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# The Future of Europe

Thierry Chopin  
Jean-François Jamet

**Abstract:** The major challenges facing the Europeans – such as terrorism, the migratory crisis, and differently “Brexit” as well as the rise of anti-European populism – call for the redesign and revival of the integration of a united Europe<sup>1</sup>. These various challenges should not be treated separately, in a fragmented manner but rather put in perspective and addressed in a structured way. They all bring into play the Europeans’ ability to rise together to overcome the series of crises they are facing. However unity cannot be taken for granted. Indeed extremely strong political tension is threatening the cohesion and stability of the European Union.

The way in which the Union was built, geared towards the goal of freedom of trade whilst limiting as far as possible the sharing of sovereignty, cannot provide Europeans with the protection they are expecting at present. The Pax Europaea, for which the European Union won the Nobel Prize is not a guarantee for social peace in the face of the economic crisis, for domestic security in the face of terrorism, or for the protection of the external borders. Unsurprisingly citizens turn to their States, even though they are often economically and politically weakened, because they still embody most of the Regalian functions and the protection of their citizens. However opinion polls show that it is regarding these issues that European citizens want more action on the part of the European Union.<sup>2</sup>

European integration seems therefore to be directly threatened: as a space without internal borders, it raises fears of contagion of the crises from the periphery (geographic and economic) to the heart of the Union, without being adequately equipped to rise to ensure a collective, Community wide response. The feeling of the Union’s inability to defend itself, except in the monetary area, places it opposite the models of other federations and confederations, where it is on the contrary the very foundation of collective identity and of the political legitimacy of common institutions.

In this context this paper recalls the factors that have underpinned the unification of Europe to date and analyse the causes and implications of their collapse. It then seeks to identify the intellectual and practical conditions for a revival of the European project allowing it to rise to European expectations regarding the economy, security policy and the rule of law.

## THE RISK OF FRAGMENTATION?

*The weakening of the founding narratives. Peace, market and what next?*

The features of the present European “crisis”<sup>3</sup> are easily identifiable: economic uncertainty, institutional weakness and the lack of clear, effective, legitimate leadership, the rise of populist political forces, turmoil south of the Mediterranean, increasing religious fundamentalism, a growing number of challenges launched by the new world disorder<sup>4</sup>, and Europe’s uncertain position in the world’s new economic and geopolitical balance of power. Besides, the weakening of the narratives that legitimised European integration highlights the difficulty of reviving political ambition across the Union<sup>5</sup>. To understand the European crisis, the link between European integration and its founding narratives, whose influence is waning, needs to be recalled.

European integration was at first an effort of redemption after the collective suicide of two world wars and the sublimation of national political rivalries with the rejection of the logic of power which led to the stabilisation and pacification of the continent. In the process of unification the economy played a major role, particularly after the rejection of the European Community of Defence (ECD) in 1954 by France which had however been at its initiative. The economy was instrumental at first: in Robert Schuman’s project, “de facto solidarity” created by the internal market was meant to create joint economic interests to discourage the notion of « every man for himself » thereby helping

1. A first version of this text was published in European Issue No. 393 Robert Schuman Foundation May 2016. The points of view expressed here are solely those of the authors.

2. 82% of Europeans are expecting greater intervention by the EU in the fight to counter terrorism. 77% in the fight to counter unemployment, 75% in the fight to counter tax fraud, 74% regarding migration, 71% regarding external border protection and 66% regarding security and defence. See “The Europeans in 2016” Eurobarometer Special European Parliament June 2016.

3. Hannah Arendt defines the idea of « crisis » as an unprecedented situation which introduces a break from the past which would no longer provides the resources necessary to think for the present and to guide in the future, in *Between Past and Future (1954)*; Gramsci defined crisis as “the interregnum in which the old order dies whilst the new has not managed to emerge,” he add “and in this interregnum monsters are born” in *Quaderni dal carcere (quaderno 3)*, critical edition by the Gramsci Institute, Turin, 1975, p. 311.

4. See Gérard Araud, « Le monde à la recherche d’un ordre », *Esprit*, August 2014.

5. Thierry Chopin, Jean-François Jamet, Christian Lequesne, *L’Europe d’après, Paris, Lignes de repères*, 2012.

to overcome nationalism. Under the aegis of NATO Europe's discourse also influenced the mobilising role of the Soviet threat and the "sense of history", that of the reunification of the continent. This period ended at the beginning of the 1990's with the «end of history»<sup>6</sup> proclaimed after the collapse of the communist bloc. A second period had in fact started slightly before this under the impetus of Jacques Delors with the support of Helmut Kohl and François Mitterrand. After peace and unification, the idea was for prosperity and solidarity to guide European support to the project of Grand Europe. At the beginning of the 1990's after peace and reconciliation the economy was no longer instrumental and became the focus of European discourse, with the Single Market – the biggest market in the world – and the euro as its structuring elements. The results are there to be seen: never in its history has Europe been as free and as wealthy, because never has Europe been so free of the rationale of internal power struggles. Europe owes this situation largely to the progress of integration. However this rationale ran aground with the financial and economic crisis and the social and political consequences that have gone with it.

### *The change of national visions*

European integration has historically been the product of a combination of different factors of internal – reconciliation, pacification, democratisation, economic integration – and external unification – Cold War, the Suez Crisis, decolonisation, the fall of the Berlin Wall and the end of the USSR, reunification of Germany – together with national political rationale, with each Member State conveying interests and a specific vision of its contribution to European integration. We know the famous phrase of Zbigniew Brzezinski: "Via European integration, France is aiming for reincarnation, Germany redemption."<sup>7</sup> For its part the UK and the countries in the North of Europe (which show some reservations with regard to European integration) have traditionally targeted the "optimisation" of their national interests in a "utilitarian" rationale of calculating sovereignty "costs and benefits"<sup>8</sup>. For their part the countries of Southern as well as those in Central and Eastern Europe have followed a rationale of "sublimation", i.e. the rapid transformation from one political (dictatorial)

and economic (shortage economy) state to another ((liberal democracy and market economy). In spite of the heterogeneous nature of this political rationale the European Union is the result of a meeting point and negotiated compromise of different viewpoints. However for the last few years now these national views have evolved.

Is Germany's rationale still one of redemption? Some observers say that Germany "is no longer European"<sup>9</sup>; would it not be more exact to say that it has "normalised"<sup>10</sup> Reunified Germany is now the continent's leading economic power and the centre of a widened Union. These developments comprise a real change for the dynamics of integration that must be taken into account. At the same time German Chancellor Angela Merkel, during the euro zone crisis, whilst defending the interests of German taxpayers, finally admitted that the euro's failure would be that of Europe and that there was still congruence therefore between national interests and those of Europe. Moreover, although Germany's economic results facilitate the assertion of its model and of its national interests in a completely uninhibited manner, the rationale of redemption still seems to be at work in the diplomatic and military spheres, as shown by the hesitation then divergence between the government and the German public opinion regarding military intervention in Syria and in the management of the refugee crisis<sup>11</sup>.

France has blown hot and cold for a long time. It was behind ambitious projects of integration and has also often been extremely reticent about these very same projects<sup>12</sup> : the ECD in 1954, the Empty Chair crisis in 1965, the European Constitution in 2005 and the most recent example – European economic governance. Generally French diplomacy prefers the intergovernmental method. Within public opinion there is reticence about the federal idea of European democracy in that this means the possibility of "French ideas" (interventionist economic policy, a strong civil service, mistrust with regard to liberalism, Social Europe and also Powerful Europe) being in the minority in the European debate<sup>13</sup>. This was one of the lessons of the French "no" to the European Constitution in 2005. Over the last 10 years the situation in France has weakened further from the political, economic

6. See Francis Fukuyama, *The End of History and the Last Man* (1992).

7. Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and its Geostrategic Imperatives* (1997). Cf. also Michel Foucher, *La République européenne*, Paris, La République européenne, Paris, Belin, 2000, pp. 66-68.

8. See Juan Diez Medrano, *Framing Europe: Attitudes to European Integration in Germany, Spain and the United Kingdom*, Princeton, Princeton University Press, 2003 and Yves Bertoncini and Thierry Chopin, *Politique européenne. Etats, pouvoirs et citoyens de l'UE*, Paris, Presses de Sciences Po-Dalloz, 2010, pp. 66-78.

9. See for example Wolfgang Proissl, "Why Germany fell out of love with Europe?", *Bruegel Essay*, 2010.

10. Cf. Simon Bulmer, *Germany in Europe: from "tamed power" to normalized power*, *International Affairs*, 86/5, 2010, pp. 1051-1073 ; see also Pierre Hassner, "L'Allemagne est-elle un pays normal ?", in *Commentaire*, n°129, Spring 2010, pp. 119-123.

11. On a specifically military note see Christian Lequesne, « L'Allemagne et la puissance en Europe », in *Revue d'Allemagne et des pays de langue allemande*, vol. 47, n° 1, 2015, pp. 5-13.

12. See Thierry Chopin, *France-Europe : le bal des hypocrites*, Paris, Editions Saint-Simon, 2008

13. See Christian Lequesne, *La France dans la nouvelle Europe*, Paris, Presses de Sciences Po, 2008.

and social point of view, which has influenced the rise of Euroscepticism both in the political class and also amongst French public opinion<sup>14</sup>. In a context like this it seems that France no longer believes in its reincarnation within an enlarged, federal, free-market Union, in which it no longer identifies and seems to be seeking a new European narrative<sup>15</sup>.

Does the rationale of “sublimation” still typify the countries of Southern Europe – in a context in which Europe is seen as “imposing” austerity policies that are deemed illegitimate from the outside (in Portugal, the new term “troicado” – from “Troika” – means “to be cheated”) and is no longer considered as a solution to political/institutional dysfunction like corruption<sup>16</sup> (in Greece) and also illegal immigration (in Italy). For their part the same applies to the countries of Central and Eastern Europe in a context in which nationalist reality and aspirations have made a comeback, sometimes taking the shape of an authoritarian national populism, as is the case in Hungary?<sup>17</sup> These developments are structuring the future development of the European Union and a new compromise has to be defined on these new foundations if we want to consolidate and strengthen European unity in the face of the challenges being thrown at them.

#### *The economy is no longer necessarily a unifying factor*

Although the markets are no longer forecasting the collapse of the euro zone, due to the action taken by Member States and the European Central Bank (ECB), its situation is still worrying. From an economic point of view it is clear that the crisis and its consequences, both economic/financial and social, have to be taken seriously, particularly the decrease in investments and its implications for growth potential, high unemployment, notably amongst the young people in some Member States, the decline in purchasing power, an increase in poverty and rising inequalities. From a political point of view, the crisis has widened the North/South divide of Europe<sup>18</sup>, which is visible both in terms of expectations and representation. Germany and the countries Northern Europe, expect the States in the South to show their ability to grow without accumulating public and private debt and to undertake

structural reforms tackling in particular tax evasion, corruption and corporatism. For their part the countries of Southern Europe that have been weakened by the debt crisis, hope for stronger financial solidarity on the part of their partners in exchange for their commitment to greater responsibility, notably in terms of managing government finance and undertaking reforms.

Of course with the crisis, fundamental debates over the future of European integration have been raised and work to complete the euro zone has been undertaken. In order to recover their sovereignty in the face of the markets and therefore the ability to decide over their future Member States, notably those in the euro zone, have understood that they have to consolidate the Economic and Monetary Union. Financial solidarity mechanisms have been introduced and the European Stability Mechanism (ESM) has entered into force; stricter common rules have been adopted in terms of the budget and economic governance mechanisms have been strengthened (“six-pack”, “the budgetary pack”, “two-pack”) ; and the Banking Union project has moved forward, conferring the tasks of supervising banks upon the ECB, as well as creating a joint mechanism for the resolution of banking crises, ahead of the possible creation of a single deposit guarantee system.

However there is still disagreement between Member States regarding economic, financial and fiscal union, notably about European interference in national decisions and the timeliness of increased solidarity (for example a credible, backstop for the Single Resolution Fund for bank crises, a single deposit guarantee system and a euro zone budget taking the shape of an investment capacity or common employment insurance). In addition to this the challenge made to the legitimacy of European decisions demands steps being made towards Political Union<sup>19</sup>. But in the present political climate, marked by rising populism, as well as extremist, anti-European parties, most heads of State and government deem that this context is politically unfavourable to an ambitious reform, considered to be politically risky, of the European Union and the euro zone.

This is especially so since, although the danger of fragmentation has been overcome in the euro zone, we cannot be sure that the economy will continue to

**14.** *The Eurobarometer surveys show that in 1973, 1 French person in 20 believed that belonging to the EEC was a bad thing; in 2010 the ratio was 1 in 4. Moreover in 2008 the economic crisis increased Euroscepticism within the population: French mistrust of the European Union increased by 23 points between 2007 and 2013.*

**15.** *Olivier Rozenberg, “France in quest of a new European narrative”, European Issue, n°345, Robert Schuman Foundation, February 2015.*

**16.** *See the work of Ignacio Sanchez-Cuenca, “The Political Basis of Support for European Integration”, in European Union Politics, 1 (2), 2000; pp. 147-171. The argument is as follows: there is said to be a positive correlation between the degree of corruption in a country and the level of support of public opinion in belonging to the EU (the more the country is perceived to be corrupt, the more its citizens support belonging to the EU.*

**17.** *Jacques Rupnik, « Le vent mauvais du populisme est-européen », Telos, November 2006*

**18.** *The crises of the last five years have fostered the development of dangerous tensions and divisions between the peoples of Europe notably when they lead to divisions like for example that between the North and the South in the euro zone crisis, with the resurgence of preconceptions and sometimes scandalous stereotypes.*

**19.** *See Sylvie Goulard & Mario Monti, De la démocratie en Europe. Voir plus loin, Paris, Flammarion, 2012.*

play a unifying role that it had been assigned since the start of European integration. This rationale did in fact collapse with the financial and economic crisis and its social consequences. Moreover, the euro zone crisis highlighted the deep economic and political divergence that has appeared over the last few years between the Member States, notably between Germany and France. One of the lessons learnt in the Greek crisis and from the risk of a "Grexit" has been that the economy is no longer a unifying but dividing factor, becoming an area for the expression of national political power struggles. The dynamic of economic integration, although necessary, does not necessarily go hand in hand with an increase in cooperation between Member States. Likewise, economic interdependence does go hand in hand with a return of power struggles. Finally the rationale of competitiveness and competition may in some cases coincide with the return of national passions and the question has been raised about whether the equation of trade as a factor of peace is still valid or not<sup>20</sup>. As stated by Pierre Hassner globalisation has tended to "morph into mistrust and hostility"<sup>21</sup>.

#### *The populist challenge and the threat of national divisions*

The electoral rise of populism and the nationalist far right is a political fact of primary importance<sup>22</sup>, although this should not necessarily lead us to overestimate their political weight at European Union level for the time being<sup>23</sup>. The spread of the discourse backed by these political parties and the ensuing erosion of the fundamental principles, which form the heart of the European project are leading to a real danger of national withdrawal within the Member States. In spite of their diversity these political forces all disseminate an anti-European discourse that weighs over the political agenda and public debate in many States, notably in, France, the UK, the Netherlands, Hungary and Austria, and in Scandinavia. To a certain degree some countries seem to be protected from this due to their memory of authoritarian regimes. Southern Europe is for instance experiencing the effects of the far right to a lesser degree, probably because of the still vivid memory of the suffering from dictatorships. Thus the phenomenon of political memory also has to

be taken into consideration. However several examples (Greece) seem to show that this memory is not a sufficient guarantee.

In this context, on the one hand the sovereignists, who tend towards nationalism, develop a defensive, closed vision of European national societies and advocate the closure of the borders to immigration and the restriction of free movement; on the other, the anti-liberals deem that European integration is occurring according to a neo-liberal economic ideology, which is leading to the dismantling of national social systems and must therefore be countered in virtue of this; finally some combine these two approaches in what might be called "left wing sovereignty"<sup>24</sup>. The electoral rise of populism – both on the left and the right – just like the rise of the far right nationalists constitutes a real danger regarding the re-nationalisation of European policy. Beyond the development of types of national-populism<sup>25</sup>, this re-nationalisation can take very different shapes and affect the European Union to different degrees: the attempt by national decision making bodies to control decisions taken at European level, whose democratic legitimacy is challenged for example in Germany; the desire on the part of some Member States - starting with the UK – to redefine the terms of their relationship with the European Union; finally the development of secessionist movements within some Member States (Catalonia, Scotland, etc.).

Moreover the repeated crises that have affected Europe over the last five years have had significant repercussions on relations between Member States: Franco-German discord; the North-South divide; the UK's status; East-West fracture over the refugee crisis<sup>26</sup>. In the face of the terrorist attacks in Paris, Brussels, Nice, and in Germany, there have been many calls for solidarity and unity but it is to be feared that these new tragedies will increase not only divisions within national societies but also between the States. The issue of the presence of jihadists amongst the groups of asylum seekers has already affected the debate over immigration. The area between the front line countries, which are being accused (notably Greece) of lax attitudes and the countries of Central Europe, which denounce the dangers of multi-cultural societies is full of pitfalls. The question of security policies cannot be ignored either: the failure of national

20. See Philippe Martin, Thierry Mayer, Mathias Thoering, « La mondialisation est-elle un facteur de paix ? », in Daniel Cohen & Philippe Askenazy (dir.), *27 questions d'économie contemporaine*, Paris, Albin Michel, 2008, pp. 89-123.

21. Pierre Hassner, *La revanche des passions. Métamorphoses de la violence et crises du politique*, Paris, Fayard, 2015, introduction.

22. Cécile Leconte, *Understanding Euroscepticism*, Palgrave, Macmillan, 2010.

23. See Nathalie Brack, « Radical and Populist Eurosceptic Parties at the 2014 European Elections: A Storm in a Teacup? », *The Polish Quarterly of International Affairs*, n°2, 2015, pp. 7-17.

24. Dominique Reynié, *Le vertige social-nationaliste*, Paris, La Table Ronde, 2005. See also Daphne Halikiopoulou, Kyriani Nanou, Sofia Vasilopoulou, "The paradox of nationalism: the common denominator of radical right and radical left Euroscepticism", *European Journal of Political Research*, 51, 2012, pp. 504-539 and D. Halikiopoulou "Radical left-wing Euroscepticism in the 2014 elections: a cross-European comparison", in *Is Europe afraid of Europe? An Assessment of the result of the 2014 European Elections*, Wilfried Martens Centre for European Studies / Karamanlis Foundation, Brussels / Athens, 2014.

25. See Pascal Perrineau (dir.), *Les croisés de la société fermée. L'Europe des extrêmes droites*, La Tour d'Aigues, Editions de l'Aube, 2001. The expression "open society" is borrowed from Karl Popper, «The Open Society and its enemies »(1945)

26. See Jacques Rupnik, « L'Europe du Centre-Est à la lumière de la crise des migrants », *Telos*, 28 September 2015 ; and Lukas Macek, « Refugee Crisis : a new «East-West» split in Europe ? », *European Interview*, n°88, Robert Schuman Foundation, 26 October 2015.

security services has been emphasised (Belgium being the focus of criticism). In short, the return of the national glaciis with the border as the only legitimate protection may still gain ground. In this context mutual mistrust can but grow and the Schengen area is under unprecedented pressure with the return of national border controls and the building of walls and security fences between Member States<sup>27</sup>.

Hence the project to unify Europe is in danger: if European leaders do not implement reform that will help them remedy these present shortfalls, European opening will give way to national withdrawal. However there is little chance that this withdrawal would provide more solutions rather than further problems. In particular renationalisation would not solve phenomenon that are beyond the national level: they would not stop migrant flows, they would not solve economic weaknesses, they would not make politics more ethical, they would not bring terrorist threats to an end. What is at stake is rather more the definition of the content of policies and the lines of division on this point run through national debate. Finally national withdrawal would not remedy European disagreements, on the contrary. Acrimony with regard to Brussels would change to bitterness regarding neighbouring European States, which would assume the role of the scapegoat they had before European integration began and which still rises to the surface from time to time. A return to a national Europe would be a return to a history of political division that European integration has not made disappear but which has succeeded in neutralising with checks and balances.

## REVIVING WORK TOWARDS A UNITED EUROPE

*The status quo: an illusory choice. The paralysis of European "governance"*

Faced with political divergence, the choice of a consolidated status quo might appear tempting from a short term perspective, since it seems that there are too many obstacles for the European Union to overcome the lack of any common vision of the future of Europe. This situation has prevailed since the Maastricht Treaty, which provided the Union with its most recent major structuring projects, the internal market and the euro.

The reasons for the difficulty in defining a medium to long term political project for Europe have now been pinpointed<sup>28</sup>: a lack of European leadership, the strengthening of intergovernmentalism<sup>29</sup>, a tendency to fall back on national interests in a doubled edged context of increased international competition and of an unprecedented crisis since the Great Depression, and the threat of an ageing Europe remaining paralysed in a "catatonic state". In this context it would be tempting to give up, with a focus on consolidating the Union in its current form.

However this would be a mistake and the status quo is not a viable option long term<sup>30</sup>. If there is one thing that has been learned from the repeated crises that the Europeans have had to face it is that European "governance" has shown its limits both from the point of view of its efficacy and of its legitimacy. The gulf between the way the European institutions function at present and the needs evidenced by the crises is increasingly obvious. Diplomatic negotiation time is too long and the feeling has progressively developed that Europe is always one step behind the crisis. Moreover this mode of functioning is the cause of great anxiety: the negotiations' outcome is always uncertain, the positions adopted by the different governments seem to be regularly subject to electoral calendars, their decisions at European level can then be challenged at national level, especially in a context in which many governments have been sorely weakened politically in their own country. The ensuing uncertainty increases citizens' anxiety. Lastly the present "crisis management" methods, which notably give primacy to the European Council, lead to a problem of clarity and legitimacy for the citizens of Europe, since there is a lack of a real European democratic debate. Indeed a common political mandate is irreconcilable with the juxtaposition of 28 national political mandates. As stressed by Benoît Coeuré, "The raison d'être of this (intergovernmental) approach is, admittedly, to allow each government to sign up to shared decisions. However, experience shows that it does not ensure that governments take ownership of those decisions at national level. What is more, it does not prevent the polarisation of the debate at European level or the temptation to engage in nationalist posturing."<sup>31</sup> Finally this approach is not even satisfactory from a national

<sup>27</sup>. Yves Pascouau, «The Schengen Area and the crises : the temptation of reinstalling the borders » in T. Chopin and M. Foucher (eds.), Schuman Report on Europe. State of the Union 2016, Paris, Lignes de repères, 2016.

<sup>28</sup>. Cf. Christian Lequesne, « L'Union européenne après le traité de Lisbonne : diagnostic d'une crise », in Questions internationales, n°45, La documentation française, September/October 2010.

<sup>29</sup>. See Chris Bickerton (ed.) The New Intergovernmentalism: States and Supranational Institutions in the Post-Maastricht Era, Oxford, Oxford University Press, 2015.

<sup>30</sup>. Cf. Thierry Chopin and Jean-François Jamet, "Europe and the Crisis: what scenarios are there? Collapse, status quo or continued integration", European Issue Robert Schuman Foundation, n°219, November 2011.

<sup>31</sup>. Benoît Coeuré, member of the ECB's Executive Board "Drawing lessons from the crisis for the future of the euro area", speech at the French Foreign Affairs Ministry on the occasion of the Ambassadors Conference, 27 August 2015.

point of view since politicians cannot commit in the domestic democratic debate on a new orientation of European policies since at the end of the day, the decision will be the result of a diplomatic negotiation with other heads of State and government.

All of this has a political and economic cost. The populist and extremist parties are on the rise in Europe, criticising the weaknesses of democracy, especially at European level, as they reject the present political and economic system. In fine this is leading to a general feeling that the status quo is increasingly difficult to maintain and that it will not last for long.

#### *After the Brexit: redefining relations between the two Europes*

On 23rd June 2016 a majority of British citizens chose for their country to leave the European Union. Following this decision, one thing is certain: Brexit is bad for the Union. Beyond the economic, political and strategic amputation that this represents for the EU, the programmed exit of the UK is symbolic of disunion, in a context in which the Union and its States absolutely need unity and cohesion if they are to rise to the multiple crises that are now affecting it. It formalises a moment of political "dis-integration"<sup>32</sup>, thereby creating a precedent which all of the europhobic parties for example in the Netherlands, France and Italy are trying to exploit. However it is still too early to say whether the British withdrawal will serve as a model or not.

In addition to this the referendum outcome has thrown the UK into the unknown and into protracted negotiations over the terms of separation and of its future relations with the European Union<sup>33</sup>. In this situation the governments of Europe have two legitimate priorities: avoiding giving the UK a preferential status, and at the same time finding a solution and settlement to overcome the economic and political uncertainty resulting from the decision of the UK to leave the EU. Looking forwards, the time has however come to rethink the European architecture because the Brexit, just like the consecutive crises before it, make it vital to rationalise and clarify the different levels of integration in Europe<sup>34</sup>.

The terms of the debate are starting to emerge in the UK. On the one hand the moderate "remainers" and the "leavers" want to protect the Kingdom's political stability as far as possible: their priority is to remain as closely linked to the Union as possible, notably guaranteeing access to the Single Market. On the other hand the supporters of a more radical break want to prioritize controlling immigration, sovereignty, and also asserting the UK's vocation in the world which European regulations are said to be constraining. In the eyes of this group the apparent contradiction between isolationist and globalist temptations do in fact reflect the desire to turn the UK into a « grand Switzerland » open to foreign capital and competitive but controlling immigration and exempt of unwanted European rules. Amongst the various possible options<sup>35</sup>, two are often mentioned: the "Norwegian" model in which the UK would join the European Economic Area (EEA); the "Swiss" option with the negotiation of bilateral agreements between the UK and the EU. But none of these different options is deemed fully satisfactory by the British government<sup>36</sup>. In the Norwegian model the UK would continue to take part in the internal market but would then lose a major share of its ability to influence the rules of the internal market since it would no longer take part in the approval of these. In the Swiss model it would in addition lose full access to the internal market, in particular as regards financial services which play a key role in the British economy, and the Scottish and Northern Irish issues would not be resolved easily.

Although the EEA options and the Swiss model do not seem possible for the UK as matter stand right now the country might explore the possibility of a revision of the EEA's rules so that equal voting rights might be granted to States which comprises non EU members (like Norway) regarding the policies in which they participate, notably those involving the Single Market<sup>37</sup>. A settlement like this would offer the British a compromise, allowing them to avoid a brutal break from the European Union and its economic and political costs. The UK would indeed continue to participate in the Single Market and to implement the corresponding rules, which it would still continue to help define. It would of course have to contribute to the Union's budget but only for certain policies (it would no longer participate

32. Cf. Douglas Webber, 'How likely is it that the European Union will disintegrate? A critical analysis of competing theoretical perspectives', *European Journal of International Relations*, 20(2), 2014, pp. 341-365; Douglas Webber, *European Disintegration? The European Union in Crisis* (Basingstoke: Palgrave Macmillan, to be published,

33. *Treaty on the European Union*, art. 50.

34. Cf. Thierry Chopin et Jean-François Jamet, « Le Brexit : la tension entre les deux Europe », *La Vie des idées*, 23 juin 2016.

35. Jean-Claude Piris, "Should the UK withdraw from the EU: legal aspects and effects of possible options", *European Issue*, n°355, Robert Schuman Foundation, October 2015.

36. *Alternatives to membership: possible models for the United Kingdom outside the European Union*, HM Government, March 2016.

37. Cf. Thierry Chopin et Jean-François Jamet, "After the British referendum: redefining relations between the two Europes", *Question d'Europe*, n°399, Robert Schuman Foundation, July 2016.

in the Common Agricultural Policy for example). Finally the freedom of movement would continue to apply but an EEA-wide compromise may be sought on common measures to govern labour mobility and the EEA Agreement already provides for the possibility of temporary, proportionate safeguard measures that might be activated unilaterally<sup>38</sup>. In return, a reform of the EEA should ensure that legislation of EEA relevance enters into force simultaneously in all EEA Member States to avoid delays observed in the past. Likewise, the interpretation and enforcement of the common legislation should be entrusted to common institutions. This arrangement might tempt other countries inside and outside the EU but it would preserve a high degree of integration. It might also lead to a clarification and ultimately lead to a realignment of the EMU with the European Union, whilst the EEA would offer the institutional framework for the Single Market.<sup>39</sup> From this standpoint the integration of the euro zone would no longer require the creation of ad hoc structures. This scenario is of course hypothetical, but it suggests that fundamentally the Brexit could lead to redesigning the way the “two Europes” i.e. the euro zone and the single market, might function together.

### Reviving European ambition

Eight years after the start of the crisis the European Union must of course strengthen its internal cohesion and notably continue the integration of the euro zone. It is incidentally the recommendation made by the report “Completing Europe’s Economic and Monetary Union” prepared by European Commission President Jean-Claude Juncker in close collaboration with the Presidents of the European Council, the Eurogroup, the ECB and the European Parliament. This report acknowledges that for the euro zone to more than just “survive”, for it to “prosper”, it is vital to share European sovereignty within the common institutions based on adequately strong mechanisms of political legitimacy and accountability. Although this goal is necessary there is doubt that the need to strengthen EMU would be enough to make significant progress in terms of political integration. The opposite may in fact apply. The euro was first a political choice: it is in fact the political will to protect this common good

and common institutions empowered to protect it (particularly the ECB and the ESM) that prevented the collapse of the euro zone. This political will and these common institutions are backed by strong support on the part of public opinion for the euro: more than two thirds (69%) of Europeans support the euro, with only one quarter being against it (25%), with 6 % giving no opinion.<sup>40</sup> The origin of this support is economic in part (protection against currency crises for example) but it is also geopolitical: the euro is the most concrete symbol of a united Europe. Hence it has become a constituent element of European identity and reflects the pooling of common interests in the global game.

If we follow this logic then the long term redefinition of the European political project is urgent. The rise of radical, populist and even extremist, Eurosceptic or Europhobic trends – both on the left and the right brings to light a crisis in European liberal democracy both from an economic and political point of view<sup>41</sup>. Deregulation has been linked to the disaster of the financial crisis and tax scandals (LuxLeaks for example). Moreover political liberalism is increasingly seen as a synonym for impotence, notably in the face of other models that are being put forward in the world: fascination mixed with fear regarding the Chinese model; attraction towards the Russian regime on the radical left and right. The liberal crisis is reflected in the political crisis of which the revival of populism and extremism in many European States is a sufficiently clear symptom. The strength of liberal democracy is however that it is a regime that is naturally open to its own inadequacies and shortfalls. In the face of the crisis of democratic legitimacy, the fundamental challenge is to produce a common vision of the future of European integration to give it a clear purpose: a community of citizens does not just live by the law, the economy and regulations; it also lives according to a feeling of belonging to a political community as an area of choice. In the face of the economic crisis the proponents of an “open society” must admit that the quest for equality and solidarity (which led to socialism) just as the demand for economic and social protection in a free-trade world are fundamental human requirements. These aspirations were illustrated by the success of Thomas Piketty’s book on inequality<sup>42</sup> and are just as legitimate as are aspirations to freedom. Likewise, in the face of the

<sup>38</sup>. Article 112 of the EEA Agreement.

<sup>39</sup>. 26 Member States have committed to adopting the single currency when they fulfil the required conditions in virtue of article 3.4 of the Treaty, only two States, Denmark and the United Kingdom are exempted but they are exceptions and not the rule. Moreover Denmark has pegged its currency alongside the euro and aligns its monetary policy with that of the euro zone.

<sup>40</sup>. Eurobarometer Standard 83, May 2015. Question QA18.1

<sup>41</sup>. On this point we might refer to the various contributions published in the review *Commentaire: Abram N. Shulsky, « La démocratie libérale : victorieuse et assaillie », n°148, Winter 2014-2015 ; special article on « Le libéralisme politique. Victoire ou défaite ? », n°142, Summer 2013 ; Pierre Manent, « La crise du libéralisme », n° 141, Spring 2013 ; Thierry Chopin and Jean-François Jamet, « L’Europe libérale en question », n°134, Summer 2011.*

<sup>42</sup>. Thomas Piketty, *Le capital au XXIe siècle*, Paris, Le Seuil, 2013.

refugee crisis the reception of people fleeing countries at war is a moral imperative and a fundamental right; at the same time the quest for security must equally be taken into account. In the same way the freedom of movement and establishment within the internal market are the Union's fundamental principles but they must not lead to a situation in which the provision of a service in the same place obeys different social and tax rules. The history of the previous century shows that if citizens' demands and aspirations are not taken seriously there is a danger that they will be taken in hand by radical, anti-European political forces<sup>43</sup>.

It thus appears vital to redesign European liberalism with the cardinal aim of protecting citizens against the excesses or inadequacies of political and economic systems. And this must be based on the critical acknowledgement of the limits of the organisational principles on which our societies are based, in particular the State and the market, freedom and security. In other words it means rejecting the ideological belief in the supposed identity of one of these principles alone with the general interest.

From an economic point of view European liberalism must acknowledge the limits both of the market and the State. It is clear that it is impossible to trust the market blindly: it can be self-referential in the short term (it is better to be wrong with the others than to be right alone), and experience brutal changes. Moreover, state intervention can be justified by externalities, the asymmetry of information, the need to compensate initial inequalities for reasons of social justice or the necessary definition of rules to ensure the good functioning of institutions such as the financial markets, the currency, and competition. At the same time it has to be acknowledged that State intervention is not omniscient or omnipotent and that it does not reflect individual preferences (and incentives) as effectively as a decentralised price system. It is also potentially open to risks such, as political clientelism, the capture of regulators by interest groups, nepotism and corruption. These dangers have fed criticism of the elites and fostered the rise of populism in many European countries.

Similarly from a political point of view, it is important to acknowledge the respective limits of the demands for security, freedom and identity. Each one of these

is legitimate to a certain extent. But wanting absolute security, wanting to erase uncertainty or risk is eminently dangerous for freedom because freedom means a certain amount of indeterminacy, which is incompatible with the total control of citizens' actions. The demand for security can therefore never be absolute because this would lead to a closed, authoritarian society. Conversely freedom is not effectively possible without the minimum degree of security, which is safety, i.e. the fact of not seeing one's physical integrity under threat or subject to the arbitrary good will of the other, and without at least a minimal amount of social protection. By reformulating Rawls' first principle of social justice<sup>44</sup>, we might say that our societies' goals should be to ensure the greatest security and freedom of individuals that is compatible with an extensive, constitutionally protected set of fundamental civil liberties and safety guarantees. This principle justifies State intervention as part of its regalian tasks that aim to protect civil liberties and, in their name, security whether this involves domestic or foreign security.

But although the European Union has a certain number of tools to ensure the good functioning of the markets (notably via its prerogatives in the areas of competition, internal market regulation and monetary policy), its weaknesses have to be acknowledged in several regalian areas because the Member States do not want to grant it power in these areas. In particular its ability to contribute to the stabilisation of economic cycles in the budgetary domain, or its role in maintaining security and the rule of law (for example the fight against corruption, counter-terrorism, or the defence and protection of the Union's borders), is very limited. As a consequence Europe's institutions have found themselves ill equipped in the face of the economic crisis and with regard to the request for a strengthening of the rule of law and security policies. It is not surprising then that many protest parties are just as critical of Europe's work as they are of national policies.

The ideas above are a rough outline for a European project that would guarantee citizens greater protection. For example, since terrorism is a transnational threat launched against Europeans, the Member States should pool resources in the shape of greater police and intelligence cooperation, in justice matters and

43. See Pierre Hassner, « L'Europe et le spectre des nationalismes », *Esprit*, October 1991 ; referred to in *La violence et la paix*, Paris, Le Seuil, 1995 ; Jan-Werner Müller, *Contesting Democracy: Political Ideas in Twentieth Century Europe*, New Haven, Yale University Press, 2011.

44. John Rawls, *A Theory of Justice*, The Belknap Press of Harvard University Press, 1971.

with regard to defence by reviving Strategic Europe<sup>45</sup>. Recent proposals aiming to strengthen Frontex are a good example of the measures that should be taken and implemented; developing integrated border management covering a wider field of players (coast guards and customs officers); moving over to a system – no longer acting on behalf of the States when they wish to call on its services but on behalf of the Union and in the interest of the smooth running of the Schengen Area – able to intervene at the Union's borders without the need for unanimous prior authorisation by Member States involved. Another concrete example to ensure the joint fight against terrorism, but also corruption and other forms of crime, would be to create a European Public Prosecutor's Office. This is already possible with the current treaties (article 86 of the Treaty on the functioning of the EU) which also provide the possibility for a limited set of States to take the initiative if the others are at first reticent. This type of initiative would help remedy the feeling many citizens have that Europe is "an open, unprotected area."

#### *Standing together to face external challenges*

This political project also needs an external dimension, which is too often and incorrectly disconnected from imperatives of internal cohesion. Reviving the European project supposes the provision of answers to the following: "What are Europe's collective goals? What are the public goods that require joint action? Obviously, the scope of such reflection goes beyond just the economic sphere; it also encompasses key determinants of power, such as technology, energy, foreign policy and security. In federations, public investment in such common goods is centralised. Here in the European Union, we are a long way from that. And yet, we face the same international challenges."<sup>46</sup>. Political union between States involves an agreement over the issue of war and peace and in fine a minimum amount of unity in terms of foreign policy, at least between the States which count in these areas. The pooling of competences by the Member States in terms of foreign policy is in fact a focal point of any process towards political union. Overcoming divisions between Member

States requires the revival of a debate over true political union, which should lead to the discussion of new pooling of sovereignty or at least new ways of exercising some regalian prerogatives together. For several centuries power has been associated with State sovereignty. This results from three sovereignty levers: diplomacy, defence and the police. Diplomacy and war are par excellence the business of the State, the heart of sovereignty, the expression of the "Westphalian" functioning of international relations. As shown by military intervention by France in Syria and Africa, the tension between Russia and Turkey and the developments in Iranian policy, the Westphalian grid of analysis has not lost its relevance, however in a globalised world the individual power of EU Member States seems to be eroding and the need for unity to protect their interests and influence the global agenda is more vital than ever before<sup>47</sup>. However the idea of sovereignty is problematic in European affairs: the Union is not a State and other administrative levels are the focus of distributional conflicts. In this context the definition of the Union's task is not extremely clear to the citizen, who might wonder how his political rights work in a system that is highly influenced by bureaucratic/diplomatic factors. Moreover if there is one area in which Europeans agree to grant the State with a role, it is in terms of regalian tasks (budgetary decision, foreign policy, defence, immigration, police, protection of security, energy independence). But the European Union was built on the refusal to entrust the Union with regalian tasks to protect their own sovereignty. The Union has been granted tasks of redistribution (Common Agricultural Policy, Cohesion Policy) which cause conflict over appropriation. In a globalised world it would seem logical for the Union to have regalian instruments. In reality it depends on the constitution of a European identity and Political Union.

Whether indeed we speak of radical Islamic terrorism, political changes in Maghreb and the Middle East, repeated tension with Russia, notably regarding Ukraine or the consequences of the now "relative" power of the USA, Europeans are

<sup>45</sup>. Nicole Gnesotto, *Faut-il enterrer la défense européenne ?*, Paris, La documentation française, 2014 and by the same author *L'Europe a-t-elle un avenir stratégique ?*, Paris, Armand Colin, 2011.

<sup>46</sup>. Benoît Coeuré, member of the ECB's executive board, "Drawing the lessons from the crisis for the future of the euro zone." *op cit*

<sup>47</sup>. See Maxime Lefebvre, *La politique étrangère européenne*, Paris, PUF, 2016

facing an accelerated worsening of their collective security. Moreover the regulation of migratory flows, the fight against climate change, the strengthening of energy supply security and the fight to counter inequality and poverty, notably in the countries of Africa, are all international issues in which European action is confronted with global challenges. The European narrative focused for half a century on the economy and introversion. Now we have to provide it with the political and external extension for the coming decades, with a view to involve Member States and citizens in new common projects. The Union must turn towards the world which is changing rapidly and adapt to the world's evolving balance of power<sup>48</sup>. This supposes that the Union will adopt a change in perspective in terms of its place in globalisation both from an economic and strategic point of view. Too often the European Union does not think strategically and in doing so prevents itself from enjoying greater influence in the international arena as it restricts itself to a technical approach that is often useful, sometimes effective but rarely decisive. It is accustomed to the deliberation of the "forum", and indeed membership of the Union has pacified the relations between Member States; it must now defend its values and interests in the "arena"<sup>49</sup> of international politics. The challenges that the Europeans now face are vast since the ingredients that have helped towards their peace and prosperity are being questioned. To be both real and sustainable the revival of the European integration project needs to be given a clear political horizon with a strong sense of purpose and a renewed narrative.

For the European Union "the most decisive aspect is undoubtedly of vital essence: its internal dynamism, its ability to adapt without betrayal, innovating whilst agreeing to open its doors, to debate and cooperate with others without losing its identity (...). But the thing that is lacking is a dose of vital energy, self-confidence, ambition and on the other hand awareness of its unity. If passions are being released elsewhere, the Europeans are not passionate about their common project. Passions exist at national level, but they often tend

to be defensive and negative. A European ambition has to be either created or revived."<sup>50</sup>

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Given the sharing of common regalian prerogatives that this political project implies, debate over the European Union's political dimension must be taken up once more. Indeed although the crises that are affecting Europeans should help set the terms of debate over true political union and over the issue of the Union's political regime, the continuation of Europe's integration cannot content itself with moving forward at a forced pace, out of necessity alone. A project like this must be undertaken according to a previously set design and with adequate political legitimisation. If we want to give European policy a sense of purpose, we must remedy this lack of "backbone" without undue delay and dare to debate publicly the content that should be given to the future direction of the European project.

This debate should clearly contrast three choices: Firstly that defended by those tempted by the return of "old Europe" and national withdrawal. A scenario like this might seem tempting to many citizens who express the legitimate expectation of protection, since it gives them the feeling that sovereignty has been recovered in terms of regalian choices and security as part of a political framework deemed more "natural" and more protective: the nation state. However this option is incredibly risky both economically and politically with the perspective of a fragmented, divided, weakened Europe.

Then there is that of the status quo, at best the consolidation of the Union following the various shocks that have been affecting it, but without reforming the whole. It would be a mistake, since the status quo is not a sustainable option long term and it would therefore be illusory to content oneself with the consolidation of our acquis. History has shown that, in a crisis context, a political system can end up disappearing by fear of reforming itself. Finally there is that of the supporters of a Union of nation States that is open to the world: in the face of the "malaise" felt by many Europeans a long

48. See Laurent Cohen-Tanugi, *Quand l'Europe s'éveillera*, Paris, Grasset, 2011.

49. See Michel Foucher, "The European System in the world and the real world in Europe. A dual test" in *Schuman Report on Europe. State of the Union 2016*, op. cit. ; by the same author *L'Europe et l'avenir du monde*, Paris, Odile Jacob, 2009.

50. Pierre Hassner «Préface » in P. Esper (et al) « *Un monde sans Europe ?* » Paris, Fayard / Economic Defence Council, 2011, pp. 29-30.

term intellectual and political project is necessary for 21st century Europe, if we do not want our societies to close to the modern world. This project must be that of rebuilding a political, economic and social model that is specifically European – reconciling freedom, solidarity, values that form our common identity, security and international influence – to make it “competitive” in the world competition of civilisation models and political and economic systems.

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**Thierry Chopin**

Head of Research of the Robert Schuman Foundation, Associate Fellow at the CERI- Sciences Po and Visiting Fellow at European Institute of the London School of Economics and Political Science (LSE).

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**Jean-François Jamet**

Lecturer on European and International Economic Policy at Sciences Po.

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