



An uncertain future for the post-Brexit, post-COVID-19 European Union

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Abstract

Nowadays, the foundation pillars of European unification, namely solidarity and democracy, are under serious threat, perhaps more serious than that from the 2008 economic crisis, Brexit, the migration crisis and COVID-19 combined. As happened in the past, space and geography are again at the forefront asking for interpretations. A once progressive academic field such as urban and regional research is due now to regain its progressive reflexes together with broader political concerns about the future of the European Union (EU).

Keywords

Brexit, COVID-19, democracy, Europe

Most scientific journals, as the one you read now, are products of a coming together by a group of colleagues who bonded through friendship and mutual appreciation. *European Urban and Regional Studies* (EURS) is a child of European integration created in the midst of the early 1990s euphoria, marked by Germany's unification (in reality the annexation of former Eastern by Western Germany), the collapse of Stalinism and before the brutal military interventions in former Yugoslavia and the Middle East. Behind the journal stands one of the earliest, largest and most successful Erasmus networks, initiated by the Geography Department at Durham University and coordinated by Ray Hudson, Jim Lewis and David Sadler. I was able to sit on the first editorial board (1994–2007) with David Sadler as managing editor. It was a fruitful experience and I would like to thank all other members, plus Kathy Wood, our secretary, for always being helpful and friendly. We encouraged non-English-speaking scholars to publish and I am glad to see that many from Southern and Eastern Europe found EURS pages attractive for

their work. The journal from its beginning was open to non-Anglo-American contributors and this is a major achievement, given the dominance of the English language and hence Anglo-American concepts and theories of/in geography and regional planning. The conferences, organized by the journal every 2 years or so in different European locations, gave a big boost toward the multilingual direction, something that I do hope to see continued despite Brexit. Another initiative that helped prepare the ground for EURS was the Aegean Seminars. It was an important radical forum for cross-disciplinary and cross-national research on uneven development and urban and regional planning in Europe, organized every 2–3 years by a group of Greek academics in a different Aegean island from 1983 to 2013.

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Twenty-seven years after the first issue, the editors of *EURS* asked us to comment on the status of urban and regional development in Europe in the post-Brexit era. I thank them, although, obviously, what is going on around us has overtaken the post-Brexit momentum since we face now the COVID-19 pandemic, a new world crisis with severe political, economic and social consequences that perhaps will destabilize many certainties of the past. I found it difficult to focus on writing about urban and regional development issues, while on TV, on social media and in friends' emails terrible news arrives constantly. Along with deep sorrow, as during the 2008 economic crisis, I have feelings of anger and resentment about neoliberalism and austerity destroying social protection and particularly public health systems everywhere; about class-specific government policies and the insane strategies of big pharma; about the lack of solidarity among European Union (EU) countries; and, finally, about the prospect of an authoritarian and indebted future in which radical or progressive politics may be a reminder of the last century. Nowadays, the foundation pillars of European unification, namely solidarity and democracy, are under serious threat, perhaps more serious than that from the 2008 economic crisis, Brexit and the migration crisis combined.

Keeping these remarks in mind, I turn to some comments about our journal and the future of European urban and regional development in the post-Brexit, post-COVID-19 era. From its first issue in 1994, the journal's European focus became clear with critical papers from Norway, Poland, Southern and Eastern Europe, Ireland, Cyprus and a wide selection of book reviews with European themes. In the next volume (vol. 2, issue 2, 1995), when the EU was formed by only 12 states, a collection of papers from one of the Aegean Seminars showed scepticism about the much-advocated benefits of European integration. It showed concern that the dominant discussion among EU officials and national governments often generated false hopes, while other important issues such as growing social and spatial inequalities were not part of the agenda. In the early 1990s, the assumptions of the Commission's *White Paper on Growth, Competitiveness and Employment* were leading in a completely different direction from the seminar's

papers (see Commission of the European Communities (CEC), 1993). Competitiveness from the Report's point of view meant basically more exports by more efficient firms, that is, by those who have higher labour productivity. Nevertheless, the 12 economies of the EU were already well integrated so that, for example, 75% of Belgium's exports were destined to five other EU members, 60% of Germany's exports to 11 EU members, 63% of France's exports to seven EU members, and so forth. I wrote a short introduction to these papers in which I conclude by saying:

Competitiveness was primarily a fight among EU members themselves, among European cities and regions and not among World Superpowers as the White Paper claims (. . .) If we include cases of institutional competition among places to attract investments and 'social dumping', we may conclude that growth and prosperity of certain social groups and places in Europe will be paid by others, a large number of which are to be found inside the continent, at the margins of 'new' Europe (Hadjimichalis, 1995: 95).

It seems ironic to me that, after 40 years, the Commission's White Paper may prove (to be prophetic) correct for the post-Brexit UK. Competitiveness for the UK after Brexit (assuming that it remains united) means fighting the EU from outside plus fighting China, the US and the rest of the world. The UK will be alone this time and, although overrated expectations by Leave campaigners were sufficient to attract support for Brexit twice, it may prove impossible to deliver the promised new global economic position, not to speak of the old imperial glory.

The UK's economy and society looks today very different from 1973 when it joined the then Common Market. Deindustrialization was only beginning to show its abhorrent face, neoliberalism and financialization were just beginning and everyone was optimistic. The entrance of the UK had a major positive impact on regional policy through the first Commissioner on Regional Affairs, the Labour MP George Thomson. By 1972, Member States declared their intention to 'give top priority to correcting the structural and regional imbalances in the Community which could hinder the achievement of the Economic and Monetary Union' (CEC, 1971). Following these

instructions, the Commission's reform proposals were outlined in the *Report on Enlarged Europe* of May 1973, better known as the *Thomson Report* (CEC, 1973). The report argued that reducing existing differences between the various regions and the backwardness of the less-favoured regions was 'a human and moral requirement of the first importance' (CEC, 1973: 12–13). Since the 1990s, however, and despite some initial positive outcomes, these intentions were pushed aside and the Commission returned to business as usual. Since then, socio-spatial inequalities in the EU and in the UK are not considered anymore as 'a human and moral requirement', nor of first importance. Despite important social policies such as social inclusion, equal opportunities and access to the labour market, the current policy prescription of the EU remains the promotion of competitiveness among firms, regions and cities and the union was ill-prepared to face crises, the financial one in 2009–2018 and now the pandemic.

Crises hit countries, regions, cities, social classes, ages, genders and ethnic groups highly unevenly and COVID-19 is no exception. It came 12 years after the Eurozone and migration crises and, looking at the area I know best, it found Southern European regions under an anaemic recovery, with destroyed public health systems, weak productive structures and high debts. Three major crises, all in a short period with epicenters in the same macro-region, redefine/reinvent the spatiality and temporality of/ in Southern Europe.

Although at the time of writing, Greek and Portuguese regions seem to show greater resilience compared with Italian and Spanish ones that turned into epicenters with high death rates, the situation in Southern Europe as a whole is, again, much worse when compared with the rest of the EU with the exception of Belgium and the UK. An indication is the number of intensive care beds per 1000 people: Germany has 6.02, France 3.09, Italy 2.62, Spain 2.43, the UK 2.11, Portugal and Greece 2.10. The figure for the UK reveals the extent to which provision in the NHS and social care has been eroded by a decade of Tory and Coalition austerity politics; with more than 40,000 deaths from March to June 2020, it has overtaken Italy, France and Spain.

One of the first epicenters in Italy was the region of Lombardy, governed for the last 2 decades by rightwing alliances, including the racist Lega Nord. Lombardy has privatized public health facilities, has reduced the number of intensive care beds and promoted excellence concentrated in a few hospitals, while previously a territorially decentralized system was in place. The regional governor and the influential local industrialists' association opposed the lockdown strategy due to the many international fairs taking place in Milan at that time and the presence of a strong regional industrial sector. The result is known, sad and terrifying: Lombardy has the highest number of deaths per 1000 people in Italy and one of the highest in Europe.

In describing the situation in Southern Europe and in Lombardy, I am considering what future critical papers in *EURS* describing the post-Brexit period and the pandemic's uneven regional consequences might address. I am sure that many are planned or already written. However, I hope that authors will explain politically – that is, in the broadest sense of the term – why and how these differences exist, avoiding simple descriptions. I am saying this, because during the last years I noticed a crucial change in published papers' content: a gradual shift away from critical thinking toward more depoliticizing, descriptive analysis, avoiding the crucial questions 'why' and 'how'. My point here concerns the wider change in academic discourse since the 1990s that affected all journals, although *EURS* has tried to retain its critical voice. It was the era of a triumphant neoliberalism contributing, intentionally or unintentionally, to the reproduction and legitimacy of a shift toward *depoliticization*, firstly, by naturalizing or essentializing concepts, and, secondly, by finding ways to side-step politics, principally by avoiding identifying winners and losers. It has created a major market for new policy 'discourses', which has been met – thanks to the parallel neoliberalisation of academia – by the creation of new degrees and professional courses. With Ray Hudson (see Hadjimichalis and Hudson, 2007, 2014), I tried several times to raise this point in this and in other journals. Our worry was and remains that, despite its impressive array of concepts, perspectives and

ideas, urban and regional explanations of the persistence of socio-spatial unevenness lack both the integration and normative features necessary to provide a coherent and convincing framework capable of addressing the big questions relating to uneven regional growth and development.

Should we expect a similar reaction vis-à-vis Brexit and the current COVID-19 crisis? I hope not. From January to July 2020, when I am finishing this paper, there has been an impressive production of critical analysis on Brexit's spatial effects and the pandemic in the social media, an explosion of alternative and highly sophisticated scepticism about what will happen after. I wish some of this critical analysis will find its way to our journal because, as it happened in previous European and global crises, space and geography are again at the forefront. A once-progressive academic field such as urban and regional research is due now to regain its progressive reflexes.

The above request seems timely, if one takes into account the different reactions from EU institutions and some political leaders in Central–Western Europe toward helping southern regions. Initial reactions of the latter echoed the lack of solidarity we faced in the south during the Eurozone and refugee crises. As many others argue these days, if a déjà-vu division between countries and cultures prevails, the economic, social and political effects of the pandemic will be more painful than anticipated. The EU faces today a threat to its unity that could be disastrous and, if that happens, as I noted in the last chapter of *Crisis Spaces* (Hadjimichalis, 2019 [2017]), ‘... the destruction of the EU would leave free space for monsters to roam in’. The Orban case in Hungary and Salvini in Italy are good examples.

The COVID-19 crisis found the EU already divided on the new Community budget for the 2021–2027 period, because Brexit generated a 14 billion euro annual deficit; a pro-Brexit argument used by the Brexiteers. The proposal before the pandemic contained a 124 billion euro reduction for the Structural Funds that covers all social, employment, urban, regional and local development policies. Instead, the budget allocated 150 billion for the protection of the EU external borders and for the further militarization of Frontex, something strongly

opposed by Southern countries and the familiar North–South divide appeared again. For obvious reasons, the pandemic made redundant the 2021–2027 budget and bitter internal fights should be expected around the allocation of the trillions of euros in the new Pandemic Recovery Fund. After weeks of negotiations, an online Eurogroup meeting on 10 April, 2020, satisfied the champions of orthodoxy, activating the European Stability Mechanism but tightening the chains of austerity that submit states to conditionality. The euro-corona bonds idea – promoted by the four southern states plus France – faced strong opposition from the ‘frugal four’ of Germany, the Netherlands, Austria and Finland and went, at that time, into the bin. The signs are not promising and the regional divergence that was fuelled during the period 2000–2015 (7th Report on Economic, Social and Territorial Cohesion, 2017), may have another flare-up when the pandemic is over. Estimates for an average 8%–10% EU recession are not promising for the future, especially if higher recession rates on a country/regional basis are taken into account.

Although initial reactions to the recovery fund were extremely unproductive, in early June 2020 a Commission proposal changed the climate. A new recovery instrument, *Next Generation EU*, embedded within a powerful modern budget increase to 2% of EU GDP, satisfied partially the request for euro-corona bonds via 500 billion euros as grants and 250 billion euros available as loans to satisfy the ‘frugal four’, this time without Germany plus Sweden. Behind the proposal stands a France–Germany pact, and the long-term EU budget for 2012–2027 will bring the total firepower of the EU to 1.85 trillion euros. The final decision of the European Council in late July 2020 included a smaller recovery package with grants reduced to 390 billion euros (from the initial 500 billion euros) and an increase in loans to 360 million euros (initial 250 million euros) due to disagreements from the ‘frugal four’. For this reason, the European Parliament will not accept the above political decision until a satisfactory agreement is reached in the upcoming negotiations between Parliament and the Council. Nevertheless, the significance of the Council decision is not simply the

sheer size of the 1.2 trillion euros stimulus but, first, the unprecedented scale of the collective borrowing of the union; second, the introduction of new common taxes; and third, the growing acceptance of interventionist policies by the state. In any case, the main beneficiaries will be Italy, Spain and Greece, due to the expected extreme negative impacts on health, unemployment and recession, although France and Germany will receive equally high support.

I should add the self-critical attitude by German politicians for the painful policies imposed on Southern Europe during the previous economic crisis, best expressed by the German Foreign Secretary (SPD), Heiko Mass. He said in a *Der Spiegel* interview (9 April, 2020) ‘In this crisis, we need rapid help without “torture tools” such as a troika or tough austerity’. We don’t know if this self-critical voice will be heard until the end of the negotiations. What we do know, however, is that the bloc takes steps that would have been impossible with Britain as a Member State: the EU is taking a path that would have been vetoed by its former member.

Independently from the final agreement between the Council and the Parliament, the EU faces a major contradiction: namely between seeking neo-liberal macro-economic policies that impose austerity and competitiveness, and pursuing solidarity and economic and social cohesion via social and cohesion funds. The cornerstone of any regional development program consists of socio-spatial redistribution aiming at reducing unevenness and socio-spatial injustices, something that is inconsistent, theoretically and practically, with austerity. Unless the EU leaders realize this, we cannot expect major positive changes.

Pandemics and epidemics have been a catalyst in human history for millennia. They sparked riots, promoted public health innovations, reshaped urban planning and even contributed to revolutions and redesigned the geopolitical map. Apart from Brexit, European capitalism faces three major crises simultaneously today: a health crisis caused by the pandemic; an economic crisis caused by the lockdown of one-third of the planet that interrupted production, circulation and realization of value; and a migration crisis that will intensify after the lockdown. We should add to these crises the long-term environmental crisis

whose emergency level is constantly increasing (Mazzucato, 2020). The conjuncture of four major global crises in Europe and particularly in its southern part, all at the beginning of the 21st century, pose new and profound challenges for concepts and theories and render previous frameworks of understanding insufficient.

Much of contemporary urban and regional development theory was crafted in the 1970–1980s, a period of relative stability, integration and growth that ended in the 2009 economic crisis and was replaced by low growth, economic instability, new mass migrations, the rebuilding of borders around the world and finally by the COVID-19 crisis. Existing approaches are weak at explaining discontinuous change, suggesting the need to pay more attention to pre- and post-World War II theories and practices such as the New Deal (via a New Green Deal?), Myrdal’s ‘circular and cumulative causation’ of growth and decline, and finally to political economy crisis theories of uneven geographical development. This way of looking forward by coming back may help to develop a better awareness of disruptive changes that destabilize existing dominant models of local and regional development. As such, it poses a fundamental problem, and its resolution presents a major challenge for both regional theory and regional policy (e.g., Hadjimichalis and Hudson, 2014; Martin, 2015). Just how should we theorize persistent spatially unbalanced growth, and what sort of policy response is called for? Is urban and regional studies in a position to provide convincing answers to these sorts of questions? And finally, how do we tackle the hot issue that uneven regional development is a combined, relational process? These are the challenges for the ‘day after’ and we need to prepare ourselves from now on.

Besides urban and regional questions demanding answers, I share with others broader political concerns about the future of the EU, such as the fear about the possibility of an undemocratic, authoritarian political environment in Europe and beyond. After the pandemic, we will face a major economic and social destabilization with unforeseen political results. In the 1920s and 1930s, the failure of democratic governments to deal with increasing inequalities and with the suffering and exclusion caused by another economic crisis, financial crash and authoritarian governance, pushed millions that lost faith in democracy to follow

Nazism and Fascism. History, as we know, does not repeat itself but reminds us of the past as a drama or farce. It also suggests that no one takes to the streets or the barricades to defend a political system that failed to defend its own moral and human principles. It is time for us in Europe and in the rest of the world to wake up.

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