# 7 Conclusion

## *Towards a New Imaginary of Prosperity in the EU*

Social integration in European countries seems increasingly dependent on the "we" that draws on tribal markers of identity. This type of belonging, in good times flatteringly called demos,[1] tends to resurface in its far uglier exclusionary versions when times get more difficult and resources more scarce – and at the same time, the horrors of previous wars are either forgotten or strategically rehashed. The European Union (EU),[2] however, still has a window to change these dynamics and reorient Europe towards prosperity. For Europe, this is both a task and a necessity: the EU cannot socially integrate but via the imaginaries of

[1] For a famous debate on the need for demos in Europe, see Dieter Grimm, 'Does Europe Need a Constitution?', *European Law Journal* 1, no. 3 (1995): 282–302; J. Habermas, 'Remarks on Dieter Grimm's "Does Europe Need a Constitution?"', *European Law Journal* 1, no. 3 (1995): 303–7.

[2] *Who* is the EU I discuss in this book? I focus on the European institutions: the European Commission, the European Parliament, the Councils of the EU, and occasionally the European Courts, the ECB, as well as more opaque institutions such as the 'Regulatory Scrutiny Board' or various standardisation bodies. Importantly, after more recent attempts of the EU institutions to move beyond privatised prosperity, I am somewhat more confident than before (Marija Bartl, 'Internal Market Rationality, Private Law and the Direction of the Union: Resuscitating the Market as the Object of the Political', *European Law Journal*, 21, no. 5 (15 January 2015), 572–98) in the responsiveness and democratic potential of these (surely imperfect) European institutions. At the same time, this is not to deny the contribution of the EU institutions to the very same problems that now threaten democratic institutions in Europe and beyond. Foremost, the incapacity of EU institutions to move beyond privatising prosperity post-2008, and instead doubling down on it, shows the EU's limits – its deficient institutional framework, the misalignment between the economic interests of its MSs or the strong influence of industry and capital on its policymaking. But especially in the face of irrelevance or dissolution, the EU is more likely to develop an imaginary of shared prosperity, showing us hereby also – as Habermas once hoped – what the post-national democracy and solidarity could look like.

prosperity, all the while it emerged with a task to prevent the excesses of tribalism.

As I have tried to show above, the EU is not limited to privatised prosperity, with consumerism and neo/ordoliberal imaginaries as the only credible route to a better future. Rather it can, and has already started to, develop a thicker understanding of *shared* prosperity. Such a conception of prosperity will have to be built around the recognition of interdependence, collective institutions, public values centred on sharing and inclusion, and effective problem-solving. It is, however, not a conflict-free imaginary. Rather, political mobilisation and conflict will centre around questions of political economy and its constitutive outsides,[3] as well as questions of economic (including market) structures and their distributive outcomes. The collectives that engage in such political struggles are also constructed around shared interests and values (such as farmers, workers, practically educated, social movements, millennials, etc.), rather than tribal markers.

The possibility of developing a conception of shared prosperity in the EU, as a supranational entity, may go against some received wisdom on the capacity of "interstate federation" to generate solidarity. Writing in the 1930s, Hayek, later followed by a number of other brilliant political economists,[4] suspected that an "interstate federation" would be mostly incapable of redistribution or effective regulation – making thus sure that all individuals and groups living in such a federation would be permanently consigned to privatised prosperity. But the history of the EU to date, I would argue, proves them at least partially wrong.

First, from its inception, the EU has had a mixed set of "Ideological commitments"[5], with different values and normative concerns dominating EU's policy and action in each subsequent imaginary of prosperity. For instance, in the field of consumer law and policy, discussed in Chapter 3, this played out as a focus on protection, empowering weaker parties and restructuring market dynamics and distributive outcomes in the welfare state imaginary of prosperity.[6] At a later point, the has EU embraced a

[3] I discuss those in Section 2.4.1.

[4] Friedrich A. Hayek, 'The Economic Conditions of Interstate Federalism'. *New Commonwealth Quarterly* 5 (1939): 131–49. For important revisions of this claim, for the context of the EU and global context, see Wolfgang Streeck, 'The Crises of Democratic Capitalism', *New Left Review* 71, no. 5 (2011): 5–29; Dani Rodrik, *The Globalization Paradox: Democracy and the Future of the World Economy* (W. W. Norton & Company, 2011).

[5] Clemens Kaupa, *The Pluralist Character of the European Economic Constitution* (Bloomsbury Publishing, 2016).

[6] See Chapter 3, Section 3.3.

neoliberal imaginary of prosperity, with its focus on market liberalisation and optimisation, making consumers the main vehicles of internal market building. Finally, privatised prosperity came to seem increasingly untenable in the face of the current challenges, with the EU institutions hesitantly moving beyond privatised prosperity and its focus on overconsumption.[7]

Second, after a prolonged period of privatisation, such as that which we have seen in recent decades (or in the pre-war period in Europe for that matter), discontent will mount. These pressures could either be channelled towards the transformation of political economy (as was the case in the US or Sweden in the 1930s), or they could be channelled to tribal collectivism (as was the case in Italy, Germany, and a significant part of Europe during the same period) and is threatening to be the case in Europe today.[8]

Third, given that the EU cannot easily produce a thick tribal identity, it can only respond to these collectivising pressures by transforming its imaginary of prosperity, by rearticulating the relations between the state, capital, labour, society and so forth. At the same time, by remaining within the ambit of prosperity, the EU would be (as its founders envisaged) an important force in preserving democratic institutions, knowledge governance and ultimately peace on the continent.

The success of the EU in delivering shared prosperity will require political courage, however. To start, the EU institutions cannot replace their aspirations of "knowledge governance" with fear or prejudice. There is no such thing as losing (or gaining) legitimacy with those embracing tribal logics, as there is no place for European integration worth its name in a tribal Europe. Furthermore, the EU institutions will have to be able to stand up for those pulling the short straw in the integration process – something they failed to do in 2008. In order to help institutionalise a new imaginary of shared prosperity, they will have to stand up, on the one hand, to the (well-resourced) interests of the capital, driven more by the unhealthy pressures of the financial markets than societal and long-term interests. And, on the other hand, they will also have to stand up to influential EU member states (MSs), especially when they push for paths that are clearly damaging to peripheral EU MSs (today, for instance, the new push for austerity that would

[7] See Chapter 2, Section 2.3.

[8] Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (Broadway Business, 2013), chapter 13.

decimate welfare and infrastructural investment in these countries).[9] Finally, the EU institutions will have to take rule of law issues more seriously and intervene in a timely manner. If democracy-undermining conduct continues to spread, soon there may not be sufficiently large majorities to safeguard democracy and rule of law – and we may see, again, loud minorities destroy the institutions that have at least partially delivered equality, justice, and prosperity in Europe.

## 7.1 Changing Background Assumptions

As this book shows, the EU has already taken the first steps towards a new imaginary of shared prosperity in Europe. Apart from macro measures such as the European Green Deal and the Next Generation Europe, the EU has made significant strides in redesigning microeconomic institutions, including consumption, technology, industrial development, and the corporation. These various policy and legislative measures, put in place over the past couple of years, depart from a different background understanding of how central elements of its political economy – law, politics, government, economy, nature and society – fit together, setting thus grounds to shift to an imaginary of political economy that would be better able to include various contemporary constitutive outsides (such as nature, care, inequality, or prosperity abroad).

In Table 7.1, I try to capture what these background shifts are. They concern the assumptions as to (a) ontology, that is, how the political economy (economy, law, politics, government, society and nature) fit together, (b) epistemology, that is what frameworks one should use in order to know and act on the political economy, and finally (c) different values, both public and intersubjective ones, that ought to ground our moral, cultural, and political intuitions. Importantly, this table captures background assumptions rather than any specific 'policy solutions' that aim to address the problems the EU faces. These assumptions *set ground* for a different way of thinking about problems and possible solutions. The actual transition to a new imaginary, however, requires more: implementing laws and policies that can deliver on material, social, and institutional fronts, while grounding a real hope in a prosperous

[9] Wester Van Gaal, '"A Prosperous New Year"? EU Heads for Austerity in 2024', *EU Observer* (2024), https://euobserver.com/green-economy/157852, last accessed 16 January 2024.

Table 7.1 Modern Social Imaginaries: Background Assumptions

| | 'HOW DOES THE WORLD FIT TOGETHER?' | | | 'HOW SHOULD WE KNOW AND ACT ON THE WORLD'? | | | 'WHAT VALUES GROUND THE FUTURE'? | | |
|---|---|---|---|---|---|---|---|---|---|
| | Privatised Prosperity | Shared Prosperity | Tribal Imaginaries | Privatised Prosperity | Shared Prosperity | Tribal Imaginaries | Privatised Prosperity | Shared Prosperity | Tribal imaginaries |
| ECON | Self-regulating 'Human-nature given' | 'Human-made' institution | 'Ours' | Positivist | Constructivist | Made by native people | Self-interest, growth | Collective action, sharing | Tribal interest |
| POL | Centrality of private/ corporate actors | Centrality of collective & public institutions | 'Deep state', /elites | Technocratic | Political + technocratic | Identity focused; we/ they | Trust in private/ corporate actors | Trust in democracy collective action | Protect identity, nativism |
| GOV | Smaller | Bigger | Serving own tribe | Outsourcing, neutral arbiter | Capable, deciding, redistributing | Distinguishing/ discriminating | Service provider | Responsible | Choosing sides |
| LAW | Private Autonomy, Self-regulation | Hard law, Liability | Disregard for the Rule of Law | Exogenous, 'add on' to social processes | Endogenous Constitutive Transformative | Elitist judges, the enemy of people | Facilitative rather than interven-tionist | Intervenes, shapes, transforms | Keeping out |
| NATURE | Resources | Ecosystem, complex | Traditional lands | Technological fixes | Uncertainty and risks | Adaptation | Efficient use | Care | Anti-environ-mentalism |
| SOCIETY | Only individuals, no society | Pluralist and inclusive society | Traditiona-lism, nativism | Aggregation of preferences | Social norms, values, trust, justice | Community needs, hierarchies | We don't owe to others, inclusive | We owe to others, inclusive | We owe only to the ingroup, exclusive |
| SELF/ SUBJECT | Thin subjects | Thick subjects, complex | Reduced to a particular identity marker | Narrowing of "Self" and self-interest | Expanding of "Self" Interest | Group interest, the 'real' people | Competi-tive, responsible | Coopera-tive | Soldier, tribal identification |

future. On that front, the new imaginary of prosperity is only in its infancy.

The caveat is that the table itself presents 'ideal' types of social imaginaries, with respect to which the shift in the EU at present may still be incomplete. As it concerns the imaginaries of prosperity, the ideal types are distilled from the empirical work behind this book, including the previous transformation of the welfare state imaginary of prosperity to the neoliberal one, as well as the slow change of the neoliberal imaginary to the present more amorphous imaginary, as read in the light of the longer history of modernity. I articulate the tribal imaginaries, in contrast, on the basis of the secondary literature (dealing with contemporary and historical matters) only, without studying them empirically. The reason is that in the context of the fields I study, I have not (and likely could not have) found them expressed in any discernible form.

On the basis of the four case studies, I submit that the EU has made at least partial shifts in all aspects of political economy that I have examined. The EU has increasingly started to recognise that the (internal) market is a gullible institution, rather than a natural self-regulating system, which thus needs more than just facilitation (via information obligations, for instance) to operate in socially useful ways.[10] What is more, if the EU wants growth, it has to be green – and green growth is always steered growth: celebrating economic activity as such will not do.[11] The transition that the EU is contemplating requires restructuring the economy, away from the production of consumer goods towards the services to maintain goods,[12] while replacing throw-away consumer culture with a more caring – that is repairing, refurbishing, and reusing – consumption.[13]

This transforming imaginary of the economy hinges on the EU's changing conception of politics. We can see that the EU starts recognising distributive conflicts to a greater degree than was the case before, with different groups struggling over the shape of the economy and its distributive outcomes – rather than being staged in a common project of optimising markets.[14]

The shift in the imaginary of prosperity in the EU has also implied a shift in the role of government – the EU institutions in our case – who must assume more political responsibility going forward. The

[10] More institutionalist approach to the economy can be seen in Chapters 3–6.
[11] A shift from taking to steering economy and markets can be seen in Chapters 3–6.
[12] See Chapters 3 and 4. [13] Mostly Chapters 3 and 4
[14] Foremost Chapter 4, but also Chapter 6.

government increasingly has to choose between different products,[15] between different sectors,[16] and even between different ways of producing,[17] in order to bring about a more sustainable and equitable economy. Hiding behind (often regressive) 'horizontal measures' of cutting labour rights or lowering taxes in order to create a "good investment climate" will not do any longer.[18] This embrace of political responsibility from the side of the EU institutions has, however, only been partial. For instance, in industrial policy, the EU still does not impose many conditionalities, remaining in the paradigm where benefits are privatised while costs are socialised.[19] Gabor has critically called this a 'de-risking state' – de-risking private capital investment, without corresponding benefit on the side of the public.[20] But the EU position goes even further, I would argue: the EU seems to suffer from a certain aversion to public voice or public ownership – even though the new imaginary of prosperity will likely have to ensure that many services are provided either publicly or via some other collective route.[21]

There have been changes also in the EU's legal imaginaries. The law is becoming more clearly 'normative' – relying on its own normativity rather than the one borrowed from "efficient markets", while aiming to *reshape* the economy rather than just optimise it.[22] In most examined fields, law is moving away from self-regulation[23] and returning to the language of protection[24] and institutional experimentation, designing at times even new institutional and legal forms.[25] However, the issues of distributive justice and the inequality of (bargaining) power remain in very early infancy.[26]

In relation to nature, we see somewhat more humility, recognising the complexity of natural ecosystems and human (inter)dependence on them. Rather than only *intervening on* nature, it is recognised that we need to extract less (via consumption and production)[27] and return more (via care and nature laws).[28] This is, however, not an entirely consistent position.[29]

[15] Foremost Chapter 4. [16] Foremost Chapter 5. [17] Foremost Chapter 6.
[18] Foremost Chapter 5. [19] See Chapter 5.
[20] Daniela Gabor, 'The (European) Derisking State', *Stato e mercato* 1 (2023): 53–84.
[21] Foremost Chapters 3 and 5. [22] See Chapters 3–6. [23] See Chapters 3–6.
[24] Foremost Chapter 3. [25] Foremost Chapter 5, partially also Chapter 6.
[26] Some references in Chapters 3–6. [27] See Chapters 3–6.
[28] Foremost Chapters 3–5.
[29] In Chapter 5, for instance, "competitiveness" and "extractiveness" sometimes have an upper hand.

Finally, we see also the transformation of the subject. The EU is moving beyond the thin subject interested only in price and profit.[30] The subject rather has more interests and more complex rationality, they are more interdependent with their social and natural environment, and finally they carry more responsibility for others and for nature.[31] This thicker subject is also what, going forward, may ground a different conception of society, which places interdependence and sharing more centrally.[32]

## 7.2 The Road Ahead

The shift in the background assumption sets preconditions for instituting a new, post-neoliberal society. For that to happen, however, many new struggles, new movements, new programmes, measures, policies, and laws will have to be taken up and implemented. Some of these transformations are already incipient and thus imaginable going forward. In what follows, on the basis of previous chapters, I want to propose a couple of 'compossible futures' that would help usher in a new imaginary of prosperity and thus, to paraphrase Acemoglu and Robinson, help the EU and its MSs to "stay in the corridor".[33]

To start, the EU is working towards making consumption both slower and less wasteful. However, the paradigm is still that of individual consumption. Public infrastructures and services (e.g. 'European public goods')[34] as well as via public and collective ways of consumption (including enabling forms of co-housing, sharing of consumer goods, public transport, etc.) will be a must if we indeed intend to keep the quality of life while lowering material throughput. The EU already opens up towards restructuring consumption, away from mass consumption, towards reuse, services, and repair, but it still does not venture into encouraging more public or communal forms of consumption that would be beneficial both environmentally and socially.[35] This connects

[30] Foremost Chapters 3 (consumer), 4 (product), and 6 (corporation).
[31] Foremost Chapters 3 and 6. [32] See Chapters 5 and 6.
[33] Acemoglu and Robinson, *Why Nations Fail*.
[34] Marco Buti and Marcello Messori, 'European Public Goods Are Key to Tackle the Economic Challenges of 2023', EUIdeas (2023), https://euideas.eui.eu/2023/02/01/european-public-goods-are-key-to-tackle-the-economic-challenges-of-2023/, last accessed 16 January 2024.
[35] Jefim Vogel et al., 'Safeguarding Livelihoods against Reductions in Economic Output', *Ecological Economics* 215 (1 January 2024): 107977.

to a wider problem, namely that the emergent imaginary is still a "fair weather" imaginary, more easily embraced by those who are economically and socially secure. To be truly an imaginary of *shared* prosperity, the new imaginary of prosperity should be increasingly thought of from the perspectives of *have not's* rather than *have's* – that ought to convey, I would argue, the primary meaning of GED's '*just* transition'.

The imagination of the EU institutions also remains limited concerning the relationship between technology and labour – even if the EU sees itself as a regulatory champion.[36] Neither data legislation, industrial policy, nor ecodesign takes up the role of steering technological progress in a direction that would ensure safer labour futures. The EU remains reactive, making workers, consumers, and citizens *fit for* market-made technologies rather than the reverse. The EU will need to become more proactive in democratically shaping the technological futures that would actually live up to the needs of humans rather than capital.[37] The prosperous future requires a credible promise that it will not be a purposeless or dystopic future – a promise that has to be delivered via more democratic steering of technology and/or via modes of social provision (like universal basic income, citizen dividend, or work guarantee).[38]

When it comes to relationships with the so-called third countries, we see two sets of developments, each pulling in a different direction. On the one hand, the EU is very carefully attempting to reign in its own multinationals from causing social and environmental harm abroad. The solidarity, however, does not go as far as to demand *fairer pricing* as a condition of non-extractive relations,[39] and at this point, it is also unclear whether even fair purchasing practices have made it through the last round of negotiations of the CSDDD between the EU parliament and the Council. On the other hand, within the framework of its industrial policy and the Critical Raw Materials Act, the EU remains in a competitive mode that we associate with privatised prosperity. If and when the EU actually takes the question of interdependence with "third

[36] Anu Bradford, *The Brussels Effect: How the European Union Rules the World* (Oxford University Press, USA, 2020).
[37] Simon Johnson and Daron Acemoglu, *Power and Progress: Our Thousand-Year Struggle Over Technology and Prosperity* (Hachette UK, 2023).
[38] Vogel et al., 'Safeguarding Livelihoods against Reductions in Economic Output'.
[39] See Chapter 6.

countries" more seriously, it has to go further on many levels: the impact of multinationals, the sharing of benefits of cooperation, the questions of debt, climate adaptation funds, or sharing technologies in a way that tries to empower local populations rather than European capital.[40] It is crucial to see that with regard to these developing countries, it is perhaps the first time that the conflict between European capital and European society is there for everyone to see: the lack of even elementary prosperity abroad (due to the extraction of minerals, land, profits, tax, liveable climate, etc.) will increasingly contribute to migration pressures.

Currently, perhaps the lowest hanging fruit in EU policymaking, which could be a game changer in instituting a new imaginary of shared prosperity, is to strengthen the so-called 'social economy'.[41] Social economy organisations engage in economic activity for the "right reasons", creating on the way various kinds of "positive externalities", such as providing a range of affordable services, ensuring resilience in the face of crises, increasing inclusion, and strengthening local communities.[42] While the EU has had social economy on the radar for a long time, due to all these positive externalities, it has not done much to actually create a level playing field for such organisations. If it does so, as I suggest in Chapter 6, social economy could be an instrument of economic development that would eventually limit anxiety with stagnating economic growth and at the same time support people, via individual and collective efforts, to make the economy that can be fun – and still work for people. Also in relation to the 'third countries', international trade via social economy or steward-owned enterprises would result in a fairer distribution of the surpluses of economic cooperation, increasing prosperity abroad in the interest of us all.

Together, these proposals may seem utopian, but I have tried to argue that they present a *realistic utopia,*[43] because they are both imaginable (within the framework instituted today) and necessary. They are imaginable inasmuch as the EU has already partially shifted its background

[40] Isabel Feichtner, Markus Krajewski, and Ricarda Roesch, eds., *Human Rights in the Extractive Industries: Transparency, Participation, Resistance, vol. 3, Interdisciplinary Studies in Human Rights* (Springer International Publishing, 2019).

[41] See Chapter 6, Section 6.5.

[42] European Commission, Building an economy that works for people: an action plan for the social economy, COM(2021) 778 final, pp. 4–6.

[43] Rutger Bregman, *Utopia for Realists* (Bloomsbury Publishing, 2018).

understandings, having prepared grounds for a new understanding of prosperity. They are also necessary, since both peace and the relevance of the EU depend on ushering in a credible imaginary of prosperity. Such imaginary, which would be both more shared and sustainable, can address the problems societies face, while offering a credible prospect of a prosperous future.