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21. Conclusion: Where next for the EU?

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Abstract

This chapter draws out the main findings of the various contributions to the volume and reflects on the next steps ahead for Critical Political Economy and its analysis of European integration. In more detail, we identify three key findings of the volume. First, the neoliberal project continues to be hegemonic within the EU. Second, the various chapters in this volume have started contributing to overcoming the blind spots of CPE approaches around patriarchal and racist forms of oppression as integral parts of European integration. Third, we establish that reformist projects, which do not aim at transforming the capitalist social relations of production, will be unable to challenge the interests of (transnational) capital.

Keywords

Critical Political Economy, European integration, exploitation, neoliberal hegemony, patriarchy, racism

Introduction

Editing a volume on the European polycrisis represents a moving target. Since we started thinking about this volume at the mid-term workshop of the Critical Political Economy Network in Naples in June 2023 and held a related online workshop in February 2024 hosted by the Centre for the Study of Social and Global Justice (CSSGJ), crisis conditions have intensified further across the world. While we write, in January 2025, a ceasefire has stopped – albeit temporarily – the ongoing genocide in Gaza, but the United Nations estimate that to clear the 50 million tonnes of rubble left by Israel’s bombs could take up to 21 years and cost up to \$1.2 billion, not to speak of the incalculable cost of the human lives lost. After his victory in the US presidential elections of November 2024, Donald Trump has now taken office for his second term. In the first days of his mandate, he has signed dozens of executive orders, including the US’ exit from the Paris Climate Agreement and the World Health Organization, as well as harsh measures against undocumented migrant workers. Meanwhile, it is hundreds of these workers who often undertook the most hazardous jobs in the aftermath of the wildfires raging in California, in what has been defined ‘the most expensive natural disaster in US history’ (Mackenzie et al., 2025). Trade sanctions against China, which the Biden administration did not discontinue, will be intensified and potentially extended to other commercial partners in the attempt to preserve US economic hegemony. Meanwhile, Silicon Valley capitalists compete in showing their support for the new president.

The European Union too has gone through significant changes. The elections of June 2024 returned a European Parliament that is tilted more to the right. So is the Council, given the rise of the far-right all over the EU’s member states, which is also pushing centrist factions to move rightwards in the desperate attempt to hold onto their votes. The elections in Germany in February 2025 promise a return of the conservatives to power and good results for the neo-nazi party *Alternative für Deutschland*, supported by the wealthiest man in the world, Elon

Musk. Meanwhile, the neoliberal coalition of president Emmanuel Macron in France is hanging by a thread. Unsurprisingly, the new Commission led by Ursula von der Leyen, now in her second term, has also shifted to the right. Whereas in her first term the flagship measure of the Commission was the European Green Deal, along with a temporary common expansive fiscal policy embedded in the NextGenerationEu package to address the Covid-19 pandemic, the focus of the new Commission are harsher migration policies, more military spending and a renewed emphasis on competitiveness by cutting regulations which are allegedly preventing businesses from competing successfully.

This multiplication and acceleration of crises makes the development of a critical political economy of the European polycrisis especially urgent. While the term polycrisis is becoming increasingly popular among mainstream commentators to describe the current conjuncture, CPE approaches offer a ‘powerful antidote against the risk of a “situationism” which overlooks structural explanations of a phenomenon’s origins’, as Caterina et al. (this volume) remark. Thus, CPE approaches allow us to go beyond the conjuncture of the present and reveal the broader underlying dynamics, which have resulted in the current shifting landscape of multiple crises. Having provided a grounding of the trajectory of European integration as embedded in global capitalist relations of production, CPE approaches are also well versed to analyse the ongoing configuration of forces shaping the European polycrisis. In this conclusion, we try to identify some common themes of this volume emerging from the 19 chapters composing it.

The continued hegemony of neoliberalism in Europe

From the global financial crisis in 2007-2008 onwards and the related sovereign debt crises between 2011 and 2015, further amplified by the Covid-19 pandemic in 2020, the EU

neoliberal political economy has come under pressure. This crisis deepened as a result of the war in Ukraine, delinking Europe from access to comparatively cheap Russian gas and oil. Increasing dependence on US liquefied gas and intensified competition with China and the US with the latter's mercantilist policies around the Inflation Reduction Act were the consequence (see Cafruny and Fouskas in this volume). Initially the outbreak of the Covid-19 pandemic saw a strong role for states, which intervened both with containment measures to stop the virus from spreading but did also pour billions of public subsidies into the economy to ensure that the global economy did not come to a halt. These massive interventions led many to wonder if the state had indeed 'come back' after decades of neoliberalism (e.g. Gerbaudo, 2021), and whether we are now living in a post-neoliberal world (Davies and Gane, 2021). Nevertheless, the first key finding of this volume is that the neoliberal project continues to be hegemonic in Europe, 'neoliberalism being understood as political project that seeks to dis-embed capital from the great part of the web of social, political and regulatory constraints, and democratic control, and accountability' (Wigger, this volume). While the SGP constraints were temporarily suspended as Magnus Ryner shows in his contribution to the volume, the new EU fiscal rules continue to serve the purpose of subordinating social objectives to the need of providing a stable macroeconomic framework. Hence, he concludes, 'the EU remains a neoliberal construct, albeit one with mounting crisis-tendencies'. European industrial policy – one of the main tools of state intervention in the economy – rather than being geared towards progressive objectives, serves 'to open new frontiers for the accumulation of capital, benefiting not only ascending fractions of industrial capital in technology-intensive value chains but also financial capital, allowing it to profit from loans or equity investments without having to carry associated risks' (Wigger, this volume). The 2008 Global Financial Crisis facilitated the emergence of the EU's new economic governance (NEG) regime (Erne et al., 2024), which opened the way for the commodification of policy areas that had hitherto been shielded from

EU interventions, facilitating accumulation by dispossession. Thus, Costanza Galanti and Stella Christou show in their contribution to this volume how the EU's NEG policy prescriptions contributed to the commodification of healthcare in Italy, Romania and Greece. Focusing on the case of Italy and its National Recovery and Resilience Plan, Darragh Golden argues that EU interventions on local public services remained geared towards commodifying structural reforms even after the outbreak of Covid-19 and the temporary relaxation of EU fiscal rules.

While these chapters highlight the role transnational processes have played in fostering neoliberalism, they also show how neoliberalism in Europe should be understood as a multi-scalar, variegated phenomenon (Brenner et al., 2010), where supranational commodifying and, more limitedly, decommodifying pressures interact with local institutions and social forces. Analysing the trajectory of Berlusconiism in Italy, Daniela Caterina, Adriano Cozzolino, Gemma Gasseau and Davide Monaco argue that it should be understood 'as a national variation of broader neoliberal tendencies in ideology, culture, politics, and policy'. As Golden shows, in Italy, commodifying NEG prescriptions layered onto existing national processes of marketisation of local public services, promoted by both centre-left and centre-right governments, such as the long-standing attempts to privatise water services. In short, while the polycrisis might have tested some of the features of the neoliberal regime of accumulation in Europe, at its core the trajectory of European integration remains a neoliberal one, and the window of opportunity opened by the pandemic to challenge neoliberalism even from a reformist perspective seems to be rather slim in the current conjuncture.

Race, gender, social reproduction and their role in European capitalism

As we argued in the Introduction to this volume, we need an expanded conceptualisation of capitalist accumulation. Capitalist relations of production and social reproduction are gendered and racialised. European capitalism is not an exception in this respect. Unsurprisingly, both gender and race are a blind spot of mainstream approaches to the European polycrisis. Yet, as Nikolai Huke shows in his chapter, even critical political economy scholars of European integration have been late in acknowledging their key role, as the adoption of economicist and functionalist approaches within CPE has contributed to hinder an assessment of the importance of social reproduction to the capitalist system. Hence, he argues that there is the urgent ‘necessity of incorporating discussions of migration, borders, and racism into academic debates surrounding “European Integration in Times of Polycrisis”’.

As the second key finding of this volume, the various contributions have started making contributions towards overcoming these blind spots. Bringing in feminist insights into CPE allows us to reveal the continuing importance of patriarchal forms of oppression in ensuring capitalist accumulation. Analysing the European Semester, the main mechanism of socio-economic coordination within the EU’s NEG regime, Rosalind Cavaghan shows that, while EU governance now acknowledges more the role of social reproduction for the resilience of member states in the wake of the pandemic, investments in social reproduction ‘are still legitimated on the basis of their ability to foster paid workforce participation, alongside cautions that they should deliver adequate returns on investment’. Clearly, capitalist profit maximisation trumps concerns with social reproduction. Several contributions throughout our edited volume highlight the importance of gender and race in shaping the trajectory of the European polycrisis. Rosalind Cavaghan and Stefanie Wöhl demonstrate how in the wake of the Covid-19 pandemic the unequal distribution of social reproduction duties between men and women has increased, while women had already had to bear the brunt of the cuts to public services such as healthcare and childcare in the aftermath of the global financial crisis. As

Cavaghan notes: ‘Though the 2020 and 2021 AGSs [Annual Growth Strategy, Ed. note] explicitly concede that COVID 19 disproportionately affected women, this is not linked to a recognition of the SR [social reproduction] labour they supply’. Hence, ‘[t]he European crisis in SR looks set to continue’.

In fact, capitalist accumulation does both, it relies on unpaid labour in the sphere of social reproduction while attempting at the same time to commodify areas of social reproduction as new profitable investment opportunities. Housing is such a key area of social reproduction. Giuseppe Montalbano and Lindsay Flynn show in this volume how the demise of the post-WWII ‘embedded liberalism’, which promoted massive public housing programmes, gave way to ‘a policy reorientation towards homeownership promotion through market channels’, a form of privatised Keynesianism (Crouch, 2009; Bellofiore and Halevi, 2010) ‘where the growth of private households’ indebtedness substituted State spending’. In turn, Stefanie Wöhl’s chapter demonstrates how, even in the historically progressive ‘red Vienna’, financialisation has now come to threaten affordable housing. Stefanie Wöhl makes the case that ‘the provision of affordable housing in cities and municipalities covers people’s primary needs in social reproduction: feeling safe, having a place to retreat, time for recreation and leisure, getting enough sleep and keeping mental and physical health’. By affecting the availability of affordable housing, financialisation affects negatively especially women and migrant workers, who struggle to find accommodation on the market. As Giuseppe Montalbano and Lindsay Flynn rightly argue ‘[t]he housing question under the late European Neoliberalism represents a unique condensation and catalyst of multidimensional social, gender, and racial inequalities, which deserve renewed attention from Critical Political Economy (CPE) scholars’.

Following Nancy Fraser (2017), Costanza Galanti and Stella Christou situate their analysis of healthcare reforms under the EU’s NEG regime as part of a two-fold conflict: ‘one between capital’s tendency for accumulation and its need for the reproduction of the working

class, and the other between capital's tendency for accumulation and labour's quest for better working and living conditions'. EU prescriptions on healthcare mostly ignore how this sector is crucially shaped by gender and racial relations. Even as the European Semester now includes some consideration of the issue of an adequate provision of social reproduction services, it still does so by invisibilising this gendered division of unpaid work (Cavaghan, this volume).

Going beyond the perimeter of the EU, Francesco Bagnardi's analysis of transnational production of footwear garment in Apulia (Italy) and Albania shows how capital takes advantage of gendered and racialised relations of production and social reproduction. By relying on feminised and highly exploited labour, producers are able to lower production costs: 'women's devaluation and exclusion from full-fledged, formalised employment has been crucial to sustain firms' integration in production networks and the successive waves of restructuring'. Hence, 'gender domination and labour exploitation are intertwined and mutually reinforcing'. As Huke also makes the case, social reproduction patterns in Europe are stratified by gender, as well as race, and '[t]he exploitation of migrantised labour contributes to the production of relatively low-cost goods and services necessary for the imperial mode of living for EU residents'. Turkey's informal integration into the European political economy via market liberalisation and deregulation can be understood in a similar light. As Uzgoren reports in her contribution to this volume, while a pro – EU membership position is no longer hegemonic within Turkey, informal or negative integration has driven increasing uneven and combined development. Unsurprisingly, the development gap between core and periphery, the EU and Turkey is widening. These analyses point to the importance of uneven and combined development and core-periphery dynamics to understanding the European polycrisis, a point to which we return below.

As discussed in the Introduction, capitalist exploitation does not only depend on racist and patriarchal forms of oppression in addition to the exploitation of wage labour in the

workplace. It also requires the constant input of ever more ‘cheap natures’. And this clearly has underpinned the way the EU has approached the ecological crisis around climate change. There is an understanding that relying on fossil fuel is deeply destructive. Nevertheless, the way the EU responds in concrete terms is driven by a focus on how to maximise profits and economic competitiveness, whether in the European Green Deal that prioritises profit over social reproduction needs and gender equality (see Cavaghan in this volume) or in the shift towards pooled state sovereignty in order to de-risk private sector investment in low-carbon energy systems. We can identify here a form of ‘privatised Keynesianism 2.0’ (Bellofiore and Garibaldi, 2022) reflected in this shift towards an Energy Union, which ‘has so far entailed the mobilisation of private finance and the energy industry to initiate a new cycle of capital accumulation’ (Vezzoni in this volume). Private sector profits clearly enjoy a dominant position over wider concerns of environmental sustainability and state responsibility for social reproduction. Employing a regulationist perspective, Ewa Dziwok and Johannes Jäger show that ‘green finance in the EU is not exclusively neoliberal but also contains reformist elements’. A reformist strategy ‘includes strict environmental rules and rules for investing, public finance, public provision and taxes in case of so-called negative externalities’. Yet, neoliberalism remains dominant within the emerging EU green economy, and reformist strategies have been unable to date to shift the general direction of integration. In short, the EU’s renewed focus on green policies prioritises profit and the interests of private capital over the needs of nature and the people more widely.

It is perhaps in the EU’s external relations that these overlapping, internally related forms of exploitation and oppression come to the fore most visibly. As Eder and Rammer make clear in their contribution to this volume, the EU’s efforts at transitioning to green energy locks Chile into a situation in which it is both dependent on EU foreign capital and technology as well as the EU as a market for its exports of green hydrogen. Development in the periphery is

subordinated to the requirements of the capitalist core of the global economy. Equally, the EU's negotiations with the Mercosur countries about a free trade agreement bears all the hallmarks of capitalism's destructive dynamics. Characterised by relations of unequal exchange in which the EU increases exports of manufacturing commodities and pharmaceuticals in exchange for an increase in imports of primary commodities such as minerals, soy, beef and ethanol the currently negotiated treaty shows well the internally related forms of racist and patriarchal forms of oppression. The former is reflected in the expropriation of Indigenous land for the expansion of soy production, for example, the latter in the fact that it is women who will suffer disproportionately from the treaty in relation to job losses as well as cuts in services sustaining vital resources in the sphere of social reproduction. The environment loses out due to deforestation for expanding the export of agricultural commodities as well as the intended expansion of trade and the related greenhouse gas emissions that come with it due to transport (see Bieler in this volume).

Ongoing resistance to capitalist exploitation?

While neoliberalism remains dominant in Europe, competing hegemonic projects are also present, which exercise, albeit limitedly, some influence on the trajectory of European integration. This is visible throughout Wigger's chapter on industrial policy, as well as in Dziwok and Jäger's discussion of 'green finance' in the EU, which both indicate space for reformist projects. In their chapter Fornasari and Maccarrone examine the EU's attempt to regulate global value chains (GVCs) through the new Corporate Sustainability Due Diligence Directive (CSDDD). The motives underpinning the Directive are positive in that there is an intention to counter labour rights violations, low pay as well as environmental damages. However, is it actually possible to force transnational companies to participate in the

transformation towards a more sustainable and responsible economic model through due diligence on their value chains? In their detailed analysis, they conclude that the CSDDD suffers from clear structural limitations, as it does not transform the socio-economic relations of unequal exchange underpinning GVCs. Ultimately, the directive is a toothless instrument vis-à-vis large corporations. The conclusion, our third key finding, is clear. Reformist efforts, which do not challenge the fundamental way of how production is organised, will ultimately fail to challenge the interests of (transnational) capital successfully.

Nevertheless, these developments should not lead CPE scholars to assume a ‘defeatist’ perspective (Bailey et al., 2018), where there is no space for labour’s agency within and beyond the EU. Throughout the Great Recession, scattered across Europe, there have been several examples of successful popular mobilisations led by unions and social movements that have been able to mobilise on the basis of a class-based critique of the concrete effects of the EU integration process (Della Porta, 2015; Bieler and Jordan, 2018; Bailey et al. 2018, Erne et al., 2024). As Golden recalls in this volume, the attempt of privatising water services in Italy led to the emergence of a counter-movement that culminated with the victory in a 2011 referendum that aimed to re-establish the possibility of public provisions of services (Bieler, 2021). Also in the case of healthcare, ‘joint and accumulative pressures of the European polycrisis and its national and supranational prescriptions led to multiple mobilisations of healthcare workers and users alike’ (Galanti and Christou, this volume). Bieler outlines in his contribution how a broad alliance of social movements, environmental groups and trade unions has succeeded in delaying the signing of the EU – Mercosur agreement and still threatens to derail the ratification of the treaty. While progressive counter-mobilisations feature only sporadically across our volume, it might well be the case that more will follow in the future.

Of course, the fact that class struggle is always open-ended indicates the potential for reactionary paths ahead. In Italy, a long process of neo-liberal restructuring of Berlusconiism

eventually resulted in a right-wing government led by the fascist Fratelli d'Italia of Giorgia Meloni (see Caterina et al in this volume). Analysing the case of Hungary, Jasper P. Simons, Miklós Sebők and Ilona Szabó show how Victor Orbán managed to build a project of 'illiberal counterhegemony', which however 'failed to form a truly cohesive transnational political class with a unified agenda' thus far. Indeed, they argue, attitudes on issues such as foreign and economic policy differ widely among European illiberals. Owen Worth calls '[t]he rise of far-right ideology and the radical right family of parties across Europe (...) the most significant political development since the global financial crisis and a central symptom of the so-called polycrisis'. Far from challenging the hegemony of neoliberalism, however, far-right parties 'have largely failed to initiate any meaningful transformation'. In fact, as Nikolai Huke's chapter in this volume demonstrates, the rise of the far-right can be interpreted as an attempt to defend the existing Imperial Mode of Living, built on the EU's neoliberal political economy. At the time of writing this concluding chapter, these are dark times indeed. And yet, paraphrasing Rosa Luxemburg, the future of humanity will unfold within the possibilities of barbarism versus (eco)socialism. CPE analyses will remain important for tracing future European integration and uncovering cracks and contradictions within the capitalist European political economy, which may provide space for resistance and progressive alternatives.

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