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The European Union systemic crisis.

From deconstruction to reconstruction

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Context

This paper responds to two different contexts. The first one was the coming UK referendum and, whatever the result, the challenge for the EU to reinvent itself or dissolve if it continues failing European populations. The second context was a deep questioning in Japan, but also in South Korea, about the future of East Asia and of ASEAN: is a convergence possible beyond economic interactions? How to breach cultural divides? How to overcome the search for hegemony, deep historical hatred, in order to reach and establish a common ground?

Europe: an urgent need for new perspectives

Europe's unification process needs to be put in perspective in order to open new perspectives on present problems and to search alternative solutions leading eventually to policies¹. People within national governments and European institutions tend to reject or marginalize such research because the institutions and their practices determine how these

¹ AM Rieu, K. Wilson, J. van Der Dussen, H.P. Baumeister (ed.), *What is Europe ?*, 4 volumes. 1st edition: London, Open University Press, 1993. 2^o édition: London, Routledge, 1995. Daimler-Benz Award, Stuttgart, 1994. AM Rieu & G.Duprat (ed.), *European Democratic Culture*, Londres, Routledge, 1995, 261 p. French edition *La culture démocratique européenne*, Paris, ESCA, 1995.

people think. The problems are daunting: increased competition between European nations, rising differential of economic development and innovation capacity, high unemployment and uncontrolled mass immigration, insufficient growth, increasing sovereign debts limiting investment, growing internal and external insecurity, increased tensions from political regimes hostile to basic European values like democracy, individual freedom, market-based economy or scientific research. Some of these hostile nations are on Europe's borders: Russia, Turkey, Persian Gulf governments, China. The USA does not anymore effectively protect and support the European project: its political elites see the European Union either as rival to American hegemony or as an extension of the American commercial sphere².

These problems are daunting but they have a positive side: they require joint research and innovative solutions need to be widely debated and implemented. For all these reasons, the unification is now stalled and the justifications for it fast vanishing. With the end of the Cold War and the globalization of an open market economy, the initial conditions for the formation of the EU have drastically changed. New questions are arising and their answers cannot be found in the visions of the past.

To achieve this goal, different new approaches are opened and need to be explored. The first one relies on the present state of research in human and social sciences, on their internal debates in Europe but also in East Asia and North America. The second one associates Europe's present situation of Europe with the East Asian unstable context. Some Japanese universities intend to enter this debate. It is an historic and constructive opportunity. Based on my own research, this paper intends to be a step in this direction.

1. Europe: the trap of an unbroken modern trajectory

As we all know, Europe's unification process started in the aftermath of World War 2, as part of the reconstruction of European economies, political institutions and social policies. The project to unify nations at war with each other for centuries was and still is a historical event of worldwide significance, with major consequences for international relations and for the political, social and economic evolution of many nations and regions in this world. In fact this project concerns all nations, which have been affected in their history by the type of institutional arrangement (political, social and economic) implemented in Western Europe since the early 17th century. This institutional arrangement is called Modernization. The main

² See the report *The EU in the world*, Eurostat, 2015 edition, <http://ec.europa.eu/eurostat/documents/> .

feature of this arrangement is a political structure, which concentrates in a centralized power the means to various populations by controlling the territory on which these populations live. On this territory and under this political control, the populations have been unified and transformed in a “people” managed by a government and a State apparatus. The monopolization by a State of the means necessary to control a population on a territory made possible the construction of a strong army to defend the territory and the formation of a strong police to control the population.

Michel Foucault in the late 1970ies formulated the real competitive advantage of this political structure, of this theory and practice of power. The modern political technology to control a population on a territory was not based on State domination, repression and violence. A transition took place during the 17th century when European governments in England and France realized that the cost of such policies was too high. It was impoverishing the state and poverty generates dissent and disorder. A different political technology emerged: instead of controlling the populations on the territory, the modern state started to design and implement policies and regulations putting the population, individuals, families and groups, in the situation of developing their own conditions of subsistence, the wealth of their family, the economic development of the whole society and, as a largely unintended consequence, the commercial power of the State. The emergence of modern capitalism in the 18th century in Europe the result of a political strategy.

In other words, the modern political model, the Nation State generated modern capitalism. The institutional system, which presided over Europe’s history since the 17th century is also the model through which Europeans were able to conceive their joint reconstruction and unification after 1945. What divided Europe and lead to these wars is also the institutional arrangement (political, economic and social), which rebuilt and unified Europe. European modern history remained unbroken. The contemporary European project is a reassertion of European modern ideals within the same institutional framework.

European nations have therefore started to associate their destiny in full continuity with Europe’s modernization project since the Renaissance. Politicians and administrations in charge of the unification project repeated and adapted the model. The model had a strong legitimacy: it provided a guideline and obvious steps to follow one after the other. Europe was just reproducing itself at a higher, post-national, level. Today Europe unification seems to have unfolded a historical concept. The first step had for goal to harmonize local (i.e. national) laws under a set of basic legal principles acting as a norm: the universal Declaration of human rights in 1948. The 1951 *Treaty of Paris* signed by initial or core members

established the joint basis of industrial development: the European coal and steel community was for fifty years, until 2002, the axis of the European construction. In 1957, was created the European atomic energy community (Euratom) to produce and distributed nuclear energy to all member states. Discussions were always difficult, but the next steps followed very logically with a form of evidence within the same frame: the *Treaty of Rome* established in 1958 the European Economic Community. The 1965 *Treaty of Brussels* combined the contents of the Paris, Rome and Brussels in a political structure distinguishing a Commission (the European commission), a Council (the European council) and a Parliament. The European parliament has limited initiative because the Council, which associates elected heads of state and government, runs the European union.

This political structure has for goal to organize the next steps, which all strictly followed the model of the nation-state: to enlargement to 25 European nations having a common destiny (both obvious and unclear), to create of a common and open market, to establish the free circulation of goods, persons and capital. The creation of a common currency (the €) managed by a European central bank followed logically. As conclusion, a Constitutional treaty was negotiated, written and eventually was signed in 2004 to organize and summarize all from the principles of this gigantic construction. European citizens voted the Constitutional treaty with great difficulty. The fact that the ultimate state of the model has been criticized and even rejected proves that this construction was reaching its limits. The Constitution was summarizing the historical process. At the same time, a new step was open. A transition was starting.

2. In transition

This first stage is over. The impact on the European Union of the 2007 systemic crisis proves that some steps have been missed, some presuppositions ignored. The trajectory had seemed obvious but the outcome of this construction is flawed or at least not adapted to the present world (dis)order. The rise of the EU, what it stands for, is probably one factor of this disorder. These flaws are weakening European union. The model for the construction has turned counter-productive. It cannot be a model for the European union as it has emerged, needs to be managed and is growing in a world, which has completely changed while the Europeans were edifying their unification. The outcome of this unification and construction is unique in this world but it also raises new problems, which cannot find solutions in the construction model. Real innovation is required in an inter-national environment, which is

still dominated by old political models, the empire model (Russia, China), the nation-state, the federal model (the USA), with their cohorts of nationalism, national, cultural, ethnic and religious identities, which make no sense, only problems, for the EU future.

When one is European thinking about this historical achievement, there is a sense of pride and a feeling of danger. It seems too much for the rest of the world still caught in nationalist, ethnic and religious wars of the most extreme violence, but also for a significant part of the European population, which did not, and could not, follow the project and its achievements. A solution cannot be drawn from somewhere else. It does not exist another or new model waiting to be discovered. It has to be invented by Europeans but also by all those in the world, who understand the dynamics of this unification process, of this post-national construction and its historical significance. The only solution is to examine the process, uncover its flaws and presuppositions in order to reform and redesign the structure, the institutions and the culture³. The problem is not that the EU can break apart.

The first risk is that it becomes empty and meaningless, as the USA and Great Britain wish it to be, just a common market and nothing else.

The second risk is more serious: intense pressure, like the present systemic crisis, the massive migration crisis and the energy transition, can alter the trajectory in a direction contradicting the original purpose, the common ideals and values, to such a point that European nations would, one after the other, lose interest in the project. It is a serious risk: the EU could turn into a sort of empire like Russia or imperialism like the USA by seeking relentlessly their interest and power. The highest risk for a post-national “union” is turned into a sort of empire.

For instance, in response to present migration crisis, the EU could either close itself to refugees or let itself be submerged by immigrants for whom there is a lack of resources, even in Germany. Referring to European values is not a response to a complex geopolitical, economic and social conjuncture. The European humanist tradition leading, for instance, to opening up to migrants always had a dark side: a sharp opposition between “us”, the civilized Europeans and the “others”, non-Europeans, invaders and barbarians. European civilization

³ The flaws of the Union resulting from the nation-state model are the idea of enlargement and deepening based on contiguity, the method of hybridization and harmonization, which intended to design norms and regulations in all European activities and productions in order to reproduce at the level of the Union the behavior of each nation, the search for a common border. The counter-balance for these extensions of the model is the principle of subsidiarity.

always had these two sides, like most other civilizations. One side can easily turn into the other.

The real problem remains economic growth, job creation, and energy transition. Responding to this pressure is not a matter of political institutions but a matter of political culture. It does not concern politicians and bureaucrats only; it concerns European populations, the conception and empowerment of a European common civil society. The present conjuncture is a dangerous situation because this decisive parameter is not taken into account. European populations have radically lost trust into politicians and existing political institutions. But the next democratic wave is still hard to design. In this respect the situation in Europe is very similar to the situation in Japan. Politicians and bureaucrats have the power to decide and they are not ready to renounce their power and its privileges in order to respond to the evolutions of society. If they had to choose between their power and public distrust, they would choose their power. From this point of view, the English Tories are right: the EU has become a Leviathan cut from European populations. The main challenge in the EU is turn post-democracy into a new democracy.

3. The economic paradigm within the political model

I can only sketch the problems and potential solutions. I am also standing over the cliff of present political institutions and philosophy. I don't wish to stand in this awkward position alone. As mentioned before, I see three untenable positions. It is impossible to simply respond to present pressures, one after the other, as if there was no yesterday and no tomorrow. It is also impossible to dream and imagine what should be. Finally it is impossible to refer to any historical model. In summary, the EU is « over the cliff », a dangerous and exciting moment. As I see it (I might be wrong or partial), the only path forward is to change perspective, to step out of the model and to learn to analyze the situation from different angles.

The model of European unification was the nation-state as an institutional arrangement. The role of the model was to neutralize nationalism, political and cultural competition. The common interest was reduced to economic development and its social benefits. They were supposed to bring peace and reduce violence. Therefore the economy was

and still is the core of the unification project. So there was an economic paradigm⁴ within the model and on the long term this paradigm determined the unification process: an open market, the free circulation of goods, individuals and capital, understood as financial capital and the human capital. This generated a strong economic interdependence: trade within the EU is larger than trade outside the EU. Each European nation depends on the growth or non-growth of the European economy, which depends on the growth of the American and East Asian economies.

This explicit consensus was considering political, cultural and social differences as the private life of nations, as differences, which were a fact and could not be overcome because they were expressing Europe's historical diversity. It was explained as respect for cultural differences. But what it really meant and still means is that a unified economic sphere was the core and goal of the project. But to neutralize political, cultural and social differences was also to underestimate the institutional system (in a broad sense) in which economic development takes place.

This institutional system is quite different from nation to nation. It explains what German economic sociology calls « styles of capitalism ». In this European arrangement, governments had the responsibility to adapt the national economy and society to respond and take advantage of the unified market. But some governments, in Greece, France, Italy, etc., chose on the contrary to protect their institutional system. They considered the potential growth induced by the opening of unified market as a solution for financing their “national difference”, which meant in fact the established social hierarchies and power networks. After thirty years, the result is clear: the nations, which chose not to adapt to the new situation created by the unification process, did not and could not profit from the unified market. They lost jobs, businesses and overall competitiveness.

One thing is clear: in the end, the institutional system makes the difference in economic performance and it also explains this difference. Economic performance cannot be reduced to management. To neutralize is not to ignore, but it is an explicit or implicit decision, a methodological statement also, of not taking into account the social, political and cultural environment and to reduce it to a parameter but not a necessary condition of possibility. Furthermore, to separate the economic sphere from its institutional system is *de facto* to reduce it to a market, to a general exchange of goods and services regulated by

⁴ The notion of *paradigm* is used in his initial narrow sense of Thomas Kuhn: the construction of a field of investigation and teaching based on various methods and *cultural* presuppositions.

demand and offer. My intention is not to criticize the construction of a field in which the unification process and the original project could progress. My intention is to explain what happened and what are today the consequences.

This decoupling between the economic sphere and its institutional environment is an historical construction, which was studied (for instance) by Karl Polanyi: it is the construction of a distinct field and of a discipline studying and managing this studying. There is no doubt that the extraction of this domain from its institutional environment participated quite positively in its development. It gives this field a degree of autonomy, which simplifies its management by reducing the number of parameters having an impact on activities developed in this field.

The same paradigm⁵ was reproduced in the 1990s by the USA in order to open and organize after the first Gulf war the so-called globalization process, a worldwide market, which was supposed to bring economic development and growth to the nations agreeing to reorganize their economy for gaining access to a worldwide market. Each country had to figure out how to adapt its institutional system and through this system its population. The strategy behind was that implementing the paradigm was supposed to slowly implement the political model⁶. The problem is that markets, firms and economies are fully embedded into different types of institutional systems. Firms certainly compete with each other but what really competes through firms, organizational processes, products and services are institutional systems. We all know that the success of a company or a product comes from the institutional systems expressed in a given company or products. This is why we all buy Apple, BMW, Sony or Audi, etc.

I don't bring anything new. But the reason for this conceptual denial and voluntary ignorance was a deeply rooted tacit consensus for many different reasons. The deepest reason explaining this consensus is the belief or idea that any economy, any nation had and has its chance to grow and prosper if it adopts the best management technology, whatever the state of its institutional system. It is always the same idea: decoupling the economic sphere from its institutional system. Be it China, Brazil or Russia, the belief is that it is just a question of good management, strong productivity and competitiveness, i.e. a good commercial

⁵ This paradigm is based on various cognitive operations: decoupling the field from its institutional environment, defining this field and its different internal or specific parameters, conception of methods to manage this field, including the external parameters needed to manage the external constraints on this field, etc.

⁶ This is what Francis Fukuyama called the « end of history » i.e. the triumph of liberal democracy based on an open economy, a type of capitalism constructed and managed since the end of the 1970s.

positioning, good quality, stable and adequately trained work force, cheap energy and raw materials. This is quite an important illusion because it reduces the temptation to resort to violence and war. Nations, which understand their true situation, run the risk of exiting history and to become highly dangerous. The economy paradigm is an efficient illusion.

There were in Europe other reasons for this consensus. The French liked particular this consensus. They thought they could profit from European economic growth, have access to this « common market » and at the same time keep their conception of the state and their « republican » ideology. The English participated also in this consensus because they could keep their monarchy, their conception of a civil society independent from government, in tune with their liberal conception of economic activities. The Germans saw the European unification as a way of overcoming the Nazi period and to reconstruct their economy based on Ordo-liberalism, their own version of liberalism developed during the 1930s against the Nazi regime and inspiring their conception and management of Germany's economic and social system. The other members thought they could only profit from this project and we all did. Each nation had its own agenda within the overall unification. This explains the differences between national policies within the Union. What is clear is that Great Britain and Germany were the closest from the economic paradigm at the core of the Union. It explains why in retrospect, they were and remain the two main economic powers in Europe. Institutional reforms in Germany after the war created an environment conducive to industrial and commercial growth, with great success.

4. « Over the cliff »

« Over the cliff » is an expression coming from American cartoons: the hero has not realized that he ran beyond the cliff. Suddenly he realizes that he hangs in the air before falling down. Cartoon characters or individuals fall. But societies do not have to fall; they can learn how to fly and land on another cliff. They just have to think fast and radically. I think Europe is over the cliff. The fall can take a long time but will at a certain point accelerate. Si it is time to think without taboo.

The systemic crisis, which erupted in 2008 (but long in the making), has deconstructed the economic paradigm within the political model. This deconstruction continues and includes the political model. Some nations in Europe are not even sure anymore if a united Europe has not turned counter-productive to such a point that it endangers their economy and welfare

programs. It is obviously the case of England, of Scandinavian countries and of many people in Germany as well. But since 2015, the mass migration crisis seems to prove to all Europeans that a unified Europe can help negotiate and implement solutions that no single nation could even imagine. Even the Swiss these days are constantly referring to the EU as if they were (already) members. The second factor reinforcing the Union is the energy transition. A third factor, more controversial for the moment, is the role of the European Central Bank in strengthening the banking system and in financing investment for innovation and growth. These are reasons why the EU is not really in danger. But to respond to intense internal and external constraints, the unification process must be reformed in depth. The EU institutional system is flawed. As mentioned before, it is not sure if the EU institutional system, this new Leviathan, can be reformed⁷.

If the systemic crisis has weakened the first step of Union by revealing many of its presuppositions, design faults and defects, it can also potentially strengthen the Union. These defaults are well known: unequal levels of economic development in the EU, “democratic deficit”, absence of reforms in several countries of their institutions by fear of their political consequences, a level of sovereign debt equivalent to the GDP and beyond, lack of investment in industry and innovation, high unemployment and reduced public benefits, rising inequalities and violence.

But the typical and predictable outcome of the nation-state model and its economic paradigm was the creation of a common currency. The currency is the main attribute of political sovereignty, with the constitution, the border and the army. The model is not dead and will still produce its effects for years to come. The Euro condenses all the present problems of the EU. It has far deeper consequences than a Constitution: they touch all aspects and corners of the economy and society. The present crisis questions its concept, its purpose and feasibility. I am not an economist but simply said, in a common market within a globalized economy, a common currency requires from the members of this community to balance exports and imports by constantly adapting their economy and through their economy their institutional system. This balance seems impossible to reach: the Euro is always too high and too low for some industries and some nations. The weaker members are supposed to have access to credit and invest in profitable and competitive sectors. But this does not happen:

⁷ An obvious solution to reform the Union would be for each government not to reduce the budget of the EU but to evaluate how budgets are allocated. The heads of government and state never trusted anyway the EU bureaucracy, the Commission in particular.

investment tends to cover political status quo and social policies, to finance the weaker economic sectors and not the most competitive and profitable ones. The result is increased national debts.

Countries in the *Eurozone* trade in a common currency when some, in fact most of them, do not generate the revenues to do so. Greece is a typical example. A common currency cannot equally profit to all members of a union. The conditions for managing the social and economic fundamentals of a common currency do not exist. All Europeans know that if the EU has a future, these conditions need to be reached and eventually established. What does it really mean? Is it the role of the European Central Bank? Certainly not. It is the responsibility of each member state. What does this mean? It means that governments and state apparatus have not been able or willing to adapt and reform. This situation questions the institutional system organizing and driving the evolution of each nation. Are Europeans ready to transit in this new phase of the European construction? It is not a question of individual or collective will. It concerns the capacity of an institutional system to reform itself.

Once more, the institutional environment is the problem and it also makes the difference. Politicians and administrators think and act *inside the box*: they are a component of the institutional system. Their duty and legitimacy is to reproduce it, eventually to correct it. But they do not have the perspective to reform it. It is impossible to have an overview of the whole system, to criticize it according to external criteria. There is a ready-made model. Research in human and social sciences need to step it by multiplying perspectives, by “complexifying” the situation⁸. The core of the unification model is an economic paradigm having for goal to neutralize the different factors explaining not only the evolution of the economic sphere of each nation but also the political, social and cultural constraints on the economy. What is explaining differences in economic performance is well known but denied at the same time. Because of this denial, to establish a common market was certainly a long and complicated negotiation between various economic and national interests. But it was conceptually relatively easy: the method and the goal were clearly in sight. To put into brackets the institutional framework might have seemed possible during an initial period dominated by the political model of the nation state.

This period is over and the denial also. If in retrospect, to establish a common market was very complicated, to harmonize institutional systems is extremely difficult because one

⁸ It is a type of conceptual *scaling*, a version of the *deconstruction* paradigm.

enters the flesh of societies. To go beyond the economy is to enter real differences. To hybridize and harmonize institutional systems does not even make sense. Is it even possible to organize a convergence between different institutional systems, without enticing strong nationalist or chauvinist reactions? Nobody wants such a convergence because of the resulting standardization and loss of identity. But at the same time, differences cannot be essentialized because they do have a history, which can be drawn and which is constantly under influence and evolving. Differences cannot be denied but they can be compared and even imitated. It is all a question of perspective and knowledge. This approach opens two ideas.

The first idea is simple hint. If the institutional system makes the difference, then Europe is not characterized by its economy, by a market-based capitalism, not even by its political culture. It is characterized by the interplay of the differences and similarities of its different institutional systems. In this case, there is no convergence to be organized or hoped for. There are “family resemblances” between these differences and similarities and these resemblances constitute a common civilization for Europeans, without being solidified into a common identity or culture. These differences cannot be reduced to the study of political institutions, social policies, conceptions of society, philosophies and ideologies, the arts, etc. Family resemblances cannot be exhaustively defined. It would be an endless list of similarities and differences, of influences, exchange and transfer. This endless list would reinforce, even justify, the idea that economic phenomena at least can be measured, managed and reformed, with tangible benefits. Failed attempts to draw this list, i.e. to define an identity, would justify the idea that differences are obstacle, which in the end can be denied and even ignored.

A solution is to change perspective in order to have a different understanding of what the notion of “institutional system” stands for. Institutions and their connections are historical constructions. The real problem is not the system but the dynamics of its formation and the connections of its components. I have analyzed these last years the modernization trajectories of societies, more precisely the formation and evolution of the basic *structure* organizing a society and its evolution. This basic structure is the *social system*, i.e. society as a system of different spheres or functions⁹. The institutional environment is in fact structured by the social system. The modernization trajectory is the comparative analysis of the differentiation of the

⁹ There are various approaches and methods, which are not competing but reinforcing each other.

different spheres constituting a social system. These spheres are the religious, the political, society (in the sense of civil society) and the economic sphere. This differentiation is different according to societies. But all European societies have in common a long-term and advanced differentiation and autonomization of these spheres of activities. This advanced differentiation explains first the secularization process and the transformation of religion from a major social institution into a private faith and collective morality. Churches do exist but only as the institutional support of collective faith. Europe is a highly secularized social system. People who do not accept or share this advanced secularism cannot really live in a European society because they belong to a different type of social system¹⁰.

The initial differentiation is the decoupling during the West European Middle Age between the Church and the state. It distinguishes societies based on a transcendental ground (ethnic, religious and cosmological), from a different type of society and evolutionary trajectory. This divide was a sort of earthquake; it still produces strong after-shocks. But the second differentiation is probably the fundamental one for Europe, with deep long-term consequences. It is characterized by a decoupling between the State and society, which in England first brought about the concept of a “civil society”, a society made of individuals and groups, with their own interests, values and rights. The State is not considered anymore as unifying a population and transforming this population into a society, which the state has for mission to protect, like a father and his family or a pastor and his flock. On the contrary, in the image of themselves constituting a civil society, the individuals give to themselves, choose and select a government. This second decoupling has for obvious consequence the ideals and institutions of modern democracy.

Already at this level, the differences between the modernization trajectory in England, France and Germany, or in Japan, are obvious, with deep consequences until today. The widening chasm between the State and society opened historically the formation, autonomization and identification of a new range of phenomena with their own rationality, trade and other activities constituting the economy of a nation, supplying to individuals their means of subsistence and welfare. This third decoupling is the source of modern capitalism. Obviously the different modes of the second decoupling condition the third decoupling and generate different types of capitalism, different relations between the State, society and the economy. These unfolding scissions generate also a transformation of conception,

¹⁰ This statement does not condemn, nor reject Muslims: on the contrary it emancipates Muslim people from Islamic religious power. The idea is in European societies, no communities can exist without living according to the structure of the social system. The social system is clearly a set of disciplines, constraints and rules. European conception of freedom is based on these disciplines and rules.

organization and role of knowledge activities. It gave birth in the 17^o century to what is commonly called “modern science”. Science was from the beginning embedded in the evolution of modern societies and it progressively provided a scientific basis to techniques and technical development. In other words, these decoupling, which are happening one inside the other explain what was called earlier the “institutional system”.

Conclusion. The political economy of the Union

The overcoming of the European Union dead end can be explained by the fact that the formation and the development of the European Union were based on a political model and economic paradigm, which unfolded their consequences in full legitimacy. The systemic crisis, which started in the USA and engulfed the whole Europe revealed, proved and increased what everybody knew but underestimated: inequalities of development, level of education and innovation potentials, of wealth, plus massive sovereign debts. The initial European project has not failed but the crisis brought its first stage to an end. This situation is forcing all Europeans to analyze the present situation in order to, eventually, overcome it. Economic differentials are the problem condensing all problems. The main failure of this economic paradigm is to have ignored the institutional environments, which determine the joint but unequal economic development of different nations associated in a union. A union does not behave and cannot be managed like a nation. It requires a different perspective and different methods.

To harmonize and construct a common market is one thing. But it does not mean that it is possible to harmonize the economies, which are supposed to exchange goods, services and competence on this market. The next step of the European unification process is to organize collaborations between social systems coming from different modernization trajectories. This is the Union present frontier. Is it even possible? I am not sure. The problem can be reformulated in a different dimension. It is a question of knowledge and the capacity to share this knowledge on a large scale, to train people to these problems and to develop research.

From the perspective of modernization theory, Europe’s different societies associated in the Union have many common features.

- First, they are post-ethnic societies: the ethnic origins of the population are not relevant at this level of development. What people have in common is the

modernization process, which fathoms the societies in which they were raised and educated, in which they work and have a life.

- Secondly, these societies are post-religious. Churches and religious institutions do exist but religions are reduced to private faith, common morality or radically transformed into shared legal values, like human rights, individual freedom, freedom of expression.
- Thirdly, the role of the economic sphere, of its requirements (profits, productivity, competitiveness) and organizational criteria, in the development of social systems are known, debated and accepted as common to all societies in the Union and in an increasing part of the world economy.
- Fourth, science and technology are considered the source of long-term growth. A democratic society has for duty to invest in research and to establish the proper conditions for the transfer of the knowledge produced into economic growth and social benefits.
- Fifth, the ideals of civil society, of the independence of people and groups in their common life, outside from the sphere of government and State apparatus, the economic sphere and the sphere of religion, are fully understood and a basic requirement by the vast majority of individuals.
- Finally, democracy and democratic politics are considered the interface between civil society and the economy, a field of constant debate and adjustment. The State apparatus has for duty to protect the people under the control of democratic institutions.

What is typical of this social system in its present stage is the role played by human and social sciences in order to study and explain what is the present stage. What people have in common is the knowledge they share about their society and this shared knowledge is the basis of the political debate.

This general template is common to all the Union members. It is the frame of what could be called the *political economy of the Union*, which is quite different from the economy of each nation in the Union. A Union requires a double economy; the political economy of the union is regulating the economy of each member state according to their specificities and situation. In other words, cohesion, solidarity, security and collective growth are the values of the Union according to which the present problems of debts and deficits could find solutions.

I am fully aware this is quite abstract but I intended to show how far an alternative reasoning could go.

Finally, in a period of systemic crisis and skepticism, I would like to propose an answer to the question: What is Europe? Today, my answer would be: the European union is a family resemblance between different nations in this part of the world, which have in common a modernization process, which has shaped their societies, economies and conceptions of knowledge. Through the Union, these nations have experienced that they share a common long-term trajectory. From this point of view, the European union has for enemies all those, which reject and oppose the modernization process. At the same time, the European union has no borders but it has strong limits. These limits are drawn by the different scissions, which have shaped the social system shared by these nations.