

From the Board: The Way We Go in the EU

On 25 March 2017, the Heads of State and government of twenty-seven EU Member States will gather in Rome to celebrate the 60th Anniversary of the EU. The European Commission has published and presented a White Paper on the Future of Europe,¹ on 1 March 2017 as its contribution to the Rome Summit, where it will be officially handed over to the twenty-seven governments and the EU leaders will discuss the achievements of the past sixty years and, more importantly, the challenges and the future of the Union with twenty-seven Member States. The White Paper is meant to reflect on the EU's challenges in terms of the global financial crisis, the largest refugee crisis since the Second World War, various terrorist attacks in the EU Member States and last, but not least a reaction to 'Der Herzinfarkt der Europäischen Union', Brexit.² At the same time, it is a reflection on Europe's 'shrinking place' in the world in terms of its economy, security and population.

The White Paper is meant to start a broad debate across the EU in the coming months, including debates and discussions at the European Parliament and the national Parliaments, local and regional authorities as well as civil society. Commissioner Juncker will take the emerging ideas forward and give his own views on the future of Europe in his State of the Union speech in September this year. The ultimate goal is to assist the European Council to decide on a course of action by the end of this year, which can be rolled out in time for the European Parliament elections in June 2019.

In the White Paper the Juncker Commission sets out five possible scenarios concerning the EU's future direction up to 2025. The five options range from maintaining the status quo and narrowing down the integration project to its substantial deepening. Briefly, the White Paper sets out the following five options for the future development of the European integration project.

- (1) Scenario 1: Carrying on;
- (2) Scenario 2: Nothing but the Single Market;
- (3) Scenario 3: Those Who Want More Do More;
- (4) Scenario 4: Doing Less More Efficiently;
- (5) Scenario 5: Doing Much More Together.

¹ https://europa.eu/european-union/sites/europaeu/files/whitepaper_en.pdf

² André Janssen, *Brexit: Der Herzinfarkt der Europäischen Union*, 24(5) Eur. Rev. Priv. L. 731–732 (2016).

The first option is a direct extension of the present situation, which has, in many Europeans' view resulted in social, economic and political insecurity, citizens' increasing disappointment in the European integration project and distrust in the EU institution, which are seen as centralistic and bureaucratic.³ Europeans see their living standards decreasing and find political shelter in the increasing exit voices in several Member States. In light of these sentiments, something should and does need to be changed.

The second scenario narrows down the present integration process to the 'single-market only'. According to this approach the Single Market becomes the 'raison d'être' of the EU, which will strengthen the free movement of goods and capital, but will not fully guarantee the free movement of workers and services and will give up on areas such as migration, security or defence. While it has been acknowledged that the very mention of this scenario by the Commission and specifically from Juncker was a significant milestone, it still is not a realistic choice in light of the crucial challenges due to political conflicts, globalization and environmental changes. Moreover, it may further decrease the EU's ability to deliver services to its citizens and 'widen the gap between expectations and delivery at all levels'.

The third option encapsulating integration at different speed has been said to be the Commission's preferred option.⁴ Moreover, at two informal meetings of the European Council earlier this year in Malta and Rome, it became clear that the idea of a multi-speed Europe will be one of the discussions ahead of the Rome anniversary.⁵ In fact, this idea of a multi-speed Europe has been in the air for some time as a reaction to the feared disintegration of the EU after Brexit. However, it was only at the informal meeting of the European Council in Malta, that Angela Merkel first mentioned this solution publicly.⁶ Since then preparations began to implement this solution and a month later the leaders of Germany, France, Spain, and Italy officially called for a new dynamic, multi-speed Europe.⁷ According to this approach, some Member States would thus integrate further and faster while others would not or do that only at a later stage. Examples of such differentiated integration are not unknown if one looks at either the Eurozone, the Schengen agreement or the

³ See also: K. Aigigner, *Juncker's Missing Scenario: Empower the Member States*, Euractiv (15 Mar. 2017), <http://www.euractiv.com/section/future-eu/opinion/junckers-missingscenario-empower-the-member-states/>

⁴ <http://www.euractiv.com/section/future-eu/news/commission-pushes-for-stronger-defence-trade-and-border-powers-after-brexit/>

⁵ <http://www.consilium.europa.eu/en/press/press-releases/2017/03/10-tusk-remarks-informal-meeting/>

⁶ É. Balogh, <http://hungarianspectrum.org/tag/white-paper/>

⁷ http://www.euractiv.com/section/future-eu/news/big-four-call-for-new-european-dynamic-multi-speed-eu/?nl_ref=32674699

fact that some Member States are exempted from participating in EU structures on domestic affairs and security cooperation.

Through this option the European Commission, in fact, has said it could accept reduced responsibility for some policy areas, but only in return for significantly strengthening powers over defence, border control, migration, counter-terrorism and trade. While Member States with large economies in the Eurozone, such as France and Germany, are in favour of such a differentiated integration, countries from Central and Eastern Europe see this option as re-creating walls between the centre of the EU and its periphery. Poland and Hungary, who are 'giving up on the rule of law'⁸ and while fiercely criticizing Brussels and facing demanding that decision-making should be reverted to national parliaments, heavily rely on the vital EU sources of funding and protection. The *Visegrád 4*, including thus the Czech Republic and Slovakia issued a joint declaration that they find the idea of a multi-speed Europe unacceptable. The declaration said that the *Visegrád 4* countries want neither federalization nor a return to the single market.⁹ However, it seems that within the four countries it is Poland and Hungary who want to follow this rigid approach and in fact Slovakia and the Czech Republic is open to cooperate with Brussels in policy areas such as asylum, migration and the digital agenda.¹⁰

In the fourth scenario, the Commission sets out the possibility of the EU focusing on a reduced number of areas, while increasing its powers to 'directly implement and enforce cooperation as it does for competition policy'. This would mean giving up regional policy, public health and parts of employment and social policy. Accordingly, the list of priorities would be shorter but implanted more efficiently. The big drawback of this option is what the White Paper starts with: 'the EU27 has real difficulty in agreeing which areas it should prioritize or where it should do less'.

The fifth scenario stands for sharing more power, resources and decision-making among the Member States with priority areas in security, trade and defence. This is a similar approach, that has been sketched in the Five Presidents' Report for the area of EMU.¹¹ However, as the White Paper itself remarks, this option could result in 'alienating parts of society which feel that the EU lacks legitimacy or has taken too much power away from national authorities'.

⁸ L. Pech & Kim Lane Scheppel, 15 Nov. 2016, <http://verfassungsblog.de/the-eu-and-poland-giving-up-on-the-rule-of-law/>

⁹ According to Éva Balogh that *Visegrád 4* 'look upon a multi-speed Europe as a sign that they will be treated as poor relatives, second-class citizens. Unfortunately, the four Visegrád countries, besides not wanting to be left behind, can't agree on the extent of integration they are ready to accept'. <https://www.euractiv.com/section/future-eu/opinion/visegrad-on-junckers-white-paper-no-to-a-multi-speed-europe/>; See also T. Prousa, *State Secretary for European Affairs of the Czech Republic. EU: The Next 60 Years*, <https://euobserver.com/opinion/137167>

¹⁰ Balogh, *supra* n. 6.

¹¹ https://ec.europa.eu/commission/sites/beta-political/files/5-presidents-report_en.pdf

The European Parliament's position on the future of Europe has been concretized by the adoption of three resolutions during the February plenary in Strasbourg. These resolutions argue in favour of restoring citizens' trust, make the euro zone economy more resilient to outside shocks and emphasize the need to make full use of the Lisbon Treaty.

One of them looks at what improvements are possible under the existing system and making the most of the existing Lisbon Treaty¹²; another considers what treaty changes might be needed for additional reforms,¹³ while the last one sets out how to bring the economies of countries that have adopted the euro closer together and make them more resilient.¹⁴

We might wonder what the European citizen herself thinks when she is asked about the future of the EU. European citizens, as shown by a special Eurobarometer on the future of Europe which was published December last year,¹⁵ are mostly concerned about the consequences of the economic crisis. Social equality is seen as their most important priority today and they consider it an essential building block for the future of Europe. At the same time, they clearly oppose giving a bigger role to EU institutions in managing the economy.¹⁶ These wishes of Europe's people seem very difficult if not impossible to reconcile with each other and with the plan that is now on the table. Clearly scenarios 2 and 4 are too narrowly construed to include any cooperation of the EU27 in social matters, while option 5 entails the approach of an 'ever closer union' that is inherently rejected as it entails giving more power to EU institutions. However, to solve this deadlock alternative scenarios have been suggested.¹⁷ Austrian economist Aigigner argued for a sixth option picturing a 'stronger Europe, which presents principal answers to the new global challenges, but in such a way that it empowers countries and individuals to look for the best

¹² Report by Mercedes Bresso (S&D, Italy) and Elmar Brok (EPP, Germany) European Parliament resolution of 16 Feb. 2017 on improving the functioning of the European Union building on the potential of the Lisbon Treaty (2014/2249(INI)).

¹³ Report by Guy Verhofstadt, European Parliament resolution of 16 Feb. 2017 on possible evolutions of and adjustments to the current institutional set-up of the European Union (2014/2248(INI)).

¹⁴ Report by Reimer Böge (EPP, Germany) and Pervenche Berès (S&D, France) Reinforcing the Eurozone, European Parliament resolution of 16 Feb. 2017 on budgetary capacity for the euro area (2015/2344(INI)).

¹⁵ Special Eurobarometer 451: Future of Europe.

¹⁶ The majority of the respondents said more attention should be given to social equality and solidarity (46%), compared to other topics such as protecting the environment (31%) or progress and innovation (28%). But Europeans are less enthusiastic when it comes to giving a bigger role to EU institutions in managing the economy. Although 68% of Europeans favoured more decision-making at European level to stimulate investment and job creation, the European approach was more welcome in other areas such as fighting terrorism (80%), promoting democracy and peace (80%), or protecting the environment (77%). <http://www.euractiv.com/section/future-eu/news/survey-eu-citizens-want-more-social-equality-but-not-more-europe/>

¹⁷ I mention here two, which are directly linked and structured on the White Paper. There are of course others such as 'Plan B for Europe – The European Republic', <http://www.european-republic.eu/en/#top> or Pulse of Europe, <http://pulseofeurope.eu/>.

solution'. His idea is to coordinate policies that meet the new challenges but by accommodating regional preferences and bottom-up projects. Such an empowerment of the Member States has worked well in regional as well as innovation policy.¹⁸

In a similar way CIVICO-Europa, an informal group set up by opinion leaders and later supported by politicians, presented a manifesto for the future of Europe, based on a special emphasis on citizen involvement.¹⁹ The Manifesto identifies seven 'pillars', as areas where EU added value could impact positively on the lives of EU citizens. They focus on engaging the citizens by 'owning' the European project, education and culture, sustainability, innovating quality of life economy and industry, fiscal and financial, social and foreign affairs, security and migration.

The White Paper as mentioned above, is meant to be a start. The launch and stimulation of a political but also and very much a beyond-politics debate; an intellectual exercise for all of us interested in the way we want to go in Europe. A broad debate that will hopefully take place between East and West, between local and regional, national and supra-national levels, between legal, economic social and political spheres, experts and amateurs, EU citizens and non-EU citizens. The way the debate will evolve, its outcomes and what the EU institutions will do with the outcomes may be the first testing ground for the future European project.

KCs.

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¹⁸ Aigigner, *supra* n. 3.

¹⁹ Civico, *The European Way for a Better Future*, can be accessed here:.