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FRUGAL FATIGUE: WHY GREED WILL NOT MAKE THE EU BETTER

By: Alejandro Esteso Perez – International Research Fellow at GLPS

A month ago, the European Union's (EU) 27 Member State leaders reached what was described as a "historic" agreement on the long path to recovering from the devastating consequences of COVID-19. After a marathon summit of four and a half days, the deal for a post-pandemic reconstruction budget was welcomed with uneven enthusiasm – although amid the thorough consensus that the Union's budgetary system was unifying and, undeniably so, strengthening. The agreement contained two inflows of support for Member States: first, the regular EU budget deriving from the Multiannual Financial Framework (MFF) spanning over seven years and amounting to over €1 trillion; and the special Next Generation EU (NGEU) recovery fund of €750 billion.

It was clear from the outset that cracks and splits among the EU27 heads of government were bound to come to the fore around the nature of the funds, including the conditions underlying their distribution and the amount assigned for allocation. The main divisions ran deep between the hardest-hit States, namely Italy and Spain, and the so-called "frugal" countries – the Netherlands, Sweden, Denmark, Austria and Finland. Whereas the former group strived to obtain a high share of non-repayable grant and was backed by the vast majority of countries, including France and Germany, the latter defended a major share of loans over grants. In the end, after over ninety hours of heated negotiations, Member States were able to reach middle ground and agree on a final package of €390 billion in grants and €360 billion in low-interest loans.

The deal reached was deemed a success to very different extents; most importantly, though, it was subject to very different readings. While those countries, mostly from the Union's South, bound to be the main recipients of the recovery funds interpreted the outcome of the talks as a national victory, the frugals welcomed the deal only with moderate satisfaction – after managing to [successfully negotiate large increases to their budget rebates](#). As the summit drew to an end, the overall perception was bittersweet: an agreement had been struck, but a (not so new) schism had opened between two competing conceptions of what the EU should be.

In a recent interview given ahead of the summit, French president Emmanuel Macron rightly voiced concern over what this schism –between, on the one hand, the frugals and, on the other hand, the rest– effectively meant: "they are for Europe when talking about exports of produced goods, when it's about cheap manpower and car parts we don't make in our own countries, but they are not for Europe when you need to mutualise [...] So, we are at a moment of truth. It consists in knowing if the EU is a political project or a market project, solely. I think it is a political project. When it is political, what comes first is that there are notions of solidarity at stake".

Indeed, the story of the EU is one of solidarity, reconciliation and humanity; but also one of struggle, failure and defeat. If the unifying, political project the Union was envisaged to become transforms into nothing beyond a mere exchange market, how fast should we brace for the moment illiberalism, populism, aggressive ultra-sovereignty and exclusive identitarianism would take over and become the norm? How soon would Europe mutate back into a conglomerate of homogenous nations of sacrosanct borders, far from the supranational, multicultural superpower it should, in fact, become?

This summit was not the first time frugality made its appearance, nor will it be the last, because frugality is versatile and adaptable – and is, by no means, circumscribed to the economic realm. Frugality embodies a greedy, individualistic and unsympathetic vision of Europe. Frugality renders the narrative of European solidarity into an ant-and-grasshopper dilemma: "I worked hard enough for myself, too bad you didn't!" Frugality builds on [premises of stereotype-based moral](#)

[superiority](#) where others, equal peers in name, are simply not good enough. This is why frugality should be won over through common action and companionship if the EU wants to remain politically strong, credible and useful in and out of its borders.

Frugality is fluid. Unsurprisingly so, it will take a shape of its own when the subject of discussion is, for instance, EU enlargement in the Western Balkans. Oftentimes more concerned about pleasing reactionary voices at home, and wanting to avoid appearing too benevolent vis-à-vis its Southeastern partners, frugality incarnates the worst traits of an exclusionary Europe. This way, instead of actively promoting and encouraging the political strengthening of the Union through gradual and steady integration, fears of domestic upheaval fuelled by populism and xenophobia are the ones dictating and steering the political agenda.

In the long run, frugality is a dead-end street. If empathy and companionship do not prevail in out-of-the-ordinary situations like these, it will hardly ever do so – perhaps only when frugality itself is in danger and sends out cries for help.

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