Economy: Secular Stagnation and Growth in the Western Balkans," *SSRN Electronic Journal* 104, (2016): 4-5.

<sup>24</sup> Pisani-Ferry, 81.

<sup>25</sup> Neil Dooley, "Growing Pains? Rethinking the 'Immaturity' of the European Periphery," *Millennium: Journal of International Studies* 42, no. 3 (2014): 937.

<sup>26</sup> Taggart and Szczerbiak, 1999.

represent the diverse voices of the public across the Union. In the Parliament, different MEPs represent different political standpoints as well as different Member States. Therefore, the Parliament is considered in this study as a convenient laboratory for the study of political contestation widely observed across the EU amid the Eurozone crisis. As a matter of course, it is substantial to take into consideration the particular nature of political representation at the supranational level. However, MEPs are, first and foremost, representatives with similar motivations and constraints as those of their national counterparts.<sup>27</sup> Therefore, *1) this study attempts to investigate how different European political groups (EPGs) in the Parliament have responded to the EU's crisis management with varying lines of argument.* EPGs' political contestation of the EU's response to the Eurozone crisis in the Parliament will be a substantial guide to understand how the crisis has influenced the lines of conflict in EU politics.

Furthermore, it is inevitable to discuss European solidarity when it comes to arguing or disagreeing about an EU-led crisis management. A crisis management at the supranational level is grounded on the understanding that the Union faces a crisis as an integrated whole, and this requires coordinated responses within the EU for the sake of the Union. Based on a framework of two-dimensional space of politics; the Left-Right dimension and the pro-/anti-EU dimension, along with the center-periphery dimension, this study thus seeks to capture how different EPGs conceptualized European solidarity in various ways when it comes to discussing the EU's response to the Eurozone crisis. In other words, *2) this study aims to identify frames that shaped the way in which European solidarity was constructed and argued by EPGs.*

The Eurozone crisis has rapidly increased the crisis narrative about the EU across the Union. In this regard, it can be argued that the seventh Parliament underwent a transformational moment in the history of the Union. In line with this development, Euroscepticism has generated a plentiful amount of scientific studies.<sup>28</sup> Scholars have highlighted the heterogeneity and complexity of attitudes towards the European project.<sup>29</sup> However, the impacts of the Eurozone crisis on the lines of conflict in the European Parliament have not been studied sufficiently. Furthermore, scholars have neglected the center-periphery divide within the euro area when it comes to investigating political contestation in the EU. This study thus aims to address this gap. Rather than drawing only

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<sup>27</sup> Brack, 6.

<sup>28</sup> Taggart and Szczerbiak.

<sup>29</sup> Brack, 4-5.

on the two-dimensional framework, it seeks to understand and explain how the Euro crisis has influenced lines of conflict in the EP by considering not just the Eurosceptic background, but also the central or peripheral background of MEPs.

In addition, this study pursues the other substantive contribution to the study of EU politics. As noted above, a crisis management at the supranational level requires coordinated responses within the EU for the sake of the Union. This means that it is crucial to understand how different EPGs conceptualized European solidarity to argue for the EU's crisis management measures. However, the existing research largely focuses on the legal aspect of European solidarity. This study thus attempts to add to the limited literature on European solidarity, particularly amid the Eurozone crisis, by exploring different concepts of European solidarity with tools of comparative politics. Doing so, it is expected to offer a more general reflection on which dimension was significant when it comes to shaping European solidarity in substance.

### **Structure of the research**

This study is comprised of six chapters. After this introduction, Chapter 2 presents the theoretical foundation of the study. It offers a critical review of four strands of literature: dimensionality of EU politics, Euroscepticism, Eurosceptic European political groups and European solidarity. Chapter 3 presents the study's research design and methods to explore the sovereign debt crisis's impact on political contestation in EU politics. Chapter 4 provides an in-depth analysis of how different EPGs approached to the EU's response to the Eurozone crisis. It uses figures to present argumentation structures of different groups. The Discussion briefly summarizes the main arguments and empirical findings. It then examines how the crisis has shaped the lines of conflict in the Parliament. Lastly, the Conclusion claims that the EU's response to the COVID-19-induced economic crisis is a chance for the EU to manifest what it means to be a united Europe.

## **THEORETICAL BACKGROUND**

In this chapter, the theoretical framework of the study is presented. The chapter mainly consists of four sections. Firstly, the dimensionality of EU politics is presented to investigate political contestation in the EU. The subsequent part discusses different theoretical approaches to Euroscepticism, and the conceptualization of Euroscepticism provides the basis for differentiating European political groups (EPGs) in the Parliament. In light of this, the third part provides an overview of different kinds of Eurosceptic EPGs,

particularly concerning their standpoints on the European project. Lastly, this chapter forms a concept of European solidarity to explore how different EPGs conceptualized European solidarity amid the Eurozone crisis.

### **1. Three Theoretical Models of Political Contestation in the EU**

The European Union is a supranational institution where considerable heterogeneity between the cultures, economic conditions, and national institutions of Member States exists. This unique characteristic of the EU makes politics in the Union different from traditional politics in democratic nation-states. For this reason, politics in the EU tends to be more ‘multi-dimensional’ compared to national politics. Therefore, understanding the dimensionality of politics in the European Parliament leads to a better understanding of EU politics.<sup>30</sup> A classic method to distinguishing a policy space is to describe its dimensionality where dimensions point out constraint on the policy positions of political actors. A dimension simplifies differences in positions of political parties on a variety of salient issues into differences on that dimension. For example, the Left-Right dimension reduces differences in standpoints of parties across diverse socio-economic issues to differences along a single dimension.<sup>31</sup>

Therefore, to study politics of the EU, in particular, that of the European Parliament, it is crucial to understand which dimensions structure political contestation at the European level. In this regard, Marks and Steenbergen introduce three main theoretical models of political contestation to investigate the EU politics: the international relations model, the regulation model, and the Hix-Lord model.<sup>32</sup>

#### **1.1. International relations model**

The international relations model implies that European integration is disassociated with the Left-Right dimension of political contestation at the domestic level. In other words, contestation with regard to European integration is independent of the ‘ideological underpinnings’ of domestic politics. The international relations approaches conceive of political conflict across the variety of EU issues along a single dimension differentiating between pro-European and Eurosceptic.<sup>33</sup> In this model, therefore, the political

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<sup>30</sup> Simon Hix, Abdul Noury, and Gerard Roland, “Dimensions of Politics in the European Parliament,” *American Journal of Political Science* 50, no. 2 (2006): 494.

<sup>31</sup> Matthew Gabel and Simon Hix, “Defining the Eu Political Space: An Empirical Study of the European Elections Manifestos, 1979-1999,” *Comparative Political Studies* 35, no. 8 (2002): 935.

<sup>32</sup> Gary Marks and Marco Steenbergen, “Understanding Political Contestation in the European Union,” *Comparative Political Studies* 35, no. 8 (2002): 883.

<sup>33</sup> *Ibid.*

contestation centers on the nature and pace of integration process and deals with the ‘division of power and competences’ between Member States of the EU – sovereign states – and the EU – the supranational entity.<sup>34</sup>

## **1.2. Regulation model**

The regulation model hypothesizes that the traditional left-right dimension forms the dominant line of conflict in politics of the EU. In the perspective of the model, political conflicts at the European level are expressions of conflicts that have ‘historically structured’ domestic contestation on the grounds of ideological orientations.<sup>35</sup> On the basis of the regulation scenario, therefore, it can be argued that EU politics deals with a single question: ‘should the EU employ market-based solutions to social problems or opt for government regulation?’. The model regards the Union as an institution that can either leave markets free or regulate them.<sup>36</sup> The broadly recognized importance of national politics in EU elections establishes the feasibility of the regulation model. National political parties’ performance in national elections determines the composition of national governments, which are entitled to appoint delegates to the Council of Ministers. As a consequence, actors in the EU institutions may be influenced by the same Left-Right dimension that shapes national politics in EU member states.<sup>37</sup>

## **1.3. Hix-Lord model**

The Hix-Lord model consolidates the two aforementioned models and regards EU politics as two-dimensional. A Left-Right dimension, encompassing a variety of economic and sociopolitical issues in the domestic arena, remains ‘orthogonal’ to a national sovereignty dimension reaching from independence to integration (see Figure 1). These dimensions, a European integration dimension and a Left-Right dimension, are independent from each other.<sup>38</sup> The orthogonality of these dimensions demonstrates contrasting pressures. Major political parties have a substantial share in the traditional Left-Right pattern of contestation, and, to take advantage of it, they pursue to develop it to new issues that emerge on the political agenda. When new matters are raised by challenging parties and groups, the established parties attempt to push those challengers to compete on the Left-Right dimension. However, it is difficult to integrate national sovereignty issues into the

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<sup>34</sup> Otjes and van der Veer, 244.

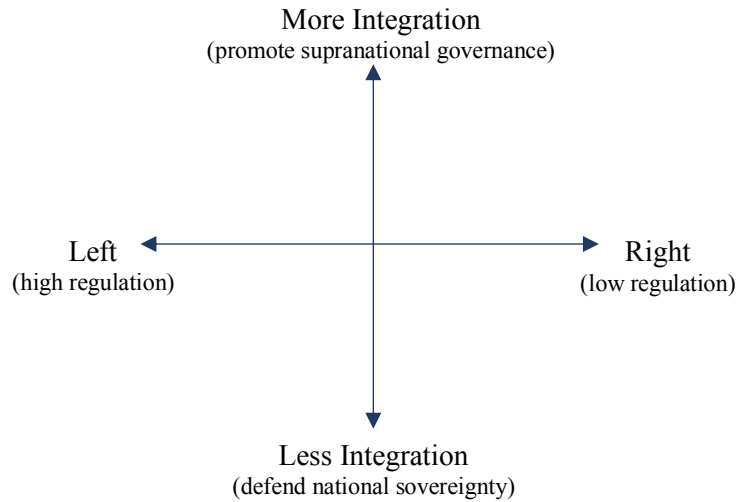
<sup>35</sup> Marks and Steenbergen, 886.

<sup>36</sup> Otjes and van der Veer, 244.

<sup>37</sup> Marks and Steenbergen, 886.

<sup>38</sup> Gabel and Hix, 935.

Left-Right dimension. Therefore, the large established parties choose to compete on the Left-Right dimension while trying to depoliticize issues of European integration.<sup>39</sup>



**Figure 1.** Hix-Lord model

As the Hix-Lord model gained the most empirical support, this study draws on the model to explore political contestation around the EU-led crisis management in the European Parliament amid the European sovereign debt crisis. Furthermore, to encompass political dynamics around the structural asymmetries between the center and the periphery within the Eurozone, this study incorporates the center-periphery dimension into the Hix-Lord model. Therefore, the theoretical lens – to analyze how different political groups in the Parliament have developed their stances on the EU’s crisis management measures – consists of three dimensions: the left-right dimension, the pro-/anti-EU dimension and the center-periphery dimension. Moreover, by employing the same framework, this study investigates how different EPGs conceptualized European solidarity in line with their political contestation.

## 2. Euroscepticism

Euroscepticism originated from party-based dissent to the European Community in the UK in the 1980s. The extent of Euroscepticism has significantly evolved over time from being a ‘marginal political project’ as the European Union has developed deeper and wider.<sup>40</sup> The Maastricht Treaty of 1992 played a vital role in terms of the crystallization of opposition towards the European project. The community was transformed into a

<sup>39</sup> Hix et al., 507.

<sup>40</sup> Aleks Szczerbiak and Paul Taggart, “Contemporary research on Euroscepticism: the state of the art,” in *The Routledge Handbook of Euroscepticism*, ed. Benjamin Leruth, Nicholas Startin and Simon Usherwood. (Oxfordshire: Routledge, 2018), 11.

Union with European citizenship – which prompts fears of losing national identity within public opinion – by the treaty.<sup>41</sup> In parallel, the process of constitutionalizing following the treaty has generated a public debate on the nature and future of the EU, galvanizing the mobilization of Eurosceptic actors.<sup>42</sup> Post-Maastricht Europe has moved into a world in which there is more substantial public disagreement compared to the pre-Maastricht era.<sup>43</sup> The Maastricht Treaty was thus a critical turn for European integration as Euroscepticism has become a transnational and pan-European phenomenon since the advent of the treaty.<sup>44</sup> In the Post-Maastricht Union, the term Euroscepticism has become widespread political language in all EU member states, and the consecutive enlargements have widened the spectrum of partisan positions towards European integration.<sup>45</sup> The Eurozone crisis of 2010 has opened a new chapter of Euroscepticism since Euroscepticism has transitioned into mainstream politics within the EU member states as the Union was passing through the crisis. The Euro crisis has put an end to the time of permissive consensus, and there was a rapid increase in the crisis narrative about the EU.<sup>46</sup> It was a key moment in the debate surrounding the development of the EU as the forms of opposition were increasingly diversified, and there has been a dramatic explosion in studies focused on Euroscepticism. The academic debate on Euroscepticism has led to the emergence of a ‘true sub-field of European Studies’.<sup>47</sup>

### **A Controversial Conceptualization**

A generic conceptualization of Euroscepticism can be a varying bundle of attitudes opposed to European integration and the EU.<sup>48</sup> Scholarship on Euroscepticism many times adopts a broad definition of Euroscepticism as the term which articulates incredulity in the EU and European integration in general.<sup>49</sup> Several recent studies attempted to define Euroscepticism and classify varieties of the term to incorporate the extensive array

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<sup>41</sup> Ian Down and Carole J. Wilson, “From ‘Permissive Consensus’ to ‘Constraining Dissensus’: A Polarizing Union?,” *Acta Politica* 43, no.1 (2008): 27.

<sup>42</sup> Brack, 55.

<sup>43</sup> Down and Wilson, 46.

<sup>44</sup> Brack, 55.

<sup>45</sup> Benjamin Leruth, Nicholas Startin and Simon Usherwood, “Defining Euroscepticism: from a broad concept to a field of study,” in *The Routledge Handbook of Euroscepticism*, ed. Benjamin Leruth, Nicholas Startin and Simon Usherwood. (Oxfordshire: Routledge, 2018), 4.

<sup>46</sup> Taggart and Szczerbiak, 1194.

<sup>47</sup> Leruth, Startin and Usherwood, 9.

<sup>48</sup> Szczerbiak and Taggart, 12.

<sup>49</sup> Daniel Stockemer et al., “Immigration, Anti-Immigrant Attitudes and Euroscepticism: A Meta-Analysis,” *French Politics* 16, no. 3 (2018): 328–340.



of negative sentiments towards the EU.<sup>50</sup> However, there is no common definition employed by all scholars in the study of Euroscepticism.<sup>51</sup> An initial attempt to define the concept of Euroscepticism was taken by Paul Taggart in 1998. A couple of years later, Taggart and Szczerbiak developed the initial working definition by distinguishing between ‘hard’ Euroscepticism – principled opposition to European integration – and ‘soft’ Euroscepticism – contingent dissent to the EU.<sup>52</sup> Their foundational conceptualization was subject to numerous critiques.

In particular, Kopecký and Mudde (2002) criticized Taggart and Szczerbiak’s hard–soft distinction grounded on two main strands of argument. Firstly, they insisted that the definition of soft party-based Euroscepticism lacked specific criteria of categorization which was too broad and all-encompassing. They argued that ‘virtually every disagreement with any policy decision of the EU can be included’ as soft Euroscepticism. Secondly, they argued that ‘the criteria that are used both to connect and to separate the two forms of Euroscepticism remain unclear’. In their perspective, the distinction – which was determined on the basis of support for or opposition to EU membership – did not sufficiently explain why different forms of critics of the EU integration project appeared.<sup>53</sup> They contributed to the debate over the definition of Euroscepticism by proposing two different axes: 1) stances on the general principles of integration that hold up the EU (Europhiles or Europhobes); 2) attitudes towards the EU as political system (EU-optimists or EU pessimists). Four ideal-type categories of party positions on Europe result from these two dimensions: Euro-enthusiast (Europhile and EU-optimist); Europragmatic (Europhobe and EU-optimist); Eurosceptic (Europhobe and EU-pessimist) and Euro-reject (Europhobe and EU-pessimist).<sup>54</sup>

Szczerbiak and Taggart acknowledged the deficiency of using standpoints on EU membership – which was Kopecky and Mudde’s main criticism of their original formulation – as the principle definitional variable to differentiate diverse party positions towards Europe. To re-formulate the original distinction, they re-focused on ‘the principle of EU integration and the EU’s trajectory in terms of extending its competences’.

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<sup>50</sup> André Krouwel and Yordan Kutiyski, “Soft sceptics and hard rejectionists: identifying two types of Eurosceptic voters,” in *The Routledge Handbook of Euroscepticism*, ed. Benjamin Leruth, Nicholas Startin and Simon Usherwood. (Oxfordshire: Routledge, 2018), 191.

<sup>51</sup> Brack, 58.

<sup>52</sup> Szczerbiak and Taggart, 13.

<sup>53</sup> Petr Kopecký and Cas Mudde, “The Two Sides of Euroscepticism: Party positions on European Integration in East Central Europe,” *European Union Politics* 3, no.3 (2002): 300.

<sup>54</sup> *Ibid*, 301-304.

Accordingly, they defined hard Euroscepticism as ‘principled opposition to the project of European integration as embodied in the EU’, and this means that hard Eurosceptics are against the transfer of powers to a supranational institution, namely the EU. Soft Euroscepticism was re-conceptualized as ‘where there was not a principled objection to the European integration project of transferring powers to a supranational body, but there was opposition to the EU’s current or future planned trajectory based on the further extension of competencies.’<sup>55</sup> Therefore, soft Eurosceptics oppose the EU’s trajectory based on their concerns towards one or more policy areas. By combining the formulation of Kopecky and Mudde with the distinction of Szczerbiak and Taggart, Brack (2018) conceptualizes Euroscepticism as ‘the attitudes of opposition – a continuum ranging from a soft position to a hard position – to the European regime, its institutions, its legitimacy and the very foundations of the system of governance’. Furthermore, Brack seeks to include the study of Euroscepticism into the broader range of research on opposition, particularly anti-system actors found in other political systems.<sup>56</sup>

**Table 1.** The categorization of Eurosceptic political parties

		Hard / Soft Euroscepticism	
		Hard Euroscepticism	Soft Euroscepticism
Left / Right Dimension	The Left	Hard Eurosceptic left	Soft Eurosceptic left
	The Right	Hard Eurosceptic right	Soft Eurosceptic right

Due to the heterogeneity and complexity of Euroscepticism, there exists the diversification of negative reactions to the EU. It is thus significant to differentiate Euroscepticism both in nature and in degree. While taking into consideration the main argument of Brack, this research employs the revised formulation of Szczerbiak and Taggart as the distinction of soft–hard Euroscepticism allows to conceptualize the space which stands between two opposite poles on a spectrum. Along with the distinction, the traditional cleavage of the left and the right should be taken into consideration. Therefore, this study categorizes Eurosceptic political groups into four groups to capture the coexistence of their diverging stances. The categorization can be visualized as a table

<sup>55</sup> Szczerbiak and Taggart, 13.

<sup>56</sup> Brack, 62-63.

(Table 1). As each group is expected to have developed a varying Eurosceptic stance amid the Euro crisis, the categorization will allow the research to capture diverging trajectories of the development of Euroscepticism in the European Parliament within the period of time.

The following section introduces different types of European political groups in the Parliament, particularly those with Eurosceptic standpoints. Based on the aforementioned categorization, this study divides the Eurosceptic political groups in the seventh European Parliament into three groups: hard-Eurosceptic right, soft-Eurosceptic right, and soft-Eurosceptic left.

### 3. European Political Groups (EPGs)

Within the context of the European Parliament, pan-European cooperation has become apparent among the different Eurosceptic parties in the Post-Maastricht Union. As the EU advances European integration, a political system – which transcends the boundaries of conventional national political contexts – has been created within the Union.<sup>57</sup> The seventh European Parliament included three openly Eurosceptic political groups; one ‘hard’ Eurosceptic group, the Europe of Freedom and Direct Democracy (EFD), and two ‘soft’ Eurosceptic groups, the European Conservatives and Reformists (ECR) and the European United Left-Nordic Green Left (GUE/NGL).<sup>58</sup> The European People’s Party (EPP) Group – a center-right political group of the EP – and the Progressive Alliance of Socialists and Democrats (S&D) Group – a center-left political group – were the two large established EPGs in the Parliament. This study also analyzes their standpoints on the EU’s crisis management measures as their pro-EU stance can be a good starting point to approach the Eurosceptic EPGs’ stance.

When a MEP enlists in a political group in the European Parliament, domestic considerations occasionally influence their choice. The founding charters of political groups in the Parliament are often short of detail as well. However, a MEP’s affiliation to a certain group can be considered as the ‘lowest common denominator’ to identify their stance towards the EU. This is because MEPs and their parties choose to affiliate with

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<sup>57</sup> Michael Holmes, “Contesting integration: The Radical Left and Euroscepticism,” in *Euroscepticism as a Transnational and Pan-European Phenomenon*, ed. John FitzGibbon, Benjamin Leruth and Nick Startin. (New York: Routledge, 2017), 65.

<sup>58</sup> John FitzGibbon, Benjamin Leruth and Nick Startin, “Introduction,” in *Euroscepticism as a Transnational and Pan-European Phenomenon*, ed. John FitzGibbon, Benjamin Leruth and Nick Startin. (New York: Routledge, 2017), 4-5.

political groups whose political platform is in line with their domestic program, at least on the most prominent issues.<sup>59</sup> In the Post-Maastricht Union, transnational political groups in the Parliament are working entities rather than loose affiliations of like-minded parties.<sup>60</sup> Taking into consideration the platforms of political groups in the Parliament, therefore, MEPs belonging to ECR, EFD, EUL/NGL along with non-attached MEPs from radical right parties can be identified as Eurosceptics. For this reason, this study focuses on words of MEPs, particularly from ECR, EFD and EUL/NGL, to explore different standpoints of different Eurosceptic political groups in the EP on the EU's response to the Eurozone crisis.

### 3.1. EFD and ECR: the Eurosceptic Right

Right-wing soft Euroscepticism consists of two main branches, namely *Gaullism* and *British conservatism*. Although both of the branches are significant to understand the development of right-wing Euroscepticism, there exists a clear difference between those branches. While Gaullism has become more diffuse, the importance of British conservatism has increased, particularly in the beginning of the twenty-first century.<sup>61</sup>

The European Progressive Democrats (EPD) was founded in 1965 as the first Gaullist-led pan-European group. In the 1980s, the Gaullist movement became a loose association of right-wing political parties, and EPD was renamed as the European Democratic Alliance (EDA) in 1984. The Maastricht Treaty in 1992 led to clashing internal divisions within the Gaullist movement in France. While the leadership opted for a pro-European stance, some sovereigntists campaigned against the Treaty. Due to the internal divisions, EDA ceased to exist following the 1999 European Parliament elections while the Union for Europe of the Nations (UEN), a neo-Gaullist and openly Eurosceptic pan-European group, was founded on the grounds of the EDA's remains. UEN initially consisted of sovereigntist/nationalist parties from France, Denmark, Ireland, Portugal and Italy.<sup>62</sup>

The Europe of Freedom and Democracy (EFD) succeeded UEN and the Independence/ Democracy (IND/DEM) – a right-wing Eurosceptic political group led by the UK Independence Party (UKIP) in the sixth European Parliament – following the

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<sup>59</sup> Brack, 67.

<sup>60</sup> Holmes, 65.

<sup>61</sup> Benjamin Leruth, "Is 'Eurorealism' the new 'Euroscepticism'?" in *Euroscepticism as a Transnational and Pan-European Phenomenon*, ed. John FitzGibbon, Benjamin Leruth and Nick Startin. (New York: Routledge, 2017), 46.

<sup>62</sup> Leruth, 47-48.

2009 European Parliament elections.<sup>63</sup> EFD manifested a strong dissent to the idea of supranational integration while defending national sovereignty. Their members have become a substantial voice for opposition within the Parliament as they argued that further European integration would undermine national sovereignty and exacerbate the centralist political structure of the EU.<sup>64</sup> For this reason, EFD can be categorized as a ‘hard’ Eurosceptic political group. To sum up, the Gaullist movement has ended up with two-pan European political groups in the EP, namely the European People’s Party (EPP) and EFD.

The European Democrats (ED) was formed by the British Conservative Party in the Parliament when the United Kingdom joined the European Community in 1973. To obtain more political leverage in the EP, the British Conservative Party affiliated with EPP in the 1990s. The new EPP’s name, European People’s Party-European Democrats (EPP-ED), underlined the significance of British conservatism within the Parliament following the accession to the group. Although British conservatism came under the umbrella of EPP, incompatible standpoints on the very nature of European integration led to tensions between the two factions. Starting from the late 1990s, the British Conservatives moved into a more Eurosceptic direction. Eventually, they left EPP-ED to form a new right-wing Eurosceptic group, the European Conservatives and Reformists (ECR), following the 2009 European Parliament elections.<sup>65</sup>

ECR defines its stance on European integration with the notion of ‘Eurorealism’, and the notion has replaced the term, Euroscepticism, since the establishment of ECR as the term was often associated with radical political parties.<sup>66</sup> Based on the founding principles set out in the Prague Declaration of 2009, Eurorealism can be defined as ‘a pragmatic, anti-federalist and flexible vision of European integration’ which aims to make alterations to the current institutional framework of the EU.<sup>67</sup> Although British conservatism has ended up with Brexit, the stance of ECR in the 2009-2014 term of the European Parliament can be interpreted as a form of soft Euroscepticism which was promoted as Eurorealism by ECR.

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<sup>63</sup> Kopecky and Mudde, 301.

<sup>64</sup> Brack, 68.

<sup>65</sup> Leruth, 49-50.

<sup>66</sup> Nicholas Startin and Nathalie Brack, “To cooperate or not to cooperate?” in *Euroscepticism as a Transnational and Pan-European Phenomenon*, ed. John FitzGibbon, Benjamin Leruth and Nick Startin. (New York: Routledge, 2017), 37.

<sup>67</sup> Leruth, 50.

### 3.2. GUE/NGL: the Eurosceptic Left

The European Left is a diverse and fragmented phenomenon. Due to the multifaceted aspects of European integration, not every left-wing party has become a strong advocate of the EU. Even though the spirit of cooperation has attracted the left, some of the left-wing parties have been wary of the Union's policies, particularly economic, foreign and security policies. Unlike social democrats – who have become firm supporters of the Union – the radical left has been reluctant to fully endorse the principles of the European Union.<sup>68</sup>

The Communist and Allies (COM) – emerged in 1973 – was the first communist group in the European Parliament. The group was preceded by the European United Left (GUE), which formed the combined GUE/NGL group with a number of Nordic Green-Left (NGL) parties following the 1995 enlargement. Following the disintegration of the Soviet Union, radical left parties in the EU have taken vital steps in consolidating a group in the European Parliament and established GUE/NGL in the 1990s.<sup>69</sup> Since the advent, GUE/NGL has become an effective framework for international cooperation of the radical left.<sup>70</sup> GUE/NGL does not reject the entire European project, rather the group advocates the principle of European cooperation and integration. Among many programs of the EU, the group consistently disapproves the EU's economic program as it is highly neoliberal-oriented in their perspective. GUE/NGL criticizes the EU for being an institution where business interests are prioritized while sacrificing those of ordinary workers and citizens. Although GUE/NGL openly challenges some of the core policies of the Union, the group hopes for a stronger and more progressive EU. This means that the tone of their criticism towards the EU is distinctly pro-integration.<sup>71</sup>

The radical left Euroscepticism is based on a perception that the EU and European integration are based on neo-liberal policies that fundamentally threaten radical left goals.<sup>72</sup> GUE/NGL thus seeks to fundamentally reorient various policies of the Union to construct genuine European cooperation and integration. Even though the group is profoundly critical of how the Union operates, the group does not oppose the entire European project. Therefore, GUE/NGL can be regarded as soft Eurosceptic.

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<sup>68</sup> Holmes, 63-64.

<sup>69</sup> Dan Keith, "Opposing Europe, opposing austerity: radical left parties and the Eurosceptic debate," in *The Routledge Handbook of Euroscepticism*, ed. Benjamin Leruth, Nicholas Startin and Simon Usherwood. (Oxfordshire: Routledge, 2018), 89.

<sup>70</sup> *Ibid.*, 66.

<sup>71</sup> *Ibid.*, 70-71.

<sup>72</sup> Dan Keith, 88.

This study looks for between-group differences: differences between pro-EU political groups (EPP and S&D) and Eurosceptic groups (ECR, EFD and GUE/NGL) to explore the pro-/anti-EU dimension; and differences between EPP and S&D as well as differences between ECR/EFD and GUE/NGL to examine the left-right dimension. Furthermore, this study searches for within-group differences: differences within each EPG, such as difference between EPP-Center and EPP-Periphery, to investigate the center-periphery dimension. The following section provides a review of literature on the concepts relevant to European solidarity in the time of crisis.

## 4. European Solidarity

### 4.1. Solidarity

Solidarity is a complex phenomenon that requires careful reflection and definition.<sup>73</sup> It is thus substantial to engage in a conceptual discussion of solidarity to delve into the application of solidarity amid the Euro crisis. First of all, this study seeks to develop a clear understanding of what solidarity means before addressing the notion of European solidarity.

Solidarity is derived from the original Latin term ‘solidus’ which means firm ground, which also means a basis for a moral attitude.<sup>74</sup> When it comes to conceptualizing solidarity, Emile Durkheim seems to be the most quoted scholar. Durkheim elaborates on solidarity to describe a steady social order.<sup>75</sup> His interpretation of solidarity marks a transition from old societies to modern societies.<sup>76</sup> As modern societies grow perpetually more complex compared to old ones, a complex division of labor – which requires people to develop particular talents to perform specialized jobs – becomes more substantial.<sup>77</sup> Durkheim called the structure of solidarity in modern societies as organic solidarity since individuals cannot leave their society without damaging themselves as well as their society due to the level of interdependence. Organic solidarity is thus grounded on the interdependence that arises from specialization of work and the complementarities

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<sup>73</sup> Christian Lahusen and Maria Grasso, “Solidarity in Europe-European Solidarity: An introduction,” in *Solidarity in Europe, Citizens’ Responses in Times of Crisis*, ed. Christian Lahusen and Maria Grasso, (London: Palgrave Macmillan, 2018), 4.

<sup>74</sup> Bengt Beutler, “Solidarity in the EU: A Critique of Solidarity and of the EU,” in *Solidarity in the European Union*, ed. Andreas Grimmel and Susanne My Giang. (Cham: Springer International Publishing, 2017), 24.

<sup>75</sup> Michèle Knodt and Anne Tews, “European Solidarity and Its Limits: Insights from Current Political Challenges,” in *Solidarity in the European Union*, ed. Andreas Grimmel and Susanne My Giang. (Cham: Springer International Publishing, 2017), 49.

<sup>76</sup> Beutler, 22.

<sup>77</sup> Ulrich Steinvoth, “Applying the Idea of Solidarity to Europe,” in *Solidarity in the European Union*, ed. Andreas Grimmel and Susanne My Giang. (Cham: Springer International Publishing, 2017), 11.

between people. On the contrary, older societies were based on mechanical solidarity which comes from the homogeneity of individuals.<sup>78</sup>

Considering the concepts of solidarity developed by Durkheim, it is significant to underline that solidarity results from mutual dependence among a community or group of people. Solidarity is thus a bond which makes up a ‘us’ and binds ‘us’ to the will to pursue the common good.<sup>79</sup> In this sense, group membership is the basis of solidarity, and members are expected to support each other in order to fulfill the mutual rights and obligations associated with group membership. The group-boundedness and reciprocity of solidarity distinguish solidarity clearly from charitable help, care, or humanitarian aid.<sup>80</sup> Therefore, solidarity is the ‘virtue of equals’ who lend a hand to one another in misfortunes that they are not in control of. For this reason, people – particularly, those who are in position to be givers of solidarity – tend to put emphasis on distinguishing misfortunes that the needy are accountable for from misfortunes that they are not in control of. To be solidary, furthermore, the idea that the misfortune hitting the needy might hit the rest should be shared within a community of people.<sup>81</sup> In times of crisis, claims for solidarity – to cooperate and strengthen the social bonds between members of a group – are thus frequently articulated to deal with uncertainty and perceived threats throughout a group.<sup>82</sup>

#### 4.2. European Solidarity

The concept of European solidarity consists of different dimensions. As solidarity is a core EU value codified in the Charter of Fundamental Rights of the EU, European solidarity has the political and right-based dimension.<sup>83</sup> In the meantime, the EU’s mutual economic dependence highlights the economic dimension of European solidarity as European integration started with the idea of shared economic interests for prosperity.<sup>84</sup> To investigate the conceptualization of European solidarity, this study mainly employs a framework of two dimensions – carriers and organization of solidarity – developed by Knodt and Tews.

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<sup>78</sup> Ibid.

<sup>79</sup> Beutler, 27.

<sup>80</sup> Lahusen and Grasso, 5.

<sup>81</sup> Steinvorth, 10.

<sup>82</sup> Stefan Wallaschek, “Framing solidarity in the Euro Crisis: A Comparison of the German and Irish Media Discourse,” *New Political Economy* 25, no.2 (2020): 231.

<sup>83</sup> Lahusen and Grasso, 6.

<sup>84</sup> Steinvorth, 13.



While Durkeim's concept regards solidarity as a bond constructed within a community of individuals, European solidarity can be conceptualized at different levels according to Knodt and Tews. They conceptualize solidarity in the European Multi-Level system by considering that solidarity can take place across or within member state levels as well as be varying actor categories. They differentiate carriers of solidarity within the EU between individuals and collective actors such as member states and analyze the organization of solidarity in a vertical and horizontal dimension. By combining these two dimensions, Knodt and Tews identify four forms of European solidarity – 'supranational solidarity', 'transnational solidarity', 'intergovernmental solidarity', and 'international solidarity'.<sup>85</sup>

Supranational solidarity is vertically constructed among individuals within the EU. It is thus based on the sense of belonging to the political community as European citizens with particular rights and duties which are linked to European citizenship. Transnational solidarity is also based on individuals while constructed in the horizontal dimension. This means that individuals who have similar living conditions unite as a community in pursuit of materializing a common goal. Intergovernmental solidarity is constructed among EU member states as collective actors in the vertical dimension. In this form of solidarity, a kind of 'membership solidarity' is created while individuality fades away, and collective action in numerous policy fields which transcends national boundaries is substantial. Lastly, international solidarity involves collective actors on the horizontal dimension as it is carried out beyond European borders into the international sphere. It encompasses solidarity with societies and nation states in the international arena.<sup>86</sup>

### **4.3. The Eurozone Crisis and European Solidarity**

The economic turmoil revealed that there were winners and losers in the European monetary union due to the asymmetric shock. Many Europeans called for common solutions and solidarity when the EU was confronting the economic turmoil.<sup>87</sup> Amid the Euro crisis, European solidarity has become more salient, and the Union was required to manifest what solidarity actually meant and implied in the context of the EU to counter the frame that the Union was the mere sum of member states' interests. The peripheral countries, which were heavily hit by the crisis, claimed that other member states share the economic and financial burden. The central economies were expected to be in

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<sup>85</sup> Knodt and Tews, 50-51.

<sup>86</sup> Knodt and Tews, 51-52.

<sup>87</sup> Wallaschek, 231.

solidarity with the periphery as the shock which stroke them was less critical.<sup>88</sup> In the meantime, there was a heated debate on whether the periphery countries were solely responsible for their misfortunes or not. When it comes to the EU's collective response to the crisis, there were clashing narratives about what had led the periphery countries to the debt crisis.<sup>89</sup> One argued that a basic asymmetry was built into the EMU which has generated structural strains. Others insisted that the crisis might have been prevented if the periphery had employed more assertive structural reforms focused on competition in markets for goods, labor or capital.<sup>90</sup>

The aforementioned political dynamics around the EU's response to the European sovereign debt crisis may have resulted in varying conceptualization of European solidarity. As solidarity is a 'polysemic-idea' that is strategically used by many political agents,<sup>91</sup> multiple understandings of European solidarity can be constructed by different political groups. By exploring similarities and differences between European political groups in the EP in terms of their ways of conceptualizing European solidarity, this study seeks to shed light on the empirical reality of European solidarity amid the Euro crisis. In other words, this study aims to discuss not only the concept of European solidarity but also how it was applied in practice in the time of crisis.

## RESEARCH DESIGN AND METHODS

This chapter introduces the data and the methods employed in the study. The first part describes the research design: how the data for the analysis were collected and processed. The following part presents the methods of analysis – political discourse analysis – which makes use of the theoretical framework discussed in the previous sections.

### 1. Research Design

The primary source for the analysis is all documented MEP speeches made in plenary for the seventh parliamentary term. The study obtained the data from the website of the European Parliament,<sup>92</sup> where all the debates took place in plenary sessions from 2009 to 2014 can be found. The debates are transcribed and translated into the languages of the EU, and this study adopted the English version of the debates for the analysis. Among the

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<sup>88</sup> Wallaschek, 232.

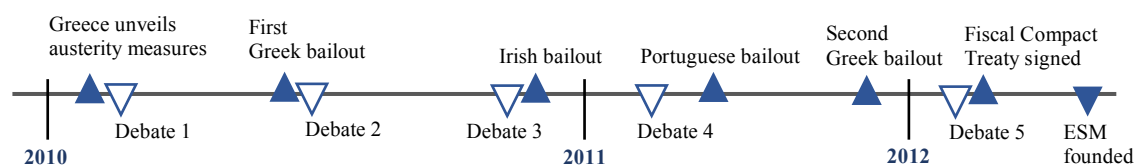
<sup>89</sup> Engelbert Stockhammer, "Neoliberal growth models, monetary union and the Euro crisis. A post-Keynesian perspective," *New Political Economy* 21, no.4 (2016): 372.

<sup>90</sup> Hall, 368.

<sup>91</sup> Wallaschek, 232.

<sup>92</sup> Available at: <https://www.europarl.europa.eu/plenary/en/debates-video.html>.

debates found relevant to the European sovereign debt crisis, to encompass the evolution of the crisis (see Figure 2), this study analyzed the following five debates: 1) ‘Difficult monetary, economic and social situation of Eurozone countries’ on 9 February 2010; 2) ‘Preparation of the Summit of Heads of State or Government of the euro area’ on 5 May 2010; 3) ‘Conclusions of the European Council meeting and economic governance’ on 24 November 2010; 4) ‘Adoption of modifications to the Treaty’ on 15 February 2011; and 5) ‘Conclusions of the informal European Council meeting of 30 January 2012’ on 1 February 2012.



**Figure 2.** The evolution of the European sovereign debt crisis

Furthermore, this study particularly draws on the speeches of MEPs from the two established pro-EU EPGs; EPP and S&D, and the three Eurosceptic EPGs; ECR, EFD and GUE/GNL. MEPs gather in the Parliament to debate issues and vote on proposals during plenary sessions. If a plenary session is held to debate topical issues and to question the Commission and the Council, representatives from the two institutions are asked to attend to answer enquiries from MEPs. Based on the institutionalized procedures, the Chamber expects to hear from Commission and Council representatives first and then to hear from a round of representatives from all the political groups. Subsequently, other interested members from across the House may intervene to argue for or against their colleagues and the EU institutions. The President selects Members in the Chamber indicating the wish to speak. This study focuses on the words of the Commission’s representatives to analyze how the EU developed the crisis management amid the debt crisis. To investigate different stances of the aforementioned groups on the EU’s response to the crisis, moreover, this study delves into the speeches of group representatives and the speeches of MEPs, who intervened, made in the debates specified above.

## 2. Methods of Analysis

### 2.1. Politics and Political discourse

‘Politics’ is most fundamentally about cooperatively reaching decisions for action on matters of common concern, it is about what to do in response to circumstances and events as well as public dissent and conflict. Choices, decisions and strategies employed by

agents are challenged by groups of people with different concerns and objectives as they seek to attain their own particular aims.<sup>93</sup> Politics is thus about ‘decision-making and action in conditions of uncertainty and disagreement’.<sup>94</sup> In times of crisis, it is even more crucial to make decisions about how to develop policies in pursuit of restoring balance and rationality, and, for this reason, we are experiencing a ‘return of politics’ in times of crisis.<sup>95</sup> According to Chilton, there are two strands within political studies when it comes to defining politics. Politics can be defined not only as *a struggle for power*, but also *cooperation to rectify clashes of interest*.<sup>96</sup> Since this study delves into political dynamics during the Eurozone crisis, the latter is central to develop its line of argumentation.

A broad definition of ‘Political discourse’ can be talk and text produced with regard to concrete political matters. Since a few meanings are expressed on the surface of talk and text, a semantic iceberg is often used as a metaphor for discourse. To have a clear understanding of discourse, it is thus important to be able to infer implicit meanings from the meanings that are expressed in substance.<sup>97</sup> Chilton draws on cognitive linguistics to investigate political discourse. Based on the perspective anchored in cognitive science, he regards political discourse as a product of individual and collective mental processes. The relationship between language and politics is thus significant as language plays a vital role for representation of reality. He argues that political discourse is the use of language in ways that actors tend to recognize as political. Moreover, the meaning of words, of sentences and of discourses are in the mind of people in certain times and places. For this reason, it is crucial to have knowledge of contexts of use to analyze political discourse.<sup>98</sup> In other words, the projection of ‘who does what to whom, when and where’ is essential when it comes to examining political discourse.<sup>99</sup>

Van Dijk also points up a notion of context as a necessary tool to understand political discourse. ‘Participants’, ‘actions’ and ‘contexts’ stand out as the three major pillars when it comes to his conceptualization of political discourse. He characterizes political discourse as attached to participants – individuals (such as politicians and

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<sup>93</sup> Isabela Fairclough and Norman Fairclough, *Political Discourse Analysis: A method for advanced students* (Oxfordshire: Routledge, 2012), 3.

<sup>94</sup> Fairclough and Fairclough, *Political Discourse Analysis*, 26.

<sup>95</sup> Hutter and Kriesi, 997.

<sup>96</sup> Paul Chilton, *Analyzing Political Discourse: Theory and Practice* (London: Routledge, 2004), 49.

<sup>97</sup> Teun van Dijk, “Analyzing racism through discourse analysis: Some methodological reflections,” in *Race and ethnicity in research methods*, ed. John Stanfield and Rutledge Dennis. (New York: SAGE Publications, 1993), 96.

<sup>98</sup> Chilton, 50-53.

<sup>99</sup> *Ibid*, 54.

citizens), political institutions and organizations – that are engaged in political processes and events. Participants generate political text by performing political actions (or practices) such as governing, legislating, protesting or voting. Political text becomes political discourse within political contexts – which are institutional contexts – in which participants and actions are located in. This means that the discourse of politicians or any other participants outside political contexts is not political.<sup>100</sup> In his perspective, therefore, political discourse analysis should be understood as the analysis of political discourse from a critical perspective, a perspective which focuses on the reproduction and contestation of political power through political discourse.

Fairclough and Fairclough focus on the *argumentative nature* of political texts since they view politics as ‘the questions of decision making and action’ rather than the ‘question of representation’. The process of reaching a decision – in a democratic environment where a wide range of stances can be represented – is on the basis of weighing reasons on the side of one or several ideas and reasons opposed to. For this reason, they argue that political discourse is inherently deliberative. In the same vein, they primarily conceptualize political discourse as ‘a form of argumentation’ which involves, in particular, ‘practical argumentation’. Practical argumentation is about what it would be good to do or what the right course of action is in response to practical problem.<sup>101</sup> Therefore, Fairclough and Fairclough’s approach to analyze political discourse is anchored in the framework of practical reasoning in order to fully capture the argumentative nature of political discourse. Practical reasoning – which largely occurs in a problem-solution context – is reasoning about what to do in response to problems. More particularly, it is about what to do as a means for accomplishing some favorable political goals while confronted with problems.<sup>102</sup>

## 2.2. Political discourse analysis

In the perspective of Fairclough and Fairclough, *the structure of argumentation* – that argumentation begins with a portrayal of the situation as a problem and pursues to come up with a solution (action) to puzzle out the problem – is central for the analysis of political discourse. They identify four main premises involved in argumentation to examine the structure (see Table 2). Therefore, Fairclough and Fairclough’s political

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<sup>100</sup> Teun van Dijk, “What Is Political Discourse Analysis?” *Belgian Journal of Linguistics* 11 (1997): 13-16.

<sup>101</sup> Fairclough and Fairclough, *Political Discourse Analysis*, 24-26.

<sup>102</sup> *Ibid*, 35-37.

discourse analysis 1) focuses on the argument in support of action in a problem-solution context; 2) identifies the premises involved in weighing of reasons; and 3) reformulates the argument based on the identified premises to produce a clear overview of the argument while lowering its complexity. Furthermore, they argue that goals and circumstances are interlinked, in the sense that the present goals (as imagined, desirable, future state-of-affairs), once transformed into reality, become the circumstances of future action towards new goals.<sup>103</sup>

**Table 2.** Fairclough and Fairclough’s political discourse analysis

	<b>Premises</b>	<b>Description</b>
1	The Goal premise	Premises specifying what end we are pursuing.
2	The Means-Instrumental premise	A conditional warrant that specifies an action and says that if such action is performed, the desired end will result.
3	The Circumstantial premise	Premises that define the initial state or situation which can be regarded as the problem to be solved.
4	The Value premise	Premises that indicate what values guide the choice of goals and actions.

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To have a comprehensive understanding of political contestation, at the European level, around the EU’s strategies and measures to counter the European sovereign debt crisis, it is crucial to adopt the methods that can fully capture the argumentative nature of political discourse. For this reason, this study employs Fairclough and Fairclough’s concept of political discourse analysis to analyze the speeches of MEPs in the debates. By analyzing the complicated interactions between EPGs in detail within the framework of practical reasoning, this study attempts to get further insight into the ways in which talk of MEPs constitutes politics in this particular parliamentary setting, the European Parliament, amid the Eurozone crisis. Along with the aforementioned three dimensions, this study draws on Fairclough and Fairclough’s political discourse analysis to identify forms of bounding – the constant construction of boundaries not just between the political groups, but also between the political factions on the basis of regional backgrounds within the political groups.

<sup>103</sup> Isabela Fairclough and Norman Fairclough, “Practical Reasoning in Political Discourse: The UK Government’s Response to the Economic Crisis in the 2008 Pre-Budget Report,” *Discourse & Society* 22, no. 3 (2011): 246-247.

<sup>104</sup> *Ibid.*, 248.

## ANALYSIS

### 1. Analysis of the debate on 9 February 2010

Difficult monetary, economic and social situation of Eurozone countries <sup>105</sup>

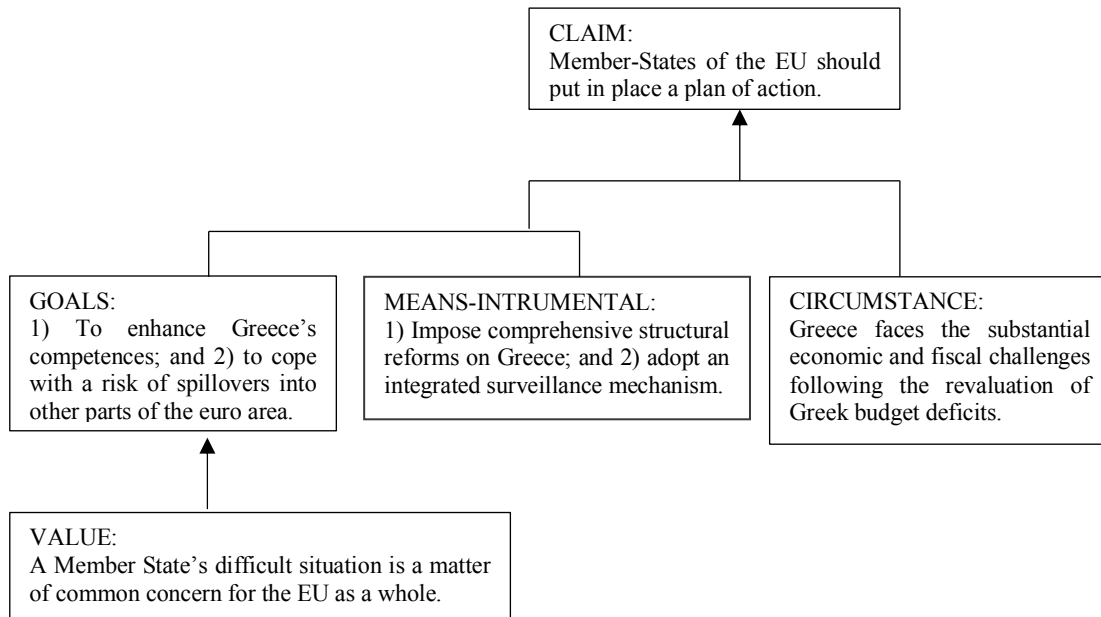
In January 2010, a report from Eurostat, the EU's statistical office, condemned severe irregularities in Greek accounting procedures. Eurostat criticized that Greece's budget deficit in 2009 was revised from 3.7% of total output (GDP) to 12.7% which is more than four times the upper limit authorized by EU rules.<sup>106</sup> The revaluation of Greek budget deficits in 2010 turned a liquidity squeeze in the European financial system into a sovereign debt crisis. Even though the EU was aware of the risk of spillovers into other parts of the euro area, the Union remained reluctant to provide financial assistance to Greece. Following the report, in February 2010, the Greek government unveiled a series of austerity measures aimed at restraining the deficit. It was still the beginning of the European sovereign debt crisis, and the EU failed to take decisive action to counter the crisis since the EU leaders regarded the crisis as a policy problem of the Member States in the danger zone rather than as a European banking crisis. There was thus no clear affirmative EU-led crisis management when the debate of February took place.

The words of Joaquín Almunia, Vice-President of the European Commission, show that the European Union solely focuses on the budgetary measures and structural reforms of Greece to counter the crisis. This implies that, in the perspective of the Commission, the economic turmoil in Greece results mainly from internal defects of the country. Almunia argues that the Commission is concerned about the difficult economic and fiscal situation in Greece since there exists a 'serious risk of spillovers' into other parts of the euro area. The Commission thus adopts the integrated surveillance mechanism which combines the assessment of the stability program and the recommendation on the excessive procedure to bring the budget deficit of Greece below 3% in 2012, alleviating the macro-financial stability of the country. Furthermore, Almunia argues that the Commission supports comprehensive structural reforms on Greece to increase the effectiveness of the public administration, to enhance the business environment and to improve labor-market functioning. The structure of Almunia's argumentation can be reconstructed as Figure 3.1.

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<sup>105</sup> Accessible at: <https://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20100209+ITEM-010+DOC+XML+V0//EN&language=EN>.

<sup>106</sup> "EU casts doubt on Greece economic figures," BBC News, 2010, accessed Jul 20, 2020, <http://news.bbc.co.uk/2/hi/europe/8456216.stm>.

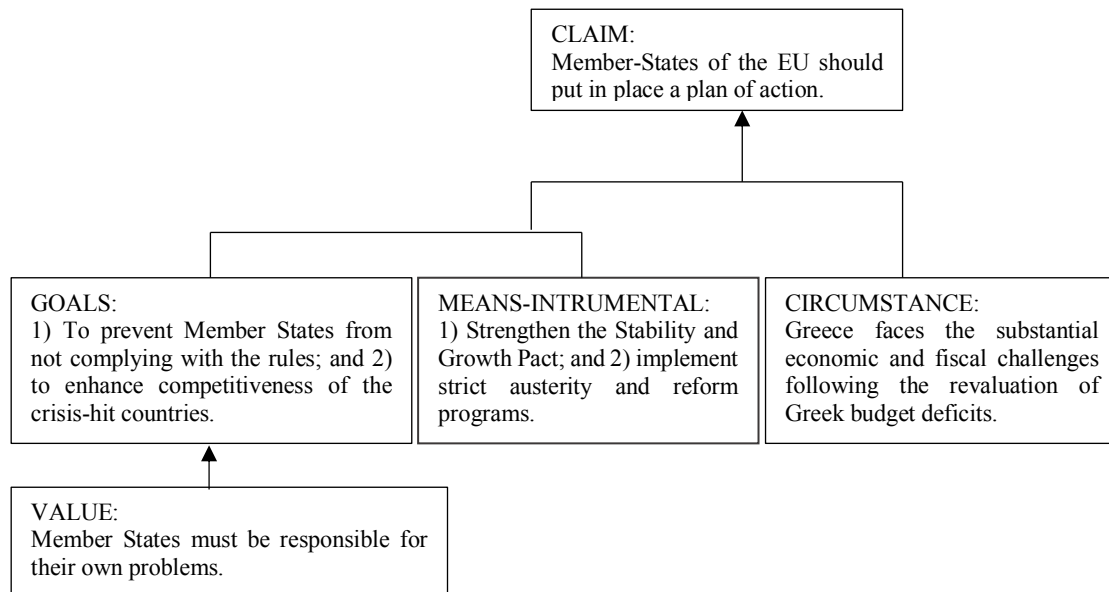


**Figure 3.1.** The Commission's structure of argumentation

### 1.1. EPP: Pro-EU / Right

Corien Wortmann-Kool from the Netherlands represents the stance of the EPP Group as she makes her speech on behalf of the Group. Wortmann-Kool sides with the Commission's strict austerity and reform programs to counter the crisis in Greece and argues that the Member States in the danger zone are 'paying the price' because they have failed to make important reforms in the past. The so-called 'immaturity rhetoric' – which insists that the peripheral countries of the Eurozone were vulnerable to the external economic shocks due to their structural immaturity – is widely shared not just by Wortmann-Kool, but also by other MEPs with the similar background (EPP-Center). Wortmann-Kool argues that the EU must not provide financial assistance to EU Member States in the danger zone since it was their responsibility to make substantial structural reforms in advance. Figure 3.2 exhibits the structure of her argumentation based on the framework of practical reasoning. Even though Wortmann-Kool clearly indicates that Member States in the euro area are closely connected due to the common currency and the single market, there is no discussion on European solidarity in her speech. As noted in the Mean Premise part, the strict austerity and reform measures are argued to prevent the crisis from spreading to other euro areas since that would result in putting the common currency and economic area at serious risk. Taking into consideration the idea behind her standpoint on the measures, it can be argued that EPP-Center understands that Greece is solely responsible for its devastating situation.





**Figure 3.2.** EPP-Center's structure of argumentation

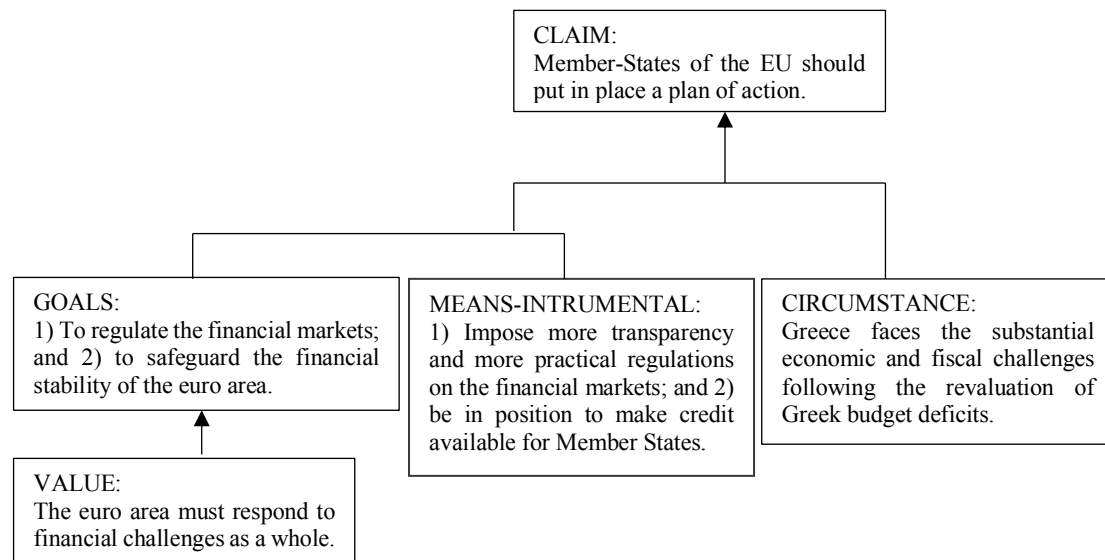
Unlike the group members from the center, Theodoros Skylakakis from Greece calls for European solidarity to deal with the crisis. Skylakakis does not regard the crisis only as a policy problem for the countries in the danger zone, rather a structural defect of the European Union. While recognizing the fact that some of Southern European countries have failed to meet the budgetary criteria set by the Union, he also sheds light on the imbalance between the North and the South which has resulted in the 'ever-widening competition divide' between the EU Members States. Even though Skylakakis points up the structural issues of the Union, he is convinced that the future of the euro area will be a better one with more economic and monetary union. Since Skylakakis emphasizes solidarity between Member States, his conceptualization of European solidarity can be categorized as intergovernmental solidarity.

In conclusion, neither of the both factions – EPP-Center and EPP-Periphery – denies the EU's capacities to counter the crisis. They are convinced that the future is still in the EU and seek to make the Union better prepared for possible crises in the future. In the meantime, they have different standpoints on what are the major causes of the crisis in Greece and this reveals center-periphery divide within the EPP Group.

### **1.2. S&D: Pro-EU / Left**

Udo Bullmann from Germany acknowledges that the fiscal imprudence of the southern European countries should be addressed to prevent another crisis in the future. Bullmann sides with the Commission's decision to resolve the lack of a strong centralized monitoring function of the whole eurozone to make sure that the figures in the books are

correct. Since Bullmann spoke on behalf of the S&D Group, it can be argued that the social democrats share the rationale for structural reforms of Greece given by the Commission to a certain extent. In the meantime, Bullmann insists that the European Union be prepared to do more for Member States even if that could be ‘unconventional’ such as substantial transfers of resources within the euro area. This is because, in his perspective, the ‘deregulated’ financial markets are growing speculation against the euro. Figure 3.3 explains the structure of Bullmann’s argumentation. Furthermore, Bullmann calls for European solidarity to counter the crisis while stressing that the very operation of the eurozone is based on the concept of solidarity. The social democrats, particularly from the center, seek to construct intergovernmental solidarity to argue that the EU with better economic governance should be in position to support Member States under speculation.



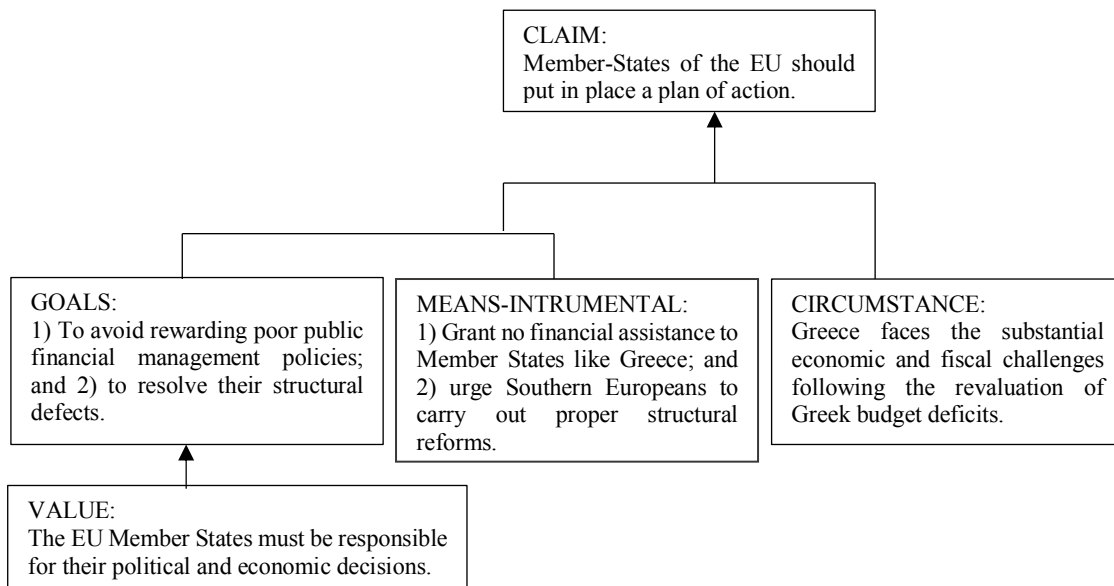
**Figure 3.3.** S&D-Center’s structure of argumentation

Unlike Bullmann, Elisa Ferreira from Portugal contests the Commission’s fiscal austerity measures while arguing that the crisis in Greece is a European problem rather than a Greek problem. Although Ferreira acknowledges a huge public deficit and debt that Greece faces, she insists that the ‘uncontrolled’ operation of the financial markets is the real cause of the situation in Greece. For this reason, as long as Greece is part of the monetary union, there can be ‘no attacks on Greece, but rather attacks on the Union and the euro’. Furthermore, Ferreira calls for European solidarity among Member States of the Eurozone – which can be categorized as intergovernmental solidarity – to combat the crisis as a whole bloc.

Even though their standpoints on the Commission's budgetary measures and structural reforms of Greece are different from each other, center-periphery divide within the Group is less distinct in comparison to that of EPP. Both of the factions – S&D-Center and S&D-periphery – explicitly demand a more affirmative and extensive EU-led crisis management – such as transfers of resources within the monetary union – based on the concept of European solidarity.

### 1.3. ECR / EFD: Eurosceptic / Right

The words of Peter van Dalen manifest that the ECR Group, particularly MEPs from the center, supports the Commission's intention to impose strict austerity measures on Greece while employing the immaturity rhetoric widely shared by those MEPs of EPP-Center. Van Dalen argues that, as the situation in Greece reveals, the Southern European Member States have not put a strict budget and spending policy in place before the crisis. He points up that Member States like the Netherlands – countries that are not heavily hit by the external shocks – have successfully completed the relevant process. This shows a clear divide between the North and the South. As the Greek crisis is regarded as a policy problem of Greece by van Dalen, there is no discussion with regard to European solidarity within the Group. Figure 3.4 shows Van Dalen's line of argument.



**Figure 3.4.** ECR-Center's structure of argumentation

On the contrary to the stance of the ECR Group, particularly ECR-Center, Nikolaos Salavrakos who spoke on behalf of the EFD Group argues that an increase in nomadic capital – which reaps profits with no real investment – is putting his home country, Greece, in the danger zone. In this regard, Salavrakos calls for European

solidarity among Member States – which falls under the category of intergovernmental solidarity – to demand the EU to exert its powers of economic intervention on the global financial markets. Even though the EFD Group is well known for its hard-Eurosceptic stance, Salavrakos pursues the future of the Union which is ‘designed on the basis of stronger ties between EU Member States’ at economic, social and development level.

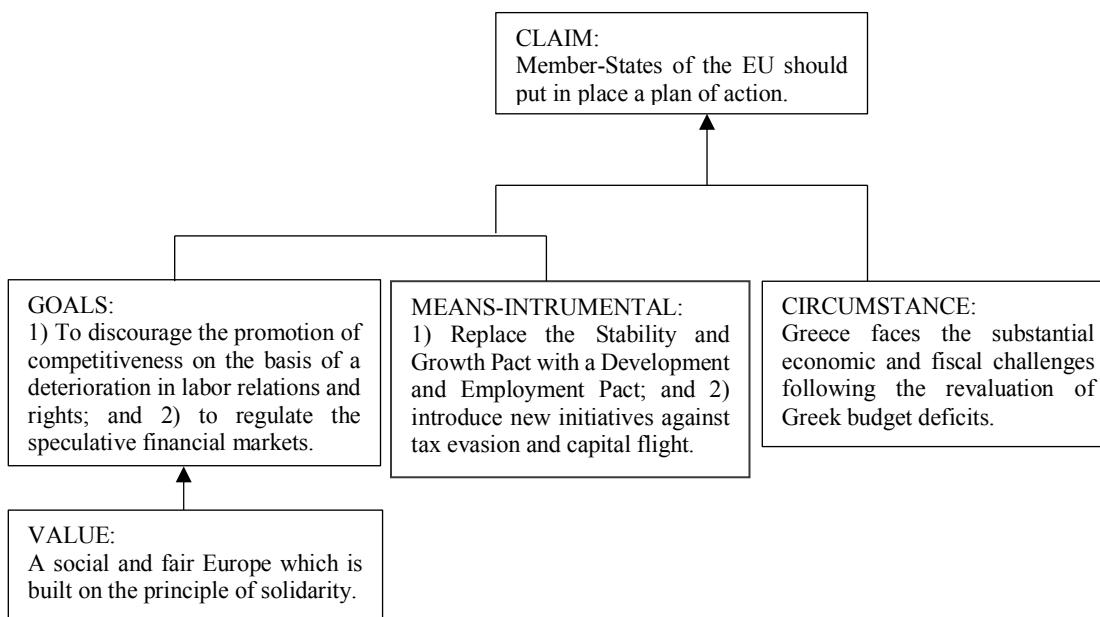
The difference between the stance of ECR-Center, represented by van Dalen, and that of EFD-Periphery, argued by Salavrakos, manifests that there exists center-periphery divide within the Eurosceptic-right camp in the Parliament. Unlike what one would expect from ECR and EFD, their Eurosceptic stance is not salient as both of van Dalen and Salavrakos are not contesting the Union itself. Interestingly, compared to van Dalen, Salavrakos is more convinced about a more affirmative EU-led crisis management which is explicitly against their general hard-Eurosceptic stance. This implies that his regional background has a stronger influence on his stance.

#### **1.4. GUE/NGL: Eurosceptic / Left**

The words of Nikolaos Chountis from Greece and Patrick Le Hyaric from France manifest the Eurosceptic stance of the GUE/NGL Group. Unlike other political groups in the Parliament, there is no center-periphery divide within the Group. Both of them explicitly oppose to the budgetary measures proposed by the Commission while insisting that the criteria – the Treaty of Lisbon and the Treaty of Maastricht on which the European Union is grounded – hinder the Union from being a real union as the treaties prohibit the European Union from financially assisting Greece. Neither of them makes a remark on the fiscal imprudence and public debts of Greece, rather they focus on the structural injustice and vulnerabilities of the euro area. In their perspective, the decisions taken by the EU over the last two decades – since the adoption of the euro – have become the main causes of the crisis.

As the current European system is injustice, they argue that the EU must reconstruct the whole system to counter the existing crisis and to prevent possible crises in the future. Figure 3.5 shows the structure of argumentation employed by both Chountis and Le Hyaric. Those MEPs of GUE/NGL call for European solidarity to combat the crisis as a real union. The Greek crisis should be considered not as the crisis of a Member State but as that of the Union. According to them, the EU under the current system promotes competitiveness at the global level on the basis of a deterioration in labor relations and rights within the EU. They assert that the Union should be restructured to

better serve the peoples of the EU. In light of this, their concept of European solidarity can be categorized as supranational solidarity.



**Figure 3.5.** GUE/NGL's structure of argumentation

Taking into consideration the stances of different political groups and factions, the initial political responses in the European Parliament to the EU-led crisis management can be categorized into three major types: 1) the EU's current system should not be denounced for the Greek crisis. The issue is that the Member States in turmoil have not complied with the regulations set by the EU; 2) The EU needs more integration, namely economic governance, to counter the crisis and to prevent possible crises in the future, but the current crisis is due to the deregulated financial markets speculating on the euro. It is thus not a single Member State's issue, rather a European problem that must be dealt by the Union as a whole; 3) the EU's current mechanism is injustice. The crisis in Greece is a consequence of the structural injustice. Peoples of the EU must work together to reform the Union.

## 2. Analysis of the debate on 5 May 2010

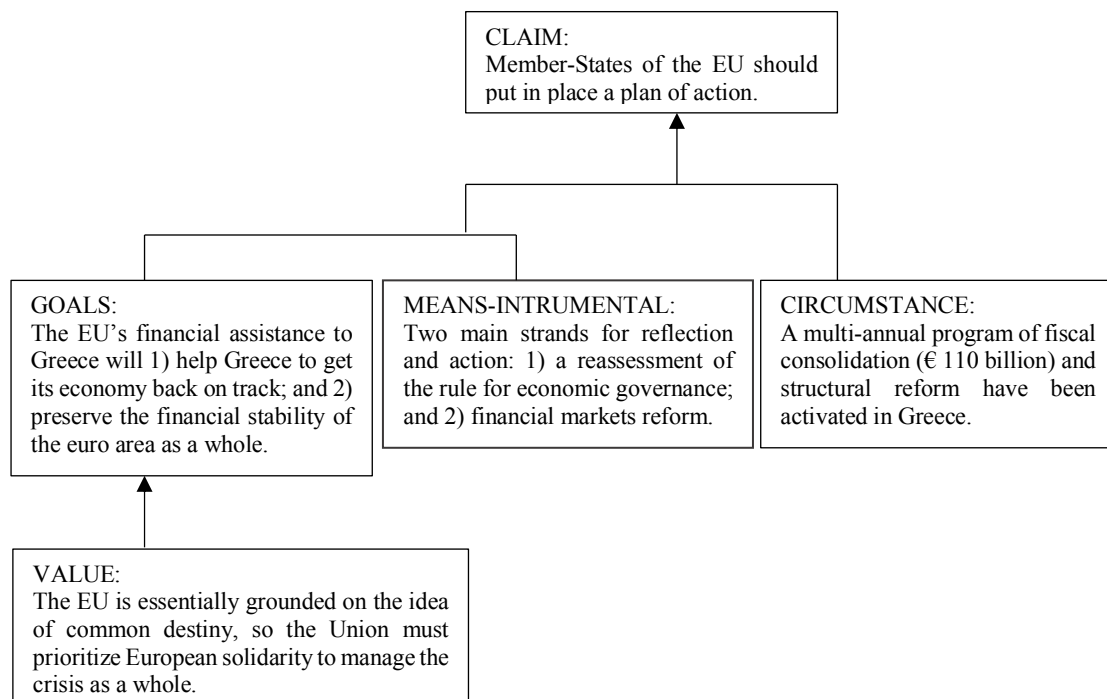
Preparation of the Summit of Heads of State or Government of the euro area <sup>107</sup>

The European Commission, European Central Bank and International Monetary Fund – so called the Troika – launched a €110 billion bailout loan on 2 May 2010 to rescue Greece from sovereign default and cover its financial need through June 2013. The loan

<sup>107</sup> Accessible at: <https://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20100505+ITEM-018+DOC+XML+V0//EN&language=EN>

– which was expected to reinforce the stability of the common currency – was conditional on implementation of austerity measures, structural reforms and privatization of government assets. The bailout loans to Greece were largely used to pay for the maturing bonds, but also to finance the continued yearly budget deficits. The debate took place three days after the financial assistance.

The words of José Manuel Barroso, President of the Commission, manifest that the EU's strategy to cope with the Greek crisis has changed in comparison to the stance of Commission in the previous debate – which only centered on the budgetary measures and structural reforms of Greece to lower the budget deficit of Greece. Barroso acknowledges that the financial support given to Greece is 'unprecedented' while pointing up that the support is 'an unprecedented act of solidarity'. In particular, he insists that the joint action of all the EU Member States is 'a source of strength' which provides 'the best possible foundation for EU's joint future'. In this sense, it is clear that the Commission calls for European solidarity to counter the crisis unlike the previous standpoint, and their conceptualization of solidarity can be categorized as intergovernmental solidarity. Based on the framework of practical reasoning, Barroso's structure of argumentation can be reconstructed as Figure 4.1.

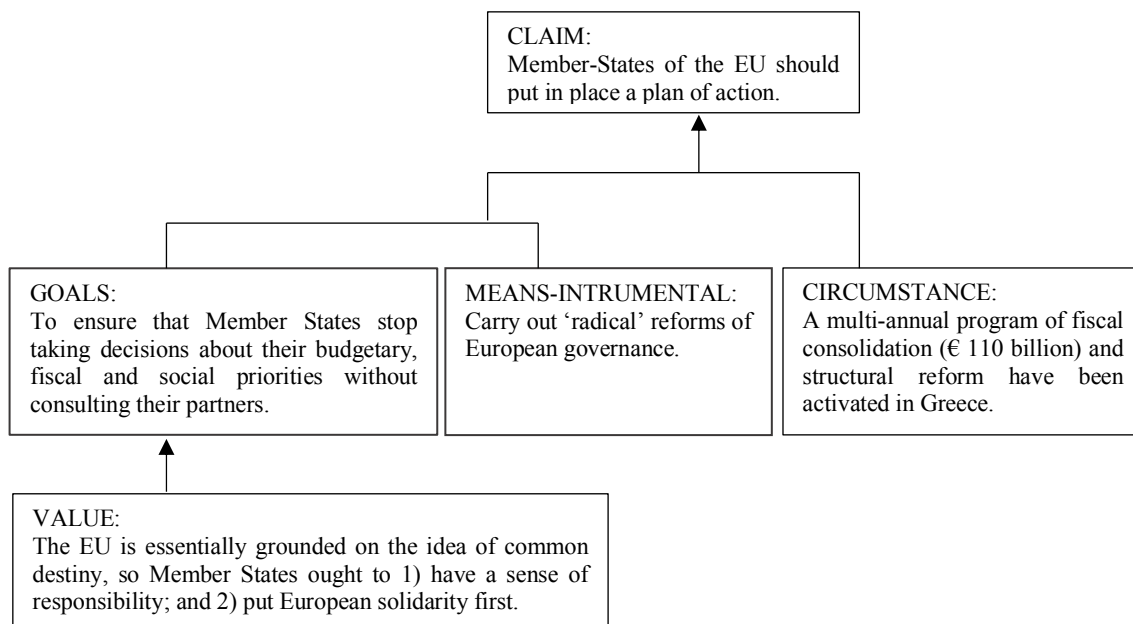


**Figure 4.1.** The Commission's structure of argumentation

With regard to the Means-Goal premise, the Commission stresses the importance of strengthened economic governance<sup>108</sup> – as they did in the last debate – to oblige Member States to comply with the Union’s fiscal rules. In the meantime, interestingly, Barroso points up ‘interdependence’ within the Union to argue that the EU needs to address ‘the imbalances between our Member States, in particular within the euro area’. This implies that the Commission admits that Greece is not solely responsible for the crisis.

### 2.1. EPP: Pro-EU / Right

Joseph Daul – who spoke on behalf of EPP group – does not argue against the coordinated European mechanism for financial assistance to Greece, which clearly shows his political group’s Pro-EU stance. In the meantime, he stresses the importance of reforming economic and social governance within the Union to guide Member States to be responsible and sensible. His structure of argumentation can be reconstructed as Figure 4.2 based on the framework of practical reasoning.



**Figure 4.2.** EPP-Center’s structure of argumentation

As indicated in the Goal premise section, Daul manifests the concerns with regard to the attitude of the Member States bailed out or in crisis. The current mechanism, in his perspective, cannot prevent Member States from being irresponsible in terms of public

<sup>108</sup> According to the European Parliament, ‘economic governance’ refers to the system of institutions and procedures established to achieve Union objectives in the economic field. Developments in economic governance include reinforced coordination and surveillance of both fiscal and macroeconomic policies and the setting-up of a framework for the management of financial crises.

finance management policies since it does not guarantee absolute transparency in the presentation of public accounts. From his words, therefore, we can infer that the stance of EPP-Center is firmly in line with their standpoint in the previous debate which regarded the crisis as a policy problem of Greece. Greece is in economic and political turmoil because the country has failed to comply with the rules set by the Union before the crisis. Daul calls for European solidarity – which can be categorized as intergovernmental solidarity – to deal with the crisis and emphasizes that Member States within the euro area share a currency, values and a common destiny. However, his approach for the EU-led crisis management solely focuses on the peripheral countries – which are described as irresponsible – while not discussing any other factors argued by different political groups such as the imbalances within the Eurozone and the poorly regulated financial sector.

Marietta Giannakou from Greece also keeps the Pro-EU stance and calls for European solidarity – intergovernmental solidarity, however different from that of Daul – to counter the crisis. Even though Giannakou admits that Greek crisis has a moral characteristic, she insists that the crisis in Greece cannot only be the problem of Greece. Giannakou criticizes the Union for the involvement of the International Monetary Fund as it signals, in her perspective, that the Union itself is unable to address any new international crisis that might arise in the future. According to her, therefore, European solidarity should be interpreted as Member States being solidary with the partners in crisis. The difference between Daul (EPP-Center) and Giannakou (EPP-Periphery) reveals center-periphery divide within the Group.

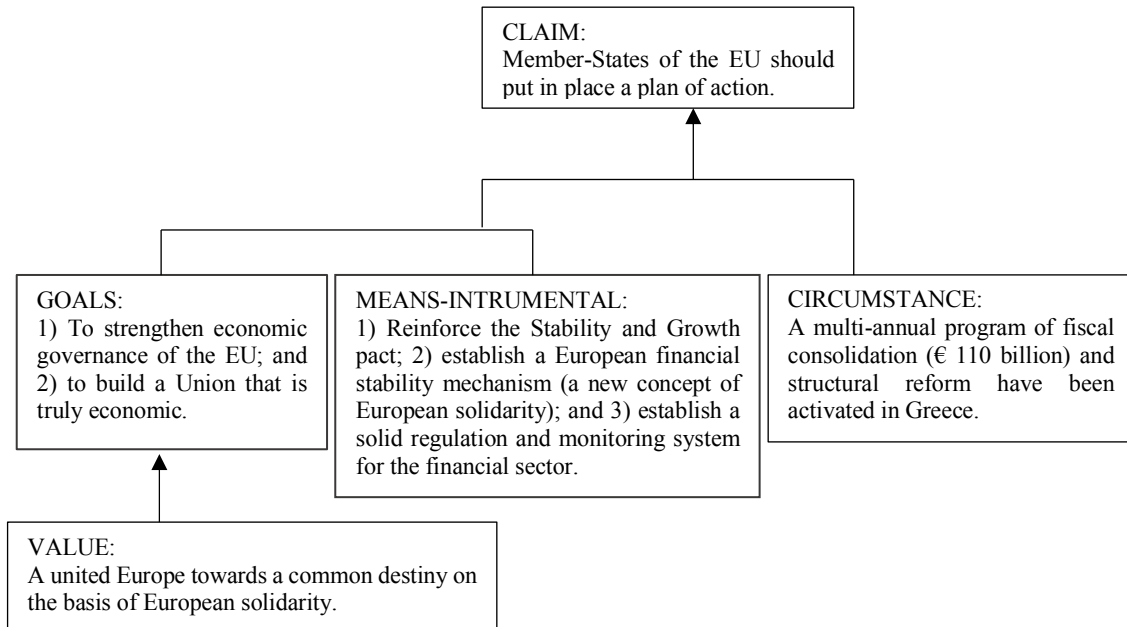
## **2.2. S&D: Pro-EU / Left**

MEPs from the S&D Group maintain the Pro-EU stance, and there is no center-periphery divide within the Group. As the Group did in the debate of February, the Group calls for European solidarity to establish a more affirmative and extensive EU-led crisis management. The argumentation of Maria Badia I Cutchet – who spoke on behalf of S&D – clearly represents the group's stance which is on the side of European Commission's decision to provide financial assistance to Greece. Based on the framework of practical reasoning, the structure of her argumentation can be visualized as Figure 4.3.

As specified in the Means-Goal premise part, the social democrats have a similar stance on the crisis management compared to that of the Commission, and there exists a clear continuity since the debate of February. They invoke European solidarity – which



can be categorized as intergovernmental solidarity – for a united Europe with a common destiny to counter the negative dynamic of ‘national selfishness’. Furthermore, they seek to reform economic governance of the Union by strengthening the Stability and Growth pact and address the uncontrolled operation of the financial sector by setting up a solid regulation and monitoring system within the euro area.



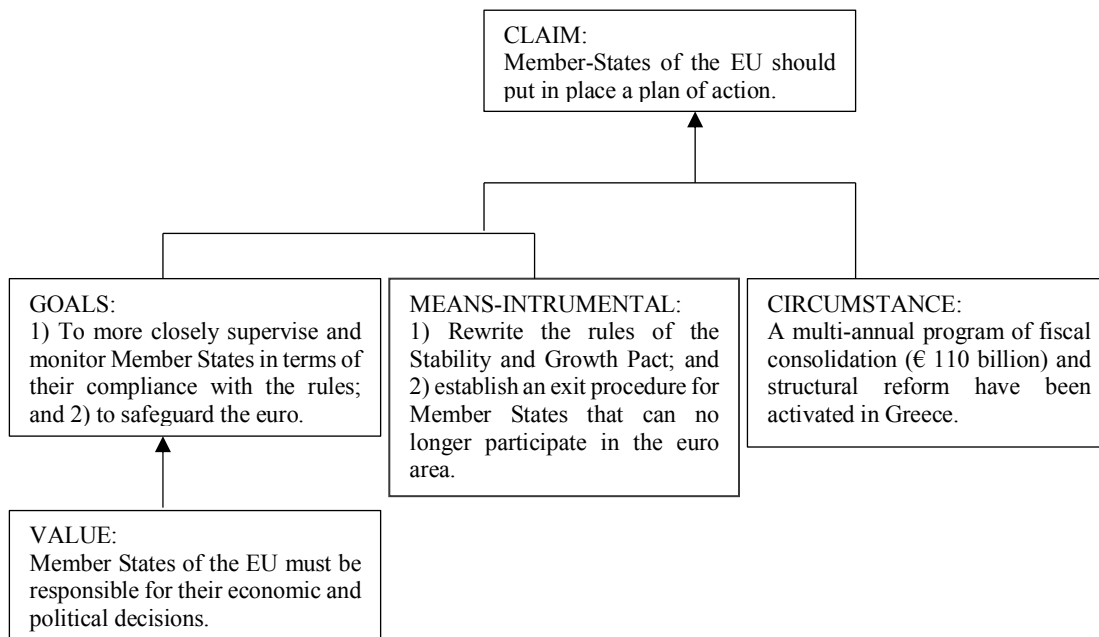
**Figure 4.3.** S&D’s structure of argumentation

In the meantime, unlike the stance of the Commission, S&D insists that the Union needs to establish a European financial stability mechanism to tackle a crisis in the future. In their perspective, the current system without a financial stability mechanism is insufficient to save the Union as a whole in times of crisis. Furthermore, some of social democrats, particularly from the center countries such as Martin Schulz, criticize the EU leaders for the form of the aid package put together for Greece. In their perspective, the aid package is a coordination of loans – due to the Lisbon Treaty’s so-called ‘no bail-out’ clause – which allows the lenders to benefit from the high interest rate of loans to Greece.

### 2.3. ECR / EFD – Eurosceptic / Right

Derk Jan Eppink from the Netherlands spoke on behalf of the ECR Group in the debate. Along with EPP and S&D, Eppink also agrees on the necessity of strengthening the Stability and Growth Pact. In the meantime, Eppink employs a radical stance; arguing that Greece must ‘be thrown out of’ the euro area due to their budget misappropriations. Since the sovereign debt crisis in Greece is causing a contagion within the euro area, Eppink insists that the Union should focus on an ‘exit procedure’ to defend the euro

instead of being in solidarity with Member States in turmoil. The structure of his argumentation can be visualized as Figure 4.4. Based on the speech of Eppink, it can be argued that the ECR-Center does not call for European solidarity to counter the crisis. Rather, the intervention of the EU, in their perspective, should be understood as a measure to prevent the Greek crisis from spreading over to the rest of the euro area rather than an act of European solidarity.

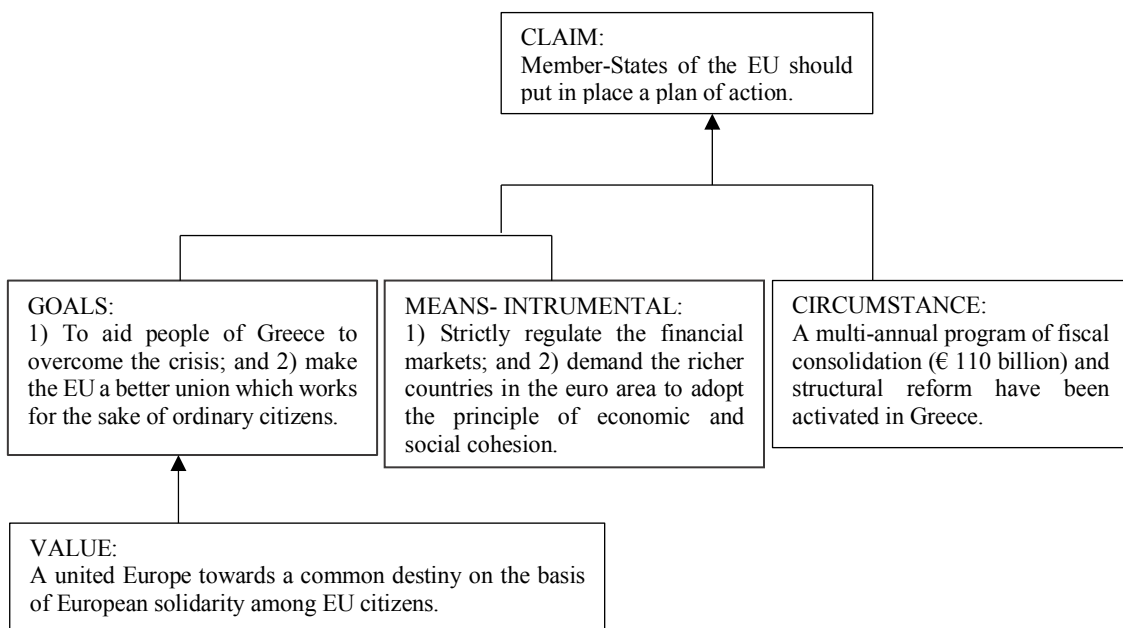


**Figure 4.4.** ECR-Center's structure of argumentation

The stance of Nikolaos Salavrakos who spoke on behalf of the EFD Group contrasts with that of Eppink. While admitting that the Greek government was irresponsible in terms of public finance management policies, Salavrakos points up that the economic crisis has come from the United States. This implies that the Greek crisis is not only about his home country, Greece. Salavrakos argues that Greece is 'the tip of the iceberg' and other Member States – both inside and outside the euro area – would face economic problems due to the external economic shocks from the US. For this reason, he stresses the importance of a permanent solution at the European level for Member States in economic turmoil and calls for EU leaders to move more quickly in that direction. It is noteworthy that a hard-Eurosceptic MEP seeks to strengthen the EU's crisis management competences which can be comparable to the S&D's proposal to establish a permanent stability mechanism within the euro area. The difference between the stance of ECR-Center and that of EFD-Periphery reveals that the regional background plays a vital role in the Eurosceptic-right camp when it comes to employing a certain stance with regard to the aid package to Greece.

## 2.4. GUE/NGL – Eurosceptic / Left

The radical left group manifests its Eurosceptic stance through their remarks on the crisis management decided by the EU leaders. Just like the social democrats, there is no center-periphery divide within the GUE/NGL Group. The words of Lothar Bisky from Germany – who spoke on behalf of GUE/NGL – give a good overview of the Group’s stance on the EU-led crisis management. In this regard, his structure of argumentation is reconstructed and visualized in Figure 4.5. In the perspective of GUE/NGL, the increasingly deregulated financial markets are the most urgent structural issue that the EU must address to prevent Member States from being in economic and political turmoil through which Greece is going. For this reason, the group argues that the Union needs to impose measures to monitor and supervise the financial market such as a ban on trading credit derivatives. This stance is distinctively different from that of other groups that mainly focus on strengthening economic governance of the EU.



**Figure 4.5.** GUE/NGL’s structure of argumentation

The group regards the enforcement of the Stability and Growth pact as the EU takes political control of the Member States in crisis, particularly the case of Greece. In perspective of Ilda Figueiredo from Portugal, those conditions – implementation of austerity measures, structural reforms and privatization of government assets – imposed on Greece in exchange for the loan should be seen as ‘absolute domination of Greece’s internal policies’ by the richer countries in the euro area that would gain from the interest on the loan. This implies that the richer countries in the euro area are not solidary with their partners in crisis. Although the Commission calls for European solidarity to cope

with the crisis, in the perspective of GUE/NGL, there exists an obvious lack of solidarity within the Union because the EU leaders pass burdens on to ordinary citizens, in particular those of the Member States in crisis. As argued in the debate of February, the group invokes European solidarity among ordinary citizens within the euro area, and this can be categorized as supranational solidarity.

### 3. Analysis of the debate on 24 November 2010

Conclusions of the European Council meeting (28-29 October) and economic governance  
109

On 28 November 2010 the Troika – European Commission, the European Central Bank, the International Monetary Fund – and the Irish Republic reached an agreement over a bail-out worth about 85bn euros for Ireland to safeguard the financial stability in the euro area and in the EU as a whole. 35bn euros were spent to rescue the Irish banking system, and the remaining 50bn euros went towards helping the Irish government’s day-to-day expenditure. The Irish government contributed 17.5bn euros to the overall fund while the EU contributed 45bn euros, encompassing direct bilateral loans from the UK, Sweden and Denmark, and the IMF contributed 22.5bn euros. While Greece paid an average interest rate of 5.2% for their first bail-out, the Irish Republic was asked to pay 5.8% on the loans. Germany allegedly had been hoping for a higher interest rate of about 7% so that any rescue loans would not look like low-priced money.<sup>110</sup> The debate took place four days earlier than the deal.

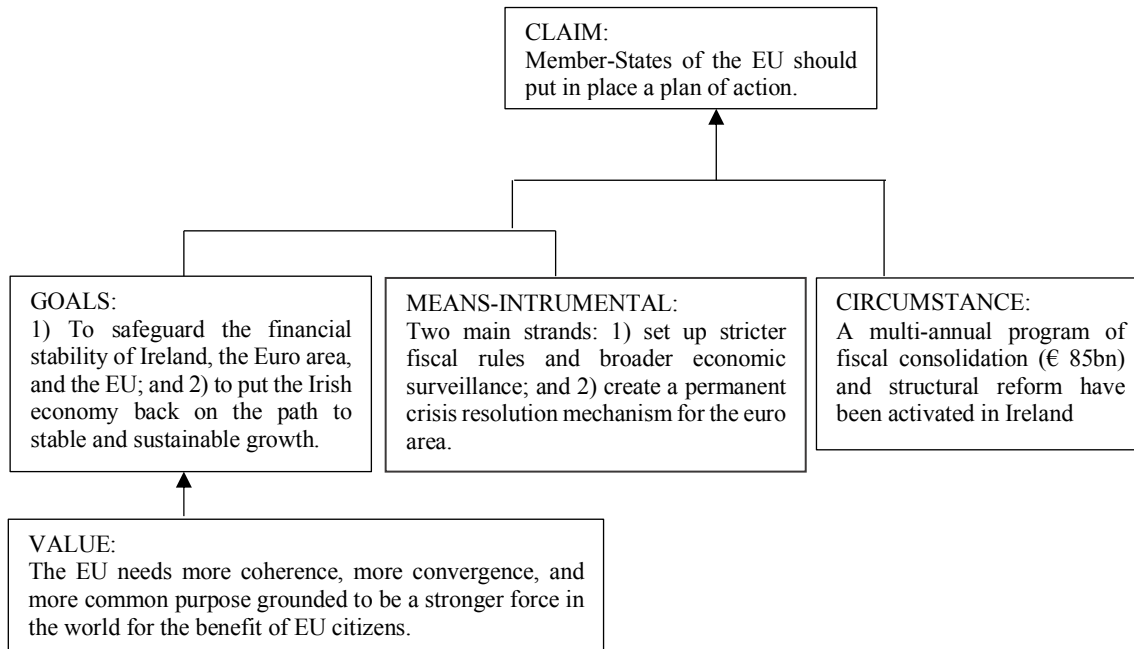
The speech of José Manuel Barroso, President of the Commission, shows that the Commission’s stance has moved towards the direction of the social democrats compared to their stance back in May. In particular, his remarks on a permanent crisis resolution mechanism for the euro area – which later on turned out to be the European Stability Mechanism (ESM) – manifest that the Commission has changed their standpoint on financial support to Member States, which was against the Lisbon Treaty. The European Union set up the European Financial Stability Facility (EFSF) on 9 May 2010 as a temporary measure to preserve financial stability in the euro area. Due to the lack of a legal basis in the EU treaties, the EFSF was devised to expire in 2013. To deal with this limitation, the Heads of State or Government unanimously made the decision to carry out

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<sup>109</sup> Accessible at: <https://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20101124+ITEM-004+DOC+XML+V0//EN&language=EN>.

<sup>110</sup> “Irish Republic 85bn euro bail-out agreed,” BBC News, 2010, accessed Jul 20, 2020, <https://www.bbc.com/news/world-europe-11855990>.

treaty change to establish a permanent mechanism in October 2010. According to Barroso, a permanent crisis resolution mechanism for the euro area is ‘an essential piece of the jigsaw’. The structure of his argumentation is reconstructed on the basis of the practical reasoning framework as Figure 5.1.



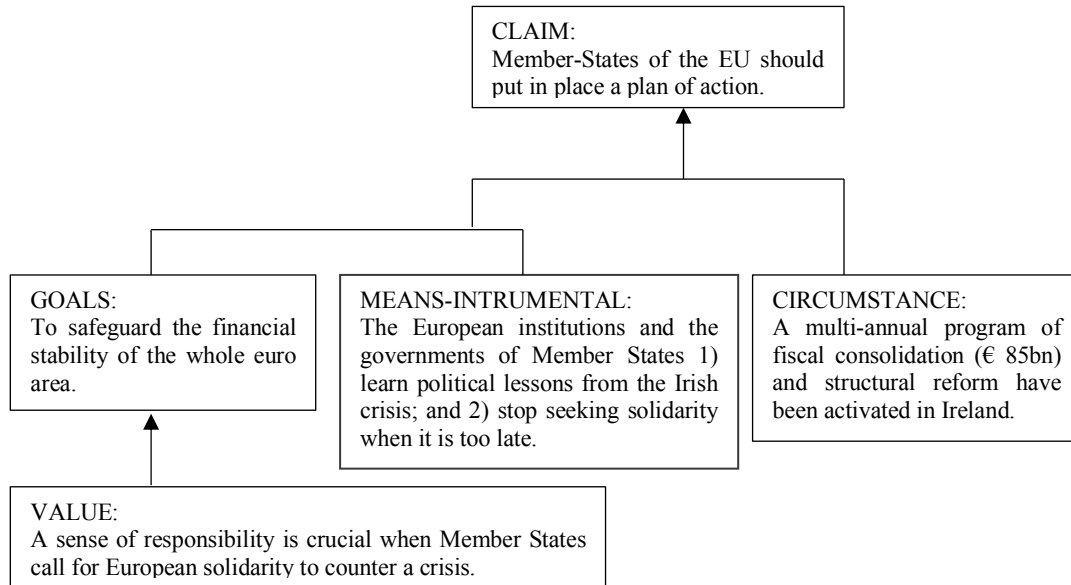
**Figure 5.1.** The Commission's structure of argumentation

Barroso clarifies three main components of the permanent mechanism: ‘a macro-economic adjustment program, a financing arrangement, and private sector involvement’, and these components fully reflect the characteristics of the ESM which was set up later as a permanent firewall for the eurozone on 27 September 2012. The mechanism was devised to include private sector so that ESM assistance programs would obtain their funds in financial markets instead of taxpayer money. The component of private sector involvement has been subject to criticisms from different political groups in the Parliament. Lastly, Barroso calls for European solidarity from all Member States – which can be categorized as intergovernmental solidarity – to make Europe a stronger force in the world for the benefit of EU citizens.

### 3.1. EPP: Pro-EU / Right

Joseph Daul spoke on behalf of the EPP group as he did in the debate of May. His words clearly show the Pro-EU stance of the Group as he supports the EU's aid to Ireland for the financial stability of the whole euro area. On the one hand, Daul openly sides with the EU's decision to rescue Ireland with the financial package, but on the other hand, he points up the importance of ‘lessons’ that other Member States can learn from the Irish

crisis. Even though he argues that his remark is not ‘a criticism of Ireland’, it can be argued that, along with his speech in May, his intention behind the remark is that the difficulties that the country is facing are due not only to the banks, but also to the Irish government’s fiscal and economic policy over the years. The ‘poor’ policy management eventually results in a collapse of property bubble, household debt, record unemployment and a crippled banking sector. The structure of his argumentation can be reconstructed and visualized as Figure 5.2.



**Figure 5.2.** EPP-Center’s structure of argumentation

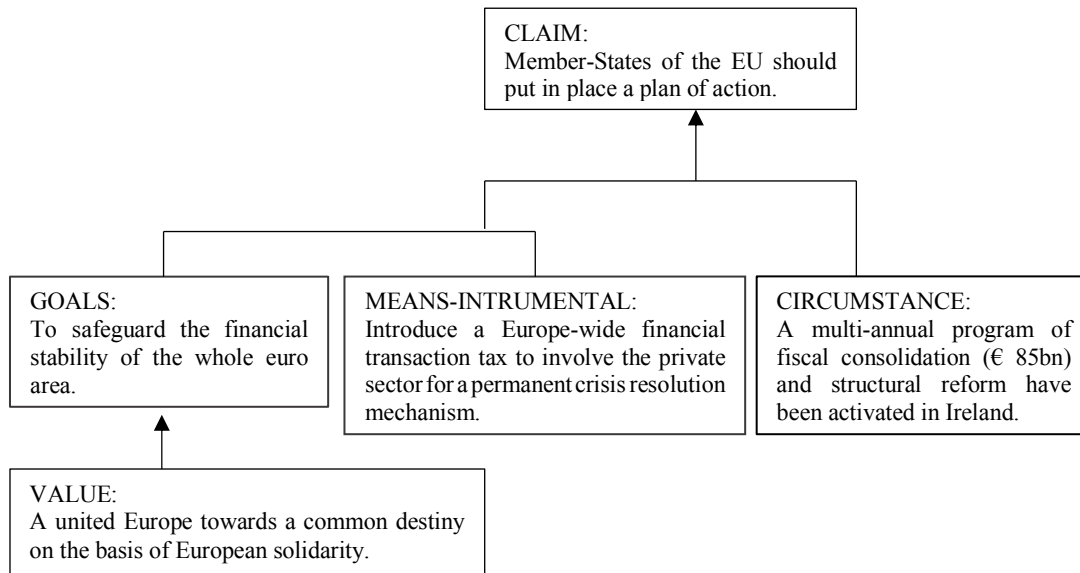
As indicated in the Mean premise section, Daul argues that Ireland only seeks European solidarity when the country is in turmoil while has not shown European solidarity before the crisis. It is because the country has not complied with the rules set by the EU. His line of argument implies that the Group, particularly EPP-Center, regards the crisis as a policy problem of Ireland. This manifests that the current stance on the EU-led crisis management is closely in line with those of the Group in the previous debates: the EU must play a vital role to safeguard the financial stability of the euro area even though those partners in turmoil have not complied with the rules set by the Union (lack of European solidarity). In their perspective, it is thus important to impose the strict measures devised to bring structural reforms to those Member States.

Mario Mauro from Italy also sides with the Commission’s stance broadly. At the same time, compared to the stance of EPP-Center, Mauro argues that EPP needs to be more ambitious as the largest pro-EU political group in the European Parliament. In his perspective, it is not Eurosceptics who do not believe in Europe, rather it is EPP that is not fully committed to Europe. In light of strong and ambitious ideals for Europe, he

argues that the EU should issue European Union bonds – so-called ‘Eurobonds’ – to counter the current challenging situations in the euro area. It can be understood as a criticism of the private sector involvement to finance ESM assistance programs. This clearly shows that there exists center-periphery divide within the group as it was the case for the last two debates.

### 3.2. S&D: Pro-EU / Left

Considering the speech of Martin Schulz from Germany who spoke on behalf of the S&D group, S&D contests the decision-making process of the EU with regard to the aid package to Ireland. Schulz argues that the EU is divided into three parts: ‘the German-French decision makers, the rest of the euro area and the remainder that does not belong to the euro area’. In his perspective, the EU’s approach to the Irish case will destroy the coherence of the Union. His line of argumentation can be restructured as Figure 5.3.



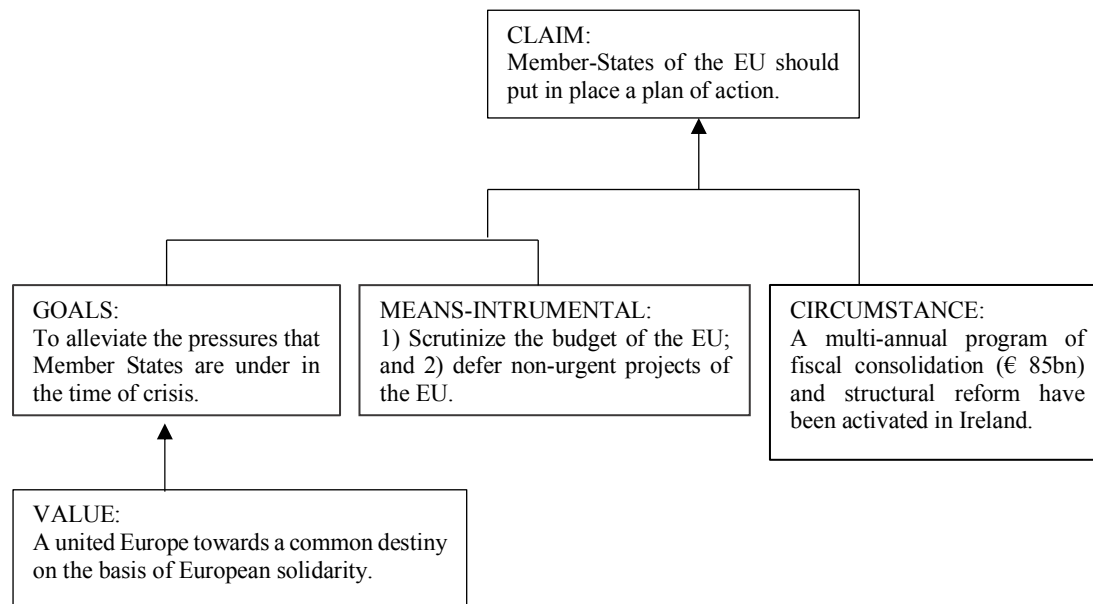
**Figure 5.3.** S&D’s structure of argumentation

Schulz criticizes the Commission for the decision-making process and the way of involving the private sector, but it cannot be considered as Eurosceptic. Rather, it should be still regarded as pro-EU since the group that he represents attempts to materialize a more ambitious idea – introducing a Europe-wide financial transaction tax as indicated in the Mean Premise part – to safeguard the financial stability of the whole euro area. In this sense, it can be argued that the stance of S&D is more committed to the EU’s competences than their liberal-conservative partner. Unlike the divide of EPP, there is no clear center-periphery divide in S&D. Anni Podimata from Greece is on the same page in terms of adopting a transaction tax at European level. Furthermore, Podimata argues that

tightening up the rules of budgetary discipline widens rather than addresses the economic and political cohesion gap within the Eurozone. In light of this, Podimata points up the necessity of issuing Eurobonds – which is even more progressive than a transaction tax – to establish a ‘joint mechanism’ to control part of the Member States’ debt. Interestingly, this shows that members of the two large established pro-EU, particularly those from peripheral countries, share the more ambitious idea – Eurobonds – in comparison to their colleagues from the center countries.

### 3.3. ECR / EFD – Eurosceptic / Right

Even though Kay Swinburne is from the UK which is not part of the Eurozone, her speech is analyzed to investigate the stance of ECR on the EU’s aid package to Ireland since she spoke on behalf of the ECR Group. The group does not oppose to the EU’s bail-out for the Irish Republic while stressing the importance of the EU-led crisis management. In the meantime, the speech centers on the fact that the loan to Ireland is conditional on implementation of structural reforms, broader economic surveillance, and austerity measures. This is intended to point up that the EU needs improved economic governance and more rules for national governments via fines and sanctions to safeguard the common currency. Swinburne’s line of argument can be reconstructed as follows (Figure 5.4) based on the framework of practical reasoning.



**Figure 5.4.** ECR’s structure of argumentation

In the perspective of ECR, the conditions imposed on Ireland – in return for the aid package – demonstrate that the EU itself recognizes that it has not done a good enough job at enforcing its own rules and standards within the eurozone, and this eventually has



led EU citizens to lose their confidence in the Union. ECR's interpretation regarding the current political dynamics within the euro area reveals the Group's soft-Eurosceptic stance. Unlike other political groups in the Parliament, ECR does not refer to European solidarity while discussing the EU's response to the crisis.

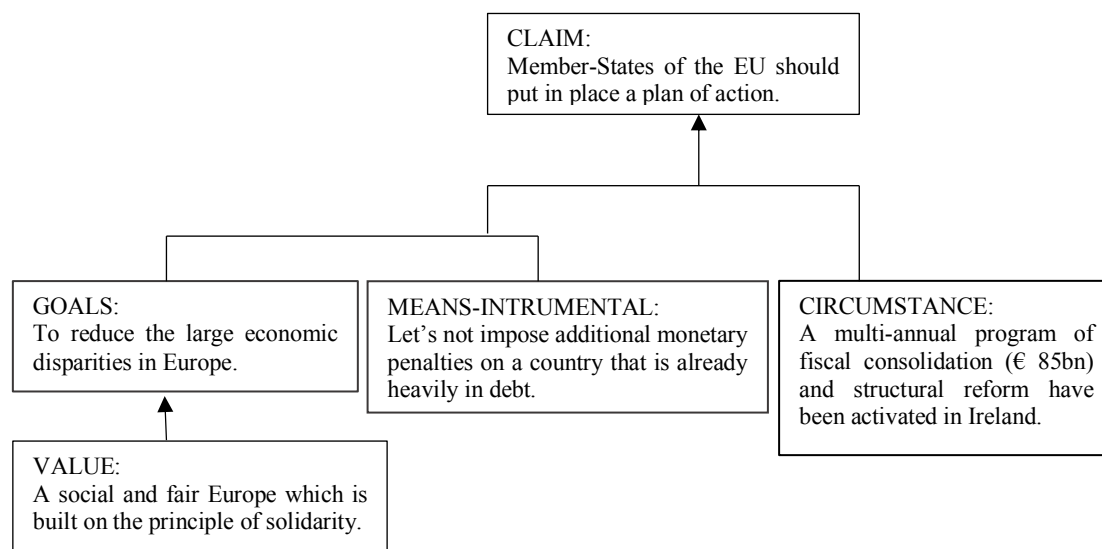
In terms of the stance of the EFD Group on the EU's bail-out package to Ireland, the Group's standpoint is different and hard-Eurosceptic compared to those in the debates of February and May. In particular, those MEPs of EFD from the peripheral economies sided with the EU-led crisis management in the previous debates. However, in the third debate, the Group's hard-Eurosceptic stance prevails. All of the group members, regardless of their regional backgrounds, explicitly oppose to the EU's measures aiming to safeguard the financial stability of the euro area. Mario Borghezio, an Italian MEP, asserts that the Union should not prioritize the stability of the euro area and not be afraid of the dissolution of the common currency since 'the rescue of the euro project is only ruining the economies and democracy of Member States'. Moreover, there is no sense of European solidarity in their line of argument, and this reveals that the stance of EFD MEPs from the peripheral countries has changed at a substantial degree.

#### **3.4. GUE/NGL – Eurosceptic / Left**

Lothar Bisky from Germany who spoke on behalf of the GUE/NGL Group agrees with the Heads of Member State on the scheme of creating a permanent crisis mechanism to safeguard the financial stability of the euro area, and this shows that the radical left group also shares the importance of EU-led crisis management. Considering the words of Bisky, however, the Group does not consent to how the proposed crisis mechanism would work in substance. In the perspective of Bisky, the proposed scheme can put the cautious recovery from the crisis at risk due to the radical cutting of public expenditure which was devised to avoid long-term deficits in the first place. The structure of his argumentation is reconstructed as Figure 5.5. Furthermore, GUE/NGL considers the enforcement of the Stability and Growth pact as a stringent control on the budgets of the country in crisis which will eventually destroy the solidarity between Member States within the monetary union. This kind of Eurosceptic stance has been continuously employed by GUE/NGL since the onset of the Greek crisis.

Just like their social democratic colleagues in the Parliament, there is no center-periphery divide within the radical left group. Bairbre de Brún from Ireland argues that, due to the billions of euros of cutbacks in Ireland, the people will lose their jobs, public

services will be curtailed, and income tax will be raised for people on low wages. Bisky is on the same page as well since he insists that the design of the aid package would not benefit the plain people of Ireland, rather push the people to bear the consequences of the crisis. Furthermore, both of the MEPs call for European solidarity among ordinary peoples within the euro area – which can be categorized as supranational solidarity – to build a social and fair Europe for the benefit of EU citizens. In conclusion, the stance of GUE/NGL has not changed compared to its standpoints of February and May.



**Figure 5.5.** GUE/NGL's structure of argumentation

#### 4. Analysis of the debate on 15 February 2011

Adoption of modifications to the Treaty <sup>111</sup>

On the contrary to the beginning of the Eurozone crisis, the Heads of Government and the European institutions agreed on the need for a permanent mechanism in the medium term to preserve the stability of the euro area. On 16 December 2010, a month after the bail-out for Ireland, the Belgian Government submitted to the European Council a proposal for a decision to change the Treaty on the Functioning of the EU (TFEU) with a view to establishing a permanent stability mechanism – for Member States whose currency is the euro – to safeguard the financial stability of the entire euro area by amending Article 136. The purpose of the treaty change was very specific and straightforward as it was in pursuit of establishing the permanent mechanism, which shows that Member States were willing to put their weight behind the stability and integrity of the euro. On 15 February 2011, the European Commission agreed that the

<sup>111</sup> Accessible at: <https://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20110215+ITEM-012+DOC+XML+V0//EN&language=EN>.

TFEU should be amended before 2013 to allow for the establishment of the European Stability Mechanism (ESM) – which eventually was set up in October 2012. To fast-track the whole process, the Commission employed the ‘simplified treaty amendment procedure’<sup>112</sup> which has caused political debate.

The words of José Manuel Barroso, President of the Commission, manifest how the Commission has developed their stance on the permanent stability mechanism within the euro area to defend the common currency and to guarantee the financial stability of the European Union. Compared to the previous debate of November 2010, the Commission incarnates the method to establish the permanent mechanism by agreeing to draw on the ‘simplified procedure’. Barroso insists that a limited modification of Article 136 of the Treaty on the Functioning of the European Union (TFEU) is necessary to allow the Member States in the euro area to create the permanent mechanism to ensure the financial stability of the EU. Furthermore, he points up that the European stability mechanism will make a large contribution not just to preserving financial stability, but also to increasing the competitiveness and convergence of different economies within the euro area. The structure of Barroso’s argumentation is reconstructed on the basis of the practical reasoning framework and visualized in Figure 6.1.

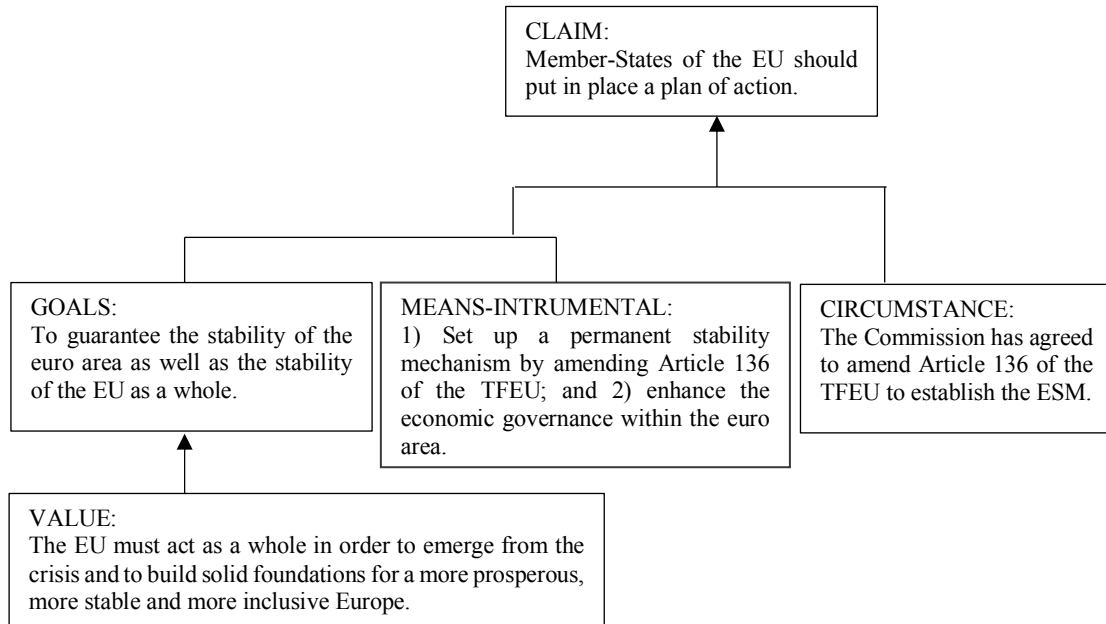
Barroso views the stability of the euro area as general European interest and regards the establishment of the permanent mechanism as an act of European solidarity among Member States. It is because solidarity is a fundamental value of the EU in his perspective,<sup>113</sup> and the concept can be categorized as intergovernmental solidarity since the mechanism grants required financial assistance to a Member State in turmoil. The simplified procedure proposed by the Commission to amend Article 136 for the permanent mechanism relies on the intergovernmental method rather than the community method. In the intergovernmental method of classical organizations, the decision-making belongs to governmental organs – such as a Council or a General Assembly – while there is no representation of the peoples of Member States. On the contrary, in case of the community method, it is a supranational institution, the Commission, that has the power to present a proposal for a binding act and the decision-making authority shared between

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<sup>112</sup> The simplified revision procedure can only be used for revising all or part of the TFEU, relating to the internal policies and actions of the Union. The EU is not allowed to use this procedure to obtain any new power. Compared to the ordinary revision procedure, the simplified procedure skips the ‘Convention’ step. In short, the simplified procedure, proceeds as follows: the European Council must unanimously decide to amend part of the Treaty. Next, all Member States must separately approve of the proposed amendment(s).

<sup>113</sup> Barroso refers to Article 122 of the Treaty on the Functioning of the European Union.

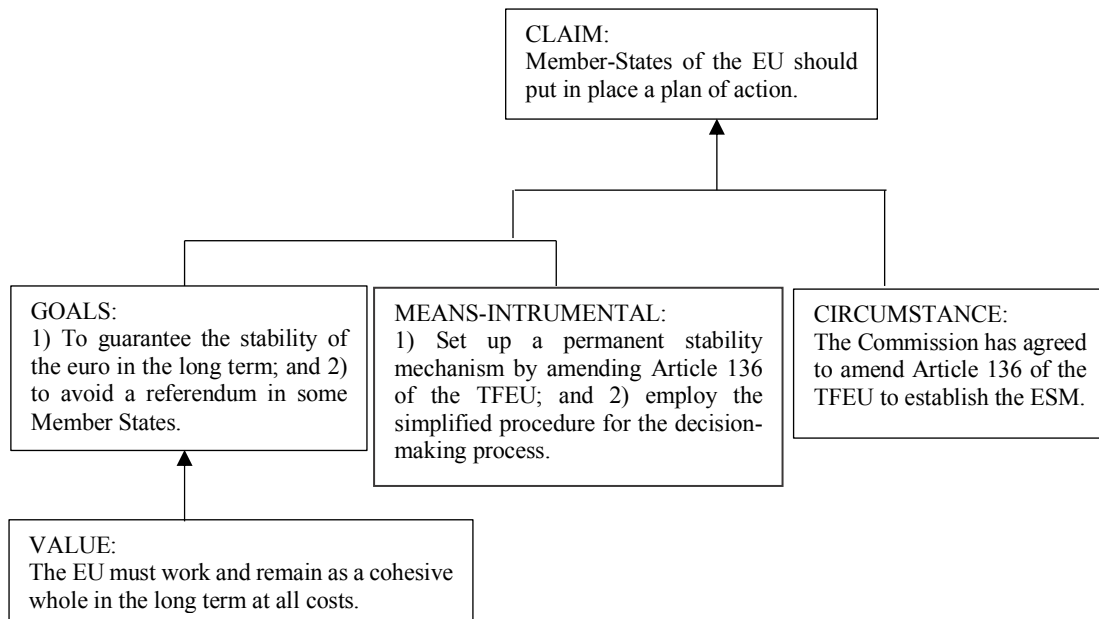
the European Parliament and the Council. Even though Barroso stresses that the community method and the intergovernmental method are ‘not of equal importance’ and the latter is ‘simply an aid to be used’ when the community method is not available for reasons relating to the Treaty, the Commission’s simplified procedure is subject to criticisms from different groups.



**Figure 6.1.** The Commission’s structure of argumentation

#### 4.1. EPP: Pro-EU / Right

Elmar Brok from Germany spoke on behalf of the EPP Group in the debate following the speech of Barroso. His words reveal the stance of the EPP Group, particularly MEPs from the center, on the Commission’s proposal for taking the simplified procedure to amend Article 136 of the TFEU. The Group explicitly sides with the Commission regarding the necessity of the permanent mechanism and the Treaty change process. The structure of the argumentation can be reconstructed as Figure 6.2. Compared to the previous standpoints in the debate, it is noteworthy that the Group, particularly EPP-Center, has shifted its stance towards the establishment of a permanent stability mechanism since the onset of the Greek crisis. Brok points up that drawing on the simplified procedure is the optimal way to reach a decision in time so that the Union would refrain from causing any problems which would negatively affect the financial markets. It is because of the risk that the Treaty change would result in referendums in some Member States if the EU opted for the community method instead of the intergovernmental method. In the perspective of EPP-Center, it is inevitable to undergo referendums if the process is considered as a ‘fresh transfer of powers to the EU’s institutions.



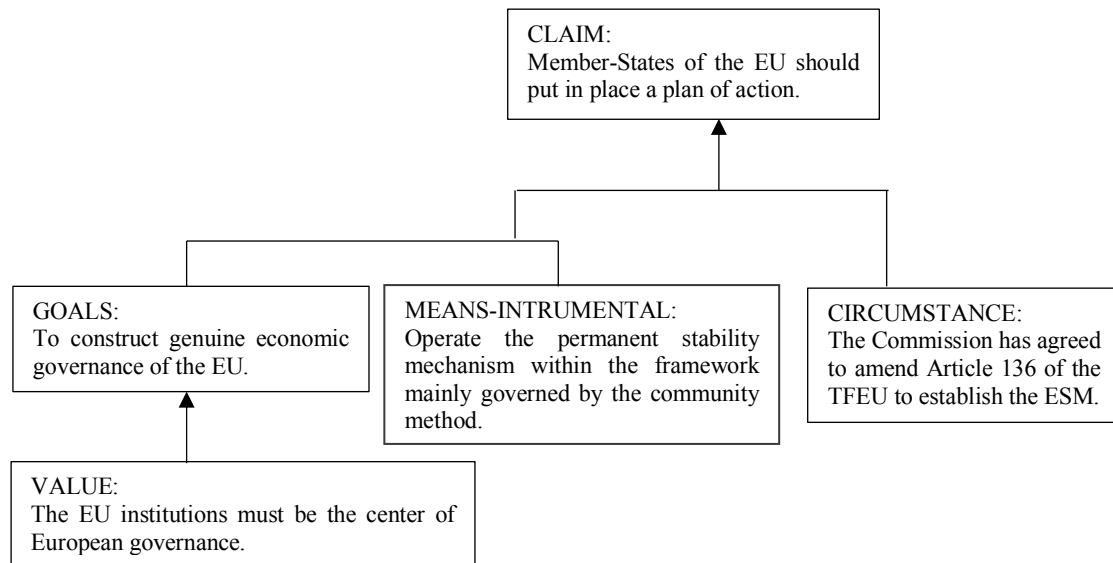
**Figure 6.2.** EPP-Center's structure of argumentation

Paulo Rangel from Portugal also sides with the Commission's proposal for the simplified procedure to establish the permanent stability mechanism. Rangel argues that strengthened economic governance – consisting of both the stability fund and reinforced fiscal surveillance – is the key to resolve the financial and economic crisis within the euro area. This clearly shows the pro-EU stance of the Group, particularly those MEPs from the peripheral countries. In the meantime, compared to Brok, Rangel proposes a more ambitious idea which is to provide loans on favorable conditions that exclude any margins on borrowing costs so that the financial crises in the most fragile Member States can be resolved. Rangel criticizes the EU for the interest rates offered to Greece and Ireland since their problems are not being solved by aid from the Troika due to the high rates. Although it is to a less extent compared to the previous debate, the difference shows that there exists center-periphery divide within the EPP Group.

#### **4.2. S&D: Pro-EU / Left**

The speech of Roberto Gualtieri from Italy who spoke on behalf of the S&D Group shows that the Group welcomes the Commission's proposal for the creation of a permanent stability mechanism, which aims to safeguard financial stability. Gualtieri argues that establishing a permanent mechanism is a key point in the construction of genuine economic governance in Europe. Figure 6.3 is a reconstructed version of his line of argumentation. As indicated in the Mean premise part, Gualtieri questions how the permanent stability mechanism will operate in substance since the Commission's

intergovernmental approach to the Treaty change would result in ‘a step towards a new intergovernmentalism’. This shows that S&D is against the Commission’s intergovernmental method-based approach to establish a permanent mechanism.



**Figure 6.3.** S&D’s structure of argumentation

Martin Schulz from Germany elaborates the possible issues that the Union would face if the Commission adopts the simplified procedure on the grounds of the intergovernmental method. According to Schulz, the internal structure of the euro is not at all stable due to the ‘wildly ambiguous attitude’ of the Heads of Government. The Heads have created a strong monetary area where they are able to take external action, and, in the perspective of Schulz, this hinders Europe from acting in a consistent way. Schulz argues that ‘the EU is strong when it acts in a consistent way, but if it allows itself to break down into 27 individual parts, it becomes irrelevant’. In this regard, he becomes concerned about the risk that Europe would break down into individual states due to the context of the simplified procedure for a permanent stability mechanism. In conclusion, it can be argued that there is no center-periphery divide in the S&D Group just like the previous debates. Even though the Group criticizes the Commission’s intergovernmental approach, it still keeps its pro-EU stance as it seeks to find an alternative within the framework of the community method.

#### **4.3. ECR / EFD – Eurosceptic / Right**

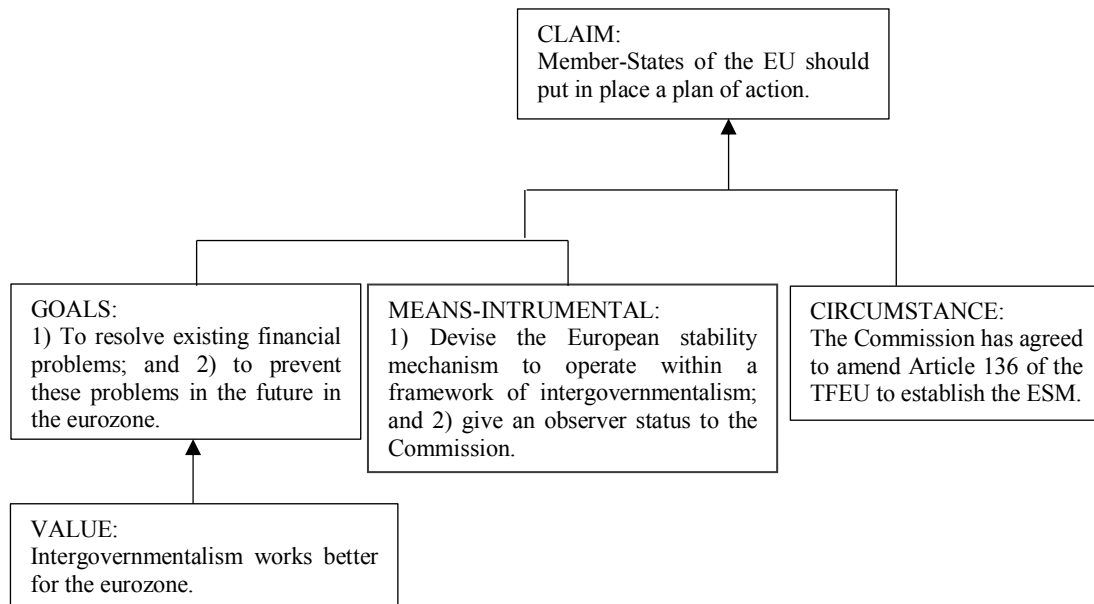
Ashley Fox is from the UK which is not a member of the euro area. However, the speech of Fox in the debate can be the source to infer the stance of the ECR Group on the EU-led crisis management as he spoke on behalf of the Group. ECR agrees on the

Commission's proposal to establish a permanent stability mechanism by employing the simplified procedure to amend the Treaty. This means that ECR shares the necessity of the mechanism to safeguard the stability within the eurozone unlike their standpoints in the previous debates. In the meantime, the Group puts more emphasis on the importance of structural reforms – which was their main line of argument previously – of the Member States in turmoil to make those countries 'a lot more competitive' for the sake of the euro. However, it should not be understood that the Group's line of argument is on the basis of European solidarity. Although ECR admits that the euro is not only a matter of the euro area, this should be read as pointing up the interconnectivity between the euro area and the EU Member States which are outside the area. The center-periphery divide within the Group cannot be discussed since all the other speakers from ECR are from the UK.

On the contrary, the EFD Group manifests the internal divide within the eurozone. Jaroslav Paška from Slovakia agrees with the necessity of a permanent stability mechanism to secure the financial stability of the euro area. While pointing up the limitations of using one common currency for Member States whose currency is the euro when it comes to handling insolvency, Paška argues that a permanent mechanism would enable them to resolve existing financial problems and prevent these in the future. Furthermore, Paška agrees with the Commission's proposal to amend Article 136 of the TFEU and insists that the European stability mechanism should have an intergovernmental character. Since only the seventeen EU Member States use the euro, it is logical, in his perspective, that the European stability mechanism should be managed within a framework of the intergovernmental method while the Commission remains as a 'simple observer'. The structure of Paška's argumentation can be reconstructed in Figure 6.4.

Paška's Danish group member, Morten Messerschmidt, explicitly opposes to the proposed amendment of the Treaty by using the expression 'an absolute insult to the electorate' who was totally disregarded in relation to the Treaty legislation. Also, Messerschmidt insists that the establishment of a permanent stability mechanism is 'an insult' to taxpayers in Northern Europe because they have to pay for the overspending in a number of southern European Member States. Furthermore, he argues that various structural reforms are required in Southern Europe to address their structural shortcomings which cannot be resolved with more money and cheaper loans. The difference between Paška and Messerschmidt reveals that there exists center-periphery divide within the Group which is different from the previous debate. While the member

from the center explicitly shows the hard-Eurosceptic stance, the other from the periphery is Eurosceptic to a much less extent.



**Figure 6.4.** EFD-Periphery's structure of argumentation

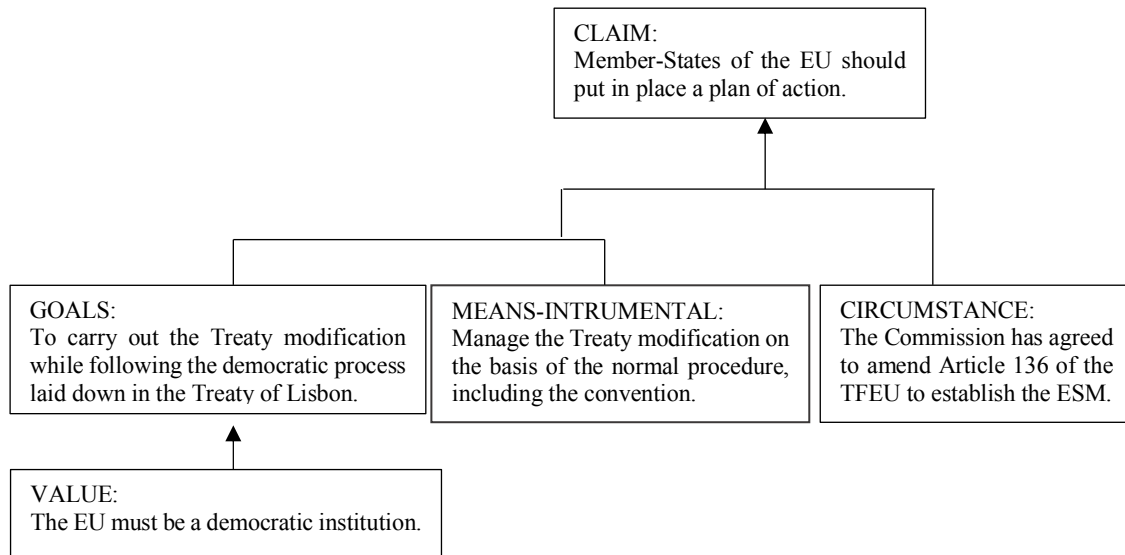
#### 4.4. GUE/NGL – Eurosceptic / Left

The radical left group is on the same page with the social democrats with regard to the democratic deficit of the so-called simplified procedure proposed by the Commission. Lothar Bisky from Germany spoke on behalf of the GUE/NGL Group to explicitly oppose to the Commission's approach to the Treaty modification since the simplified procedure does not follow the democratic process stated in the Treaty of Lisbon. The structure of his argumentation is reconstructed in Figure 6.5. Bisky is concerned about the possible circumstances resulting from the situation where the fast-track procedure becomes a standard process of the EU. He argues that this would allow Heads of Government to be overly influential in the EU's decision-making process.

Ilda Figueiredo from Portugal regards the simplified procedure as an undemocratic way of gaining approval for EU affairs without going through any kind of public debate or further referenda. Figueiredo insists that the EU leaders attempt to use the simplified procedure to get away from the reactions of citizens of the various EU Member States, particularly, those which are suffering 'the consequences of increasingly neoliberal policies'. In this regard, it can be argued that the radical left group supports the idea of establishing a permanent stability mechanism, but clearly opposes to the relevant procedure as well as 'neoliberal' measures imposed on the Member States in economic turmoil. This shows that the GUE/NGL's criticism of the EU-led crisis management has



centered on the ‘neoliberal’ policies – in their perspective – which are imposed on the Member States in crisis since the onset of the Greek crisis. Although both of the MEPs have not mentioned European solidarity, their line of argument is on the basis of supranational solidarity as they did in the previous debates.



**Figure 6.5.** GUE/NGL’s structure of argumentation

## 5. Analysis of the debate on 1 February 2012

Conclusions of the informal European Council meeting of 30 January 2012 <sup>114</sup>

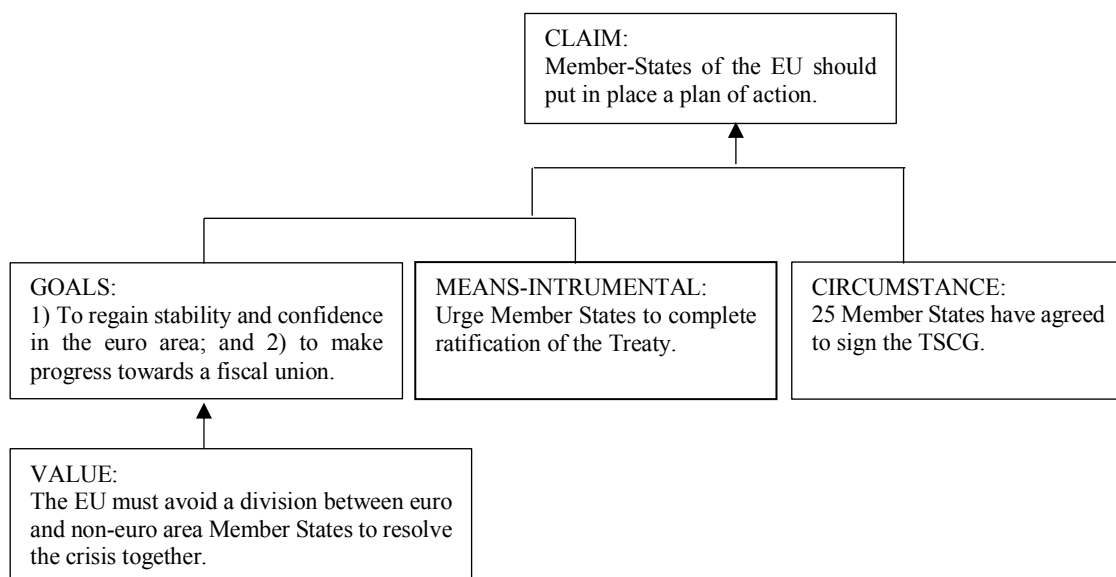
The Treaty of Stability, Coordination and Governance in the Economic and Monetary Union (TSCG); also, frequently referred to the ‘Fiscal Compact Treaty’, was signed on 2 March 2012 by the leaders of all Member States of the European Union, except the Czech Republic and the United Kingdom. Even though it is called a treaty, under EU law, the Treaty is not an EU treaty. It is an intergovernmental agreement, not yet written into the EU treaties.<sup>115</sup> However, its implementation involves using the EU institutions. Since it does not amend the existing EU treaties which govern the EU, it was possible for Europe to adopt it quickly without time-consuming debates in national parliaments or referendums. The Treaty entered into force on 1 January 2013 for the sixteen Member States which completed ratification prior to the date. The Fiscal Compact is the fiscal chapter of the Treaty, and the Treaty deals with three main issues; 1) fiscal stability – the rules on the levels of government deficit and government debt with an automatic

<sup>114</sup> Accessible at: <https://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20120201+ITEM-012+DOC+XML+V0//EN&language=EN>.

<sup>115</sup> “Q&A: EU fiscal treaty to control eurozone budgets,” BBC News, 2012, accessed Jul 20, 2020, <https://www.bbc.com/news/world-europe-16057252>.

correction mechanism (the Fiscal Compact); 2) economic co-ordination in the EU; and 3) how the euro area is governed.

The Treaty requires signatory states to establish a national independent monitoring institution mandated to provide fiscal surveillance. The Treaty defines a balanced budget for fiscal stability as a general budget deficit not exceeding 3.0% of the gross domestic product (GDP), and a structural deficit not exceeding a country-specific Medium-Term budgetary Objective (MTO) which at most can be set to 0.5% of GDP for states with a debt-to-GDP ratio exceeding 60% - or at most 1.0% of GDP for states with debt levels within the 60%-limit. If the Commission concludes that a signatory Member State has failed to comply with the deficit or debt criteria, the state is obliged to rectify the issue. Furthermore, the Member States, which have ratified the Treaty, restated their general commitment to take the measures necessary for the good functioning of the euro area in pursuit of the objectives of fostering competitiveness, promoting employment, contributing further to the sustainability of public finances and reinforcing financial stability. The ratifying countries also agree to discuss planned economic policy reforms among themselves before they are implemented and, where appropriate, co-ordinate such reforms. The relevant debate took place after the vast majority of Member States had reached the agreement on the Treaty during the European Council meeting of January.



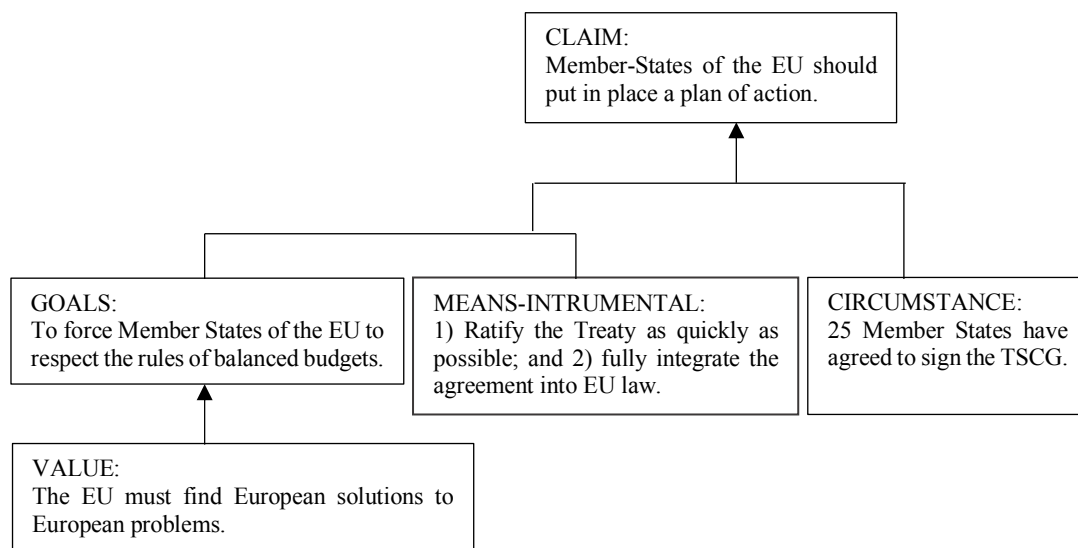
**Figure 7.1.** The Commission's structure of argumentation

José Manuel Barroso, President of the Commission, points up the necessity of the Treaty to regain stability and confidence within the euro area. Barroso argues that Member States can no longer deal with economic and social matters solely at national level due to high levels of interdependence between different economies within the

eurozone. To respond to criticisms of the Treaty's intergovernmental nature from different groups, he stresses that the Treaty is the consequence of the lack of a unanimous agreement to amend the Treaty of Lisbon rather than the Commission's choice. The structure of his argumentation can be reconstructed into Figure 7.1. Barroso regards the agreement of 25 Member States on the TSCG as 'a testament to the solidarity within the European Union. As he conceptualizes the European solidarity as solidarity among EU Member States, this can be categorized as intergovernmental solidarity.

### 5.1. EPP: Pro-EU / Right

Joseph Daul from France spoke on behalf of the EPP Group. Daul sides with the Commission's stance on the Member States' endorsement of the TSCG. In the perspective of Daul, 25 Member States have faced their responsibilities by having agreed to sign the Treaty. This implies that the European sovereign debt crisis results from the irresponsibility of Member States which did not comply with the rules of balanced budgets. The structure of his argumentation can be reconstructed as Figure 7.2. Daul's stance on the causes of the Eurozone crisis has been continuously taken by himself and other EPP MEPs from center countries since the onset of the Greek crisis. In the meantime, Daul points up that the Union should boost growth by making the EU's economy more competitive through structural reforms – such as completing the internal market within the EU – to help Europeans to escape from the difficulties, particularly the unemployed.



**Figure 7.2.** EPP-Center's structure of argumentation

Marietta Giannakou from Greece criticizes the Council meeting for staying only at the theoretical level. Giannakou insists that there is no definite exit strategy for Europe as a whole even four years after the onset of the crisis. Similar to Daul's stance, she

regards the Stability Pact as a ‘lesson in discipline’ to those who deviate from the rules while questioning the necessity of the Pact at the legal level. Even though she admits that fiscal prudence and the austerity program are necessary to counter the crisis, Giannakou opposes to economic growth only based on structural reforms. If growth related EU-led measures solely center on structural reforms, in her perspective, those measures will become a ‘no-win policy’ that will result in dreadful consequences both on the countries to which they are applied and to Europe as a whole. The difference between Giannakou and Daul with regard to their stance on measures to boost growth manifests the center-periphery divide within the Group.

## 5.2. S&D: Pro-EU / Left

Hannes Swoboda – the German MEP who spoke on behalf of the S&D Group – argues that the Fiscal Compact Treaty would not completely remedy the disastrous circumstances, such as the highest level of the unemployment rate in the euro area, that result from the eurozone crisis. While pointing up that the Treaty exists outside the normal community method, which is causing the divisions within the Union, Swoboda insists that the EU needs to move money from the financial markets into the real economy to increase stability in the Member States in difficulty. In this regard, as indicated in the Mean premise part below, the Group has been consistently insisting the implementation of a financial transaction tax since the Irish bail-out. The structure of his argumentation can be reconstructed as Figure 7.3. Furthermore, just like his liberal-conservative colleagues, the German social democrat regards youth unemployment as a European issue which requires a European approach. However, Swoboda opposes to Daul’s competitiveness-focused approach since it is rather market-oriented.

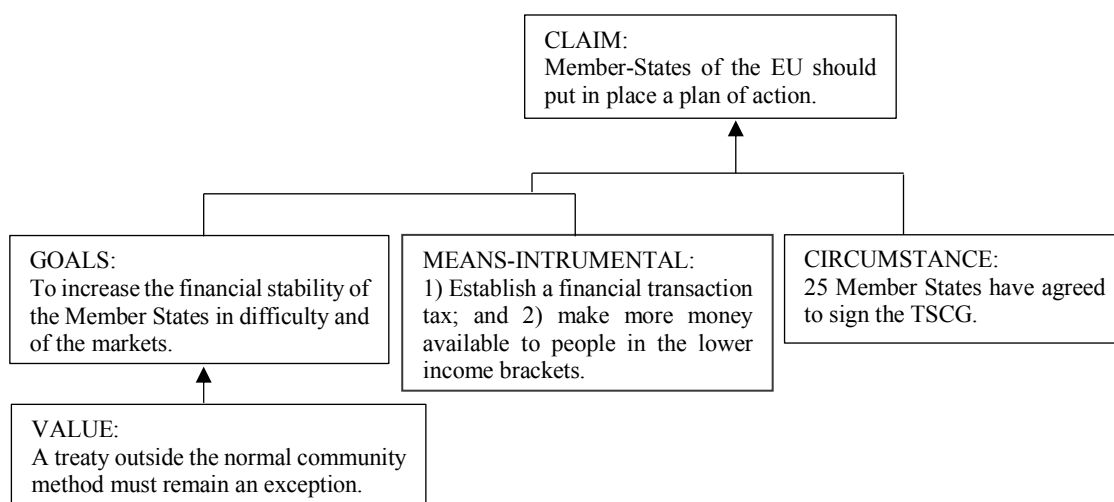


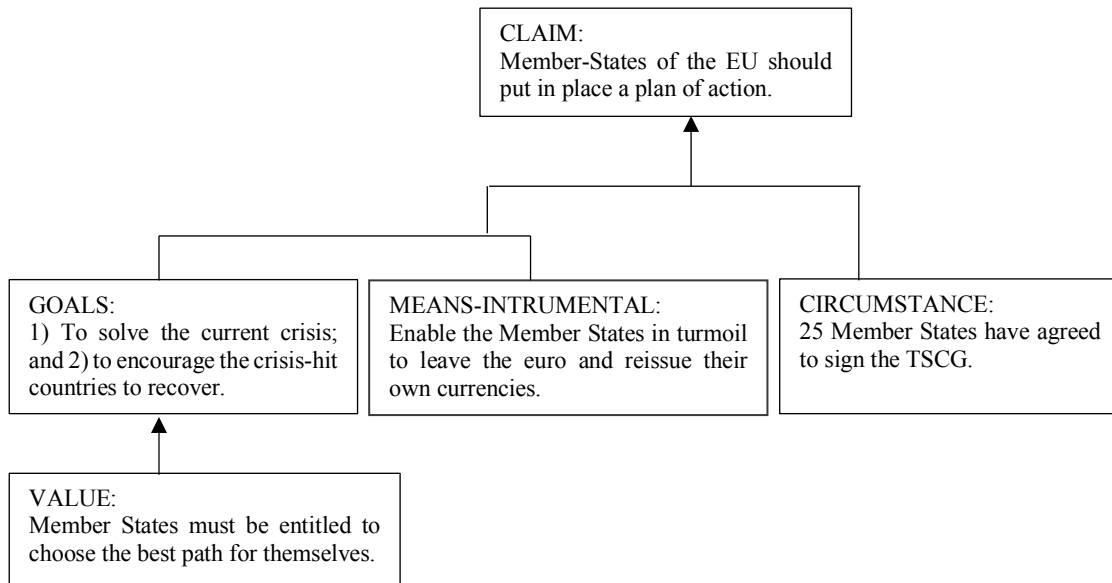
Figure 7.3. S&D-Center’s structure of argumentation

The standpoint of Roberto Gualtieri from Italy on the Fiscal Compact reveals that the center-periphery divide does exist within the Group to a lesser extent. Gualtieri argues that the new treaty is a ‘unidirectional fiscal discipline’ and would seriously undermine the law and common European institutions by establishing standards, mechanisms and procedures external to the EU. In particular, he points up that the Court’s power to impose sanctions on non-compliant Member States seems ‘highly dubious’. Furthermore, he argues that the Fiscal Compact is not an adequate response to the crisis since it undermines employment growth of the countries in economic and political turmoil.

### **5.3. ECR / EFD – Eurosceptic / Right**

As it was the case for the debates of November 2010 and February 2011, the speech of Martin Callanan from the UK is analyzed to investigate the stance of the ECR Group on the outcome of the Council meeting since he spoke on behalf of ECR in the debate. Even though Callanan sympathizes with the importance of fiscal discipline and balanced budgets, he opposes to impose the relevant measures on the signatory states by force of law as it undermines the national democratic process. Furthermore, Callanan argues that cutting off the possibility of a Member State leaving the euro can be compared to blocking light at the end of the austerity tunnel. People cannot abide the austerity measures if they cannot tell when the measures would end. Figure 7.4 visualizes the structure of his argumentation. In the perspective of Callanan, as indicated in the Mean premise part, leaving the euro is the best path to recover from the crisis which manifests the Eurosceptic stance of the Group.

A member of the EFD Group from Greece, Niki Tzavela, argues that the whole of Europe is hiding behind Greece, ‘one small country’ in the Union. Tzavela criticizes the EU-led crisis management for having the stance that Greece alone had all the problems from the crisis even though the euro was built on the right basis. While pointing up the interconnectivity within the euro area; ‘as long as Greece has problems, Europe will have problems as well’, Tzavela denounces the Treaty for imposing German budgetary discipline on the countries like Greece. In her perspective, the EU faces an emerging divide within the euro area due to the crisis, and the Treaty cannot be the resolution for the crisis since the Union only focuses on fixing the symptoms not the root cause. Unlike previous debates, there is no clear center-periphery divide among the Eurosceptic-rights.

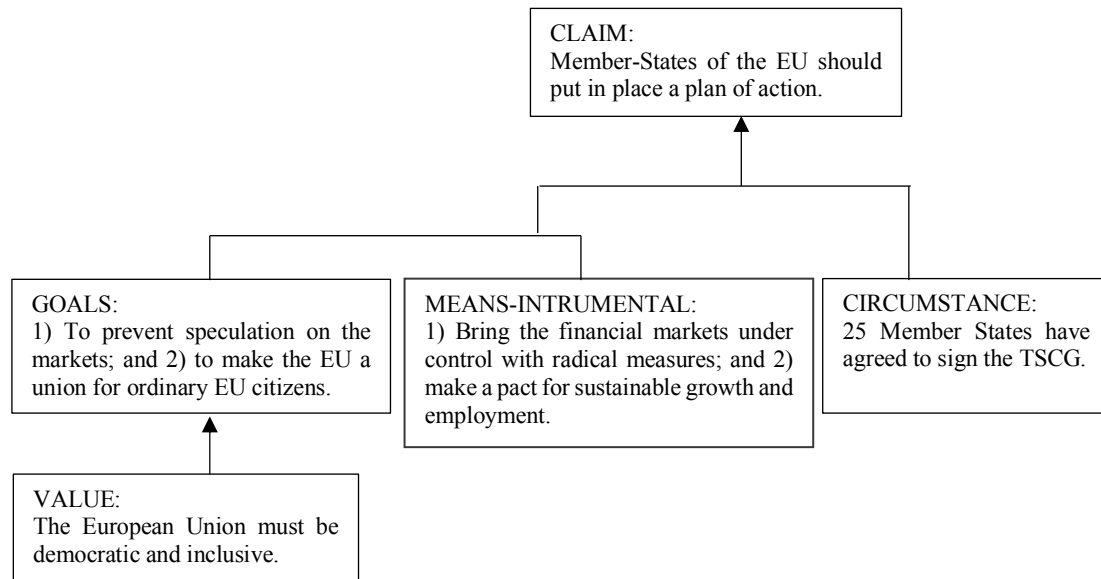


**Figure 7.4.** ECR's structure of argumentation

#### 5.4. GUE/NGL – Eurosceptic / Left

Both of MEPs from the center and the periphery explicitly oppose to the decision of Member States to adopt the Fiscal Compact Treaty not only because the Treaty is undemocratic but also because it throws Europe into a ‘deflationary spiral of debt’. Lothar Bisky from Germany who spoke on behalf of the GUE/NGL Group insists that the Treaty is undemocratic since the Treaty is not approved by referendum and the signatory states will be deprived of their ‘budgetary sovereignty’. Bisky regards the adoption of the Treaty as a further increase in the ‘one-sided focus’ on austerity policy and the destruction of social cohesion, particularly in the Member States which are in political and economic turmoil. Bisky’s line of argument can be reconstructed as Figure 7.5. Furthermore, along with the Group’s standpoints in the previous debates, Bisky points up the necessity of ‘radical measures’ to prevent speculation on the liberalized financial markets in pursuit of putting a definite stop to the crisis.

João Ferreira from Portugal takes a stronger tone in criticizing the EU leaders for having decided to sign the Treaty. Ferreira regards the European Council meeting as a ‘veritable constitutional coup d’etat’ due to the undemocratic nature of the Treaty. In the perspective of Ferreira, the adoption of the Treaty is an attempt to curb the peoples’ right to decide their own path and to turn sovereign countries into ‘veritable protectorates’. Furthermore, along with the Group’s continuous stance on the austerity programs imposed on the countries in turmoil, he argues that the austerity policies that the EU leaders ‘set in stone’ as a treaty will only lead to social struggle.



**Figure 7.5.** GUE/NGL's structure of argumentation

## DISCUSSION

This chapter concisely summarizes the major findings of this study and discusses the implications based on the results. The first section presents how the European sovereign debt crisis has shaped political contestation in the Parliament. In particular, the section discusses the applicability of the different dimensions in the context of the EP amid the crisis. The other section sheds light on the different applications of European solidarity in the context of the EU amid the Euro crisis. It also shows the importance of a multidimensional approach to the concepts of European solidarity.

### 1. The Eurozone Crisis and Multi-dimensionality

The European sovereign debt crisis has transformed the structure of the European Union as the Commission began to co-determine national budgetary policies. This unprecedented initiative was a strategy to counter the Eurozone crisis, but also deepened the European integration division in the European Parliament, at the cost of the left-right conflict line. The results of the analysis show that the debt crisis has substantially influenced the lines of conflict in European politics. Rather than strengthening the importance of the left-right line of conflict for economic issues, this study reveals that economic issues in the Parliament obtained the European integration dimension. Furthermore, along with the two dimensions proposed by the Hix-Lord model, this study identifies the dimension differentiating between the center and the periphery within the euro area. The so-called 'center-periphery dimension' complements the existing ideological and European dimensions, and this constitutes a more comprehensive lens to understand different policy

positions of different political groups in the European Parliament amid the European sovereign debt crisis.

The debate of February 2010 took place at the onset of the Eurozone crisis, and, at that time, the Commission still regarded the difficulty in Greece as a policy problem rather than a European issue. Along with the distinct left-right dimension, the center-periphery dimension was found influential, particularly within the right-wing groups, in the debate. EPP-Center and ECR-Center sided with the Commission's decision to strengthen the surveillance mechanism and urged Greece to take market-based structural reforms to raise the country's competitiveness. On the contrary, S&D, EPP-Periphery, and EFD-Periphery argued that the EU should approach the Greek crisis as a European issue and regulate the financial sector in the euro area. It is noteworthy that those right-wing factions, EPP-Periphery and EFD-Periphery, supported the left-wing policy on the financial markets. Based on this finding, it can be argued that their peripheral background played a vital role when it comes to opting for their stance on the crisis management, which even overcame the left-right division. Furthermore, within the left-wing groups, the GUE/NGL Group's Eurosceptic stance stands out while the center-periphery dimension does not seem important. Even though both S&D and GUE/NGL stood on the left side of the political spectrum, only the radical left group explicitly contested the economic policy of the EU. The GUE/NGL Group as a whole argued that the Greek crisis resulted from the structural injustice and vulnerabilities of the euro area. For this reason, the Group insisted structural reforms of the Union, instead of Greece.

During the Eurozone crisis, the Union has increased the Commission's control over budgetary decision-making of Member States for fiscal prudence and the financial stability of the euro area and of the EU. While the pro-EU political groups were in favor of this move in general, the Eurosceptic groups of the left and the right opposed to the change. The Fiscal Compact Treaty is considered as a milestone for the move; centralizing decision-making power over budgetary issues, and the debate of February 2012 was about the adoption of the Treaty by EU Member States. The debate was structured more strongly by the pro-/anti-EU dimension compared to the previous debates. Furthermore, the center-periphery dimension explains the differences within the pro-EU groups and the Eurosceptic-right camp.

EPP-Center and S&D-Center, sided with the adoption of the Treaty. Even though S&D-Center pointed up the limitations of the Treaty such as the intergovernmental nature,



they did not oppose to the Treaty itself. There was no clear left-right division among the center factions of the pro-EU groups with regard to the adoption of the Treaty. On the contrary, even though EPP-Periphery and S&D-Periphery did not argue against the necessity of the Treaty, they expressed their concerns with regard to the side effects of the Treaty, in particular the Stability Pact. The stability Pact may undermine employment growth of the countries in difficulty, in their perspective, and this stance reflects the concerns of the peripheral Member States towards the Treaty. The Eurosceptic groups of the Left and the Right explicitly argued against the nature and the necessity of the Treaty. ECR, EFD, and GUE/NGL were on the same page with regard to the undemocratic nature of the Fiscal Compact Treaty. All the groups contested the move of budgetary competence to the European level. Also, they insisted that the Treaty was not the appropriate measure to remedy the disastrous circumstances of the countries in turmoil.

As discussed above, the European sovereign debt crisis has significantly reshaped the lines of conflict in European politics, particularly on economic issues. The pro-/anti-EU dimension structured political contestation in the Parliament to a greater extent in line with the Commission's increased control over budgetary decision-making. Furthermore, the center-periphery dimension reflects the unique characteristic of the Eurozone crisis. The euro area together shares the common currency, the euro, and, for this reason, a single Member State of the Eurozone has no direct control over the euro. Due to this limitation, increasing their national spending was nearly the only feasible option for Member States of the euro area to counter the external economic shock. As a consequence, the impact of the external economic shock was asymmetric. The Member States in the periphery were hit to a bigger extent compared to the countries in the center. For this reason, the political dynamics through which the vulnerable peripheral Member States went amid the crisis were different from those of the countries in the more resilient center. In Northern Europe, the popular narrative for the crisis was that Southern Europe had tried to avoid paying for its own mistakes. In Southern Europe, the narrative was mostly that the EU led by Germany was enforcing excessive austerity.<sup>116</sup> Therefore, to fully understand the political contestation in the Parliament amid the Eurozone crisis, it is crucial to incorporate the center-periphery dimension into the lens along with the other two dimensions. This study cannot, at this stage, tell whether the patterns related to center-periphery divide are passing symptoms or whether they may persist in the long-term.

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<sup>116</sup> Pisani-Ferry, 79.

## 2. European Solidarity in the time of crisis

Amid the European sovereign debt crisis, many Europeans called for European solidarity to counter the crisis as a whole and required the Union to manifest what it means to be in solidarity in the context of the EU. As the European Monetary Union is grounded on the idea of shared economic interests for prosperity since the foundation, the center countries of the euro area were expected to demonstrate solidarity with the peripheral countries which were heavily hit by the crisis. In line with this expectation, clashing narratives about what led the periphery countries to the crisis arose within the EU. One pointed up that a basic asymmetry had built into the EMU, which has generated structural strains. Others insisted that the crisis might have been prevented if the periphery had employed more assertive structural reforms to raise their competitiveness. Therefore, it is substantial to understand the multidimensionality of the matter to delve into different standpoints employed by different political groups on European solidarity.

When the EU decided to give financial support to Greece in May 2010, the EPP Group sided with the Union's decision while calling for European solidarity (intergovernmental solidarity) to counter the crisis. Although both EPP-Center and EPP-Periphery pointed up the high level of economic dependence among Member States in the euro area, they had different standpoints on the accountability for the Greek debt crisis. EPP-Center kept the stance that the crisis was a policy problem of Greece. On the contrary, EPP-Periphery insisted that the crisis was not only a problem of Greece, but also, a European issue, which implied that Greece was not solely responsible for its misfortune.

The difference between EPP-Center and EPP-Periphery shaped the way they conceptualized European solidarity. While EPP-Center's concept of European solidarity centered largely on the economic interdependence within the Eurozone, that of EPP-Periphery focused on both of the economic interconnectivity and the shared responsibility for the Greek debt crisis among Member States of the Eurozone. The varying concepts of European solidarity had an impact on what those factions asserted for the EU-led crisis management. While the measures proposed by EPP-Center to safeguard the financial stability of the euro area were found mainly relevant to the peripheral countries, those of EPP-Periphery with the same purpose were not limited only to the countries in difficulty. The S&D Group also shared EPP-Periphery's concept of European solidarity. While emphasizing that Greece should not be held exclusively accountable for its misfortune, the Group conceptualized European solidarity on the grounds of a common destiny of the Eurozone as a monetary union.

The ECR Group, particularly ECR-Center, did not refer to European solidarity in their argument which was in line with their stance on the aid package to Greece. The Group explicitly opposed to the Greek bailout since, in their perspective, Greece simply had not complied with the rules set by the Union. In this regard, it can be argued that the Group took the position that Greece did not deserve European solidarity because the country had not fulfilled the obligations associated with their group membership to the EU. Unlike ECR-Center, EFD-Periphery pointed up that the Greek crisis was a European problem. However, EFD did not call for European solidarity to counter the crisis either. In this regard, it can be argued that the hard-Eurosceptic stance made the EFD Group remain reluctant to invoke European solidarity amid the crisis.

The GUE/NGL Group focused on the structural injustice and vulnerabilities of the euro area, which reveals the Group's soft-Eurosceptic stance. In their perspective, the increasingly deregulated financial markets had caused the Greek debt crisis, and the EU leaders passed burdens on to ordinary citizens, particularly those of the countries in turmoil. Therefore, the Group called for solidarity among peoples of the EU to reconstruct the Union to counter the crisis in Greece as a real union and to serve the collective interests of ordinary EU citizens. As the Group invoked the sense of belonging to the political community (the EU) as European citizens, their conceptualization of European solidarity can be categorized as supranational solidarity. Considering the concepts of the aforementioned groups, the way GUE/NGL conceptualized European solidarity is noteworthy. The Group's concept of European solidarity concentrated on the accountability for the Greek crisis, which was closely related to the structural defects of the Union. For GUE/NGL, therefore, European solidarity was the means not just to safeguard the financial stability of the euro area, but also to reform the EU's structure to serve the collective interests of ordinary peoples across Europe. This is the distinctive feature of GUE/NGL's concept of European solidarity in comparison to those of other EPGs.

Those groups, which called for European solidarity to counter the crisis, kept their initial concepts of European solidarity until the debate of February 2012. Throughout the series of debates, the Eurosceptic-right groups – ECR and EFD – have not called for European solidarity unlike their Eurosceptic-left partner in the Parliament, the GUE/NGL Group. In general, EPP, S&D, and GUE/NGL called for European solidarity to counter the crisis together as a union. EPP and S&D sought to safeguard the financial stability of the euro

area and of the EU through the EU's crisis management measures grounded on intergovernmental solidarity. The economic interdependence among Member States of the Eurozone played a vital role for their conceptualization of European solidarity. Even though GUE/NGL also called for European solidarity to safeguard the financial stability, the Group attempted to reform the system of the EU on the basis of European solidarity among peoples of Europe. In conclusion, when it comes to conceptualizing European solidarity, the center-periphery dimension – to capture the difference between EPP-Center and EPP-Periphery along with S&D – and the pro-/anti-EU dimension – to apprehend the difference between EPP/S&D and GUE/NGL – are found relevant.

## CONCLUSION

The European sovereign debt crisis has put an end to the time of permissive consensus. Euroscepticism has transitioned into mainstream politics within Member States of the EU as the Eurosceptic voice has become more salient. In the meantime, EU leaders have empowered the EU's competences. The EU began to intervene in national budgetary policies and established a permanent stability mechanism for the euro area. In line with this development, as discussed in the previous chapter, the pro-/anti-EU dimension has become more significant in EU politics, particularly in the Parliament.

Furthermore, the Eurozone crisis has strengthened the importance of the center-periphery line of conflict. The center-periphery dimension not just complements the existing Hix-Lord model as a tool to explore political contestation in the EU, but also manifests the structural asymmetries within the Eurozone. The impact of the external economic shock was monolithic due to the structural defects of the EU. However, the EU did not respond to the crisis as a collective whole in the beginning, rather the immaturity rhetoric was widely shared to present the crisis as a policy problem for the peripheral countries. As a consequence, the EU could not manage to promptly take decisive action to cushion the impact of the crisis on the Eurozone. The Union failed to strategically and effectively interact with the bond markets, which eventually resulted in increasing the costs of response.<sup>117</sup> In the similar vein, it is noteworthy that the mainstream of EU politics – the Commission and EPP-Center – did not call for European solidarity in the first debate which was only three months before the first Greek bailout.

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<sup>117</sup> Hall, 367.

When the spread of the Greek debt crisis across the Eurozone became distinct, those who had only argued that the crisis could be resolved by fiscal austerity shifted their stance and began to side with more affirmative measures at the supranational level. In line with the change, the EU decided to empower its competences to counter the crisis rather than relying only on austerity measures employed by individual Member States. It was the moment that the EU recognized the high level of economic interdependence among Member States in the Eurozone and started calling for European solidarity to cope with the crisis as a whole. Afterwards, the Union remained true to its commitment to the direction. However, the response of the EU has been far costlier and more recriminatory than it might have been if decisive action had been taken earlier.

The COVID-19 pandemic is causing economic disruption at unprecedented speed and scale. To fund a collective recovery from the economic consequences of the coronavirus pandemic, European leaders have decided to share financial burdens among the EU's twenty-seven Member States by agreeing to borrow and spend together. The EU will spend an additional €750 billion over the next three years to pull the economy out of the deep recession.<sup>118</sup> Compared to the European sovereign debt crisis, the EU has turned to shared debt and spending, which is a huge and unprecedented commitment. It is noteworthy that the EU is putting emphasis on a collective responsibility for a global challenge which was not found amid the Eurozone crisis. However, the Union still needs to answer crucial questions such as how that money will be spent and how it will be paid back over the next four decades. The EU should let the Eurozone crisis as a good lesson to them and not repeat the same mistake.

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<sup>118</sup> David McHugh, "Stimulus package breaks new ground in European unity," *Abc News*, Jul 22, 2020, accessed Jul 28, 2020, <https://abcnews.go.com/International/wireStory/stimulus-package-breaks-ground-european-unity-71894014>.

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