1. Introduction – Europe in Crisis

Crisis is an overused word. On many occasions journalists in need of a good sounding word for a really bad situation or problem will think for a moment and then say “I know we’ll call it a crisis”.

Open any newspaper and you will find countless examples. These were all from the week before Christmas: Health Service in Crisis, BBC crisis, EU debt crisis, and my personal favourite, X-Factor in crisis. More generally we often hear people talk about a mid-life crisis, a personal crisis, a marital crisis and so on.

So it is worth taking a moment just to clarify what we are talking about. The Greek word “κρίσις” meant “decision”, “judgment” or “choice” and the term came into English usage through medical Latin as the decisive moment in the process of a disease. The crisis is the turning point when an important change takes place leading to either recovery or death.

Only later did crisis started to be used more generally, in literature as the decisive moment in the development of the plot (though clearly this happened after Shakespeare since he never used the word), in society when there was an unstable state of affairs when decisive change was impending especially if there was the threat of an undesirable outcome, and more generally for any situation which had reached a decisive or critical moment.

So we might define crisis more generally as “a crucial or decisive moment in the course of events that may affect an individual, a group, a community or a whole society”. Crises almost always come unexpectedly, generating instability, a sense of threat, individual or social trauma, highlighting a need for change.

2. Europe in Crisis

Over the last four years the word “crisis” has been applied more than anything else to the economic situation in Europe in general, and the Eurozone in particular. In fact 2012 saw the appearance of a specific neologism to describe the impending economic disaster that was besetting Europe: Eurogeddon. Yet this concentration on financial instability can easily blind us to the fact that the crisis in Europe is much broader than economics.

I think Europe is currently at a crisis point on four different levels. Yes there is an economic crisis, but there is also a political crisis, a social crisis, and a religious crisis. I will take each one in turn and seek to give a broad indication of the issues at hand.

2.1 Economic Crisis
When I accepted the challenge of preparing this paper I knew that in the area of economics I was going to need some help. Jamie Brady who is a macroeconomic researcher for Lombard Street Research and what follows leans heavily on his analysis of the current economic crisis. So I want to acknowledge my particular thanks to him.

I was less than five years ago that in the summer of 2008 when with the Lehman Brothers collapse we all suddenly became aware that “all was not well” in the world economy. The consequences of the economic crisis are well known to all of us, failed banks, general recession, and a sovereign debt crisis that has provoked austerity measures and widespread unemployment across Europe.

Lots of books have already been published on how we have got into this mess. What I want to concentrate on today is the current economic situation and its likely outcomes in the short term. Given the aforementioned medical origins of the word “crisis” the key questions are: how is the patient today and what treatment is necessary?

2.1.1 How is the patient?

Stated quite simply we don’t know because the patient has never been this sick before. In the past recoveries in one country have always been driven by strength in another. But not even the great depression was like this.

Europe has three economic disaster zones and two deficit-ridden countries in Britain and France that are tackling their problem in contrary fashions.

- **Club-Med and Ireland**— Italy, Spain, Portugal and Greece are all in severe supply-side collapse, with a massive overvaluation within the euro and/or paralyzing levels of debt. Unemployment is at frighteningly high levels (Spain 25%, >50% among under 25s). The normal remedy for this situation (devaluation of the currency and tight monetary and fiscal policy) is not possible within the Eurozone.

- **Central and Eastern Europe**— grossly indebted and suffering from the collapsed export markets of Western Europe. Non-membership of the euro leaves them vulnerable but also potentially more flexible to apply self-interested economic measures.

- **North Central Europe**— Germany, Benelux, Nordic countries, Switzerland and Austria— these economies are highly competitive but suffer from a savings glut. Domestic savings rate exceed investment by 7-8% of GDP. In a demand-deficient world their dependence on exports has led to collapse of output and income.

- **Britain**— government debt is very high which limits freedom to borrow further to stimulate growth. Trying to reduce debt by austerity measures but running risk of economy not picking up.

- **France**— level of government debt very high but French banks also have very high exposure to government debt of other European economies (Italy, Spain and
Greece). Populist measure of 75% on the superrich is causing an exodus of France’s wealth.

What is clear is that certain countries should never have been allowed to enter the Eurozone. Italy never met the criteria for entry and neither did Greece yet for political reasons they were welcomed into the club. Now that they are in the club they cannot devalue their currency to boost productivity and work their way out of the crisis, but neither is the alternative, a perpetual flow of funds from North Central Europe to bail them out and sustain their unproductive economies.

2.1.2 What treatment is necessary?

Put quite simply the simplest solution to the current economic crisis in Europe is for the indebted nations to leave the Euro. The only other alternative is full monetary union which would require a full political union – a Federal State of Europe.

Four scenarios

i. **Maintain status quo** – try to muddle through with the current Euro members, continuing to bail out the debts of Greece, Italy, Portugal and Spain indefinitely. This would in effect turn the current crisis into a new normal – making 10-20 years of stagflation (low or even negative economic growth coupled with high inflation) almost inevitable.

ii. **Disorderly breakup of the Euro**– internal or external economic pressures cause a sudden exit of certain countries from the Euro. This would almost certainly lead to 18 months of carnage on the financial markets. The Club Med countries would be very badly hit, leading to the nationalization of the banks, hyperinflation and a devastating drop in the standard of living in those countries. After a couple of years things would begin to stabilize in the rest of the Eurozone, but the political fallout of this would be considerable.

iii. **Structured breakup of the Euro** – certain countries are invited to leave the Euro and supported through the transition. Greece, Cyprus and Portugal are the most likely candidates though Italy and Spain might follow. Even in this structured scenario the knock-on effect of a country leaving the euro would be the failure of all its banks, causing their nationalization. IMF loans would help these countries to rebuild their economies outside the Eurozone but in the short term there would be 2-5 years of real hardship in those countries. Hyperinflation would be a real prospect.

iv. **Full fiscal union** – the least likely option. This would give ECB full control over fiscal policy (taxation and spending) across the Eurozone, but would centralize economic power to such a degree that it is unlikely that it would be accepted. It would only be workable, and acceptable to the German electorate if they
assumed presidency, and this would not be acceptable to the other major partners within the EU.

Clearly the least-worst scenario would be iii, a structured breakup of the Euro but this is very unlikely to occur before Sept/Oct 2013 when Angela Merkel will seek re-election as Chancellor. If she receives a new mandate Germany may well offer to facilitate the exit of some countries from the Euro. Inevitably this would provoke a vicious wage deflation in those countries, but it would make them much more competitive overnight permitting their economies to begin to grow again.

2.2 Political Crisis

Clearly the economic crisis has political implications and since macroeconomic policy is influenced by political considerations the two are inseparable. Nevertheless, there are aspects to the political crisis which are not economical and must be given their due importance.

2.2.1 Political Pressure within the EU

Here is not the place to rehearse the history of the European Union. Nevertheless in its various guises as the European Coal and Steel Community, European Economic Community and European Union, it has overseen the longest period of political and economic stability in modern European history. As such it has largely fulfilled the purpose of its founders in avoiding conflicts between its members by pooling industry and commerce. Is there anyone here who has ever had to take up arms to defend his home? In this at least Britain shows itself to be a thoroughly European country in contrast to the US.

Whilst the Economic benefits of EU membership have been significant, particularly so until recently for smaller and more peripheral countries, the Economic crisis and more to the point the strict economic measures applied by the ECB on the Eurozone countries have generated significant political unrest. This political pressure at the margins has already led to riots in Greece and Spain but perhaps more significantly in a change in attitudes to the EU.

What was seen as a voluntary association of countries who would be stronger together has now set nations against one another which at the recent EU summit caused crucial decisions to be delayed further. The imposition of a strict regime of austerity on the periphery is causing great human suffering. What is clear is that the political objectives of the EU are being subordinated to the economic objectives. This pressure if it continues to build may lead to a fracturing not only of the Euro but of the political structures of Europe. Euroscepticism used to be a only a British phenomenon. It can now be heard in many places across Europe.
2.2.2 Political Pressure for UK to withdraw from EU

The UK joined the then-European Economic Community in 1973. During the 1970s the Conservative party was considerably more pro-Europe than Labour but divisions among Conservatives over Europe began to appear during the Thatcher years coming to a head at the time of the signing of the Maastricht treaty and fatally undermining John Major’s premiership. Since then Euroscepticism has always been present in the political debate but until relatively recently only the most extremist political voices have argued for the withdrawal of the UK from the EU. That is no longer the case.

Momentum is building for a referendum on Britain’s EU membership with a recent Guardian pole suggesting that 56% of those consulted would vote to leave. The political pressure on David Cameron due to the rise of UKIP in the polls is evident from a recent answer at Prime Minister’s Questions. A Labour MP asked him whether he could ever imagine Britain leaving the EU. The Prime Minister responded: "That is not a position I support, so I do not spend my time thinking about it. Clearly all futures for Britain are imaginable. We are in charge of our own destiny, we can make our own choices. I believe the choice we should make is to stay in the European Union, to be members of the single market, to maximise our impact in Europe, but where we are unhappy with parts of the relationship we shouldn’t be frightened of standing up and saying so."

2.2.3 Political Pressure from Extremist Parties

The political paralysis brought on by the economic crisis in the Eurozone has led to an increase in nationalist, populist and xenophobic movements across Europe. From France to Austria, Greece to Finland, the popularity of nationalists is growing as extreme right-wing politicians such as Geert Wilders are able to tap into popular malcontent at soaring unemployment and point the finger at migrants as the cause.

As one Dutch commentator put it, "It is now only a matter of time before one of these parties gets into power and tries to pull the rug out from under the euro. If it doesn't happen in the Netherlands, it will happen somewhere else in Europe. I am sure of it."

2.2.4 Political Pressure from the Regions

Europe faces unprecedented attempts by two regions to form new independent states within the EU. The Scottish Government intends to hold a referendum on the issue of independence from the UK in the autumn of 2014 and earlier this month Catalan nationalists agreed their new minority government will slate a referendum for the independence of Catalonia for the same year.

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1 Guardian, 17/11/12, [http://www.guardian.co.uk/politics/2012/nov/17/eu-referendum-poll](http://www.guardian.co.uk/politics/2012/nov/17/eu-referendum-poll), Accessed 28/12/12

This creates a real headache for the EU. In Flanders, the Basque Country, Corsica, Lombardy and the Hungarian language regions of Romania and Slovakia, nationalist movements are seeking greater autonomy and dreaming of self-determination. The fear is that if Scotland and Catalonia are successful in gaining independence, it would lead to many others causing the disintegration of many states and potentially threatening the EU itself. The last time anything like this happened was in Yugoslavia and we know how that ended.

2.3 Social Crisis

“Hate speech, xenophobia and extremism are symptoms of a more deep-seated crisis that has a hold on Europe”, Soros said. We might call it a crisis of values, but its effects are felt in the social fabric of communities.

2.3.1 Migration – Europe’s Identity Crisis

There has never been a time in history when Europe’s peoples were not on the move. Having said that the last 25 years has seen a huge increase in migration ever since the adoption of the Schengen Agreement in 1985 which gave citizens of EU member states rights to live and work anywhere in the EU. Northern Europeans have migrated to the Mediterranean. Eastern Europeans have migrated west and south, Poles to the UK, Romanians to Spain and Italy.

However, many countries have accepted migrants from outside the Schengen area. In fact, 2010 data from Eurostat\(^3\) show that more twice as many migrants were born in a non EU state than those born in another EU state. In total some 6.5% of Europe’s population are migrants (EU27) though in Germany, France, the UK and Spain the percentages are all around 11 or 12%.

Given the uniformity in much EU legislation, EU countries have experimented with a wide range of civic integration policies ranging from the assimilationist to the segregationist. One recent report from the Migration Policy Institute observes that generally European civic integration policies “seek to bind newcomers to majority institutions and culture by requiring them to learn the host-society language and acknowledge basic host-society norms and values”\(^4\).

And it is on the rock of religious values that many of these policies break apart, for some religious practices are fundamentally incompatible with values in the host society, for example, the wearing of the burqa in France. The only way assimilation to French liberal values is possible is by doing injury to the very civil liberty that the state seeks to promote.

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Aside from the specific issues of integration related to Islam, this raises the more general issue of the social crisis of a Europe of multiple identities. The secular European identity simply does not know how to handle religions which refuse to bow at its secular altar.

2.3.2 Demographics – Europe’s Generational Crisis

“Demography is destiny” said Auguste Comte, the 19th Century French philosopher and founder of sociology. Europe is in the early stages of another social crisis, one that is entirely of its own making – the aging of its population due to European’s reticence to procreate. Despite the efforts of some countries to encourage childbearing fertility in every single state of the EU is below the replacement level of 2.1 children per woman. The most recent official statistics showed that in 2009 the EU27 countries with the highest rates of fertility were Ireland (2.07), France (2.00) and the UK (1.96), all close to the replacement level of 2.1. The lowest rates were observed in Latvia (1.31), Hungary and Portugal (both 1.32) and Germany (1.36).

The impact of these demographics on the future of Europe are sobering. In broad terms the current generation of adults is being replaced by one that is less than two-thirds its size. A recent Eurostat report\(^5\) made some predictions of the state of Europe’s population in 2060. In 1960 11.5% of Germany’s population was over 65. By 2060 it will be 33%. The average age in Italy in 1960 was 31.2 years. By 2060 the average Italian will be over 50 years old.

In the absence of a spectacular rise in fertility, the only realistic solution is to facilitate migration but that is unlikely to happen in the current political climate. In the absence of migration the collapse in the birth rate will have a devastating impact on absolute population figures. Poland which now has a population of about 39 million people is likely to lose 7 million inhabitants by 2060, just under a fifth of its population. The situation for Germany is even more dramatic. In 2003 Germany’s population peaked at 83 million. However, the historically low birthrate is already feeeing through and by 2060 the country will have shed nearly 20 million inhabitants, making Germany a country of fewer than 65 million people\(^6\). Needless to say the demographic crisis will have drastic social and economic consequences.

2.3.3 Consumerism – Europe’s Existential Crisis

In August 2011 Britain suffered the worst riots in living memory. They were not riots for bread, they were riots for stuff, meaningless consumer goods, often of very little intrinsic value. Much has been written about the contributory factors (social injustice, deprivation, poor relations with the police and so on) but most rioters had no political agenda. Rather


\(^6\) StatistischesBundesamt, 2009, \url{https://www.destatis.de/bevoelkerungspyramide/}, Accessed 29/12/12
faced with an opportunity to fulfil their consumerist dreams at no cost, they quite literally hit the shops.

As Zygmunt Bauman put it, “The fullness of consumer enjoyment means fullness of life. I shop, therefore I am. To shop or not to shop, this is the question. For defective consumers, those contemporary have-nots, non-shopping is the jarring and festering stigma of a life unfulfilled – and of own nonentity and good-for-nothingness. Not just the absence of pleasure: absence of human dignity. Of life meaning. Ultimately, of humanity and any other ground for self-respect and respect of the others around.”

Or as the journalist Andrew Marr has called it, “the defeat of politics by shopping”.

What is the purpose of life for today’s Europeans? This existential question is not only about the future of the EU but of the very meaning of life itself. If Bauman is right and the inability to shop is the “stigma of a life un-fulfilled” then the prospect of a less prosperous future will have a devastating effect on the confidence and existential security of Europeans.

2.4 “Religious Crisis”

Most of us are familiar with the issues relating to the religious crisis in Europe. We are engaged in Christian mission so deal every day with the religious realities of our continent. In fact several of the recent European Consultations have looked at these issues in detail. Grace Davie and Philip Jenkins have provided detailed treatments of the topic so if you want to delve further into this topic I suggest you read them carefully.

But I do want to say one thing about the European religious crisis. For decades sociologists, politicians and journalists have been writing the obituary for religion in Europe but religion stubbornly refuses to leave the stage. On the contrary, many recent studies have suggested that church growth is occurring even in the UK. David Goodhew’s recent book on Church Growth in the UK takes on the secularization thesis head on with some striking findings.

Yes, there has been a crisis of institutional Christianity in Europe but there is evidence that the patient is showing signs of recovery. He has received a decisive blood transfusion from the global south. There is still a long way to go but there are reasons for hope.

3. The Fallacy of Hope

And it is to hope that we now turn. In the midst of the crisis, or as I have argued, crises that beset Europe today Europeans hope for a return to economic growth.

If you listen to the politicians, the press, or any economist or businessman, the message that you hear over and over again is that if only we can return to economic growth we can get

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back on the road to peace, progress and prosperity. This is the Dominant Ideology of today’s Europe. An ideology of Economic Growth as our guarantee of existential security in the present and eschatological hope for the future.

So we hope for the return, not of the Lord Jesus, but the return of economic growth. Economic growth is generally measured by means of the Gross Domestic Product, the sum of all the goods and services that are produced by an economy. If only we can see a nice steady growth in GDP then all will be well. But of course all of this is built on a huge fallacy – that perpetual economic growth is possible.

I am sure I don’t need to explain to anyone here how exponential growth works. Anything that grows by a fixed percent at regular intervals enjoys exponential growth. And a curve of exponential growth eventually does this.

Curve of exponential growth

Illustration of football stadium

There are lots of economists who are starting to conclude that the world economy simply cannot go on growing like this. But perhaps more importantly even if it did there simply are not enough energy resources for the economy to continue growing at the rate is has done over the last two hundred years.

We are currently faced with four crises in Europe but just around the corner may be a fifth which may put the others in a completely different context – an environmental crisis.

4. **Forecasting the Future of Europe**

At the end of 2012 we had the forecast of the end of the world and some of you may have seen this weather forecast for the week in mid-December when that was due to happen. The truth is that forecasting the end of life as we know it is something that lots of people do all the time. I am certainly not forecasting the end of civilization in Europe. But I hope what I have already said together with what I will go on to say now regarding the environmental future, will make it clear that I do think that perhaps this chapter in Europe’s history is coming to its end. Perhaps we shouldn’t see the current situation as a crisis. The fifty years of peace, progress and prosperity for all Europeans may turn out to be an anomaly.

4.1 **Europe’s Environmental Future (Randers)**

- With the economic crisis at centre stage the calls for control on greenhouse gas emissions have been drowned out by those who say the only priority for the world is to get back to growth.
- Global leaders have agreed to try to keep global warming below plus 2°C
• If CO₂ levels in the atmosphere continue to rise at current rate of 2ppm by mid century they will be at the danger level of 450ppm where it will simply not be possible to stop this.

• By 2050 it is very likely that extreme weather will be the norm – “from global warming to global weirding” – more drought in drought-prone areas, more rain in rainy areas, and more extreme weather- strong winds, torrential rains, intense heat spells.

• The higher CO₂ levels in the atmosphere will boost food and forest growth in higher northern latitudes in Europe moving fertile latitudes northwards.

• Global Population will continue to rise but more slowly due to falling birthrates peaking at around 8.5 billion in the early 2040s (Randers).

• Energy will become more and more expensive which coupled with lower relative standard of living will make transport more and more of a luxury except for the most wealthy.

• Sustainability arguments will win-out in the end but not fast enough to avoid damage to the planet.

4.2 Europe’s Economic Future (Dumas and Brady)
• Europe faces long period of European economic stagnation
• Much reduced Eurozone – North Central European states only
• Second tier of European countries – East and South; providing migrant workers for the countries of the Neu-Euro

4.3 Europe’s Political Future (Dumas, Randers and Ferguson)
• EU expansion continues but also suffers some losses
• Schengen no longer covers all of current EU but may have “zones”
• Countries in Eastern Europe may begin to look to Russia once more as the hope of prosperity in the EU recedes into the distance.
• UK (or what is left of it) will either exit the EU or renegotiate its status
• Independence of new states (Scotland, Catalunya and others) slows EU decision-making even further and may lead to civil unrest and possibly civil wars.

4.4 Europe’s Societal Future (Randers and Kaufmann)
• Randers - Demographic changes provoke internal and external tensions
• Intergenerational conflicts on the rise – younger generation railing against wealth of old
• Age related migration – rich elderly increasingly migrating to southern Europe for economic reasons further reducing population levels in some countries.
• Further inward and internal migration will occur in response to population crisis

4.5 Europe’s Religious Future (Kaufmann, Norris & Inglehart)

Kaufmann – Demographic Factors
• Fertility differentials will cause a resurgence in religiosity in Europe – especially among Islamic and Christian migrants; identity dynamics will make religion a symbol of resistance against wealthy secular elites; continued migration from global south will further bolster religious stocks.

Norris and Inglehart – New Theory of Secularisation
• Religion is a function of existential insecurity – the environmental, economic, political and social crises will contribute to resurgence in religiosity as liberal secularism proves incapable of providing the existential security it once promised.

5. Is this a Crisis or a new Normality?

What is the difference between a problem and a predicament? A problem has a solution. A predicament does not. It is a state or condition which defies easy solution.

Rather than a Crisis perhaps we should see this as the early stages of a new phase in European history, a new normality. The post-war cycle of peace and prosperity in Europe may have come to an end. Perhaps a paradigm shift is upon us that will require us to shed the ideology of progress that has even taken root in many churches and blunted our eschatological hope in Christ as the telos of history.

What lies ahead may be something very different to the present environmental, economic, political, social and religious realities and Christian mission would do well to be prepared for it. So how should the church respond to the religious crises and futures that may lie ahead? To this question we now turn.

6. Mission in Tomorrow’s Europe

6.1 Mission in Europe’s Environmental Tomorrow
• Environmental initiatives and engagement move from margin to mainstream of mission
• Mission increasingly virtualised – both because of technological innovations and because of cost/environmental factors
6.2 Mission in Europe’s Economic Tomorrow
- Economic stagnation poses real problems for resource dependent churches and mission agencies
- Chronic unemployment means “business as mission” becomes one of the primary avenues for bringing Christian hope to tomorrow’s Europeans.
- Communal living/New Christian Communities/New Monastic Movements will emerge
- Social justice, simplicity and sustainability will become key values of Christian mission.

6.3 Mission in Europe’s Political Tomorrow
- Emergence of new political structures will threaten existing international mission arrangements
- Possibility of conflicts within and between countries may make mission to refugees once again a necessity.
- Need for Christians to engage in politics to influence in this process – a new generation of Bonhoeffers.

6.4 Mission in Europe’s Social Tomorrow
- Mission to migrants and by migrants will accelerate – migrant churches will become increasingly contextualised; native churches will become increasingly internationalised.
- Demographic changes will make care for the elderly another of the principal activities of Christian mission.
- Intergenerational tensions and continued family breakdown will make the church one of the few intergenerational communities in Europe and a powerful demonstration of the truth of the gospel.

6.5 Mission in Europe’s Religious Tomorrow
- Secularism, Islam and Christian will compete in offering hope to a resacralised Europe
- Dual processes of secularisation and resacralisation will continue – many churches will continue to disappear, many more new churches will be planted
- New types of Christian community will emerge to engage with this new reality

Even current definitions of Integral Mission will need to be broadened to incorporate the challenges of mission in Europe’s Tomorrow. Yet rather than a crisis to be endured we must see this change in Europe’s environmental, economic, political, social and religious future as an opportunity to bring the message of hope in Christ with new passion and confidence.
Epilogue: Christ the Lord over every Crisis

He is the image of the invisible God, the firstborn over all creation. For by him all things were created: things in heaven and on earth, visible and invisible, whether thrones or powers or rulers or authorities; all things were created by him and for him. He is before all things, and in him all things hold together. And he is the head of the body, the church; he is the beginning and the firstborn from among the dead, so that in everything he might have the supremacy. For God was pleased to have all his fullness dwell in him, and through him to reconcile to himself all things, whether things on earth or things in heaven, by making peace through his blood, shed on the cross.

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