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Abstract

This dissertation was written as part of the MSc in Management at the International Hellenic University.

In the present study, the issues of identities and branding ideas are examined under the prism of the current European crisis. The European crisis is mainly characterised as an identity crisis, since the economic recession revealed many divisive incisions within the vague borders of the European Union. Research questions that arise upon this review might be the following:

- There are certain elements that constitute a strong identity and motivate people to act. What is the content of the European idea that could built such interrelations to activate a European identity and a common sense of belonging?

- Which are the main internal and external stakeholders that act in such a context? How do those actors interrelate and what are their capabilities to act effectively in the internal and the global environment?

- What is the strength and efficiency of the means that EU uses to empower the European identity? How are those co-exist with the corresponding national ones?

- How the changing demographics in Europe affect the communication of European culture to the existing and new stakeholders?

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Keywords: European Union, Identity crisis, Branding, National identities

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Preface

“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you will do things differently.” - Warren Buffet

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Introduction

The economic recession, started in USA in 2008 and spread rapidly all over the world, has unveiled many pathogenies in the European Union’s structure and functionality. Soon, the economic crisis triggered many other crisis: border, trust, cultural and identity issues have emerged and set in danger the existence of EU as we know it. In the last years, phenomena like depoliticising, abstention from voting, delegalisation of EU institutions, euro and migration crisis, populism, Euroscepticism and Brexit make us wonder what has happened since 1957.

The most severe of all crisis is the identity crisis that threatens to decompose the whole European idea. As generations follow each other the content of social and national identities change in order to adapt in the new challenges. The European identity had never been clearly defined, since the intergovernmental character of EU has not permitted to evolve into a real political union. It is evident today that European citizens are not strongly engaged to the Union, thus neither eurosceptics nor federalists can clearly disseminate their political message.

It would be useful that concepts and techniques from marketing management to be applied in the project of the reformation of EU. Europe needs to identify its stakeholders, map their needs and make a satisfying offer to each group under the umbrella of a powerful, prestigious and world-wide brand name.

Literature review

European identity has been a high priority research topic on the European Commission’s agenda since the 1990s and numerous projects have been conducted till the outbreak of socio-economic crisis in 2012. These research projects constitute an effort to be identified the critical agents that affect regional and integration policies as well as the
way that these policies are perceived from European nations and the various stakeholders that act in the European Union. Their impacts are studied in both the national and the local level, and are analysed in various transnational dimensions at the economic, social, educational and cultural field. The conclusions of this collective research effort are providing valuable data and insights that can be used as a guide for interpreting and understanding the mechanisms of identity formation within the European region and the causes that seem to threaten its cohesion in the current socio-economic crisis (The Development of European Identity/identities: Unfinished Business, Policy Review, 2012).

Many academic papers are exploring the nature and prospects of a European identity. Jacobs and Maier (1997) raised the matter of the vagueness of what a European identity is consisted of, as well as it’s excluding nature. Martin Kohli (2000) concludes that there is a ‘potential for hybridity’ concerning the various identities that co-exist in the European territory, identifies several groups as carriers of identities (e.g. border populations or migrants), and finally points out that traditional social questions should be re-answered in the new European environment. In more recent papers Jenkins (2008) mentions the ‘identity crisis’ that stems from EU enlargement, while Vilpisauskas (2013) analyzes the decisions taken since the start of the financial and economic crisis in the EU and assesses them in the light of the integration theories. Ioannou et al. (2015) addresses the question “why did Economic and Monetary Union become deeper and more integrated when many feared for its survival”, and answers it by emphasizing in existed structures and interrelations that render its decomposition impossible. Sielker (2016) manages to describe regional policies, a very ambiguous topic in the process of European integration, by using a stakeholder-based view analysis, and Arras and Braun (2017) use the same perspective to describe the involvement of various stakeholders in European agencies practices, concluding that stakeholder involvement is a “double-edged sword, contributing to agency accountability and control, but also entail an inevitable risk of dependence on the regulated industry”.

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The fundamental policies and stakeholders in European Union

The European Union is primarily an economic and political union of the European nations and still has a strong intergovernmental nature in terms of setting the political agenda and decision-making; however, it affects in various ways the economic and everyday life of its citizens.

Elements of the history of the EU

Europe appears in Greek mythology as a beautiful Phoenician princess who was abducted by an almighty Greek god, Zeus, and was brought to Crete to live with him. The translocation of Europe, the mythological creature, from Crete to Brussels, in the form of an economic and political union, has engraved a path full of controversies, utopic ideas but moreover, realistic economic and political alliances. The European idea is the mixture of geography, language, culture and history, that unifies and simultaneously keeps apart European inhabitants. It has generated causes of intellectual debates between nationalists and federalists, who have co-existed both as allies or enemies in different historical periods, while nowadays, this confrontation includes also various external stakeholders, either international economic corporations, or economic migrants and refugees.

From the ‘Grand Dessein’ of Maximilien Sully, Minister of Finance in France of 17th century, and Victor Hugo’s ‘United States of Europe’, to the formation post-war European Coal and Steel Community (ECSC), it was the seek of peace and the subsequent economic prosperity that was driving every effort towards the political unification of Europe (Nugent 2010). Economic growth of European nations during the period of Cold War, the enlargement of European Economic Community (EEC) and later European Union (EU), and finally, at the end of the 20th century, the gradual integration of the Countries of Central and East Europe (CCEE), seemed to be leading to the formation of a solid European identity that would be able to overcome any obstacles towards to an economic and finally political union in the European territory.
In the period following the Second World War, most states were willing to participate in some form of economic and political cooperation, but it wasn't clear if there were a consensus regarding the future and evolution of this alliance. Most European states were willing to participate in intergovernmental institutions such as the European Council (EC) or the Organisation for European Economic Co-operation (OEEC), but have shown strong resistance to conferring powers on supranational institutions, such as the Council of the Europe Union and the European Parliament (EP).

The Treaty of Nice, signed in 2001, had the purpose of redefining the voting system in the Council, transforming it to a real supranational institution; yet the political agenda and the general political direction and priorities of the European Union are decided by the Heads of the State-members in the European Council.

**Which are the main stakeholders in EU and how are they affected by EU policies?**

The Treaties of the European Union set the basic rules for its structure and operation, while EU legislative organs - primarily the European Parliament, following proposals from the European Commission - produce legislation, regulations, directives and decisions that are mandatory or advisory and regulate a vast field of activities. Depending on the degree that the member states are obliged to strictly adopt legislation set by EU, to comply with regulations and directives or follow general suggestions in a non-obligatory way, the policies of the EU could be classified as follows:

A. High degree of involvement of the EU in policies:
   - Monetary policy
   - Trade, Markets and Competition
   - Agriculture and Fisheries

B. Medium degree of involvement of the EU in policies:
   - Regional policy
   - Foreign policy, border regulation
   - Industry, labour, energy, transportation
   - Environmental regulation
C. Low or non-involvement of the EU in policies:

- Defense
- Health, education, social security
- Criminality

Apart from the national governmental organs and institutions, municipalities, regional agencies and public services, there can be identified numerous other stakeholders as recipients of the European policies. As non-state stakeholders, could be mentioned large corporations or small and medium-sized enterprises (SMEs), trade unions and professional syndicates, non-governmental organisations (NGOs) and various activist groups, religious groups, citizens unions and individual people. The liberalization of the markets and the free movement of capital globally, along with the free movement of goods, persons and services within the EU, renders many of the aforementioned stakeholders multi-level actors. Consequently, they are affected in different ways by the European policies and often their interests are conflicted.

The most typical outcome of this conflict is reflected in the rise of various types of ‘protectionisms’ and ‘nationalisms’; while EU and the member-states - traditionally all the western European countries and after the 1990s the former Soviet republics too, are oriented towards open economy and liberalisation of the markets. European nations and people are not always willing to accept the results of free movement of goods and people within the common European borders.

The main issues that EU countries were called upon to face with the advent of the 21st century were the following:

- Enlargement of the EU, during the period 2004-2013, and integration processes of the Central and Eastern European Countries (CEEC) revealed border issues between member- states and candidate- countries
- The economic recession that started in 2008 and the subsequent euro crisis in 2012 revealed the economic gap and the failure of the regional and cohesion policies between the rich North-European countries and the poor South
- The relocation of people from the CEECs to Western-European countries and the large-scale migration flows from Middle-Eastern and African Countries also
raised serious debates about what the ‘openness’ of EU means for its people, not only for economy but for identity and cultural issues, as well.

**Identity formation at the national and regional level**

The concept of national identity as the constituent element of the nation-states of Europe, has been gradually changing in the decades following the end of the Second World War, as a consequence of the emergence of new international actors. Such actors are the United Nations (UN, 1948), the World Trade Organisation (WTO) replacing in 1994 the General Agreement on Tariffs and Trade (GATT, 1948) and the European Economic Community (EEC, 1957, preceded European Union); but also, the fast-growing multinational enterprises and numerous Non-Governmental Organisations (NGOs) that work in various non-economic fields, such as the environment, human rights, labour issues, etc. Science and technology progress have made communications and transportation much easier and faster, transforming the purpose of national frontiers not only in the commercial field but also in politics and culture. The aforementioned changes, combined with mass migrations from less developed countries to Europe and North America, have made it more difficult for the individual to clearly define a self-identity within traditional national frames, while facing a growing set of new options and possibilities.

*The nation-state and the formation of national identity*

Andrew Heywood (2002), in his classic textbook ‘Politics’, proposes the following definitions for the terms *state* and *nation-state*:

- The *state* is a sovereign political association which exercise authority within a defined territory, through established permanent institutions.
- The *nation state* is a sovereign political association within which citizenship and nationality overlap; one nation within a single state.
The term *nation* is used since the 19th century in Europe to describe the inhabitants of a region as well as the collective identities which include common language, traditions, culture, religion, history and low (Gat, 2012).

In the concept of the nation-state, the political and geographic elements of the state are diffused into the, more or less, homogeneous cultural canvas of a nation, or, conversely, a group of people with common language and cultural history is framed by the authority of a state. In that way, a nation-state unifies the political entity of the state with the cultural entity of the nation. Through this association derives the political legitimacy of a state to rule as a sovereign entity (Connor, 1978).

However, there isn’t much consensus about the origins and the conceptualisation of the early nation-states. The ongoing debate among historians and political scientists is about what historically precedes: ‘The nation or the nation-state’? The prevailing theory is that nations were initially formed as geographical and cultural entities (Carneiro, 1970). Later, various nationalist movements arose, as historical consequence of the collapse of the Holy Roman Empire and the end of the Napoleonic era, demanded sovereignty, and the nation-state was created to meet that demand. In that sense, the nation-state is presented as the modern political organisation that could provide the ground on which people of a nation could live in freedom and peace and prosper, and as defensive mechanism against expansionist aspirations of neighbours, as well. In the romantic era of the 19th century, the term nationalism had a noble character, declaring the right of ethnic groups to exist as independent sovereign nations. It was at the same period, though, that the first racist connotations begun to spread in literature and political speech and set the theoretical foundations of racism as appeared in the 20th century.

The negative relation between racism and nationalism is reflected in the fascist movements that spread all over Europe early in the 20th century (Paxton, 2004). The ultimate expression of the combination of nationalism with racist theories is materialised in Germany of Hitler where ‘people’, ‘nation’ and ‘state’ are combined to a sole term: *Völkische Staat*. Nationality lows defined ‘German’ on the basis of German ancestry, excluding all non-Germans from the people. That way, minorities as Jews and
Roma, were not considered to be part of the people, and were consequently denied having equal political rights as Germans citizens.

On the other hand, there is the hypothesis that the nation-state had emerged as necessary consequence of the way that the economy was organised in Europe after the 16th century. Mercantilism, and capitalism on later times, demand for organised markets and stable institutions that support continuous productivity. Progress in sciences and technology, especially in cartography, permitted the new rulers of Europe, the capitalists, to draw and protect borders. The state would support productivity and expansion, while the notion of a common national identity under the rule of state would guaranty legitimation (Hagopian, 2002). Following the same rational, modern theories support that nationalism serves as a unification factor in already existing states and is enhanced by social developments of the late 19th century, such as state – mandate education, mass literacy and later, in the 20th century, welfare-state policies and mass media (McEwen, 2002).

Nowadays, the term national identity expresses one’s sense of belonging to a nation, or/and to a state. Nationality is perceived as a collective identity that combines elements of traditions, culture, language and politics. National identities are functioning simultaneously as factors of cohesion within the national-state borders and as factors of separation and distinction from foreign nations (Triandafyllidou, 1998). Although, these perceptions seem to be outdated as globalisation creates new demands and possibilities (Ariely, 2012).

Is there a European identity?

The idealism of the federalists of the first post-war decade and their aspirations of a United Europe, within which European people would share a common sense of ‘Europeanism’, has been crushed in many national walls throughout the decades that followed 1957: the Cold War divided Europe in two distinct socio-economic territories and the two oil crisis in 1970s kept European nations oriented in economic issues. The post-communism era and the subsequent enlargement of the European Union raised again, in a possibly positive manner, the issue of the European identity, but this
integration process was terminated violently by the euro crisis of 2012 and the ongoing migration crisis.

The existence or not of a European identity is a debatable question which is been triggered every time Europe undergoes major changes, either political or economic. A common and clear defined identity is considered to be a necessary basis on which a further political union could be realised and rationalised in Europe. However, Smith (1992) observed the paradox that nationalism is getting stronger at the onset of the decade that has been characterised by many as the era of globalisation. The barriers in trade, transportation and communication have fallen, while people within Europe seek to strengthen their national borders or try to raise new ones to satisfy their ethnotic goals for autonomy. Is globalisation a possible threat to people’s indigenous need for belonging to social groups in which define themselves and communicate with others from certain social and cultural positions? Do people need to discriminate themselves from others in order to interact properly with them? Those are questions that social theories and Behavioural sciences try to answer and the European case provides numerous historical data related to many of their research topics.

The European identity can be defined as a number of values shared by all citizens living in the European Union. Today, the EU is characterised by two opposing trends: one emphasizes the importance of national identities and the right to difference, while the other advocates the right to a common identity and to a cosmopolitan culture.

The different approaches chosen to deal with the issue of a European identity are clearly reflected to the Treaties that constitute the ground base for the structure and function of the European Union. During the Cold War the only ‘identity’ that was projected by the EEC was the one that was clearly put EEC in opposite position from USSR and in a parallel, yet different path, from USA. Only after the 1990s the European Union is mentioned as a community for active citizens, sharing of common values and goals. The Treaty of Lisbon, signed in 2007, has set a clear frame in which the European common identity and the values shared among all European citizens, are clearly declared and have the character of ‘who we are’ instead of ‘who are the others’ or ‘who we are not’. “The Union is founded on the values of respect for human dignity, freedom,
democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail” (Treaty of Lisbon, Article 1a, 2007)

The ongoing research driven and funded by European Commission, since the sign of Treaty of Lisbon has identified four theoretical frames within which we can seek the spersms of the existence of a European identity. These concepts are presented and shortly discussed here, starting from the narrower toward the broader one:

- **European identity** and **identification** with Europe. In this context European identity is presented as an extra socio-political identity that a person may or may not choose to adopt, depending on the situation. It appears more as a pool of bundles of choices, which comply with the general European values as defined in the Treaty of Lisbon. Although no hierarchy is implied, in the sense that the European identity does not appear above a national identity nor attempts to include all national identities to one, it could be functioning as an – optional – umbrella of values shared European-wide. In that way identification as European could be the choice in certain situations.

- **Europeanisation** is a term with rather functional connotations than social ones. It bears the concept of federalism and implies that activities and services held at national level are conducted in European level. In that way it is expected, that through integrated processes and shared experiences, a European lifestyle shall be built among the citizens. It doesn’t seem though, that this concept has something more to offer to Europeans other than what already globalisation has proposed, with the only difference that Europeanisation is applied in a regional level.

- **Transnationalism** describes the possibility of a European citizen to live in different countries without actually to be forced to adapt in different social environments. The issue here is not about creating or reinforcing a European identity; it only reflects how modern way of life is common between European countries, provided that language is not a barrier. Transnationalism rather
renders obsolete the necessity of a common European identity than promotes its creation.

- Cosmopolitanism is spread beyond identities. It is in accordance with the values of tolerance and equality. A cosmopolitan, in the sense that is described here - and not in the sense of a rich elite travelling leisurely all over the world, refers to a person finding meaning and pleasure in seeking and experiencing or merely co-exist with all kind of lifestyles, cultures and civilisations that humanity has created world-wide.

Identity crisis: signs and causes

The decade of 1990 signals a new era for the European Union (European Economic Community, until then):

- It is the post-communism era, the barriers between East and West are abolished
- In 1993, the Single Market which was created with the corresponding Treaty, signed in 1986, is completed and goods, services, people and capital are freely flow within the European Community
- ‘Schengen’ agreements allow people to travel without having their passports checked at the borders
- The 1997, the European Year is against racism and xenophobia

It is ironic though, that 20 years after the European Year against racism and xenophobia, the most significant achievements of this decade, the single market and the free borders, are under serious skepticism and actual threat. During the last years, Europeans are called to choose which reality seems worse: Europe with new internal and/or external borders, Europe without Euro, Europe with new nationalisms raised in parallel with uncontrolled, large-scale migration flows. Which trend is more painful? The trend of ‘-exits’, preceding and following Brexit or a return to a loose European alliance based in economic exchanges rather than substantial politic integration?
The fundamental pathogeny of EU lies in its structure. The prime vision of its founders was to become a federation with supranational organs and institutions making the crucial decisions, setting the agenda and deciding common European policies in every field of economic and political activity: trade, labour, welfare-state, health, education and last but not least, security and defense. But the planning towards a European Defense Community was the first to fail, in 1954, after the refusal of France due to its concerns about eastern boards with Germany.

Until now, the European Union is more like a loose association of sovereign states that co-operate in order to accomplish pre-decided shared goals. Other than the goal of ‘ever closer union’, as vaguely stated in the Solemn Declaration of the EU (1983), the European Union has no specific policy to create either a federation or a confederation, and the member-states are less than ever willing to grant more powers to the supranational organs of EU, the European Parliament and the Council of the European Union.

Currently, this European Union isn’t considered as a strong world actor, nor as efficient manager for its internal issues: economic crisis, unemployment, security, migration. And its failure to face these challenges is due to its structure and, or rather consequently, to the lack of a decisive, persuasive political voice.

There isn’t only the negative voices who vote for exits. On the other side, there is a significant trend, expressed by many political parties, social groups and individuals, that demand a change. This trend is well mentioned by the president of the ALDE (Alliance of Liberals and Democrats for Europe) in his speech in European Parliament, in 2016: “European citizens are not against Europe, they are against this Europe. [...] Today, we are sleepwalking towards a disaster, towards another 27 referenda ending the European Union. So, let’s not be naive. A loose confederation of nation states based on the unanimity rule will never be able to deliver decisive results. A reform of the Union is needed, and we need it now. The Union must change, or it will die” (Open Europe).

The most pragmatist analysts of European Union attribute its current problems to the economic crisis considering all the other phenomena as secondary consequences. Nevertheless, we will attempt to categorise them into relevant groups, avoiding for the
moment to make comments on causalities and other type of interrelations between them.

- The euro crisis and the migration flows
- Nationalism and populism - Internal divisions
- Democratic and social issues - Globalisation
- Corruption and scandals, lack of trust

The euro crisis and the migration flows

The banking failure started in the USA in 2008, soon expanded to be a global economic recession and in 2010 appeared in Eurozone affecting severely the weakest economies of Greece, Spain, Portugal, Ireland and Cyprus. Soon those countries were unable to meet their financial obligations towards their creditors or support their over-debt banking system. The European Union had to activate several monetary and financial instruments to support its members, but it was the 2012 that the head of European Central Bank, Mario Draghi, declared that the crisis had brought into sight the inadequacy of those mechanisms and had exposed all the framework on which the Economic and Monetary Union in Eurozone was based. The national economies had not converged within the common-currency zone, instead major divergences revealed.

The response of the EU to the financial crisis of 2008 was different from that of the US. Tackling the crisis with financial, instead of fiscal tools as had been proposed by many specialists, brought severe austerity that led in its turn to deflation, unemployment and further recession. Consisting of a combination of fiscal austerity, neoliberal structural reforms and expansionary monetary policies it appears to have failed. Eight years after the outbreak of the financial crisis, the overall real GDP of the Eurozone in 2016 was still below the pre-crisis peak in the beginning of 2008.

Migration is a socio-economic phenomenon that is triggered by a combination of economic, political and social factors. Those factors are including either situations to the migrant’s country of origin, for example weak economy, conflicts, either the appealing characteristics of the reception country. The decades followed the end of the Second World War and colonialism, the relative prosperity and political stability of the
EU are considered to have exerted a considerable pull effect on immigrants. In
destination countries, international migration may be used as a tool to solve specific
labour market shortages. However, according to Eurostat’s data, migration alone will
almost certainly not reverse the ongoing trend of population ageing experienced in
many parts of the EU.

The International Organisation for Migration (IOM) reported that an estimated
204.311 migrants and refugees entered Europe by sea during the first semester of 2016,
entering European Union from Mediterranean countries as Italy, Greece and in a smaller
degree Spain and Cyprus. Most of the economic migrants and refugees are coming from
conflict countries like Syria, Iraq and Afghanistan and a smaller number are from African
countries. In September 2016, the Council of EU voted by a majority to relocate 160.000
refugees EU-wide, but Hungary rejected this plan, and this was the first official rejection
of a European policy by a member-state.

European Union countries have shown themselves unable to produce a common
accepted plan to face the migrant crisis, and it is precisely this inability to develop a
shared approach, that is making the emergency so difficult to deal with. Argues between
European countries come as the result of the disproportionate burden faced by some
countries. This was the case especially in countries such as Greece and Italy, but also in
Austria, where the majority of migrants has arrived. These kinds of tensions, along with
the handling of the economic crisis, are constitute principal causes for the
Euroscepticism raised in the last 5 years in Europe and the recent socio-political trends
of nationalism and populism.

**Nationalism and populism - Internal divisions**

After the economic crisis that hit Europe in 2010, the ‘lazy, corrupted and less productive
inhabitants of the South’ from one part, and the illegal immigrants ‘who take advantage
of the social benefits and steal our jobs’ from the other, are been demonised and
accused for every misfortune this region has suffered from. The nationalist and populist
movements have been raised as an answer to these notions (Bröning, 2016). Several
political parties raise an anti-European political voice accusing EU not only for not be
willing to control migrant flows, but also as causative agent for these huge flows. Such
parties are France’s National Front (FN), Germany’s Alternative for Germany (AfD), Austria’s Freedom Party (FPÖ) and the True Finns (PS) for Finland, just to mention a few.

The underlying ideology of populism can be left or right-wing. Right-wing populism leads to xenophobia and disrespect for the rule of law. The supporters of these populist, radical right-wing parties are people who emphasise in the value of their national identity, which are afraid to lose due to demographic changes in their country. Right-wing populism often leads to xenophobia and disrespect for the rule of law (Rydgren, 2008). In most southern-European countries with severe economic problems we see the opposite. Parties like Podemos in Spain, Syriza in Greece (Stavrakakis, 2014) and the Five Star Movement in Italy tend to attack the system from the populist left. Their supporters are in majority youngest people, who face unemployment and uncertainty for the future, or low-income family men and women who are afraid the liberalisation of economy followed by the Western economies in EU and USA. The differences between these two groups could be explained by their economic position in the EU. The wealthiest northern EU member states are more attractive to job-seeking migrants, both from the European countries of East and South, as well as from Asia and Africa. On the other hand, they feel that their contribution to the Union’s budget is considerably bigger in comparison with the return they receive from Brussels and disregard the positive impact of the Single Market to their economies.

A third group of countries in nationalism/populism arena in Europe are the so-called Visegrad countries, which conform a cultural and political alliance in Central Europe: the Czech Republic, Hungary, Poland and Slovakia. Although, they receive a considerable amount of money from the EU budget are at the same time Europhobic and believe that their participation in European Union threatens their sovereignty and national identity (Greskovits, 2007).

All the different voices of europsceptism, either coming from the left either from the right, adopt a populist rhetoric. The characteristics of populism are easy to identify: the economic and political elites are accused of having stolen power and wealth and betrayed the people, political introversion and fear of the open economy. Eurosceptics do not ask for reformation of the European Union, but are determined to abandon the whole idea of a united Europe.
Democratic and social issues

The former European Commission President Jacques Delors, wrote in the report of David Rinaldi (2016): “If European policy-making jeopardises cohesion and sacrifices social standards, there is no chance for the European project to gather support from European citizens”. This report, was published in February 2016 with the ambitious title: ‘A new start for Social Europe’. The report identifies three pillars on which a Social Europe project should be grounded:

1. an investment strategy in human capital which can set the basis for growth and competitiveness based on social inclusion and resilience
2. an enhanced and fairer labour mobility across EU member states to build a truly European labour market
3. a pro-convergence reform of the European economic governance that can reconcile social and macroeconomic objectives.

It becomes evident that the Monetary Union is considered mal-designed, therefore inadequate in succeeding a true convergence among the participating countries.

In the same spirit, four years previously, Mario Draghi, president of the European Central Bank in an interview with the Wall Street Journal, declared that the European social model is gone: “The European social model has already gone when we see the youth unemployment rates prevailing in some countries. These reforms are necessary to increase employment, especially youth employment, and therefore expenditure and consumption”. (Blackstone, 2012)

During the last 5 years, in many of the poorest European countries, the functions of the social state have been neglected or were downgraded, even though they were not the cause of the crisis or the budgetary deficits. The welfare state has played a fundamental role in reforming European societies after the Second World War by promoting economic growth, higher living standards (public health and education) and fair labour conditions. It is based on the notion which is quite common in Europe, that prosperity doesn’t come only from economic growth, but a minimum of social cohesion is necessary for maintaining social peace and economic progress. The social-state model
emerged and established during the 1950s as a result of market liberalization, cheap energy and technology progress. Apart from the welfare policies mentioned before, it influences economic decision in a way that protects labour. Today, the major problem in many European countries is unemployment, especially of the young people. The social deficit in the European policies of later years, has led to social injustice, inequities and finally, loss of trust in the established political elites.

**Globalisation**

The economic and the social impact of globalisation should not be overlooked in any effort made to analyse and deal with the ongoing crisis in Europe. It is widely accepted that globalisation has a significant influence on the economic and societal developments of this century. The free movement of capital, goods, services and people have increased, especially over the last two decades. Countries like China and India have re-integrated into the global economy after decades of isolation and are considered as decisive players in the international economic arena. The emerging economies in SE Asia together with the former communist countries of East Europe provide cheap labour and new markets, changing dramatically the rules and possibilities in the world trade.

Globalisation adds to the economic crisis a series of challenges which are vital for the future of Europe. EU’s political leaders should confront the possible threats coming from the external environment, especially since those dangers are contributing negatively to the ongoing economic and migration crisis, but it is also necessary to value and make use of the considerable assets held by the Union, in the international arena. The main question that must be answer could be rephrased as follows: ‘Does the European project still make sense in the context of globalisation’?

The main challenges for the European Union, created due to globalisation, may constitute future dangers if not properly confronted. The first and more severe threat comes from demography and the continuous weakening of the role and impact of EU in the global field. During the colonial era in 19th century Europeans were the 22% of the global population, while now only count for 7%. Accordingly, Union’s share in world trade is declining, from 19% in 1999 to 16 % in 2010, while the power of Asian countries, especially China, increases. The second threat concerns the efficacy of the EU to act as
one powerful entity. As a Union, it has no common face in major international, economic and political institutions, with the exception of the World Trade Organisation. In addition, and although many attempts have been made, there is no common foreign policy, weakening that way the possible role that the EU could play in the world affairs, influencing international developments to its own best interest.

On the other hand, since 2013, there are 28 member states in the Union that has become the biggest area in the planet where democracy and political stability rule. Europe still holds (2013) a share of 19% of the world’s GDP and it constitutes a bigger market than the USA. The euro is the second stronger currency, capitalizing 24% of the world trade reserves showing a steady increasing trend since 2000. Although the governance model in the EU is being questioned for its effectiveness in the current economic crisis, the model itself contains unique principles, such as: power sharing between all its members, standardisation and political regulation, a permanent preference towards negotiation instead of conflict and many other structural elements that render the Union the world’s most prosperous and safe place to work and live (Gnesotto, 2013).

**EU bureaucracy and scandals**

The governance complexity in EU, the multiple organs and institutions and the bureaucratic processes doesn’t make the Union to appear ‘user-friendly’ to its citizens. The ignorance of EU’s basic structure and functions creates a sense of secrecy and non-transparency which is enforced by incidents of corruption and other economic scandals. Those are not many, but their impact in the creation of a trusting environment within the Union is heavy (Banks, 2015).

In 1999, the entire Santer Commission was forced to resign over a corruption scandal. In 2015, Volkswagen, the German car company, has admitted to cheating on emission tests in the USA and became known that the European Commission was warned by experts that a car maker was suspected of cheating on emissions tests five years before the particular emissions scandal. In 2015, the embarrassment caused by the involvement of Jean-Claude Juncker in the 2014-2015 Luxemburg Leaks scandal. The scandal that caused the strongest reactions and created serious concerns in the public
about the role of EU’s institutions in the current economic crisis, in a period that these institutions where heavily disputed by eurosceptics, it was the appointment of Jose Manuel Barroso, former president of the European Commission at the New York based bank Goldman Sachs as non-executive chairman of its international unit. This appointment became symbol of excessive corporate influence at the highest administrative levels of EU (Aries, 2017). French President Francois Hollande, commenting the incident, declared: ‘It is legally possible, but it’s morally unacceptable’.

Branding techniques and possibilities in European Union

Marketing is the act to transform an existing, sometimes though unexpressed or more often hidden, need to a satisfactory offer in the form of goods and services; while branding is the art to enrich the offer with abstractive meanings, symbolisms and influences, in order to connect it with certain social identities. For example, the post-graduate program of a University it is something above its curriculum, the academic staff and the diploma granted at the end of the studies; it is the prestige that comes along with the name of the University that guarantees the path that follow happy people with successful careers and prosperous lives.

Prestige entails cognitive, social and bio-physical elements (Wood, 2014). It applies in individuals, families, social groups, products and services, institutions, nations and organisations. Prestige adds recognition, power and renders the subject or the object who possess it a reference point for the others within the same group; and that is what brand naming offers to a product.

The aim of this chapter is to describe how EU can be perceived as a bundle of goods and services offered to its citizens under the perspective of marketing principles. From this viewpoint, it is possible to make proposals on how European political leaders can show the Union’s people the added value of the EU in their daily lives in a clear and comprehensible way.
How a brand is built (Fundamental concepts)

Simply put, a brand is a kind of binding contract between a company or organisation and the customers. It is connected not only with the actual characteristics of a product or service, but with emotions, identities and expectations. A brand entails the notion of differentiation from other products in the market and describes in a concise way who you are, who you want to be and who people perceive you to be.

However, it is vastly accepted, that companies cannot connect one single marketing offer with all its customers. To persuade the customers and compete effectively in the current broad and diverse markets, they aim to target marketing. Thus, they create products, each one designed to serve groups of customers that have the maximum chance of satisfying. The analogy for the EU would be strategic designed projects to serve in different regions or different policy fields. An excellent example of this strategy is the Regional Policy of EU which includes numerous, differentiated projects and modes of funding according to the needs and possibilities of every region. Every unique policy though, should be under the umbrella of the common values and the goals of the European vision; in that sense, branding EU is a much more complex project than branding a firm who focusses in a particular group of goods. EU has to promise its citizens ‘a whole life’; its brand name has to declare a brand new strong identity.

According to Kotler (2015), “effective target marketing requires that marketers:

- Identify and profile distinct groups of buyers who differ in their needs and wants (market segmentation).
- Select one or more market segments to enter (market targeting).
- For each target segment, establish, communicate, and deliver the right benefit(s) for the company’s market offering (market positioning)”.

During the process of segmentation, it is essential that the proper criteria to be used. Criteria might be demographic, economic, social or regional, just to mention the basic categories. Each group that is defined using selected criteria is influenced by the decades in which it grows up, and the events and trends occurring at a certain period of
time - music, movies, fashion, politics, economy. Members share the same cultural, political, and economic experiences and often have similar values and expectations. Marketers may choose to promote their products to a group by using the symbols and images prominent in its experiences. Differentiated marketing is expected to maximise total sales than undifferentiated marketing. Accordingly, political marketers should modify the way and the content of the messages send to their audiences. The socio-economic characteristics of a region are continuously transforming, reflecting not only the elapsed time, but also the special events that mark any decade. Generation who grew up in the prosperous decades of 1980s and 1990s have a total different experience than the young people living within the European Union today, have free borders, education and working mobility as granted, but feel insecure and declare unemployment as their major concern for the future (Albulescu, 2017).

The strategy that follow marketers when dealing with broad markets it is called ‘Multiple Segment Specialisation’. The company selects a subset of all the possible segments, each objectively attractive and appropriate. There may be little or no synergy among the segments, but each promises to be a moneymaker. Politicians are embracing customized marketing. For instance, using digital tools political consultants can track an individual’s preferences by observing the groups or causes he or she joins on social media, and then, using the site’s ad platform, the campaign team can add hundreds of ad messages designed to fit any user’s personality. However, it becomes obvious today that consultants of the Union haven’t deliver the proper messages to the desired recipients.

**The European message and its (ineffective) communication to people**

The European Union is not based, like nations, on a strong identity whose constituent elements, such as common language, culture and pure common history or family ties, ensure its coherence, continuity and legitimacy. It is a self-sustaining alliance, an economic and cultural union, rather than a political union, a project of common values and goals. The lack of a clear, powerful vision seems to be more harmful to the European Project than is commonly acknowledged.
The last two decades is observed the growing influence of digital social media on the citizens and organisations. European institutions use social media, websites, web analytics, video and email, organise live conferences and petitions, in an effort to reach out to and connect with the citizens and the various stakeholders; in addition to the traditional communication which takes place via the press releases, broadcast media and EU publications.

George Kasimatis, head of the web TV of European Parliament (EuroparlTV), mentions that it took some time for the EU institutions to value properly the importance of communicating with the citizens. “If you want people to support the European project you have to make them part of this project. We have realized this during the European elections of 2009 and 2014. The participation decreased all over Europe to less than 50% of the citizens” (Papagianneas, 2017 at p. 57).

Papagianneas (2017) in his recent publication ‘Rebranding Europe’ provides details about the gradual embracing of digital tools by EU institutions: In 2006, were launched the first website of the three main EU institutions, the European Parliament, the European Commission and the Council of the EU, the Europa website. During the period 2019-2012 the three institutions joined the social media (Twitter and Facebook). EurActiv and EUobserver are online media covering EU affairs which appeared in the first half of the 2000s. New Europe, founded in 1993 and European Voice, founded in 1995 and changed to Politico in 2014, are weekly magazines and both report on the EU, in printed and digital version.

In 2013, the European Commission created a major cross-Commission program of digital transformation to redesign and redefine its online communication. In its vision for digital transformation the European Commission believes that digital communication channels can bring the EU closer to the people: “A strong digital presence will help us be more relevant, coherent and transparent while giving the institution a more human face” (Papagianneas, 2017 at p. 59).

Despite all the aforementioned efforts of the Union to communicate with the citizens it seems that the messages, coming from so many transmitters, create problems and confuses the recipients. Indeed, the official web sites or EU and its publications have
not gained a large and steady reading audience, while its presence in social media, despite frequent and dense, does not receive the recognition they have other, unofficial information accounts.

Recognition and positive reputation are built gradually and are based on accuracy, authenticity and clear signaling of the message to be delivered. Thought it takes many years to build, corporate or institutional reputation can be rapidly damaged by a sole unfortunate incident let alone a region-spread crisis. More than six decades of peace, the single market and the security, freedom and mobility that European citizens enjoy within Europe are forgotten and the 2012 euro crisis has paradoxically been a huge media breakthrough. People from all over the world started to follow EU-related news and the EU spent a lot of time and money to fund communication projects in an effort not only to advertise its beneficial role but also to explain and to be justified.

A better communication strategy should achieve broader representation and participation of all stakeholders, use a simpler language and regain the trust and confidence to the European message. Until now, despite the aforementioned campaigns, the votes for eurosceptic parties increase and the abstention rate is historically high. The restoration of public approval will subsequently boost engagement of the people to the European idea and facilitate the ultimate goal of a shared identity.

The content of ‘European brand’: Restoring or reforming?

Despite its benefits, the European Union has been under increasing scrutiny by member states, political parties and various social groups, and it seemed until recently, that Brussels is still not willing to proceed in sustainable changes. Even before the economic and migration crisis, various EU policies suffered from criticism. Now, Europe is experiencing the deepest recession since its creation, and the institutions themselves are almost powerless in their attempts to relieve tension off the most vulnerable member states.

EURACTIV as mentioned before, is a European media platform specialising in the online publication of articles focusing on European policymaking. In an online publication on 17 October, 2017 is presented the proposal made by the EU President
Donald Tusk of an ambitious timeline of 13 summits over the next two years to reboot the European Union after the shock of Brexit and other setbacks. Tusk, who coordinates EU summit meetings, unveiled the schedule of talks just weeks after calls for deep EU reform by French President Emmanuel Macron, as well as by European Commission head Jean-Claude Juncker. In his invitation letter to EU leaders Tusk spoke about overcoming ‘the sense of powerlessness’, and called for support to a ‘new working method’ in the European Council, where the heads of states are participating, and so far it functions as a purely intergovernmental institution.

What would be characterised revolutionary, is that Tusk’s proposal includes the idea to update the working method at summits, by scrapping the traditional consensual approach and allow room for open disagreement among leaders. “I would like to propose a method that focuses on solving real issues,” Tusk said in his letter. Undoubtedly, these shifts indicate a tendency to get rid of obstacles, that the intergovernmental nature of the strongest EU institution, has put into its functionality and efficiency. But are these steps capable of causing a reversal of the negative climate that exists in a large proportion of European citizens and to re-orient them towards a single Europe and a common identity? Such attempts might increase the EU’s efficiency and the capability to respond on time to changes and crisis, but it is essential for the general consensus, these reforms to be communicated properly.

**Nation branding** aims to measure, build and manage nations reputations adopting techniques from corporate marketing. It is based in the belief that the way a country is perceived, its prestige, can impact, positively or negatively, its effectiveness in enforcing policies in the internal, the success of its economy, its relations with other nations and its potency to influence the global phenomena.

Since the end of the 20th century, nation branding has attracted the interest of scholars within different disciplines, like communication, political sciences and international relations, but also of experts in public administration and tourism management. The concept of national identity is prevalent to every study, as it can be approached from different aspects, social, political, behavioural, cultural, etc. It can be conceived though as an apolitical marketing strategy that targets external markets to
establish and communicate a specific image of national identity. It can be attributed to it either an introvert character that aims to gain trust and engage citizens in the inner environment, or a more extrovert character to strengthen its presence on a global scale.

We are reflecting the influence of branding whenever we choose to buy a French aroma or a German car. It is the same as when we buy any kind of labelled product, only that this time we choose the ‘French elegance’ or the “superior German technology’ which are iconic attributions of the qualities of each nation. The same happens when we instinctively distrust ‘corrupted’ Greek Administration, avoid hiring ‘lazy’ Italians or we laugh doubtfully reading about German fashion or Scandinavian sense of humor. But what could recapture automatically from memory, thinking of "Europeans"? EU needs to create a content and disseminating it properly to the internal and the external environment. Europe must be perceived as a political union, an entity with the characteristics of a complex nation, and not a flexible economic and trade union.

A powerful nation brand creates the perception of political respect and strong leadership. Provides a wider international influence on its institutions, organisations and corporations, increasing the possibilities that the country will be able to get its national priorities implemented. The direct impact of a nation brand on the country’s economy is situated in the fields of tourism and attracting business investment. Both are driven significantly by the emotional attraction that a brand creates among the target audience, citizens and institutions of another countries. Additionally, it exerts an indirect impact through adding value to the other commercial brands in the country. Therefore, many nations in the world devote time and money to create their "myth", to shape, reform and strengthen the image of their country, adapting it to a constantly changing global environment.

Conclusion and recommendations

Nowadays it would be wiser to talk about the European crisis and not only for an economic crisis. The global economic recession not only have caused the monetary crisis
in Eurozone, but also revealed a series of pathogenies within the structure of the EU. The European crisis entails, apart from the economic, the border crisis, the trust and the identity crisis. All these could be summarised to a collective question that has to be answered: ‘Is the European Project still alive? Does it keep its spirit in a constantly changing global arena? The Union has to be restored after the 2012 euro crisis or has to be totally reformed’?

The reorientation and branding plan of the European Union must be carried out considering holistic marketing activities. Branding is not a one-way process and it is not just about advertisement. Recipients of a branding message need to obtain experiences through a range of activities and contact points: interactive information platforms, direct observation and use of services that are fully integrated to the local administrative organs, and powerful symbols that positively impact on trust and engagement feelings.

Therefore, thorough research has to be preceded by mapping all stakeholders involved in the life of the European Union. People and their opinions are constantly changing from one generation to the next as they are facing different cultural, economic and political events that mark the decades they are born and raised. Baby-boomers, having been raised in the Cold War era, in families and cities destroyed by the war, hold strong national feelings. In their minds, what is national or foreign, right or left, is very well established. Generation-X is more cosmopolitan and extrovert as has experienced decades of economic growth and political stability. They do not have clearly defined national or political views and do not care much for the so-called public interest. The Millennials, who set the foundations of their adult lives in these first decades of the 21\textsuperscript{th} century, are experiencing totally different situations and concerns. The economic recession, the loose borders, the high mobility of people and cultures; while communism is no longer the supreme external threat.

Do we need an ‘enemy’ in order to define ourselves? That is a highly debatable question. The existence of enemies demand borders and defensive mechanisms. Europeans are currently arguing about the causative factors, not only for the economic crisis, but also for the cultural crisis or the identity crisis. New divisive incisions have appeared on the political canvas that should be taken into serious consideration for a
fruitful stakeholder mapping. The issue of ‘who are we and who others are’ has not yet been answered, and there are many who deny the question itself, arguing that there is no need for 'others' to identify one's identity.

Currently, we use old models to frame new ideas and needs. The group ‘nationalists – eurosceptics – xenophobics’ is not a single indivisible group as it is presented. It is not them versus the ‘unionists’ group. Eurosceptism entails many aspects, varying in different countries and economic classes, and it has to be analysed further. The results of such studies should define the political model on which the European Union should be restructured and finally, describe, name and brand itself.

Reviving economic growth, defending security, stability and democracy, gaining sovereignty: it would be advisable that these principles determine the direction of the effort to exit the European crisis. They could provide a solid base to build a reformed, prestigious European governance model. In addition, they could be used as a starting point for the new political narrative awaiting the citizens of Europe so that they can trust and embrace their European identity, within, and not against a globalized world.
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