

Perspectives on the future of the EU

Christopher J. Bickerton, Ulrike Guérot, Ivan Krastev,
Almut Möller and Frank Schimmelfennig

Björn Fägersten & Göran von Sydow (eds.)



UTRIKESPOLITISKA
INSTITUTET

Siaps ●●●●
Swedish Institute for European Policy Studies

PERSPECTIVES ON THE FUTURE OF THE EU

Christopher J. Bickerton, Ulrike Guérot, Ivan Krastev,
Almut Möller, Frank Schimmelfennig

Editors Björn Fägersten & Göran von Sydow

April 2019

This publication is available at www.sieps.se and www.ui.se
The opinions expressed in the publication are those of the authors.

Cover design by EO Grafiska AB
Printed by EO Grafiska AB

Stockholm, April 2019

ISSN 1651-8942
ISBN 978-91-86107-83-3

PREFACE

This collection of essays comes out of a joint project between the Swedish Institute for European Policy Studies (SIEPS) and the Swedish Institute of International Affairs (UI). Scholars and thinkers were invited to Stockholm in 2018 and 2019 for a series of seminars on the big issues facing Europe in the years ahead. By publishing this book, we hope to stimulate further discussion about the future of European integration. The plethora of issues raised, perspectives advanced and solutions offered shows that there is certainly no lack of highly pertinent questions to be debated. The future of the European Union is an almost endless discussion. The fact that European integration – or even disintegration – is a *process* means that its future direction – or *finalité politique* – will continue to be a significant question. We hope that the analyses in this book will inspire and inform not just the debates surrounding the European elections in May, but also the future-oriented discussions that will certainly continue for a long time thereafter.

Stockholm, April 2019

Björn Fägersten
Göran von Sydow

ABOUT THE AUTHORS

Christopher J. Bickerton is University Lecturer in politics at Cambridge University. His research interests span the disciplines of international relations, comparative politics and European studies. The focus of his research is a comparative study of state-society relations, looking in particular at the dynamics of state transformation in Europe, the relationship between regional integration and the transformation of national political and party systems, and the challenges to representative democracy presented by growing disenchantment with democracy in advanced industrialised societies. Among his numerous publications are *European Integration: From Nation-States to Member States* (Oxford University Press, 2012) and *The European Union: A Citizen's Guide* (Penguin books, 2016).

Björn Fägersten is the Director of the Europe Programme and a Senior Research Fellow at the Swedish Institute of International Affairs. He has a PhD in political science from Lund University, Sweden, and has held research fellowships at Harvard's Kennedy School of Government and the European University Institute. His research interests are European integration, international security cooperation and foreign policy.

Ulrike Guérot is Professor for European Policy and the Study of Democracy at the Danube University Krems. She is Head of the Department for European Policy and the Study of Democracy. She founded the European Democracy Lab (EuDemLab) in Berlin, a think tank dedicated to the future of European democracy. Guérot has worked at and directed

several European research institutes and think tanks. She has published several books on the future of the EU, arguing for the creation of a European Republic. Her work has been widely published and translated throughout Europe.

Ivan Krastev is chair of the Centre for Liberal Strategies in Sofia and a permanent fellow at the Institute for Human Sciences, Vienna. He is a founding board member of the European Council on Foreign Relations, a member of the Board of Trustees of the International Crisis Group and a contributing opinion writer for the *New York Times*. He is the author of the acclaimed 2017 book *After Europe*. In 2018–19 Krastev served as the Henry A. Kissinger Chair in Foreign Policy and International Relations at the John W. Kluge Center, Library of Congress.

Almut Möller is a senior policy fellow and head of the Berlin office of the European Council on Foreign Relations (ECFR), working on European integration and foreign policy. She previously headed the Europe Programme at the German Council on Foreign Relations (DGAP) in Berlin and has worked at the German Federal President's Office. She is also a member of the extended board of Women in International Security and a member of the Strategic Council of the European Policy Centre (EPC). Möller has published widely on the topics of European foreign and security policy, Germany in Europe and European integration.

Frank Schimmelfennig is Professor of European Politics at the Swiss Federal Institute of Technology, Zürich. He has

held several positions in leading universities in Europe and is currently a Fellow at the Robert Schuman Centre for Advanced Studies at the European University Institute in Florence. His research interests are the theory of international institutions and European integration and, more specifically, the enlargement and democratization of European regional organizations. More recently, he has led major research projects examining differentiated integration in the EU. On this topic, in addition to many articles, he has published (with Dirk Leuffen and Berthold Rittberger) *Differentiated Integration: Explaining Variation in the European Union* (Palgrave, 2013).

Göran von Sydow is Acting Director and Senior Researcher in Political Science at the Swedish Institute for European Policy Studies (SIEPS). He holds a PhD in Political Science from Stockholm University. His main research interests are in the fields of European integration, Euroscepticism, party politics and democracy.

TABLE OF CONTENTS

- 8** **Introduction**
Björn Fägersten & Göran von Sydow
- 19** **Constitutional versus popular
democracy: fragmenting legitimacy
in the European Union**
Christopher J. Bickerton
- 38** **A new utopia for Europe**
Ulrike Guérot
- 58** **Is Europe Failing? On Imitation
and its Discontents**
Ivan Krastev
- 82** **Who leads the EU?**
Almut Möller
- 99** **Is differentiation the future
of European integration?**
Frank Schimmelfennig

Introduction

Björn Fägersten & Göran von Sydow

What is Europe and where is it heading? Europe today is a continent and polity preoccupied with concurrent and parallel forces of integration and disintegration. While Europe has been at a crossroads before, the multitude of actors and directions that characterize the current state of play casts doubt on some of the analogies traditionally used to explain the development of cooperation. The train that can only progress along its track – or, slightly less deterministically, the cyclist who can either move forward or topple over – simply does not capture the centrifugal and centripetal forces that simultaneously affect and constitute Europe. From the appeals by the President of France, Emmanuel Macron, for strengthened cooperation in pursuit of agency to the Brexiteers' attempts to 'take back control', from the illiberal tendencies fragmenting from within to the fragmenting global order that instead fosters cohesion among Europeans, European politics increasingly resembles a jigsaw devoid of any clear logic to its assembly. It seems fair to

say that many of the key ordering principles of Europe and its Union are currently in turmoil: the states, the people, the past and the present.

The *member states* are the masters of the treaties and their development but less potent as a force when addressing pressing policy issues, such as migration, climate change or great power competition. Some would prefer to upload more competences and vest the EU with state-like capacities – strong external borders and the capacity to protect the territory within these borders – while others would rather see competences downloaded to the, in their view, more legitimate national platform for action. At the same time, the states are battling with their own issues of legitimacy, as power is increasingly diffused to other actors such as large corporations, the regions and technical platforms.

The *people* have traditionally found themselves on the receiving end of European integration. The Lisbon Treaty, however, makes clear references to citizens of the EU member states as actors in the process of integration. New populist movements across Europe also claim to represent the people, but in a more narrow and exclusionary interpretation. If European integration was for long underpinned by the so-called permissive consensus, scholars of the present day EU talk of a ‘constraining dissensus’. The increasing level of politicization of European integration calls for renewed discussion and concern about how to legitimize the system and how to organize mechanisms for representation and accountability.

The *past* and the horrors it contained for Europeans in the 20th century have driven integration and framed the agenda

as well as the mindsets of the people involved. This past is now a fading memory, however, and the lessons that were derived from it – such as the role the EU has played or can play in preventing war – are increasingly being challenged.

Finally, the *present* is also in turmoil. Europe has been shaped by and benefited from a more or less stable global order and a hegemon that was sympathetic towards European integration. Now that the rules-based international order is increasingly dominated by geopolitical logic and the previously hegemonic USA is interested in neither leadership nor integration, Europe will have to rethink its role in the current and future order.

In this essay collection, a selection of thinkers have been asked to consider the way forward for Europe, from their respective viewpoints and areas of expertise. The contributions display the range of central themes that surround discussions on the future of the EU: legitimacy, efficiency and constitutionalism, as well as the speed and direction of European integration, all addressed from various angles.

In his contribution, the British political scientist *Christopher J. Bickerton* outlines a tension between constitutional and popular democracy and argues that this raises new concerns about the legitimacy of the exercise of power – both in the member states and at the European level. He cites the late Irish political scientist Peter Mair to make the claim that the age of party democracy has passed. A political *void* has opened up as parties are no longer rooted in civil society, but have rather become part of the state, and citizens have lost their ties to political parties. Representative democracy is currently being challenged by both a populist version of democracy

and technocratic modes of governance. Bickerton argues that party democracy has given way to 'partyless democracy'. That is not to say that political parties are no longer around, only that they are being challenged by new parties and that the old parties are no longer what they used to be.

Bickerton is associated with the perspective on European integration known as New Intergovernmentalism, which puts the focus on the deliberate actions taken by member states to advance European integration. When approaching concerns of legitimacy in the EU, he argues, the EU is only legitimate in so far as the national governments are legitimate. The EU's legitimacy is in a sense 'borrowed' from its members states. The fragmenting nature of our political systems and the pressure on our representative systems are closely connected to concerns over the legitimacy of the EU.

Bickerton raises two major challenges for the EU: how to reconcile European integration and national democracy; and how to balance common rules and capitalist diversity in the eurozone and the single market. In relation to the first challenge, he argues that there is a growing wedge between the two pillars of legitimacy – popular and constitutional – in liberal democratic regimes. In relation to the political-economic challenge, he emphasizes that the common rules in the EU and the eurozone seem to have fostered not convergence, but rather divergence between and within member states. In the context of the British referendum on leaving the EU, much debate centred around the free movement of people. Bickerton argues that high levels of heterogeneity and difference in national growth models mean that tensions remain and will pose real threats to the EU.

The German political scientist and writer *Ulrike Guérot* offers a normative account in her call for a European Republic. She argues that this is key to breaking the dominance of the member states in the EU. Integration of states was yesterday and today's challenge is to establish a European democracy of the citizens. She describes how our societies are divided with reference to how groups react to openness versus closed versions of society. In the new paradigm, nation states versus Europe replaces old dividing lines such as left and right. Guérot argues that the EU lacks clear authority in relation to the powers it exercises. Instead, it is caught up in 'unproductive contradictions'. The asymmetries in which policy domains form part of the EU produce serious problems: social and political integration is much less advanced than economic integration. Rather than resorting to cautious moves to save the EU, Guérot argues that it is time for a general principle that citizens of Europe that can work together in a single democracy. Her proposal is nothing less than the creation of a European Republic with a Europe-wide legislature controlling a European executive. The European regions should create an upper house and there should be a directly elected president. According to Guérot, today's European Union is unstable. She proposes that the principle of political equality should guide the EU and argues that her reforms would transform it into a much better functioning system.

The Bulgarian political scientist and writer *Ivan Krastev* offers a pertinent diagnosis of how the end of imitation, and consequently of convergence, spells the end of Europe as we thought we knew it. Krastev has been an influential observer of European affairs for many years, most recently in his book on

Europe and the migration crisis – *After Europe*. In the current essay, Krastev identifies three distinct pasts, all of which have been formative in the generation of European self-perceptions. The first version is post-war Europe and its relation to the use of force. The EU tried to rid itself of nationalistic passions and power politics and to ‘do politics differently’. This postmodern Europe is now being challenged as few citizens remember or can relate to the wars of the 20th century at the same time as other actors across the world are increasingly returning to power politics and prefer geopolitical thinking over effective multilateralism.

The second version of Europe was built on the experience of 1968: the idea of human rights and minority rights, and of a state that offers protection of these rights and is a vehicle for inclusion. This version of Europe is also being questioned today as political inclusion and minority rights give way to exclusion and the rights of majorities to rule undisturbed. The 2015 crisis of European migration management can be seen as a turning point in how Europeans view human rights and minority rights both among themselves and beyond. ‘Threatened majorities’ and their perceived losses when faced with migration, globalization and cultural change are now a driving force in European political mobilization.

The European migration crisis also led to a questioning of the third version of Europe that has been increasingly salient since the end of the Cold War: an enlarged and united Europe. The experience of trying to manage external migration has illustrated not just how different East and West still are but, perhaps more importantly, that convergence has been jeopardized since then. Thus, Krastev argues, the

age of imitation is over. Hostility to migration can largely be attributed to demographic decline linked to ageing populations and outward migration, and the cultural fears attached to these, which have laid the groundwork for an illiberal turn all over post-communist Europe. This eastern illiberalism has manifested itself after almost three decades of convergence whereby East through imitation was supposed gradually to become more like West. For the countries of Eastern Europe, the model for western liberal democracy was largely Germany, a country that was itself a successful example of transformation by imitation. However, Krastev argues that the democratization process of post-1945 West Germany was a radical misfit for post-1989 Eastern Europe. The negative view of nationalism in Germany clashed with the mutually supportive relation between nationalism and liberalism experienced by Eastern European countries during their independence processes. In addition, German guilt as a national point of departure had little in common with the victimhood and suffering that shaped self-perceptions in the East. The process of imitating supposedly superior countries in time fuelled resentment, resulting in a fully blown illiberal counter-model. This illiberalism is now finding its way into the West too, partially in response to the fears of majorities and perceptions of economic and cultural decline.

Can Europe survive this end of imitation and the return of history? Krastev concludes on a positive note. Europe has an impressive record of accomplishment in turning continental failures into successes of integration. This, however, would demand answers to the questions posed by the European versions now in question: a Europe that can find a way to

exercise power in an era where it is forcefully wielded by others; a Europe that can manage the fears of its majorities; and a Europe that can achieve unity without insisting that imitation is the only way to achieve its goals.

Almut Möller, a German political scientist and head of the Berlin European Council on Foreign Relations (ECFR), addresses the question of leadership in the EU. Who leads the EU and to what end? She argues that the EU after Maastricht is essentially a political union, and that this has dramatically changed how politics is done at the European level. The traditional way of delivering more cooperation and integration was through ‘diplomatic Europe’ – continual discussion, conventions and intergovernmental negotiations among bureaucratic and political elites. This version of policymaking through statecraft is still relevant but another version – ‘political Europe’ – is now equally salient. Political Europe is about shaping majorities at the national and European levels, and this politization of cooperation and integration has brought with it new parties and political movements, often critical of a perceived ‘Brussels consensus’. While it is unclear where these new political forces would like to lead Europe, it appears that the political centre will be challenged, in particular in the European Parliament following the elections in 2019. The room for manoeuvre for any kind of European leadership might therefore be narrower in the future.

One clear trend identified by Möller is the strengthening of executive power during the years of crisis management in Europe. Member states have taken the lead and are now, with few exceptions, champions of intergovernmentalism. The trend for member states to take a firm grip on European integration

runs in parallel with the international trend for states to engage in power politics at the expense of multilateralism. This to some extent presents EU member states with a dilemma: the more they 'take back control' from Brussels at the European level, the less they will jointly be able to influence a more adversarial and competitive global political order.

Some member states will thus be more prepared for European and global power politics than others. Möller suggests that her own Germany is one state in particular that might suffer from a less rules-based order. Germany also has problems with its image, especially since the euro crisis, which became obvious when it was itself in need of solidarity from fellow EU member states during the crisis of migration management in 2015. Could the Franco-German engine be the solution to the lack of European leadership? Möller discusses the ECFR's Coalition Explorer Survey and suggests that the countries do indeed share a strong sense of purpose and responsibility, but that this does not automatically translate into leadership. More work needs to be done to find genuine political common ground and this needs to be done not only in the style of *diplomatic Europe* but also within the realms of *political Europe*. The latter suggests that the future of Europe, and the leadership of this process, will not be a linear process and does not lend itself to linear thinking.

A much-discussed topic in relation to the future of the EU is the question of the extent to which it is necessary that all member states travel at the same speed or in the same direction in relation to further integrative steps. Not least in relation to the British decision to leave the EU, the deepening of the EMU and the resistance from certain member states to delegating

further powers, concepts such as flexible integration, multi-speed Europe, Europe à la carte and variable geometry have attracted increased attention. The debate is not entirely new: discussions of avant-garde or KernEuropa surfaced during earlier periods of parallel deepening and widening.

Frank Schimmelfennig, a leading German political scientist, has led several major research projects on EU enlargement, the functioning of the EU and differentiated integration. In his contribution, he asks whether differentiation is the future of the EU. He draws on extensive research to demonstrate that differentiation has become a core feature of European integration. He argues that each step forward is likely to be differentiated and that the most recent enlargements and deepening of the EU would not have been possible, or at least would have taken much longer, without differentiation. The question then arises whether differentiation is a slippery slope towards fragmentation or even disintegration. He argues that as differentiation is open and inclusive, it is often more a question of time rather than direction. Differentiation tends to be more durable in areas that belong to core state powers. He also argues that differentiation has produced a favourable balance for democracy in Europe, as it allows the member states to make sovereign decisions about which areas of integration they would like to participate in.

In sum, differentiation has been good for European integration as it has enhanced both efficiency and legitimacy. Differentiation works less well when – as in the case of the British attempts to renegotiate its membership of the EU – it is perceived as cherry picking. Nor does it seem that differentiation offers a solution to Europe's major crises –

the euro crisis, migration or the rule of law. These examples show that differentiation works better for moving integration forward than it does for reforming highly integrated areas. Schimmelfennig concludes that when 'international solidarity and common values are at stake, differentiated integration is not the answer'.

Constitutional versus popular democracy: fragmenting legitimacy in the European Union

Christopher J. Bickerton

POLITICS OF DISRUPTION AND FRAGMENTATION IN EUROPE

We live in an age of political disruption and fragmentation in Europe. Our political systems have acquired a relentless capacity to surprise even the most well-informed observers. This applies to the UK's decision to leave the European Union taken in the referendum of June 2016, which no one saw coming, and to the continent as a whole.

In late 2016, when the youthful Emmanuel Macron declared that he would be running in the 2017 French presidential election with a newly founded campaign vehicle, *En Marche!*,

only the most devoted of his inner circle thought he could win. Three months later he was the front runner. Less than six months later, he was President of France, walking to the tune of Beethoven's Ode to Joy across the gravel in front of the Louvre Palace to deliver his maiden speech. Italy's political landscape has been transformed beyond recognition in a series of electoral earthquakes even more dramatic than the one which brought down its Socialist and Christian Democrat leaders in the early 1990s (the *tangentopoli* scandals). The Italian government consists of a coalition: the Lega – a right-wing nationalist party with its origins in the separatist movement, the Lega Nord – on the one hand, and the Movimento Cinque Stelle (Five Star movement, M5S) on the other. The Lega was in coalition with Silvio Berlusconi more than once but its current prominence reflects a more recent step from a separatist to a national party. M5S is the most successful new political party anywhere in Europe since 1945 (Tronconi 2015). Set up by a comedian, Beppe Grillo, and an Internet wizard and entrepreneur, Gianroberto Casaleggio, it originated in the mid-2000s as a blog (beppegrillo.it). It quickly evolved into a series of meetings of activists around Italy and finally entered the political arena in 2009 in the form of civil lists in local elections. Its electoral breakthrough came in 2013 when it won the most votes in the national election, propelling over 100 young political novices, the so-called Grillini, into the Italian parliament. In the 2018 national elections, it won just over 30 per cent of the vote, making it the largest party but falling short of being able to govern alone.

Elsewhere, surprises and disruption persist. In Sweden in 2018, a general election produced an indeterminate result.

It was only more than four that months later that a new government could be formed. In Spain, the two-party system that had for so long characterized the country's post-Franco politics was torn apart by the rise of two new political forces – Podemos on the left and Ciudadanos on the centre-right. Spain now has a multiparty system and there is even the possibility of a breakthrough for a far right party, Vox.

How can we make sense of these trends? At one level, they are a testimony to the creativity and vitality of European party systems. Old political forces whither and new ones emerge: isn't that what political renewal looks like? Isn't that the beauty of democratic politics? A closer look, however, suggests that something rather different is going on. Fragmentation does not mean that new actors are replacing the old in a like-for-like transformation. The new political forces that are emerging are different from traditional political parties. They are movements that are often united by a strong anti-political and anti-establishment message. Disenchantment with mainstream politics is no longer confined to the sidelines. It has become a constitutive feature of contemporary political life. In some cases, this is reshaping the traditional political forces; in other cases it is sweeping them away altogether. In Germany, for instance, a slow burning civil war is being fought within the Social Democratic Party (SPD), which is in coalition with Angela Merkel's Christian Democrats. The SPD's youth wing is pushing for a more radical line, arguing against the grand coalition and seeking to reconnect the SPD with its socialist history. Its older leaders – ensconced in comfortable ministerial jobs – are far more cautious. In France, political disruption has swept away the country's Parti Socialiste

altogether. In the 2017 presidential elections, its candidate was in fifth place, behind Macron, Marine Le Pen, François Fillon and Jean-Luc Mélenchon. In the legislative elections a month later, it lost nine-tenths of its parliamentarians. It has since been forced to sell its iconic headquarters on Rue Solférino, a stone's throw from the Musée d'Orsay, just to pay its creditors (Bickerton 2018a).

What lies behind this fragmentation and disruption? We are witnessing the passing of what political scientists call 'party democracy'. This is a political system where legitimacy flows from the ability of political parties to represent core social constituencies, translate their interests into a series of 'thick' ideologies, identify programmes and manifestos that correspond to these ideologies, and enter into government with firm mandates to achieve these ends (Mair 2013). Political parties reach down into society and up into government. They are the mediating forces of political life. There are relatively few of them because of the organizational demands and pressures that come from representing and from governing.

The unpredictability of European politics today comes from the fact that party democracy has given way to partyless democracy. That is not to say that political parties have disappeared. On the contrary, but they are not what they once were. Their roots in society have in some cases disappeared. Across the board, party memberships have fallen. Distinctive ideologies have given way to buzzwords, soundbites and a great deal of opportunism. Perhaps the best description of the situation that we face comes from Peter Mair's 2013 book, *Ruling the Void*. Mair opened his book with the phrase, 'the age of party democracy has passed' (see also Bickerton 2018b). He

argued that two movements were shaping 21st century European politics: first, a retreat by citizens from the public sphere into their private life, marked by a decline in political participation, a decline in membership of political parties and a fall in voting turnouts; and, second, what he called the retreat of political parties into the state. Instead of representing society, parties had become almost indistinguishable from the state itself. They governed rather than represented and focused their electoral involvement around their desire to stay in power. Part of what drove this double movement was a perceived end of genuine ideological contestation. Slogans persisted and elections were fought but without really penetrating the important structures of power. Private sector market power in particular – the power of corporations, the power of holders of vast wealth and the power of those who own assets – was no longer as contested as it had been in the past. Politics and markets drifted apart. Markets were seen as having their own autonomous and self-governing capacities and it was not the job of politics to get too heavily involved. We entered an era of regulation and governance. According to Mair, this retreat of politics into the state had the effect of creating parties that operated like a cartel – they were very similar and colluded in keeping out new entrants and minimizing the costs to themselves of being out of power.

As politics became cartelized, so ordinary citizens began to think and judge in terms of the power of a political class, or *la casta* to use the language of Italy's M5S and Spain's Podemos. It is here that the great coming apart occurred: the people on one side and the elites on the other. The rise of populism therefore corresponds with a genuine transformation of the political system and a fundamental decline in representativeness

and responsiveness. As a striking example, in France, in the aftermath of his May 2017 victory in the presidential elections, Emmanuel Macron could do nothing wrong. His supporters thought of him as the answer to all of France's problems – and so did he. He presented himself as the great defender of liberal democracy against its dangerous national populists, figures such as Marine Le Pen in France, Viktor Orbán in Hungary and Matteo Salvini in Italy. Rather than representing a solution or an overcoming of 'the void', however, Macron was an expression of it. His new movement was small and shallow. *En Marche!* served as an effective campaign vehicle for him but has proved to be no effective substitute for a political party. Since he was elected, Macron's popularity has been falling steadily. One of the main criticisms of him is that he is out of touch, and that he has little sense of what people in France think or want. It took Macron two weeks to replace his interior minister, a long-serving socialist politician and mayor of Lyon, because he was unable to find anyone from outside his inner circle willing to serve. He ended up nominating a Macron crony, Christophe Castaner. The French President is currently embroiled in a political struggle emblematic of Peter Mair's 'void'. The *Gilets Jaunes* (yellow vests) movement is a spontaneous and disorganized event, an uprising against an increase in fuel taxes that has widened into a more general challenge to Macron himself. The *Gilets Jaunes* are leaderless, originating entirely from within the private spheres of civil society. Their target is Macron – a solitary and aloof president who is virtually inseparable from state power. Politicians retreat into the state, citizens retreat into their private sphere. Political conflict when it erupts looks just like what is going on in France today.

THE DEMOCRATIC LEGITIMACY OF THE EUROPEAN UNION

Why does any of this matter for thinking about the EU and its democratic legitimacy? When we study or talk about the EU, it is easy to think of it as something ‘out there’ in Brussels. There are Europe’s nation states, with their national capitals; and there is the EU, with its institutions and policies. The two are more often than not conceived as separate worlds. They are obviously connected in various ways but we still conceive of the EU as out there, as a structure above member states that constrains and directs their behaviour in various ways. This way of thinking about the EU is reflected in how we think about its democratic legitimacy. One view is that as the EU is not a nation state. Its legitimacy comes mainly from what it does in practical and policy terms, and not in terms of its ability to represent EU citizens. The EU has ‘output legitimacy’ but not very much ‘input legitimacy’ (Scharpf 1999). An alternative view is that there are simply different pillars of democratic legitimacy within the EU. Member state governments constitute one pillar, with each government elected and so representing its own national population at the EU table. Another pillar is the democratic legitimacy of the European Parliament. Since the European Parliament is elected every five years, and now has a direct input into who becomes the President of the European Commission, it constitutes a pillar of legitimacy that directly connects EU citizens to EU institutions.

Thus, our view of the EU’s democratic legitimacy depends to a great extent on how we imagine the EU in the first place. What sort of entity do we think it is? I think it is easy to exaggerate

the separate power and existence of the EU. I generally think of the EU as rather like a mirage. From far away, it looks like something very distinctive – it has its own institutions, its bank and its bureaucracy – but as you get closer it starts to shimmer. Then, when you get right up close, it simply disappears – and what is left are the member state governments. The EU is ultimately reducible to its member state governments and to the institutions that they have created and to which they have delegated specific powers. We often imagine that it has its own powers but when we dig a little, we find national governments at the core. Of course, the European Commission has its ‘own power’ to propose policies – the so-called powers of initiation – but when the Commission proposes things, it does not operate in a vacuum. At any one time in Brussels, there are dozens of ‘non-papers’ floating around. These are proposals drafted by the Commission but circulated among member state representations in Brussels for comments and feedback. The Commission proposes, but it does not want to propose something that member state governments will reject. So when a policy is proposed, there is a strong chance that it has already received the tacit acquiescence of national governments, in the Committee of Permanent Representatives or in the various Council of Minister settings such as the Economic and Financial Affairs Council.

If we think of the EU in this way, then we can see the relevance of Europe’s experience of political disruption, fragmentation and the rise of the ‘void’ between the governed and the governors. The EU is only legitimate in so far as national governments are themselves legitimate. The EU’s legitimacy is the borrowed legitimacy of its member states. When member

state governments fail to command the authority of their own citizens, the EU itself is directly affected. At times, it does not appear that this is so. Instead, the EU looks like a cartoon character that has run straight over a cliff but keeps on running even though there is no ground beneath its feet. Eventually, it looks down – and whoosh it falls.

THE EU'S TWO CHALLENGES

Based on this reading of contemporary European politics and also of the nature of the EU, two challenges stand out that will determine its democratic legitimacy. One is in the political domain, the other in the economic. Alternatively, it could be said that one is with respect to input legitimacy and the other with respect to output legitimacy. Of course, the two cannot really be separated – only with input legitimacy can a political actor know what is to be done, or what counts as output legitimacy. The first is whether the EU will be able to reconcile European integration with national legitimacy. The second is how it handles the tension generated between the common rules of the European Union and the diversity of capitalist systems among the EU member states.

Reconciling European integration and national democracy

Seeking to reconcile European integration with democracy is not new but the matter has become more pressing in recent

years. Warning bells were first heard around the time of the signing of the Maastricht Treaty in 1992. This was the treaty that brought the European Union into existence. The Maastricht Treaty was a trigger for a widespread concern about loss of national sovereignty. The British government ratified it with great difficulty and the French voted in favour by a wafer thin margin. The Danish simply rejected it. The response of European governments to these difficulties was to accommodate them on an ad hoc basis, allowing governments to opt out of certain policy areas while keeping the European ship afloat through an increasingly complex legal architecture. This Europe of 'bits and pieces', in the words of an Irish legal scholar, looked increasingly less like a new European state in the making (Curtin 1993). Governments reassured their populations that unelected bureaucrats in the European Commission were not taking over their sovereign powers while at the same time expanding greatly the scope and scale of pan-European policymaking. This has resulted in an 'integration paradox' at the heart of European integration: strikingly more integration but in the absence of the sorts of supranational arrangements most often associated with integration (Bickerton, Hodson and Puetter 2015).

The tensions inherent in this approach broke out in 2005 over the so-called Constitutional treaty. This was an attempt to bring the EU back in line with the aspiration to become a political community of self-identifying European citizens. Many observers were concerned about the gap between the EU as a policymaking machine and its continued reliance on the democratic legitimacy conferred on it by its member states. It was time to 'constitutionalize' the EU, that is, to put

it on its own democratic footing by clarifying its status as a political community in its own right. Voters in France and the Netherlands rejected this effort in referendums in 2005 that shook the European edifice. The stillborn European constitution was folded into a new treaty, the Lisbon Treaty, which preserved much of the content but without the political symbolism and fanfare. In another shock, Ireland voted against the Lisbon Treaty in 2008, only to vote in favour of it in a second referendum in the following year.

The struggle between European integration and democratic legitimacy continues, although recently it has entered a new phase. We know that liberal democracies are founded on the twin principles of constitutional law and popular sovereignty. ‘The people’ rule but with constraints put in place that aim to prevent a tyranny of the majority. The newest challenge presented by European integration is what happens when a country’s commitments as an EU member state prise apart these two core features of liberal democracy. What if a country’s constitutional rules point in one direction while expressions of popular sovereignty point in the other? In addition, what if the EU is mixed up in all this?

This has occurred at least twice in the recent past. The first time was in Portugal in 2015 when an indeterminate election result in October that year raised the possibility that the Socialists, Communists and Left Alliance would form a government. The country’s President, Aníbal Cavaco Silva, delivered a speech live on television in which he argued that such a government would be made up of anti-European forces – parties that were opposed to the country’s EU, eurozone and North Atlantic Treaty Organization (NATO) memberships

– and that such a government would be in violation of the country’s constitution. A government of this kind was eventually formed in Portugal but it did not challenge the country’s membership of these three clubs and therefore never tested the president’s claims (Bickerton 2016).

A similar struggle – but more fractious and destabilizing – came in Italy in 2018 (Dani and Menendez 2018). After the general elections in March, a Eurosceptic politician, Paolo Savona, was nominated by the M5S and the League to be finance minister. The President of Italy, Sergio Mattarella, rejected this nomination, arguing that Italy’s membership of the eurozone prevented it from nominating finance ministers who had publicly argued for a restructuring of the common currency area and had entertained the idea of an Italian exit from the euro. Savona had been nominated by a government coalition formed out of the results of national elections. This popular electoral legitimacy thus clashed with Mattarella’s expansive interpretation of Italy’s constitutional obligations as an EU member state and a member of the eurozone.

How to make sense of these developments? The tension between European integration and democracy has been contained by closely absorbing national constitutional rules into the wider project of European integration. However, this has had the effect of driving a wedge between the two pillars of legitimacy in liberal democratic regimes – constitutional legitimacy and popular legitimacy. The latter is firmly tied to a notion of popular sovereignty, expressed in national elections and in referendums. When Eurosceptic governments take office, as they have done in Italy, Poland and Hungary, conflicts break out at the national level between the constitutional and

popular pillars of democracy. The EU is firmly on the side of constitutional rules, which risks pitting it against ‘the people’, as Italy’s two leaders – Matteo Salvini and Luigi Di Maio – claimed was the case in their stand-off with their president.

Balancing common rules and capitalist diversity in the eurozone and the single market

The promise of European economic integration – and the single currency in particular – was economic convergence across EU member states. The reality has been quite the opposite. Economic integration magnifies the existence of structural differences between national economies (Jones 2003; Scharpf 2016). As fiscal and monetary tools for adapting to changing economic circumstances were removed from national governments – through the European Stability and Growth Pact, the Fiscal Compact and the creation of a single currency with one interest rate for the entire eurozone – countries ended up competing with one another on the basis of their particular ‘variety’ of national capitalism (Lapavitsas 2018).

Countries with more flexible labour markets, such as the United Kingdom, absorbed the bulk of migrant labour, skilled and unskilled. This boosted growth and capacity in certain sectors, such as construction, or restaurants, cafes and other ‘leisure’ service sectors, and provided businesses with quick solutions to skill shortages. In the medium term, however, it had an impact on training and skill formation systems in labour-importing countries. It may also have encouraged

businesses to pursue employment-rich forms of growth at the expense of investment in new equipment and new technology. Labour mobility is also a challenge for countries that export labour. They gain from remittances but struggle to retain their best workers. Most recently, in Romania, some politicians have suggested that Romanians should be issued with five-year non-renewable visas, which would permit them to work in any other EU member state for a period of five years but would oblige them to return afterwards. Estimates by the United Nations show that since Romania joined the EU in 2007, 16 per cent of the country's population (3.6 million) have left, mostly to work in other EU member states (Pronczuk and Hopkins 2018).

Those with established export industries squeeze wages in these sectors to boost their competitiveness. This has been the story of Germany since 2000. Labour market reforms in the early 2000s introduced flexibility into the German jobs market, which was used to great effect after the 2008 crisis. German unions traded wage growth for jobs. Germans saved a lot, spent relatively little and accumulated enormous current account surpluses. The money held by German savers in German banks funded consumption in the rest of the EU. Baltic countries, including Estonia, developed a variant of capitalism heavily reliant on accessing the savings deposited in Western European banks. Central European countries, such as Czechia and Slovakia, were quickly integrated into Western European production and supply chains, making them dependent on continued foreign direct investment. The complementarity between these varieties of national capitalism disappeared with the advent of the euro crisis.

Some countries have been unable to find any sort of niche in this highly competitive environment. Their national economies are hybrids reliant on a combination of exports, internal aggregate demand and credit growth. The result – as can be seen in Italy – is stagnation or low growth and secular decline. Italian gross domestic product (GDP) per capita is the same today as it was in 2000, which is one reason why Italians have rejected mainstream political parties in favour of alternatives.

Divergence also operates within countries. Cross-border industrial hubs have been created, built around integrated just-in-time supply chains and with a significantly positive impact on jobs. The regions untouched by these hubs, however, are left behind. Central European capital cities, such as Prague and Warsaw, have caught up with Western European capitals in GDP per capita terms, but their rural communities are still very far behind.

Common rules produce very different effects when applied to national models of capitalism that bear little resemblance to one another. One solution to this would be to endow the EU with its own fiscal capacities. An EU budget to finance stabilisation efforts would go some way to creating a more level playing field – and there are some signs that France and Germany are finding common ground around this idea – but the scale at which the EU operates falls far short of the size of the task at hand. In the coming years, the life chances of someone born in the hill towns of Calabria will continue to diverge wildly from someone born in the prosperous suburbs of Munich or Stockholm. As Leon Trotsky remarked a century ago, capitalism only proceeds via ‘combined and uneven

development'. As the EU continues to build a common European market in goods, services, capital and labour, divergences between and within member states will widen, posing real challenges to the integrity and viability of the EU's Single Market and common currency area.

CONCLUSION

How we think of the legitimacy challenges facing the EU depends greatly on what sort of polity we imagine the EU to be. I argue here that the EU is not a standalone political community, sustained by its own legitimizing discourses. The EU is rather a union of member states, and its legitimacy is the borrowed legitimacy of its members.

As such, the principle challenge facing the EU is that its member states are facing a dual crisis of their own making. On the one hand, the constitutional and popular pillars of democratic legitimacy, which together make up what we know as liberal democratic regimes, are coming apart. The EU is bound up with this in so far as it is an extension of national constitutional arrangements. Increasingly, this pits the EU against 'the people' conceived as a rallying cry for national demands for more direct political representation. On the other hand, the forward march of European economic integration has had the effect of deepening the diversity of national capitalisms in Europe. The interaction between common macro- and micro-economic rules and highly differentiated domestic societies has created important tensions within and between EU member states. As these work themselves out, the

integrity and unity of the EU Single Market and eurozone risk being lost.

Viewed in this way, the legitimacy challenges facing the EU are intimately bound up with its institutional design and *raison d'être*. Solutions to these challenges will prove difficult to find and are unlikely to be successful if they are not accompanied by radical reform of the basic workings of the EU itself.

REFERENCES

- Bickerton, C. (2016). *The European Union: A Citizen's Guide* (Penguin: London).
- Bickerton, C. (2018a). The collapse of Europe's mainstream centre-left, *New Statesman*, 1 May 2018.
- Bickerton, C. (2018b). Beyond the void? Reflections on Peter Mair's Legacy, *European Law Journal*, 24:4–5, 268–280.
- Bickerton, C., Hodson, D. and Puetter, U. (2015). The new intergovernmentalism: European integration in the post-Maastricht era, *Journal of Common Market Studies*, 53:4, 703–722.
- Curtin, D. (1993). The constitutional structure of the Union: A Europe of bits and pieces, *Common Market Law Review* 30:17, 17–69.
- Dani, M. and Menendez, A. (2018). The Savona Affaire: Overconstitutionalization in action?, *Verfassungsblog on matters constitutional*, 31 May.
- Jones, E. (2003). Idiosyncrasy and integration: suggestions from comparative political economy, *Journal of European Public Policy*, 10:1, 140–158.
- Lapavitsas, C. (2018). *The Left Case Against the EU* (Cambridge: Polity).
- Mair, P. (2013). *Ruling the Void: The Hollowing Out of Western Democracy* (London: Verso).

Pronczuk, M. and Hopkins, V. (2018). Romania minister calls for curbs on EU free movement, *Financial Times*, 28 November.

Scharpf, F. (1999). *Governing in Europe: Effective and Democratic?* (Oxford: Oxford University Press).

Scharpf, F. (2016). Forced structural convergence in the eurozone – Or a differentiated monetary community, *MPfG Discussion Paper 16/15*, Cologne.

Tronconi, F. (ed.) (2015). *Grillo's Five Star Movement: Organization, Communication and Ideology* (London: Routledge).

A new utopia for Europe

Ulrike Guérot

‘Every epoch is immediate to God’. This is what the famous German historian, Leopold von Ranke, said in a much-cited lecture on 25 September 1854 (von Ranke 1971, 60). In this respect, European history between 1914 and 1945 is not repeating itself. Nothing from that time can be seriously compared with today’s situation in the European Union – neither the social nor the economic and political structures, and certainly not the historical or global context. Nonetheless, there are parallels with the first half of the 20th century: rapid technological acceleration (today we have the Internet and robots, at that time there were telegraph poles and aircraft);

and a growing list of losers from modernisation. Back then the mass of agricultural workers and artisans were repressed by industry. Today it is the poorly qualified workers who live in precarious conditions. Last but not least, there is the ‘crisis of masculinity’. What was at that time the first undermining of patriarchy by women’s suffrage is today the demand that 40 per cent of the positions on executive boards should be occupied by women (Blom 2009). ‘Male’ is now the second most popular factor in attracting right-wing populist parties after ‘education’ (see Foa and Mounk 2017). In his 1977 book, *Male Fantasies*, Klaus Theweleit was already vividly describing how nationalism, militarism and fascism were not least a reaction to the early women’s movement (Theweleit 1977).

The fact is that Europe is again undergoing a modernisation push similar to the one of around 100 years ago. The question is whether European societies will resolve this one together, through a European social contract, or, once more, against each other. The path dependency of the EU produces systemically national solutions through the European Council. In this respect, it is crucial to break the power of the Council over the EU’s political system and, instead, to enhance the sovereignty of citizens as the actual subject of policymaking in the EU. In other words, the European integration of states was yesterday; now it is about European democracy or a European Union of the citizens, as promised but never honoured in the Treaty of Maastricht of 1992. Democracy essentially means the parliamentarisation and separation of powers. The EU in its current form is a long way from both.

From the banking crisis to the euro crisis, from austerity to refugee policies, from the Catalan independence referendum

to the next showdown in the Brexit negotiations, the EU has not come out of crisis mode for many years. The outcome of the elections in Italy in March 2018 represents a major challenge not only for the country itself, but also for Europe. This chapter outlines the current situation in Europe and sketches a new utopia that goes far beyond the scenarios for the future of the EU that the European Commission presented to the public in March 2017.

THE EU TECHNOCRACY

What we are experiencing across the continent today is the splitting of nations: whole societies are dividing in two. On the one hand, there is the cosmopolitan, fairly urban, fairly well educated, quite flexible, fairly open and fairly liberal portion of society, clinging to 'Europe'. These are, in the words of the British Prime Minister, Theresa May, the 'citizens of nowhere'. On the other hand, there is the fairly rural, rather uneducated, quite immobile, usually older and predominantly male part of society that definitely wants the return of the nation to keep control over the many changes and provide security. These are the 'citizens of somewhere'. The question is: who can claim to be the real Italians, the real Brits, the real Poles or the real Germans? Who speaks for the nation? Who is 'the people'? In the British case, is it the Leavers, the Remainers or who? Today's nation state is, in a way, the victim of this historical process.

Nation state vs. Europe is the new political paradigm that has replaced the left-right dichotomy in European politics,

especially since identitarian populist movements have claimed back sovereignty – Salvini against Brussels on the Italian budget, Orbán against Brussels on refugees, Poland against Brussels on judicial retirement, Germany against Brussels on urban air quality, and so on. Who is this Brussels beast that nation states now want to fight, resist or at least ignore? In all these cases, it is not the nation shooting back against Brussels regulations or orders. To make things more complex, in each case it is only half the nation. Nonetheless, we are told that we are witnessing an era of ‘renationalisation’ in Europe.

In the theoretical paradigm of the Italian philosopher, Giorgio Agamben, if ‘an electoral body falls into two or more irreconcilable parts, the country is in a state of civil war’ (2016), or Stasis in its Greek sense. In other words, it is a system that has not sufficiently adapted to change and is therefore faced with objections from the outside. That is the essence of the confrontation ‘EU vs. populism’ today. It is too easy to blame the so-called populists for nibbling away at the EU. Instead, the EU must answer the question: who has the monopoly on legitimate power in the European political system? Is it the nation state or the EU? In addition, how is it legitimized?

The illustration chosen by Jürgen Habermas, the best-known living German philosopher, for the cover of his most recent book on Europe, *The Lure of Technocracy* (Habermas 2015), has 12 stars attached to the fingers of one hand like a marionette. The existing EU system is, then, the epitome of ‘post-democracy’, as Colin Crouch put it: ‘You can always vote but you have no choice’ (Crouch 2004). Above all, this criticism is aimed at the technocratisation of politics, which shows itself to be particularly strong at the European level. The

phrase of the year in 2010, 'there is no alternative', which was used again and again by the Chancellor of Germany, Angela Merkel, especially in relation to the European sovereign debt crisis, points in the same direction. The term suggests that there are no alternatives in political decision-making processes from the outset and therefore no need for discussion or argument. To follow this assumption would make democratic decision-making processes, that is to say, the struggle for alternatives, obsolete. Even if the EU is not yet a technocracy in the purest sense, the path to a European democracy, in which there is a common vote, is still far away.

This becomes particularly clear in the EU's inability to enforce the European Court of Justice (ECJ) ruling on the refugee relocation crises vis-à-vis Hungary and Poland. If the EU cannot enforce its own laws, is it still a legal community? As a result, more than ever before, in the EU today the central issue is: who decides? Or, in other words: who is sovereign? The EU does not know and cannot enforce its own ECJ judgments against its member states. It does not have the legitimate authority in the spirit of Max Weber. That is the fundamental problem of today's European Union. For this reason, it cannot in fact put a stop to the dismantling of democratisation in a nation state such as Poland or Hungary.

ECONOMY, UNITY AND DEMOCRACY

This raises the question of what can be done at this crucial moment, in which a system is exhausted but at the same time has no power to reform because it is in a populist state

of shock. In the 1992 Maastricht Treaty the state and the market were, de facto, decoupled, placing the currency and the economy as well as European tax and social policy in national hands. State, industry and democracy are, therefore, not a stable triangle at the European level today, but instead mutually exclusive. The European economy uses the single market and a common currency without worrying about the redistribution of democracy. In short, European democracy has no economic driver.

The EU is caught up in the ‘unproductive contradiction’ (Menasse 2014a) that the political project Europe is in the hands of nation states, but these nation states cannot shape Europe; or, as the late Ulrich Beck put it, ‘If we want to have a fiscal union, we have to accept the transfer of fiscal sovereignty from national governments to a European organization. How is this to be achieved?’ (Beck 2012) More precisely, the central role of the European Council in the governance system of the EU is in systemic opposition to a European solution (Brunkhorst 2014; Offe 2015; Streeck 2015). European solutions cannot work because the various ‘national interests’ are invoked and favoured.

Thus it was not integration but sovereignty, unity and democracy that were the key words used by Emmanuel Macron in his two Europe speeches, in Athens and at the Sorbonne, in September 2017. It is clear, although underexposed in the public discourse, that the often-mentioned creation of a ‘euro Finance Minister’ or even a ‘eurozone budget’ – central demands of Emmanuel Macron – could only succeed if this euro Finance Minister had to fully account for his euro budget to a parliament. Today, however, it is no longer about ‘more

integration', as often as this is demanded, but about a decidedly different Europe. It is about shaping a European democracy beyond the nation states, and about embedding the euro into a transnational democracy.

Today, Europe is almost completely embedded in economic and monetary policy. The problem is that political and social integration have not kept pace and are asymmetrical to economic integration. One market and one currency, however, are the preconditions for *one* European democracy. Functionally, democracy is ultimately institutionalised solidarity. In line with the French sociologist, Marcel Mauss, a nation is ultimately nothing other than the 'institutionalised solidarity' of a group of individuals who become aware of their economic and social independence (Mauss and Honneth 2017, 32). When it comes to Macron's proposals for a European finance minister or a euro budget, Europe is today ultimately struggling with nothing more than its institutionalised solidarity or, literally, its nation-building.

The benefits are that the industrial outcomes or the economic growth of Europe cannot be reproduced within national borders. The real socio-economic imbalances in Europe are no longer between the nation states. Above all, there is a great imbalance between the centre and the periphery, and a great imbalance between the urban and the rural. This exists everywhere in the eurozone – in Germany and France too (Ballas et al. 2014). There are no longer any 'national economies' in the eurozone. A German car, for example, is not 'German': it has leather seats from Italy, tyres from France or screws from Slovenia, but ends up in the German export statistics. In addition, economies such as Slovenia's are largely

dependent on the German car industry and in this sense are not autonomous economies (Pogátsa 2009). Only in the area of institutionalised solidarity has the intellectual leap to a common Europe not yet been made.

Productivity, exports, and so on, should no longer be measured on a national basis. It is nonsense to measure export statistics at the national level within *a single* monetary area. Differences, for example, between Hessen and Brandenburg are not measured. Equally nonsensical and pointless is the discussion about the need for a state insolvency law within the eurozone, or the possibility that individual countries will have to leave the monetary union if they can no longer meet their debtor obligations. An example of this is the US financial constitution. It is true that individual US states can ‘go broke’, as New York did in the 1970s. However, for the entire monetary area of the USA there are uniform government bonds, under which ‘umbrella’ such a bankruptcy can be settled precisely not in ‘market conditions’. Anyone who calls for an insolvency law for the states within the euro area while at the same time refusing to introduce eurobonds is, *de facto*, preparing to embark on an exit from the euro, and is ultimately leaving the insolvency issue to speculative developments. This discussion has recently become a hot topic again following publication of a ‘position paper’ during Germany’s coalition negotiations. Shimmering through the evasive formulations, however, is the fact that the political actors in Germany are now realising that, in addition to the above-mentioned ‘fiscal backstop’, there must be a ‘monetary backstop’ in the monetary union in the long term. This has long been written about in the specialist literature (Collignon 2017).

‘Euroland’ must therefore be understood, in short, as an aggregated economy with a national account. If not, the eurozone states will find themselves monetarily – and thus its citizens fiscally – in competition, operating in a single currency area and value-added chain with unequal taxes, wages and social rights. This cannot work within *a single* political community. If Europe is to be rethought, if it is to become *one* democracy in the near future, then a price must be paid for this: a general political principle for all citizens of Europe! Civil (legal) equality is, according to Habermas, one of the central foundations of the stabilisation of a democracy. Europe will have to be rethought along this principle. In other words, legal equality *trumps* nationality.

The EU’s existing national political approach to the eurozone is currently de facto perverting the protective function that the state performs for its citizens. The eurozone members are in a monetary (through bond-ranking and speculation on national debt) and fiscal race-to-the-bottom, which is being held on the backs of Europeans. States could actually guarantee equal rights for their citizens, as they are responsible to the people and not the markets. In the current euro system, however, the reality is exactly the opposite. The euro states are competing for their citizens to guarantee the best possible conditions for ‘national’ industry. Within a single nation state democracy this would not be possible: from Rügen to Munich in the Federal Republic of Germany, despite regional differences, everyone receives the same unemployment benefit. This is precisely the system-stabilising element à la Habermas, or, simply put, the price of democracy, even if living costs in Rügen and in Munich are *not* the same.

NORMATIVE EQUALITY AND CULTURAL DIVERSITY

Different civil and social rights in Europe, and above all within the eurozone, are precisely the problem that is paving the way for a transnational European community. It is not about national competition. In all European states it is about globalisation's losers vs. globalisation's winners. This, however, is not adequately taken into account in the EU's political processes. Thus, the influx of populist currents is a predominantly rural phenomenon everywhere in Europe – but a rural social crisis will turn into a European electoral crisis. The results can be seen in almost every election. The share of the vote of populist parties is steadily increasing in rural regions with high levels of unemployment. The rural social crisis of today is the European crisis of tomorrow!

Structural reforms – the EU's eternal *buzzword* – do not help because there is nothing that can be reformed. Of the €6 billion earmarked to combat youth unemployment in 2013, only about €25 million was used because there is no infrastructure, no middle class and thus no vocational education and training for young people in the rural regions of southern Europe. An acknowledgment that economics is, in the first instance, culture and therefore something that is linked to history and geography, as Montesquieu acknowledged in *The Spirit of the Laws*, published in 1748, is completely lacking in today's consideration of the crisis (Montesquieu and Weigand 2011). As a consequence, inappropriate political decisions cause disruption to EU rural life instead of preserving decentralised environments where, for instance, organic farming is possible.

By applying the general principle of equality for all Europeans, starting with the eurozone, the equality of European citizens would be added to the equality of the participants in the internal market. This would be precisely the leap from a purely internal market project, which through European competition law and adjusted legislative acts has essentially developed its own integration dynamics (Grimm 2016, 1046), to political unity committed to a *Res Publica Europaea* – the public good of European citizens. Until now, the same rights and regulations have only applied to market participants in the EU legal community – with consequences from oil cans to light bulbs – while European citizens have enjoyed no legal equality.

Equitable law (*ius aequum*), however, is the foundation of every democracy; and those who embark on a political body based on equal rights establish a republic. If European citizens did this, they would found a European Republic. This would be a paradigm shift from the United States of Europe, based on the integration of nation states and their sovereignty, to a European Republic in which sovereignty rests with the citizens, and which would have to be represented as a central body of opinion and decision making in a European Parliament – and not in an opaque European Council.

De facto, this was already promised in 1992 in the Maastricht Treaty. This ‘civic union’, however, was never politically implemented. In the EU, the citizen is not the sovereign of the political system and European citizens are not equal before the law. To change this would be a radical new beginning for Europe, which alone would point the way to a European democracy. In other words, this means that one currency and one IBAN

number would have to be followed by one social insurance number for all Europeans. Then, *Lus aequum* in the sense of Cicero would be achieved and, thus, the central foundations of a European Republic, of which Victor Hugo dreamed as early as 1872: *À coup sûr, cette chose immense, la République européenne, nous l'aurons*. Through the same legal basis for all Europeans, European solidarity could also be institutionalised, making Europe a nation in the sense of Mauss.

First it should be noted that European citizens are not necessarily opposed to such a European democracy. According to some social science studies, there are, for instance, majorities in favour of a European unemployment insurance scheme. So Europe would not arise through a common identity or a 'European demos', which is always said to be absent, but through common law. It is the convergence of law that gives rise to commonality; in this case from the right to vote, tax law and social rights of entitlement. The euro was, in reality, nothing more than a legally fixed key date regulation for monetary convergence. Legal convergence, however, is not centralisation, which is always assumed in the European unification process.

A universal, equal and direct right to vote (one person, one vote) for the whole of Europe would thus be the next important step in establishing a political unity on the continent that ultimately legitimises the economic unity of the single market and the euro. Only then can the European Parliament become the initiator of a European democracy worthy of the name, where the European citizens are sovereign. In other words, we must legitimise the legacy of the French Revolution: from the Federal Republic of Germany, the French Republic, the

Republic of Austria, the Republic of Italy or the Republic of Poland there comes a European Republic through universal and equal elections based on the principle of the equality of all European citizens. The objection that such a move ranks the big states, especially Germany, above the small ones, such as Luxemburg or Malta, is unjustified because politics trumps nation. Do all Germans vote the same?

With this approach, Europe would finally have a parliament in which the political would be placed above the national. This is already what the European Parliament claims to be today, but it is not the EU's legislator and nor is it based on equal voting rights. It is, therefore, not the place of European democracy precisely because it is not elected in a general and equal election and therefore does not represent the sovereign of Europe, the European citizens. In addition, crucially, it has no right of initiative. A new European movement would therefore have to aim for a full parliamentarisation of the European system along the lines proposed by Emmanuel Macron. In both his September 2017 speeches, he significantly developed the notion of one European sovereignty, which is aimed at various European policy objectives from security policy to a European prosecutor's office to a eurozone with fundamentally restructured legitimacy.

In this context, it should be noted in conclusion that the European federalists of the first hour, who in the midst of fascism in the 1920s, 1930s and 1940s conceptually anticipated a united Europe, had in mind the idea of a Europe as a federation of roughly equal, regional units in which the big nation states did not dominate the smaller ones. The champion of European integration, the Swiss Denis de Rougemont, and others, were

convinced that the new Europe must be consistently post-national. The Austrian economist, Leopold Kohr, was already arguing convincingly in 1972 that anchoring Europe in the regional could be the only solution, among other reasons, because this would best correspond with Montesquieu's concept (since revived by Hannah Arendt) of a 'Federation of small units' (Kohr 1995). Europe would win both ways: the ability to act in the international arena, externally; and citizen proximity and regional identity, internally.

The charm would be that the simultaneously large and federally organised euro states (above all Germany, but also Spain or Italy) would be deconstructed to their autochthonous regions, and thus, above all, Germany would no longer be able to assume a hegemonic position of power in the European governance system. Fifty equally sized regions in Europe (Menasse 2014b) represent a different 'level playing field' than the current 19 eurozone or 28 (soon to be 27) EU members states, in which the three (too) large member states tend to dominate and block the smaller ones. Europe would be what it always should have been: the overcoming of nation states. Savoy, Alemanien, Eupen-Malmedy, Bohemia, Alsace, the Basque Country, Scotland, Tyrol or Bavaria would all have their cultural place in a European Republic.

THE NEXT STEP FORWARD

For many, it is not currently possible today to imagine precisely this future for Europe. Similarly, for the territories of the German Confederation around 1870 a unified German

social insurance system was also unimaginable: ‘Never!’ was the cry back then, but then came Bismarck and it worked. No one can say what is conceivable and enforceable at the European level in the long term. On the contrary, the idea of common European unemployment insurance was raised long ago in Brussels (see Dullien 2008).

The good news is that the majority of European citizens have long accepted the principle of political equality. According to a sociological study, this principle – also with regard to social benefits – has long been accepted by approximately two-thirds of European citizens (Gerhards and Lengfeld 2013). The population seems to be further along than its political elites, which are currently following populist pressure. Therefore, there is a need not for a discussion about a European identity that does not exist, but for a new perspective. The European mantra of ‘unity in diversity’ always means just normative unity in cultural diversity.

This unity would be achieved by a European political system that complied with the principle of Montesquieu’s separation of powers: a Europe-wide legislature controlling a European executive. A eurozone parliament elected according to the same voting rights would be given full legislative powers. This is democracy as we know it! The European Parliament should be able to bring in legislative initiatives, that is, have full rights of initiative and thus also budget rights. The so-called ordinary legislative procedure, which requires the approval of both chambers, would have to be extended to all policy areas. The European regions could establish a European Senate as a second chamber. The European President could be directly elected.

The European Republic would then be a kind of network of autonomous regions and cities over which a republican umbrella would be stretched that guaranteed political equality for all citizens. The European regions and metropolises as constitutive bearers of a European Republic would be bound together by a transnational democracy. Its three main pillars would be: first, a parliament elected by proportional representation; second, a congress with two senators per region/metropolis; and, third, the identity-forming direct election of a European President – as is proposed today in numerous party programmes.

Today's European Union is unstable. Without a decisive step forward it is not sustainable in its current form. Europe needs a clear goal, a clear direction and perspective, an emancipatory agenda and a concrete idea of itself. The single European market and the single currency must be supplemented by a European democracy because a currency is already a social contract but democratic legitimacy is still required. This would be the decisive milestone in transforming the EU's political system from a 'union of states', which is essentially 'governed' by a European Council that is only indirectly legitimised, to a genuine European democracy in which, ultimately, only one system can apply. In this system, citizens are the sovereigns of the political system and are all equal before the law, parliament decides and there is a separation of powers. The general political principle of equality is the basis of every democracy. Its implementation within the EU political system would be the great reformation of Europe! In order to accomplish this radical new beginning for Europe, we only have to remember the definition of a nation that Theodor

Schieder – a conservative historian – formulated in 1963: ‘A nation is a community of citizens, not primarily a linguistic or ethnic community’. We are perhaps, or hopefully, on the verge of the emergence of a European Republic.

REFERENCES

- Agamben, G. (2016). *Stasis: der Bürgerkrieg als politisches Paradigma*. Frankfurt am Main: S. Fischer.
- Ballas, D., Dorling, D. and Hennig, B. (2014). *The Social Atlas of Europe*. Bristol, UK: Policy Press.
- Beck, U. (2012). *Das deutsche Europa: neue Machtlandschaften im Zeichen der Krise*. Berlin: Suhrkamp.
- Blom, P. (2009). *Der taumelnde Kontinent: Europa 1900–1914*. München: Hanser.
- Brunkhorst, H. (2014). *Das doppelte Gesicht Europas: zwischen Kapitalismus und Demokratie*. Berlin: Suhrkamp.
- Collignon, S. (2017). *The Governance of European Public Goods: Towards a Republican Paradigm of European Integration*. Springer: Google-Books-ID: MFI_DwAAQBAJ.
- Crouch, C. (2004). *Post-democracy*. Malden, MA: Polity.
- Dullien, S. (2008). *Eine Arbeitslosenversicherung für die Eurozone: Ein Vorschlag zur Stabilisierung divergierender Wirtschaftsentwicklungen in der Europäischen Währungsunion*. SWP study, https://www.swp-berlin.org/fileadmin/contents/products/studien/2008_S01_dullien_ks.pdf.
- Foa, R. S. and Mounk, Y. (2017). The signs of deconsolidation. *Journal of Democracy*, 28(1), 5–15.

- Gerhards, J. and Lengfeld, H. (2013). *Wir, ein europäisches Volk? Sozialintegration Europas und die Idee der Gleichheit aller europäischen Bürger*. Wiesbaden: Springer VS.
- Grimm, D. (2016). *Europa ja - aber welches? zur Verfassung der europäischen Demokratie*. München: C.H.Beck.
- Habermas, J. (2015). *The Lure of Technocracy*. Malden, MA: Polity.
- Kohr, L. (1995). *'Small is beautiful': ausgewählte Schriften aus dem Gesamtwerk*. Wien: Deuticke.
- Mauss, M. and Honneth, A. (2017). *Die Nation oder der Sinn fürs Soziale*. Frankfurt and New York: Campus Verlag.
- Menasse, R. (2014a). *Der Europäische Landbote: die Wut der Bürger und der Friede Europas oder Warum die geschenkte Demokratie einer erkämpften weichen muss*. Wien: Zsolnay.
- Menasse, R. (2014b). *Heimat ist die schönste Utopie: Reden (wir) über Europa*. Berlin: Suhrkamp.
- Montesquieu, C. L. de S. and Weigand, K. (2011). *Vom Geist der Gesetze*. Stuttgart: Reclam.
- Offe, C. (2015). *Europe Entrapped*. Cambridge; Malden, MA: Polity.
- Pogátsa, Z. (2009). *Álomunió: európai piac állam nélkül: tud-e az Európai Unió több lenni, mint piac?: tudja-e Magyarország, hogy miért lépett be?* Budapest: Nyitott Könyvműhely.

von Ranke, L. (1971). *Über die Epochen der neueren Geschichte: historisch-kritische Ausgabe*. München: Oldenbourg.

Streeck, W. (2015). *Gekaufte Zeit: die vertagte Krise des demokratischen Kapitalismus: Frankfurter Adorno-Vorlesungen 2012*. Berlin: Suhrkamp.

Theweleit, K. (1977). *Männerphantasien*. 1.-20. Tsd. Frankfurt am Main: Verlag Roter Stern.

Is Europe Failing? On Imitation and its Discontents

Ivan Krastev

There is a well-known story that when the legendary actor Cary Grant arrived at a charity function without his invitation, the imposing figure at the welcome desk told him without looking up: 'If you don't have a ticket, you can't go in'. When he responded: 'but you don't understand, I am Cary Grant', the forbidding woman appraised him before delivering her final verdict: 'You don't look like Cary Grant'. 'Nobody does', replied the actor, and he was absolutely right.

In the same way as Cary Grant in real life did not look like the Cary Grant on screen, no political system is in reality like the idealized image of the people who long to see it that way. Is the current crisis of the European Union fuelled by the discrepancy between citizens' ideas of the EU and the reality?

Or are we experiencing a much more fundamental challenge that threatens the foundations of the European project? In other words, are Europeans disappointed with the way the European Union functions or dysfunctions? Or are they disappointed with the project of post-national liberal Europe itself?

It is not easy to answer these questions. Three different versions of Europe constitute the one that we know today: the post-war Europe of the 1940s, the post-1968 Europe of human rights and the united Europe that emerged after the end of the Cold War. All three Europes have now been put in doubt.

Take post-war Europe, which is the original foundation of the European project. This is the Europe that remembers the horrors and destruction of World War II, the Europe that once lived in constant fear of, and determined to prevent, the next war – a nuclear war that would be the last war. The blind spots of post-war Europe first came into view in the 1990s, when Yugoslavia descended into chaos despite the widely held belief that a major war was no longer possible on the continent.

WORLD WAR II BELONGS TO ANCIENT HISTORY

Post-war Europe is failing today because, for the younger generation, World War II is ancient history. To them the past no longer matters to the present. At best, Europe's later generations have passively absorbed the lessons of history while failing to think historically.

Two further factors undermine the power of memories of World War II to cement the foundations of today's European

Union: first, the generation of survivors is already gone; and, second, for most of the refugees and migrants who come to Europe from outside the continent, World War II was not and is not their war. When referring to war, Syrian refugees mean the destruction of Aleppo and not the destruction of Warsaw or Dresden.

Post-war Europe is also failing, however, because the majority of Europeans continue to take peace for granted while the world is becoming a dangerous place and the United States can no longer be assumed to be interested in protecting Europe in the same way as it was in the days of the Cold War. In the context of Russia's annexation of Crimea and the escalation of the global arms race, the insistence in Brussels that what matters is soft power, and that military might is obsolete, is starting to ring false even to those who make the claim. In this way, Europe's post-war thinking has become its vulnerability, rather than an advantage. It is no longer the case that Americans are from Mars and Europeans from Venus. The post-war Europe of today no longer means Europe as a peaceful power: it means a Europe that is unable to defend itself.

At the same time, there is another Europe that is failing – Europe as a post-1968 project, the Europe of human rights and particularly the Europe of minority rights. The powerful impact of 1968 on the European consciousness is defined by the widely drawn conclusion, amid that year's unrest and revolutions, that the state is something that defends citizens but can also threaten them. The incredible achievement of the 68ers is that they made Europeans perceive the state through the eyes of the most vulnerable and persecuted groups in their

societies. This revolutionary turn in the way Europeans felt about the world and their role in it was a result largely of the process of decolonization, but also of a global expansion of the democratic imagination. If post-1968 Europe can be defined by one word, it is inclusion.

THE POLITICS OF THREATENED MAJORITIES

This post-1968 Europe is also in question today. The dramatic demographic and social changes that have transformed European societies in recent decades have threatened the majorities – those who have everything and who therefore fear everything – who make up the major force in European politics. Threatened majorities now express genuine fear that they are becoming the losers from globalization, and in particular the losers from the intensified movement of people that has accompanied it. The defining characteristic of the politics of threatened majorities is that when they vote, they do so imagining a future in which they will be a minority group in their own countries, and in which their culture and lifestyles will be endangered. It is a major political mistake for liberals simply to ignore or ridicule these fears. In democratic politics, perceptions are the only reality that matters. Democratic institutions are both inclusionary and exclusionary in nature and many of the political movements that are gaining popularity today are very much about the rights of the majorities, particularly their cultural rights. Majorities insist that they have the right to decide who

belongs to the political community and to protect their own majoritarian culture.

In this regard, the 2015 migration crisis was a turning point in the way European publics viewed globalization. It both marked the end of post-1968 Europe and opened up cracks in a certain idea of post-1989 Europe, and we are witnessing a once unifying consensus falling apart. It is symptomatic that while surveys indicate that members of the younger generation across Europe are much more tolerant when it comes to the rights of sexual minorities, there is no significant difference between generations when it comes to perceptions that non-European migrants are a threat. It is also indicative that while people with higher levels of education tend to be more tolerant when it comes to religious, cultural or sexual differences, these same people are the least tolerant towards people who do not share their political views.

The refugee crisis of 2015 was in a sense Europe's 9/11. In the same way as 9/11 led Americans to alter the lens through which they viewed the world the USA has fashioned, the migration crisis forced Europeans to question some of the critical assumptions in their previous attitudes to globalization.

The migration crisis also led to a questioning of the reality of a unified post-1989 Europe, not simply because Europe's west and east took very different positions on what they owe West and East in the context of the refugee crisis, but because it revealed the existence of two very different Europes when it comes to ethnic and cultural diversity, as well as questions of migration. One irony of history is that while at the beginning of 20th century Central and Eastern Europe was the most diverse part of the continent, it is now extremely ethnically

homogeneous. Meanwhile, while today's Western Europe is preoccupied with questions of how to integrate the growing number of foreigners living in their countries, many of whom come from culturally very different societies, Central Europeans are preoccupied with the challenge of reversing the trend of young people leaving for a better life in the West. While the West struggles to deal with diversity, the East is struggling to deal with depopulation.

THE FEAR OF DEPOPULATION

The massive flow of people out of Central and Eastern Europe in the post-Cold War period had profound economic, political and psychological consequences for the emerging East-West divide in the EU – especially because so many young people were the ones voting with their feet. When a doctor leaves the country, she takes with her all the money that the state has invested in her education and deprives her country of her talent and ambition. The money that she will eventually send back to her family cannot possibly compensate for the loss of her continued participation in the life of her native country. The exodus of young and well-educated people has also seriously – and perhaps fatally – damaged the chances of liberal parties performing well in elections. Youth exit also explains why, in many countries in the region, it is possible to find beautiful EU-funded playgrounds with no children playing in them. It is telling that liberal parties perform best among voters who cast their ballots abroad. In a country where the majority of young people want to leave, the very

fact that you have remained, regardless of how well you are doing, makes you feel like something of a loser.¹

This fear of depopulation is seldom voiced openly. Instead, it is expressed indirectly in the nonsensical claim that invading migrants from Africa and the Middle East pose an existential threat to the existence of the nations of the region. In reality, however, it is a combination of the impact of out-migration and the fear of demographic decline that best explains the illiberal turn in post-communist Europe. According to UN projections, Bulgaria's population will shrink by 27 per cent by 2040. Almost one-fifth of the country is predicted to become a 'demographic desert'. More Central and Eastern Europeans left their countries for Western Europe as a result of the 2008–2009 financial and economic crises than all the refugees who arrived in Western Europe as a result of the war in Syria. In a world of open borders, where European cultures are in constant dialogue and where the new media environment permits citizens to live abroad without leaving their national information space, the threat that Central and Eastern Europeans face is similar to the one faced by East Germany before the Berlin Wall was erected. It is the danger that working-age citizens will desert their homelands to pursue lives in the West, particularly if we keep in mind that businesses in countries such as Germany are desperately

¹ In the period 1989–2017, Latvia haemorrhaged 27 per cent of its population, Lithuania 22.5 per cent and Bulgaria almost 21 per cent; 2 million East Germans, or almost 14 per cent of the country's pre-1989 population, moved to West Germany in search of work and a better life; 3.4 million Romanians, the vast majority of them younger than 40, left the country after it joined the EU in 2007. The combination of an ageing population, low birth rates and an unending stream of out-migration is the unspoken source of demographic panic in Central and Eastern Europe.

seeking workers while Europeans in general are increasingly reluctant to allow non-Europeans to settle in their countries.

Panic in the face of non-existent immigrant invasions of Central and Eastern Europe should be understood as a distorted echo of a more realistic underlying fear that huge swathes of the population, including the most talented youth, are set to leave the country and remain permanently abroad. The extent of post-1989 out-migration from Eastern and Central Europe explains the deeply hostile reaction across the region to the refugee crisis of 2015–2016 and the emergence of the new East-West divide that is tearing the EU apart.

POST-1989 EUROPEAN UNION AS THE END OF HISTORY

When the Cold War ended, Europe was like a stage set for a performance of George Bernard Shaw's *Pygmalion*, an optimistic and didactic play in which a professor of phonetics is able in a very short period of time to teach a poor flower girl to speak like a Queen, only for the transfigured girl to insist that she should henceforth be treated accordingly. While we were busy enjoying the transformative power of imitation and celebrating the success of the East in integrating with the West, we suddenly realized that instead of a performance of *Pygmalion* we had somehow ended up watching a theatrical version of Mary Shelley's *Frankenstein*, a pessimistic and didactic novel about a man who decides to play God by assembling human body parts to create a humanoid creature. The defective replicant, perhaps inevitably, felt doomed to

loneliness and rejection. Envyng the unattainable happiness of its creator, it turned violently against the latter's friends and family, laying waste their world and leaving only remorse and heartbreak as legacies of a misguided experiment in human self-duplication.

The question therefore arises: why did an attempt to help seemingly compliant countries reorganize their societies along Western lines result in such a shocking rejection of liberal democracy's most basic principles – in the West as well as the East? Why did exporting and importing Western models fuel resentment and the rise of political movements organized around virulent hatred of 'inner enemies'? Why did Eastern imitators of Western institutions feel like impostors? Why did an inspiring tale of *Pygmalion* turn into an unnerving story of *Frankenstein*?

It has been three decades since Francis Fukuyama turned the foreign policy world on its head with Francis his claim that Western-style liberal democracy had become the ultimate norm and form of human existence. Today, Thomas Bagger, one of Germany's most-respected intellectuals, looks back, like the owl of Minerva, on an intellectual framework that is now universally regarded as dead and buried. He argues, interestingly, that it was Europeans rather than Americans who were the true believers in the end-of-history illusion. For the same reason, Europeans – and particularly Germany – have turned out to be the most vulnerable to the ongoing collapse of the liberal order.

What fascinated Europeans and especially Germans about the end-of-history paradigm, Bagger claims, was that it liberated them from both the burdens of the past and the

uncertainties of the future. After a brutal century during which it had been on the wrong side of history, not to mention basic human decency, Germany was finally on the right side, according to Fukuyama's reading of 1989. What for decades had looked impossible and even unthinkable suddenly seemed to be not only achievable but inevitable. The observable transformation of Central and Eastern European countries into parliamentary democracies and market economies was taken as empirical proof of the validity of Fukuyama's bold claim that humanity, in its pursuit of freedom, need look no further than Western-style liberal democracy. We were apparently living in an email-based world society where military power no longer mattered and commerce was king. Even better from a German point of view, personal leadership in politics was no longer decisive. For a country so badly burned by a catastrophic *Führer* that the word 'leader' could not be innocently translated into the German language, Bagger asserts that it was deeply reassuring that larger forces, not charismatic political saviours, would take care of history's general direction. Individuals, vested with a mere pittance of power, would matter only at the margins. They would, at most, administer the advent of the inevitable. In a world governed by the moral imperative to imitate the insuperable model of Western-style liberal democracy, no country need be burdened by its past or compelled to take responsibility for its future. Reducing political life to the more or less successful imitation of this pre-existing political and ideological 'super-template' gave humanity in general and Germans in particular both past and future for the price of one.

BACKLASH AGAINST WESTERNIZATION

The end of History was tacitly but almost universally understood as the beginning of an *Age of Imitation*. This is an important insight because festering resentment at the post-1989 mandate to conform to Western standards is arguably the most powerful force behind the wave of populist xenophobia washing across much of the world today, starting in Central and Eastern Europe. A pronouncement by an influential Hungarian populist, that: ‘We don’t want to copy what the Germans are doing or what the French are doing. We want to continue with our own way of life’,² has become the battle cry of illiberal counter-revolution in the post-communist world.

Because Germany was the champion imitator of the USA, it was Germany that would show post-communist nations how imitation was expected to work. The proximate model for the newly liberated states of the East was not the USA but Germany – the country that had imitated the USA most successfully in the past.

Germany’s role as the implicit model for post-communist political reform is important because the East’s backlash against the imitation of the West is rooted not only in the experience of trading-in an inherited identity for an allegedly superior identity imported from abroad, but also in the fact that, when it came to facing up to their troubled history, Central and Eastern Europeans were asked to follow the path taken by Germany – a country with an anomalous history that was obvious for all

² Maria Schmidt, Viktor Orbán’s intellectual-in-chief, cited in Philip Oltermann, ‘Can Europe’s new xenophobes reshape the continent?’, *The Guardian*, 3 February 2018.

to see. The radical misfit between the democratization process in post-World War II West Germany and the democratization process in post-1989 Central and Eastern Europe goes a long way towards explaining the disheartening rise of ethnic nationalism all over the post-communist world.

The Bulgarian artist, Luchezar Boyadjiev, has come up with the perfect visualization of what has long been the official EU version of the end state of European history. His work *On Holiday* is based on the famous statue, located on Berlin's Unter den Linden, of the Prussian King Frederick the Great on horseback. This time, however, the king is not mounted on a horse's back. By unhorsing the imposing leader of men, the artist transforms the monument to a national hero into a monument to a riderless horse. All the complexities attached to an important but morally controversial figure of the past are suddenly eliminated. The idea of Europe that Boyadjiev has sought to convey is a Europe 'on holiday from history' without hopes of domination or fear of oppression. For some, at least, being truly European in the early 21st century means being unapologetically anti-heroic as well as anti-nationalistic – and Germans today are the foremost exemplars of how to be both. After all, they navigated the transition from authoritarianism to liberal democracy with unparalleled success and have become an 'exceptionally normal' country in the Western sense. For Eastern Europeans, however, following the German model became a problem.

The identity politics that is rolling across Eastern Europe today represents a delayed backlash against three decades of identity-denial politics, otherwise known as Westernization, which began in 1989. Overheated particularism is a natural

reaction to universalism fatigue. The eagerness of the formerly captive nations to join the liberal West in 1989 stemmed at least as much from nationalist outrage at Moscow's 40-year hegemony as from a deep-seated commitment to liberal values and institutions. However, the intellectual climate of the 1990s, when nationalism was associated with the bloody Yugoslav wars and the anti-nationalist talking points of the EU were being eagerly exported eastwards, militated against total candour in this regard. Attempts by the relatively small liberal elites in Central Europe to give 'German lessons' to their fellow citizens have, in any case, backfired. While the liberal elites were talking the language of universal rights, their nationalist counterparts took control of the national symbols and national narratives. Liberals would have been wise to heed Mihail Sebastian's warnings about the psychological power of symbols and signs.³

Imitating Germany would have involved building a national identity on the basis of national guilt and regret. Right wing populists would have none of this. They have focused instead on national victimhood and undeserved suffering. What distinguishes national populists is that they never apologize for anything their nation has ever done in its entire history. To play the role of a villain while having the moral right to feel like a victim is the national populist's paradise.

Within the framework of democratic transitions, it was a commonplace to view fascism and communism as two sides

³ The Romanian novelist Mihail Sebastian wrote 'I've only ever been afraid of signs and symbols, never of people and things' at the start of *For Two Thousand Years*, his marvellous 1934 book which conveys his country's suffocating atmosphere of antisemitism and toxic nationalism between the two world wars.

of the same totalitarian coin. When it comes to the potentially murderous consequences of the two ideologies and their associated regimes, this is completely legitimate. Viewing communism and nationalism as twins, however, creates an unrealistic expectation that in the democratic age, nationalism will disappear just as communism has disappeared. This hope, as is now obvious, has been dashed by events. This is because communism was a radical political experiment based on abolishing private property, while nationalism – in one form or another – is an organic part of any democratic political scene. Liberal democracies are not designed to abolish nationalism, merely to tame and civilize it.

PROBLEMATIC IMITATION OF GERMANY

In short, imitating the way post-1945 Germany dealt with history turned out to be problematic for Central and Eastern Europe in at least four respects. First, German democracy was built on the assumption that nationalism leads ineluctably to Nazism (*Nationalismus führt zum Faschismus*). The transnational EU originated as part of a geopolitical strategy to block a potentially dangerous reassertion of German sovereignty by integrating the country economically into the rest of Europe and by giving the Federal Republic a ‘post-national’ identity. As a result, ethno-nationalism came close to being criminalized in post-World War II West Germany. Central and Eastern European countries, by contrast, find it difficult to share such a negative view of nationalism: first

and foremost, because these states were children of the age of nationalism following the break-up of multinational empires after World War I; and, second, because nationalism played such an essential role in the fundamentally non-violent anti-communist revolutions of 1989.

In Eastern Europe, for historical reasons, nationalism and liberalism are more likely to be viewed as mutually supportive than mutually incompatible. Poles would find it absurd to stop honouring the nationalistic leaders who lost their lives defending Poland against Hitler or Stalin. The fact that communist propaganda was doctrinaire about denouncing nationalism is another reason why Central and Eastern Europeans were suspicious about Germany's obsessive desire to detach citizenship of a state from hereditary membership of a national community. In the 1990s, as noted above, the Yugoslav wars led Europe as a whole, including Central and Eastern Europe, to see or pretend to see nationalism as the root of all evil. In the long run, however, the identification of liberalism with anti-nationalism has fatally eroded national support for liberal parties. Liberalism also views ethnonationalism, or the belief that current citizens have some special moral connection to their biological forefathers, as barbaric and irrational. This is a perfectly rational stance to take but it does not necessarily make good politics. From the viewpoint of those voters with strong nationalist feelings, 'constitutional patriotism' seems to be a new 'German ideology' designed to belittle the eastern periphery of Europe and govern Europe in the interests of Berlin.

Second, post-war German democracy was organized in response to the way the Nazis came to power in competitive

elections. This is why non-majoritarian institutions such as the Federal Constitutional Court and the Bundesbank are not just powerful but also among the most trusted institutions in Germany. In 1989, by contrast, Central and Eastern Europeans were thrilled to be regaining their long-lost sovereignty and, as a consequence, tended to view constraints on the elected government as attempts to limit the right of the people to govern themselves. After World War I, the nascent Central and Eastern European states were organized around a fusion of the German idea of the *Kulturnation*, the nation as a cultural community, and the French idea of an interventionist centralized state. This distant legacy has faded with time, of course, but it has not entirely disappeared from political sensibilities in the region. This helps to explain the slowly developing domestic resistance, in the decades since 1989, to reorganizing these states in line with two alternative foreign models: the new German idea of a decentralized state and US multiculturalism. The reservations about both represented the first stirrings of the anti-liberal counterrevolution to come.

Third, when sharing their post-war transformation experience of incorporation into the West with the post-communist countries, Germans fell into a trap. They were proud of the success of their transition from a totalitarian society to a model democracy while at the same time, in many cases, counselling the Central and Eastern Europeans not to do what Germany did in the 1950s and 1960s but to do what they believed Germany should have done back then. German democracy after World War II has a complicated relationship with the country's Nazi past. While Nazism was officially denounced after the war, it was not a subject

that Germans were eager to discuss in any detail. For one thing, there were many ex-Nazis among the post-war West German elite. When the time came for the incorporation of East Germany into a unified liberal-democratic Germany, however, the opposite approach was adopted. A wholesale purge of ex-communists was the order of the day and many of the East Germans who today willingly vote for the far-right Alternative for Germany interpreted the post-1989 'lustration' process not as a sincere search for historical justice, but as an instrument of the West's domination over the East aimed at opening up employment opportunities for Westerners by firing 'Ossi' elites from their jobs.

Finally, Germany was and remains very proud of both its welfare state and its system of codetermination, through which labour unions were given a pivotal role in corporate governance – but these were aspects of the political system that West Germans never pressed the EU to export to the East. The official reason given was that the Central and Eastern European states could not afford them. Perhaps also, however, there was a thought that weakened state protections for Central and Eastern European workers and citizens would create favourable conditions for German industry. Of course, various other factors were also involved, especially the evolution of the globally dominant form of US liberalism from Roosevelt's New Deal to Reagan's deregulated market. The general refusal to invest heavily in the political stability of the new entrant states by supporting the economic importance of labour unions, while totally in line with the Thatcherite Zeitgeist, deviated radically from US policy towards West Germany after World War II. The most important reason for this change was

presumably the disappearance of a communist threat and the corollary that no special efforts needed to be made to maintain the loyalty of workers to the system as a whole.

Thus, not surprisingly, the process of imitating the West, over time, fomented a mood of national resentment. Discomfort regarding the politics of imitation has since erupted into outright revolt, triggering a struggle between Western-style liberal constitutionalism, which has been put on the defensive, and an insurgent demagogic appeal to the xenophobia and status anxieties of politically manipulated democratic majorities.

THE PSYCHOLOGICAL ROOTS OF ILLIBERALISM

The old German question revolved around the idea that Germany was too small for the world and too big for Europe. The new German question is different. In the post-Cold War world, it turns out that Germany's transition to liberal democracy was too unique and historically path-dependent to be imitated by countries hostile to the very idea of a post-ethnic society. The post-communist countries of Central and Eastern Europe refused to build a new national identity around half-repressed feelings of contrition for the past. This explains their fully fledged revolt against the wholly alien New German Ideology of de-historicized post-nationalism and culturally vapid constitutional patriotism.

What makes imitation on a national and regional scale so irksome is not just the implicit assumption that the mimic

is somehow morally, culturally and humanly inferior to the model. Because copycat nations are legally authorized plagiarists, they must on a regular basis seek the blessing and approval of those who hold the copyright to the political and economic recipes being borrowed and applied second-hand. They must also uncomplainingly accept the right of Westerners to evaluate their success or failure at living up to Western standards. Needless to say, prostration before foreign judges bereft of serious knowledge of one's country is galling.

The post-communist imitation of the West was a free choice of the East, but it was supervised and licensed by the West and this explains why an isomorphism that was initially 'desired' ended up being experienced as 'imposed'. What matters most to the region's new breed of antiliberal may be less the violation of national sovereignty than the affront to national dignity.

The rise of authoritarian chauvinism and xenophobia in Central and Eastern Europe has its origins in political psychology rather than political theory. It reflects a deep-seated disgust at the post-1989 Imitation Imperative with all of its demeaning and humiliating implications, and it is fuelled by contestation over the minorities-centred cultural transformation that followed the 1968 protest movements in the West. The origins of Central and Eastern European illiberalism are therefore emotional and pre-ideological, rooted in rebellion against the 'humiliation by a thousand cuts' that accompanied a decades-long project that required acknowledgment that foreign cultures were vastly superior to one's own. Illiberalism in a philosophical sense is a cover story meant to lend a patina of intellectual respectability to a widely shared visceral desire to shake off the 'colonial' dependency and inferiority implicit in the Westernization

project. When Kaczyński accuses ‘liberalism’ of being ‘against the very notion of the nation’⁴ and when Maria Schmidt says ‘We are Hungarians, and we want to preserve our culture’,⁵ their overheated nativism embodies a refusal to be judged by foreigners according to foreign standards. The same can be said of Viktor Orbán’s pronouncement that: ‘We must state that we do not want to be diverse and do not want to be mixed. ... We want to be how we became 1,100 years ago here in the Carpathian Basin’.⁶ (It is remarkable that the Hungarian prime minister remembers so vividly what it was like to be Hungarian eleven centuries ago.) The premise of such remarks is that ‘we’ are not trying to copy you, and therefore it makes no sense for you to consider us low-quality or half-baked copies of yourselves.

THE STRATEGIC BUILDING OF A COUNTER-MODEL

Nonetheless, nationalist resistance to the Imitation Imperative has a perverse unintended consequence. By passionately invoking tradition as the antidote to imitation, Eastern European populists are forced to regularly rewrite their national histories. In the days of the Cold War, when resisting

⁴ Adam Leszczyński, ‘Poland’s leading daily feels full force of Jarosław Kaczyński’s anger’, *The Guardian*, 23 February 2016.

⁵ Cited in Philip Oltermann, ‘Can Europe’s new xenophobes reshape the continent?’, *The Guardian*, 3 February 2018.

⁶ Prime Minister Viktor Orbán’s speech at the annual general meeting of the Association of Cities with County Rights, 8 February 2018.

Moscow's demands that they copy the Soviet model, Central Europeans described 'their tradition' as fundamentally liberal and European. It was just another current in the broad stream of Western civilization. Today, by contrast, they invoke 'their tradition' to justify their opposition to being incorporated against their will into the liberal West. This startling volte-face raises doubts that there really is any such thing as 'their tradition'.

This brings us back to Mary Shelley's *Frankenstein*. Without pushing the analogy too far, the US sociologist, Kim Lane Scheppele, describes today's Hungary – presided over by another Viktor – as a 'Frankenstate', that is, an illiberal mutant composed of ingeniously stitched-together elements of Western liberal democracies. What she shows, remarkably enough, is that Orbán has succeeded in parrying threats to his power by implementing a clever policy of piecemeal imitation. When attacked by the EU for the illiberal character of its reforms, the Hungarian government is always quick to point out that every controversial legal procedure, rule and institution has been faithfully copied from the legal system of one of the EU member states. Instead of suffering imitation passively, the Prime Minister employs it strategically. Selective imitation has allowed Orbán to stymie EU attempts to penalize Hungary for the regime's attacks on freedom of the press and judicial independence. By assembling an illiberal whole out of liberal parts, Orbán has managed to turn the Western Imitation Imperative into an in-your-face joke at the expense of Brussels.

Rather than censoring the press, in the old communist manner, Orbán has forced the closure of hostile newspapers on

trumped-up economic grounds. In addition, he has arranged for his wealthy friends and allies to buy up much of the national and local media and to turn television channels and newspapers alike into organs of state power. This is how he has shielded from public scrutiny both his electoral manipulation and epic levels of insider corruption. By packing the courts with loyalist judges, he can also claim to have legality and constitutionality squarely on his side. Therefore, the legitimacy of such a system depends less on electoral victories than on the ruler's claim to be defending the genuine nation against its inner as well as outer enemies. The Orbán-style illiberal regimes that are on the rise in Eastern Europe thus combine a Carl Schmittian understanding of politics as a melodramatic showdown between friends and enemies and the institutional facade of liberal democracy. This game of hide and seek has allowed Orbán not only to survive inside an EU that defines itself as a union of values, but also to become a leader of an increasingly powerful pan-European 'Frankenstein coalition' that explicitly aims to transform Europe into a Union of Illiberal Democracies. It is this spectre of reverse imitation – when the liberal West starts to see the illiberal East as its model, as is the case with Salvini in Italy – that presents an existential threat to the post-1989 vision of Europe.

CONCLUSION: FATALISM WOULD BE A MISTAKE

The first Europe, post-war Europe, is failing because memory of the war is fading and because it has given rise to a Europe

incapable of defending itself. The second Europe, post-1968 Europe, is failing because it was the Europe of minorities – it is still trying to find a way to address majorities' demands that their cultural rights should be protected, too, without turning democracy into an instrument of exclusion. Post-1989 Europe is failing because Eastern Europeans no longer want to imitate the West and be judged by the West but instead want to build a counter-model.

Do Europe's failures mean that Europe is irrevocably falling apart? Fatalism would be a mistake. Europe has choices to make. This means that the European Union should invest in its military capabilities and stop taking US security guarantees for granted. It also means that in the same way as European liberal democracies in the 1970s and 1980s succeeded in deradicalizing the far-left and integrating some of its legitimate demands into the mainstream, it should seek to do so with the far-right. People who today are scared by some of the radical ideas emanating from the far-right should remember that many centrists in the 1970s regarded Germany's anti-establishment leftists, such as Joschka Fischer who would later become Germany's foreign minister, as a threat to the capitalist, democratic West. When it comes to East-West relations in Europe, the challenge is to find a way to strongly criticize the authoritarian turn in the East without insisting that imitating the West is the only true meaning of democracy, or naively imagining that a commitment to democracy can be bought with EU cohesion funds.

Just 70 years ago, Europe managed miraculously to turn the destruction of World War II into the foundation of its peace project. It later succeeded in turning the anti-establishment

anger of 1968 into political progress. In less than two decades it succeeded in uniting a Europe divided by 50 years of Cold War. If Europe has managed to turn so many failures into successes, it is surely to be hoped that it will be able to achieve a similar feat today.

Who leads the EU?

Almut Möller

Who leads the European Union? This is a question that is difficult to tackle within the limitations of a short essay. I would like to respond with confidence: ‘We, the people!’. Would that not be the most obvious response? In theory, things appear straightforward. The EU is built on two sources of legitimacy: one derived from the European peoples expressing their choices at the ballot box in elections to the European Parliament; the second built on general elections at the level of the member states, with governments sending their representatives to the second chamber of EU legislation, the Council of Ministers.

Things are, however, more complicated. What about the role of the European Council, where the ‘chiefs’ have assembled increasingly often over the past decade of crises? It has been engaging in much more detail than just providing the overall direction on constitutional and other key issues for the future of the Union. Then, inside and outside of the European Council, certain member states matter more than others. When it comes to leadership, size certainly matters, but so too does the maturity of networks across EU member state capitals, as well as knowledge of and access to formal and informal ways of decision making, and the expertise of officials on a wide range of dossiers. The European Central Bank has no doubt been a leader of crucial importance to the survival of the eurozone over the past decade. Let us not forget the European Court of Justice, the rulings of which have guided European integration on many occasions, as academic research demonstrates in great detail.

What about national parliaments and their key role in successive eurozone rescue packages? The parliament of Wallonie that, at least for a while, blocked a trade deal between the European Union and Canada in 2016? Perhaps the latter is an example of ‘negative leadership’, but still a version of leadership with great impact. Finally, what role is there for external drivers? (Not to go so far as to use the phrase ‘external leaders’.) The United States of President Trump, for example, might, to start off with some positive thinking, ultimately provide a boost to Europe by deepening its cooperation and integration. In brief, there is no simple answer to the question of leadership of the European Union, and answers will differ at different points in time.

LEADERSHIP: BUT TO WHAT END?

This raises a related question: ‘Who leads the EU; and to what end?’ The overall direction of travel of the integration project has become a major point of controversy in recent years. While ‘an ever-closer union’ still exists as a reference point in the European debate, the opposite end of the spectrum is gaining more traction by the day. An increasing number of voices are advocating for sovereigntist approaches to European cooperation, referring at best to de Gaulle’s *L’Europe des patries*.

After the founding treaties, the Treaty of Maastricht, negotiated in the early 1990s, was the most important manifestation of the ever-closer union in the history of the EU. With this treaty, the then community of 12 member states significantly widened its scope of cooperation, which at the time consisted largely of the Single Market. In Maastricht, member states cemented their ambition to further integrate economic and monetary policies, justice and home affairs, and foreign and security issues. The member states at Maastricht laid the foundations for a ‘political union’ – and, perhaps ironically, the ever closer union fell victim over the course of the following decades to the emergence of this political union. Indeed, the *institutional* system of the EU over recent decades has matured into a *political* system and political union began to articulate itself as early as during the ratification process of the Maastricht Treaty. In France, approval of the new treaty achieved only a tiny majority in a referendum, while in Denmark it took a renegotiation of opt-outs and a subsequent second referendum to ratify the treaty. Over the years, there

were increasing signs that the aim of an ever closer union was losing traction across Europe. The most visible signs were the negative referendums on eurozone membership in Denmark and Sweden, rejection of the Draft Constitutional treaty by electorates in France and the Netherlands in 2005, and rejection of the Treaty of Lisbon by Ireland in 2008, eventually ratified in a second referendum in 2009. Finally, the referendum in the United Kingdom in 2016 seems likely to lead to the United Kingdom leaving the EU in 2019.

Nonetheless, the commitment in EU capitals to further build their union remained strong, reflecting a generally enthusiastic mood in Europe following the fall of the Iron Curtain, and the prospects of the EU beginning the new millennium with wind in its sails. EU capitals were committed to strengthening the supranational identity of their union. In hindsight, the warnings from electorates across Europe somehow remained abstract until a few years back, with some impact on the thinking, but little or no impact on the ‘doing’ of EU professionals in Brussels and across Europe’s capitals – apart from the close-to-fetish fears that developed around any further plans for EU treaty reform and the growing opposition to further EU enlargement.

THE END OF THE ‘BRUSSELS CONSENSUS’

The aftermath of the global banking and financial crises, which resulted in severe levels of sovereign debt and subsequent economic crises in almost all the EU member states, triggered

a new quality of politicisation of electorates. Citizens expressed their anger and frustration with their governments and the EU in the streets and at the ballot box, bringing about new political parties and movements, crushing parts of the old forces and changing the political landscape of the EU and its member states in a lasting and fundamental way. The 2015–2016 refugee management crisis accentuated the polarisation within and between European societies and countries over questions of identity.

Both the economic crisis and the question of borders and identity finally provided the wake-up call that political leaders needed across Europe. Leading the EU is no longer a matter of diplomacy and statecraft around conference tables, or of intergovernmental conferences shaping treaty reforms that will then take European cooperation to new levels. Throughout the 1990s, ‘EU reform’ was indeed widely understood as ‘EU treaty reform’. Today, EU reform has a political meaning, as it is about shaping majorities for policies both at home and at the EU level. These two identities of the EU – ‘diplomatic Europe’ and ‘political Europe’ – cannot, however, be separated from one another, but exist in parallel and interact. One thing has come to the fore with greater clarity over the past decade. In this new battle for majorities, a number of new parties and movements emerged that started to challenge the ‘Brussels consensus’.

It is as yet unclear what this will mean for the future of the EU. What do the new political parties and movements that have gained ground in the EU member states in recent years really want? A different EU? Different policies? Or no EU at all? Just a few months to go before the European Parliament

elections in May, it is possible to say with confidence that 2019 will see Europeanist and sovereigntist forces confront each other over questions of identity, values and the role and future of the EU itself – but also over policies. It is to be hoped that this new quality of politicisation will mobilise voters across the board and lead to a reversal in the trend for a decline in participation in the elections for the European Parliament.

Will the political centre hold? Or will parties of the extreme right and left fringes succeed in creating a new landscape of power in the joint European assembly, with – depending on their actual share of the votes and their willingness to cooperate with each other – the ability to shape, obstruct or delay the work of the European Parliament? The future composition of the Parliament is likely to be more fragmented, and this will have consequences for the room for manoeuvre and the leadership potential of the next European Commission. In other words, those who care about the leadership of the EU's supranational institutions might be in for a difficult legislature from 2019.

THE POWER OF (SOME) NATIONAL CAPITALS ...

What really comes to mind when thinking about who leads the EU these days is the breathtaking return of the capitals of the EU member states. This time around, however – unlike during the course of the treaty reforms of the 1990s, when the commitment to build the supranational union was still much stronger – member states with few exceptions have

returned as champions of intergovernmentalism. The EU's 'crisis mode' of the past decade has shifted power to the intergovernmental arena, to an accelerated number of *ad hoc* meetings of the European Council and to a small number of capitals. It has also highlighted the differences in power between EU member states.

Times of crisis bring executive power to the fore – and in the EU some governments are indeed more powerful than others. Not that power has ever really been absent from European integration; but the idea of the EU as a political system that replaces the devastating power politics of the first half of the 20th century with the politics of cooperation has been a key feature of how Europeans like to think of themselves. More recently, power – or powerlessness – has not only become a major theme of controversy between EU member states and societies, but also been fuelled by a changing international environment. A 'strong man politics' increasingly shapes international relations and multilateralism – of which the EU is a prime example – is losing ground.

The EU and its member states currently look like strangers in a world where the survival of the fittest seems to reign – and such tendencies are no longer alien to the union itself. This environment forces the EU to react in ways that are so far little embedded in its DNA. It is not surprising that at least those member states that have been fortunate enough to benefit and thrive in a friendly environment find it more difficult to think about international relations shaped by adversarial behaviour rather than partnership and cooperation. Nonetheless, member states are forced to engage in this power game both individually and collectively.

... AND THEIR LIMITATIONS FOR LEADERSHIP

Against this background, future leadership of the EU may be more likely to emanate from those capitals that can best adapt to the new ‘jungle’, in terms of both their mental maps and their resources for projecting power. Through this lens, Germany looks a lot less prepared than currently meets the eye, while countries such as France or Poland, and perhaps also – and certainly controversially – the post-EU UK, might perform better.

Much of the debate about leadership in the EU has revolved around what Ulrike Guérot and Mark Leonard branded ‘The new German question’ in 2011 (Guérot and Leonard 2011). Germany finds itself in a privileged but also difficult position when it comes to leadership of the EU. On the one hand, the past decade has been Germany’s unprecedented moment of power, giving Berlin ample opportunity to lead – with all that entails both in terms of appreciation and sensitivity in other European capitals. On the other hand, these years have also demonstrated the limitations of Germany’s ability to lead the EU. In particular, during the course of the eurozone crisis, Berlin used its moment of power to pursue a policy driven first and foremost by German national interest – and the spectre of a ‘German Europe’, as sociologist Ulrich Beck put it, returned to Europe (Beck 2012).

This past decade will forever be closely linked to the Chancellorship of Angela Merkel, who will be remembered as one of the few EU leaders to continuously hold the wheel in stormy times. Berlin likes to see itself as having worked

tirelessly to keep the EU together, including against the most vivid expression of fragmentation of the EU, so-called Brexit. Few can doubt that the personality of Chancellor Merkel among her peers was helpful overall to this end. However, at this time of unprecedented volatility, German power also gave Merkel ample room for manoeuvre, both domestically and at the European level, to address the flaws of the EU architecture, in particular in the eurozone. However, Merkel and her successive coalition governments failed to use her political capital at a time when it was still possible for Germany and other EU member states to push the envelope, before she started to feel the limitations of her power at home in the course of the refugee crisis of 2015. When Germany – alongside the other EU member states most affected by the refugee crisis – needed the solidarity of fellow Europeans most, it was obvious that the memory of perceived and de facto German dominance during the eurozone crisis had left its mark on other European capitals. Strikingly, this is often overlooked in Germany itself. The way that Berlin has at times treated others at the height of its own success and power will be remembered in European capitals for decades to come.

Overall, Berlin under the current and previous coalition governments has been a status quo player in Europe – while both the EU itself as well as its neighbourhood and the global order at large have witnessed tremendous change, disruption and even upheaval. That is not to say that Berlin does not worry about the fragility of the EU, or about the global order unravelling. Quite the opposite, but Berlin has not yet drawn the conclusions that result from this analysis. It has

thus far failed, as Thomas Bagger compellingly explains in a recent article, to adapt its policies in a more fundamental way because of the specific German experience and understanding of the ‘European revolution’ of 1989 and its aftermath (Bagger 2019, 53–63).

Essentially, these times require a change of gear. It might look like a breathtaking achievement that the EU 27 have managed to remain united for an extended period on an issue as fundamental and potentially hugely divisive as Brexit but there are many factors that could explain this success. One of them is clearly that Berlin along with Paris took the decision at an early stage that what mattered most was the unity of the 27, and that the best way to go was to put leadership in the hands of the EU and its chief negotiator. Berlin disappointed all those in London who continued to think that the real key to the EU was to be found in Germany. Leaving the job of leading to others is a kind of leadership too.

LEADING THROUGH COALITIONS TO BUILD A POLITICAL CENTRE

There is no reason for complacency. From the outside, the pressure is on like never before. The United States has ended its support for the European integration project and President Trump is actively working to undermine European unity. This is a more painful development for many Europeans than seeing Russia or China engaged in a divide-and-rule approach to the EU. Regardless of where European capitals find themselves in their relationship with the United States at

this point, the changing role of the United States in Europe and the world requires some fundamental reprogramming of mental maps.

Nonetheless, the internal fragility of the EU is probably even more dangerous than the forces driving it apart from the outside. An EU that was more certain about itself might well be able to confront the growing uncertainties in the world and shape the opportunities that the future offers by punching above its weight. However, EU capitals are no longer certain whether there is enough like-mindedness between them to carry their Union of 27 forward.

There has been much emphasis in recent months on the clashes between member state capitals over fundamental EU values. Another way of looking at the question of European cohesion is a data-driven analysis of the willingness and ability of Europeans to work with one another. After all, cooperation between member states is key to a functioning EU. Despite decades of practice, however, the most recent edition of the EU 28 Survey of the European Council on Foreign Relations (ECFR) (EU Coalition Explorer 2018) reveals that EU capitals are not even very good at building coalitions to achieve common goals. The EU Coalition Explorer, an interactive visualisation of the survey conducted among around 800 EU policy professionals in all 28 members states, identifies a high degree of fragmentation, a lack of ties and much unused potential for cooperation between EU member state governments. The ECFR data suggests that from a theoretical total of nearly 400 nodes in this network, the vast majority of bilateral ties are underdeveloped. There are really only eight bilateral links between EU countries that are strong and

balanced, chief among them Germany and the Netherlands, the Netherlands and Belgium, Poland and Hungary, Slovakia and the Czech Republic, and Sweden and Finland.

REASSESSING THE FRANCO-GERMAN ENGINE

The strongest bilateral relationship, and the one with the greatest potential to shape things European, is – not surprisingly – Franco-German bilateralism. These two countries, whose leaders have just recently cemented their relationship in the Treaty of Aachen (Vertrag zwischen der Bundesrepublik Deutschland und der Französischen Republik über die deutsch-französische Zusammenarbeit und Integration 2019), maintain the most important bilateral relationship in the EU and continue to be the most responsive EU member states. The survey illustrates how member states communicate with Germany and France more frequently than any other European countries, and regard them as having greater influence within the EU than any other member.

These findings may come as no surprise. The decisive question, however, concerns the use of the individual and combined clout of Paris and Berlin now that the EU's inner tensions seem to have reached an all-time high. The survey reveals much about their potential to pull other member states towards greater cohesion on core EU policies, but also demonstrates the limitations of this crucial bilateral relationship. On the surface, France and Germany appear to have a strong sense of their shared interests – both French

and German respondents to the survey suggested that the common ground between their countries went far beyond that of other EU member states. Europeans generally perceive Paris and Berlin to be the greatest advocates of deeper European integration, and France as having greater determination than Germany to lead the way to ‘more Europe’. Since the previous ECFR pan-EU coalition survey, taken in 2016, respondents have come to see France as more of a ‘committed European’ than either Belgium or Germany, which were the frontrunners two years ago. This undoubtedly flows from President Emmanuel Macron’s distinctly pro-European platform, which has driven much of the debate across Europe in recent months. The ‘Macron effect’ also suggests that the policymakers and experts who responded to the survey wish for greater leadership.

The ECFR 2018 survey then looked more deeply into the relationship between France and Germany. A new set of questions pressed respondents in both countries to explore the consensus between Paris and Berlin, as well as their differences. On fiscal policy and eurozone governance – two areas in which it is vital for France and Germany to agree if any attempt at eurozone reform is to succeed – respondents perceived a great deal of potential for joint Franco-German action in the next two years. At the same time, a majority of respondents in each state saw this area as one of those most likely to create controversy between their governments, and as one in which the current level of agreement between Paris and Berlin was either medium or low (in almost equal measure). These findings speak to the difficulties that the Franco-German engine has had in leading the way to comprehensive eurozone reform. They also show that each side is very aware

of the other's position, which illustrates the maturity of their bilateral relationship.

In three other core policy areas – migration, refugee and asylum policy; European defence structures and integration; and EU institutional reform – the picture is less clear. Respondents' views on these issues diverged to a greater degree than on fiscal policy and eurozone governance. Most respondents believed that there was a medium level of consensus between France and Germany on migration, refugee, and asylum policy. More Germans than French perceived there to be a strong consensus in this area. These findings perhaps illustrate some wishful thinking by Germans – who, because the refugee crisis affected them more than the French, are likely to place greater emphasis on a joint approach in this area.

A similar pattern emerges on European defence. An almost equal number of respondents in France and Germany perceived a medium level of consensus in this area, but more German than French respondents perceived a strong consensus, while a similar number of French respondents perceived a low level of consensus on European defence.

Although these findings might once again reflect Germans' desire to boost European defence in the light of new security challenges in and around Europe, the French are perhaps fundamentally more sceptical about Germany's commitment to such efforts. Alternatively, French respondents might doubt the EU's capacity to act as a framework for European defence cooperation.

The ECFR's new survey suggests that France and Germany will find it relatively easy to cooperate on common digital, climate and border/coastguard policies. In all these areas,

both French and German respondents believed that there was significant potential for further European cooperation and integration in the coming years, as well as relatively little disagreement between Paris and Berlin.

Make no mistake, however, the pressure is on for Paris and Berlin to deliver beyond relatively uncontroversial issues, and thereby demonstrate their joint energy to drive the EU at large. This applies to further eurozone reform and European security in particular. While the ECFR data suggests that France and Germany share a strong sense of strategic responsibility for keeping the EU afloat, and agree on wanting to jointly lead it, this general sense of purpose will not be enough to see the EU through the coming years.

CONCLUDING REMARKS

‘Who leads the EU?’ At this point in time, both ‘political Europe’ – the EU that is shaped through elections at both the national and the European level – and ‘diplomatic Europe’ – the Europe of states engaging with one another – have their place in the answer to this question. Each Europe is linked to the other. Political leaders in the EU member states continue to engage with one another as statesmen and women, but they increasingly behave as politicians as well. Somehow, this development seems so obvious – why would anyone expect elected leaders not to act like politicians in an EU system that has since Maastricht been successively transformed into a political Union? Nonetheless, this is still a major step for the political culture of the EU, and one that also challenges

those of us who try to understand the ebbs and flows of the European integration process. Do we have the right questions and instruments for analysing this emerging political Europe?

In the coming months, the outcome of the elections to the European Parliament alongside ongoing elections at the national and subnational levels will shape the degree to which European nations continue to put their faith in the European Union as an umbrella for economic, political and security cooperation. For the time being, the forces that ultimately advocate that the EU system should continue to be the framework for the future, if only in a reformed way, look likely to prevail. But there is no reason for complacency.

The fall of the Iron Curtain and the radiance of the European project in the early 2000s perhaps suggested to those who were building the EU that there was a linear path ahead towards a stronger and more united Europe. Today, Europeans have to acknowledge that EU politics no longer allow for linear thinking – and this makes the question of who leads the EU even more difficult to answer.

REFERENCES

- Bagger, T (2019). The world according to Germany: Reassessing 1989, *Washington Quarterly* (Winter), 53–63.
- Beck, U. (2012). *Das deutsche Europa: Neue Machtlandschaften im Zeichen der Krise*, Berlin.
- EU Coalition Explorer (2018). Results of the EU 28 Survey, 2018 on coalition-building in the European Union, <<https://www.ecfr.eu/eucoalitionexplorer>>
- Guérot, U. and Leonard, M. (2011). The new German question. How Europe can get the Germany it needs, *ECFR Policy Brief* no. 30 (April).
- Vertrag zwischen der Bundesrepublik Deutschland und der Französischen Republik über die deutsch-französische Zusammenarbeit und Integration (2019). Aachen, 22 January.

Is differentiation the future of European integration?

Frank Schimmelfennig

DIFFERENTIATED INTEGRATION AND EU REFORM

In its ‘White Paper on the future of Europe’, the European Commission sets out five scenarios for the further development of the EU and its likely shape in 2025 (European Commission 2017). Scenario three, ‘Those who want more do more’, envisages a ‘future of Europe’, in which ‘coalitions of the willing’ representing varying subgroups of the EU member states, agree on further integration in specific policy areas. This is the core idea of differentiated integration: that EU rules do not apply uniformly to all member states (or only to member

states), but that states may selectively opt out of or opt in to EU policies.

Differentiated integration is not new to the EU's integration discourse and practice. In the 1970s, another time of economic crisis and stagnation in European integration, academics and policymakers began to toy with concepts of and proposals for differentiated integration. The Tindeman Report on European Union of December 1975 proposed a 'new approach' based on the assumption that it was 'impossible at the present time to submit a credible programme of action if it is deemed absolutely necessary that in every case all stages should be reached by all the States at the same time'.⁷ On the academic side, Ralf Dahrendorf claimed that '*Europe à la carte*, that is, common policies where there are common interests without any constraint on those who cannot, at a given point of time, join them, must become the rule rather than the exception, if European union is not to get stuck [...]' (Dahrendorf 1979, 19–20). By the mid-1990s, the concepts and models of differentiated integration had become so abundant that Alexander Stubb devoted an entire article to bringing order to the terminology (Stubb 1996; see also Holzinger and Schimmelfennig 2012).

By this time, differentiation had already become firmly entrenched in integration practice. Internally, the two post-single market flagship projects of European integration in the 1990s, 'Schengen' and the euro, had started as differentiated

⁷ Report on European Union (29 December 1975), available at https://www.cvce.eu/en/education/unit-content/-/unit/02bb76df-d066-4c08-a58a-d4686a3e68ff/63f5fca7-54ec-4792-8723-1e626324f9e3/Resources#284c9784-9bd2-472b-b704-ba4bb1f3122d_en&coverlay.

integration projects – and have remained differentiated to this day. Externally, the European Economic Area (EEA) had entered into force in 1994 as the most far-reaching form of non-member participation in EU integration. Initially designed as a transitional arrangement, too, the EEA has endured.

Nonetheless, differentiated integration remains contested. In his programmatic speech at the Sorbonne on 26 September 2017, the President of France, Emmanuel Macron, came out strongly in favour of differentiation as a core principle of EU reform: ‘If we are to cultivate the desire to push ahead and ensure Europe’s progress benefits everyone, we need to constantly accommodate the driving ambition of some while allowing others to move ahead at their own speed’. Whereas Macron insisted that ‘there can be no two-speed Europe’ on the values of democracy and the rule of law, he called on governments and citizens to ‘embrace the differentiations, the vanguard, the heart of Europe’ for the renewal of European integration. ‘No State must be excluded from the process, but no country must be able to block those wanting to make faster progress or forge further ahead’.⁸

Whereas the idea of boosting EU reform through differentiation finds support among many Western and eurozone member states that already form the vanguard of European integration, Eastern and Northern member states sceptical of further deepening oppose the idea for fear of being left behind and relegated to a second class status or come under pressure to join unwanted integration schemes.

⁸ See ‘Sorbonne speech of Emmanuel Macron: Full text/English version’, <<http://international.blogs.ouest-france.fr/archive/2017/09/29/macron-sorbonne-verbatim-europe-18583.html>>.

The President of Poland, Andrzej Duda, for instance, warned ‘if EU membership becomes less attractive for countries that are thrown out of the first decision-making circle, then this moment [...] will be the actual beginning of the end of the union’.⁹ Differentiated integration is contested not only among politicians and policymakers, but also in academia. Here it is accused of undermining the unity of the EU’s legal order – a prominent position in the legal scholarship on the EU – and European democracy (Adler-Nissen 2014, 27–31).

The ongoing debate raises three questions. First, does differentiation facilitate closer integration, or does it put the EU on a slippery slope towards disintegration? Second, does differentiated integration create permanent divisions between a core and a periphery of member states, or does it lead to unity in the longer term? Finally, how democratic or undemocratic is differentiated integration?

I argue that differentiated integration has enabled the EU to become more integrated today than it would have been had it stuck to the principle of uniform integration. Moreover, most differentiated integration has been ‘multi-speed’ integration, creating only temporary differences in the integration of member states. The core of the EU has always been inclusive and open, offering initially excluded member states the opportunity to join within a reasonable time frame. The small number of peripheral EU member states have remained in this position by choice. Finally, differentiation has facilitated the EU’s development as a ‘demoi-cracy’ by accommodating

⁹ ‘Polish president says “multi-speed” EU will lead to break-up of bloc’, <https://www.reuters.com/article/us-poland-eu-duda/polish-president-says-multi-speed-eu-will-lead-to-break-up-of-bloc-idUSKCN1BG2AJ> (accessed 17 July 2018).

the diverse integration preferences of European peoples. In conclusion, I briefly discuss the extent to which differentiated integration will be a helpful way forward for EU reform.¹⁰

DOES DIFFERENTIATION UNDERMINE EUROPEAN INTEGRATION?

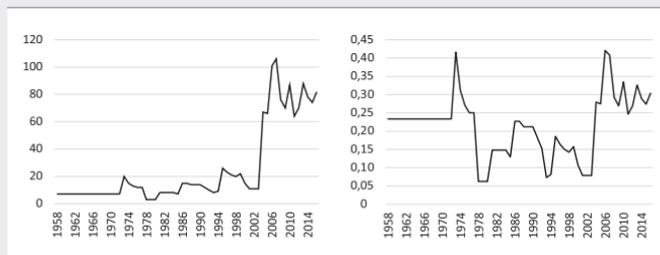
In a trivial sense, it is true that differentiation undermines the EU's legal unity – after all, that is the definition of differentiation. The real questions, however, are whether differentiation compromises the unity of the EU's legal order in the longer run and whether any loss of legal unity may be more than offset by overall gains in integration.

Has the EU become more legally differentiated over time? The number of differentiated provisions in the EU treaties certainly gives this impression. The left panel in Figure 1 shows number of member state exemptions from individual policies since the origins of the EU in the Treaties of Rome. What this graph does not take into account, however, is that the number of member states has increased and that the policies regulated by the EU have multiplied in the same period. The right panel of Figure 1, which is weighted by the expansion of the EU's policy scope and membership, shows that differentiated integration today is not dramatically greater than it was in the early years of European integration; it is, however, at a different level than during the 1980s and 1990s.

¹⁰ This chapter is based on collaborative work with Thomas Winzen and a co-authored book manuscript on 'Ever looser union? Differentiated European integration'.

FIGURE 1.

The development of differentiated integration in the EU



Note. Left panel: number of differentiations valid in each year. Right panel: number of differentiations valid in each year divided by differentiation opportunities (number of member states minus one multiplied by the number of integrated policy areas). Reproduced from Schimmelfennig (2017).

Both panels suggest that the successive EU enlargement rounds have been the main drivers of differentiation in the EU. Northern enlargement (1973) and Eastern enlargement (2004 and 2007) generated the highest peaks in differentiated integration in its 60-year history. Both panels also show, however, that the effects of EU enlargement on differentiated integration have been temporary – differentiation levels generally return to pre-enlargement levels after a few years.

Indeed, differentiated integration mostly occurs in the form of ‘multi-speed’ differentiation – a temporary deviation from uniform integration, in which states adopt EU rules at different speeds but eventually reach the same destination. Roughly two-thirds of all the differentiations that have ever existed have already expired. Many more will end in the near

future as transition periods for new member states come to an end. Moreover, differentiations expire on average after a period of around seven years. Only 10–15 per cent of all differentiations have been in place for longer than 12 years.

This multi-speed integration is what is typically found in the internal market and its flanking regulatory and expenditure policies such as environmental or agricultural policy – the policy core of the EU. Almost all the differentiations in this domain are temporary and reasonably brief. In these areas, European integration has actually become more uniform over time in both the EU treaties and EU legislation. Finally, the EU has generally preserved a common organizational core for all (and only) member states. Regardless of their differentiations, member states are equally represented in the EU's main organs: the Commission, the European Parliament, the Council and the Court.

In other areas, however, differentiated integration has proved durable and open-ended: the eurozone, Schengen, justice and home affairs, the common defence policy and restrictions on the free movement of capital. With the exception of the free movement of capital, mainly pertaining to foreign land ownership, these long-term differentiations belong to the domain of core state powers, which are related to traditional notions of state sovereignty. The integration of core state powers is responsible for almost all the long-term treaty-based differentiations, and it is the only policy area with increasing differentiation in EU legislation.

In sum, there is no evidence that differentiated integration is putting the EU on a slippery slope towards an 'ever looser union'. The vast majority of differentiations are temporary

and short-lived. Differentiation is not found in the EU's core institutions, and differentiations in the internal market and its flanking policies are almost completely transitional. Taking into account the expansion in the number of EU member states and its policies, the EU is no more differentiated now than it was at its foundation.

At the same time, however, the EU is unlikely to attain the objective of a unitary legal order. Before it ventured into the supranational integration of core state powers, the EU might have been able to achieve quasi-uniformity as the differentiations in internal market integration and successive enlargement rounds expired. Indeed, at the end of the 1970s, the level of differentiated integration had been at an all-time low. Since the EU decided to move beyond market integration in its negotiation of the Treaty of Maastricht, however, uniformity has become elusive. The EU will remain a system of differentiated or legally heterogeneous integration.

The normative evaluation of this state of affairs is a matter of perspective. The ideal of uniform integration is strongly linked to a 'statist' vision of European integration. A single territorial border that clearly demarcates the limits of political authority across all policy areas corresponds with the ideal of a modern territorial state and its hierarchical legal order. Assessed against the statist benchmark, differentiated integration is an aberration.

Whether the EU ought to develop gradually into a state, however, is highly contested. Moreover, it is a highly EU-centric standard for an integration project that targets the region of Europe as a whole. In this respect, the opportunity costs of uniformity for widening and deepening European

integration are significant. There is a trade-off in European integration between the unity of the EU and the unity of Europe.

For one, the EU would be a less inclusive organization without differentiation. It would as a minimum have enlarged more slowly and would very likely have fewer members today. In the context of enlargement, differentiation is typically imposed on poorer new member states by established member states worried about: (a) economic competition from low-wage and low-regulation countries; (b) migration pressures; (c) the redistribution of EU funding for agriculture and underdeveloped regions; and (d) weak administrative capacity undermining compliance with EU rules. The ability to limit the access of new member states to the internal market and EU funds, as well as demanding EU policies such as monetary union and Schengen, temporarily makes it easier for concerned existing member states to agree to enlargement.

In addition, without differentiated integration, non-member states would not be able to participate in EU policies to the extent that they do now, for instance, in the European Economic Area or in Schengen. A uniform EU legal order would prevent the EU from advancing a legal order for the European region.

Moreover, there is a trade-off between uniformity and progress in European integration for member states too. Given the existing constraint of consensual intergovernmental agreement on and ratification of European treaties, the deepening of European integration would have stopped at a much earlier stage. It is highly likely that there would be no common currency, no Schengen area of free travel and less

cooperation on interior and defence policies. At the very least, these integration steps would have taken much longer because integration progress would have been taken hostage by the most integration-sceptical member state. Even for advocates of a statist perspective, it would be hard to claim that a uniform union would have made much more progress towards statehood – including, for instance, a fiscal union, a common welfare system or a European army – beyond what the core group of current EU member states have achieved so far.

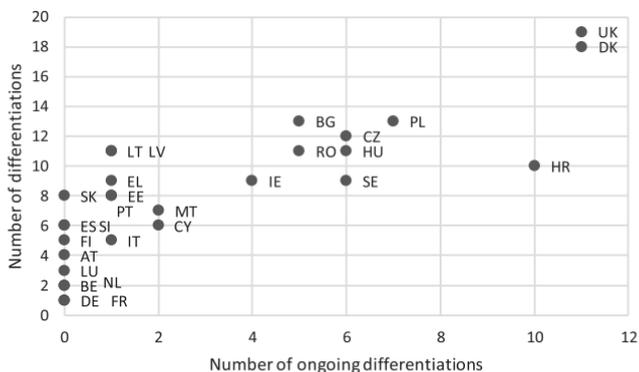
In conclusion, differentiation has enabled the EU to move to a level and scope of European integration that would have been impossible under the constraint of uniform integration. Rather than putting the EU on a path towards disintegration, differentiated integration has been a lubricant for the expansion of the EU into new competencies and territories.

IS DIFFERENTIATED INTEGRATION DRIVING THE EU APART?

The supranational integration of core state powers has not only led to long-term differentiations in the domain of monetary and interior policies. It has also created durable divisions among the EU member states. A ‘multi-tier’ core-periphery structure complements the multi-speed pattern of European integration.

Figure 2 plots the number of differentiations that each member state has had since the start of its membership against the number of differentiations still ongoing in 2016. It is possible to broadly distinguish three tiers of membership: a

FIGURE 2.
Differentiations by member state



Note. Number of differentiations for all member states, 1958–2016 and ongoing differentiations at the end of 2016. Reproduced from Schimmelfennig (2017).

core group of member states with two or fewer ongoing differentiations, a tier of member states with four to seven ongoing differentiations and a peripheral group with 10 or eleven ongoing differentiations. Numerically, the differences between these three tiers appear small, but they represent qualitative differences in EU membership. The core group participates in all EU policies at the highest level of integration. They are in both the eurozone and the Schengen area and adhere fully to the internal and external security acquis. Their differentiations are minor, such as restrictions on land ownership by foreign citizens and non-participation in

the Prüm Convention. By contrast, Denmark and the United Kingdom have opt-outs from monetary union and justice and home affairs, as well as Schengen (in the case of the UK) or defence (in the case of Denmark). The semi-periphery is less coherent as a circle of integration but – with the exception of Ireland, its least differentiated member – outside the eurozone.

The *total* number of differentiations is an indicator of state capacity. In each tier, countries with less wealth and capacity have had more than the wealthier countries. Thus, for instance, the founding members, Austria and Finland, have had fewer than the Southern and Eastern member states in the core, and the same is true of Ireland and Sweden when contrasted with the Eastern member states in the second tier. By contrast, the number of *ongoing* differentiations is an indicator of willingness or Euroscepticism. The high number for the UK and Denmark reflects strong popular opposition to sovereignty transfers to the EU, which especially in the UK is underpinned by an energetic national identity. The second tier mixes countries that are outside the core because of capacity issues, especially Bulgaria and Romania; and others that are outside the core because the public (in the case of Sweden) or government (in the case of Poland, Czechia and Hungary) are sceptical about European integration of core state powers. Is differentiated integration therefore driving the EU apart?

First, as we move from the core to the periphery, the size of the groups becomes smaller: 18 states are in the first tier, seven in the second and three in the third. This top-heavy pattern indicates that EU multi-tier integration is not dominated by a small vanguard of highly integrated core countries but rather constrained by a small group of stragglers and dissenters. This

is the opposite of the pyramid structure typical of hierarchical core-periphery relations.

Second, multi-tier integration is upwardly mobile. For instance, Latvia and Lithuania began their membership with as many differentiations as the UK and Denmark have now, but they have reduced them to a single differentiation over the course of a decade. Other successful cases of catching up are Greece, Estonia and Slovakia. Together with the inverted-pyramid shape of differentiated integration, the core countries with a high number of initial differentiations testify to the high degree of inclusiveness of the core.

In sum, just as the supranational integration of core state powers has introduced durable differentiation to the EU, it has also created a permanent core-periphery structure among its member states. The major dividing lines are membership of the eurozone and participation in the integration of justice and home affairs. Nonetheless, multi-tier differentiation is characterized by a highly inclusive core. Those states that remain outside the core at the end of the accession phase do so by choice, not because the core has excluded them.

DOES DIFFERENTIATED INTEGRATION UNDERMINE DEMOCRACY?

Another important strand of criticism argues that differentiated integration undermines democracy. First, differentiated integration is said to weaken transparency in policymaking, which is a prerequisite of democratic governance. Differentiation adds to the institutional complexity of the European multi-

level governance system: membership composition varies across the EU's integrated policies; member states have different rights and obligations; and differentiated policies tend to have differentiated decision-making bodies, political procedures and executive agencies.

Second, differentiated integration is blamed for creating differential citizenship and differentiated individual rights and obligations, which contradicts the norm of civic and political equality. For instance, citizens from member states that are excluded from the free movement of workers in the internal market or the passport-free travel rules of the Schengen regime do not enjoy full EU citizenship and are discriminated against in comparison with citizens of fully integrated member states.

Third, differentiated integration is criticized for inhibiting the development of a European political community. Rather than integrating all citizens and giving them full 'voice' within the EU, differentiation resolves conflicts through the partial 'exit' of citizens and national communities. Differentiation therefore undermines the formation of a European 'demos' and weakens the representation of political cleavages within a single political community.

Finally, the EU is accused of hegemonic dominance vis-à-vis non-member rule-taker states (Eriksen 2018).

While these criticisms are plausible, they do not sufficiently explore the democratic trade-offs inherent in differentiated integration. First, the critique is again based on a questionable standard. Democratic criticism of differentiated integration implicitly or explicitly assumes or envisages a European demos in the making, and the movement of the EU towards a single political community. This assumption is the equivalent of

the statist assumption of legal hierarchy and homogeneity that underpins the criticism of differentiated integration for undermining the EU's legal unity.

The EU and the wider European region lack the resilient collective identity of citizens, the common public sphere and the common political organizations that characterize a demos, however, and they are unlikely to develop these features in the foreseeable future. Rather, the foundations and procedures of democracy and solidarity are developed most strongly at the national level. Under these circumstances, the more appropriate benchmark for democracy in the EU is '*demoi*-cracy', that is, government of the peoples, by the peoples and for the peoples, to paraphrase Abraham Lincoln's Gettysburg Address. In a *demoi*-cracy, the peoples of the member and non-member states retain sovereignty over decisions about entry and exit, as well as constitutional issues of the national and European order (Cheneval and Schimmelfennig 2013).

Differentiated integration is a core principle and strategy of *demoi*-cracy. By enriching the choices available to member state democracies, differentiated integration recognizes that integration preferences vary among the peoples of Europe. Some elites and citizens are less concerned than others about losses of national autonomy, democracy and identity. Alternatively, they might value the economic and governance benefits of EU membership sufficiently to accept democratic costs. Under these conditions, the binary choice between 'in' and 'out' could polarize political competition between and within the member states. By avoiding forcing states into a choice between full integration and no integration at all, differentiated integration grants each democratic nation the

sovereign right to choose the level of integration that matches its identity and preferences (Lord 2015: 792).

These sovereign choices are only unproblematic, however, if differentiated integration does not produce significant external effects. On the one hand, integration could generate benefits, or positive externalities for the non-integrated countries to which they do not contribute. This is ‘cherry picking’. On the other hand, integration might discriminate against or disadvantage the outsiders (negative externalities). In either case, differentiated integration would be unfair and probably unsustainable.

Possibly the most significant democratic challenge in a system of differentiated integration is the relationship between decision makers and decision takers. This is the area in which Eriksen’s (2018) concerns about the ‘spectre of dominance’ come into play. Within the EU, that is, among the official member states, differentiated integration does not appear to raise major concerns of dominance beyond well-understood economic and power imbalances between the member states that would also exist without it. On the contrary, differentiation as currently practiced maintains a high level of congruence between decision makers and decision takers. In domains such as the eurozone or the area of freedom, security and justice, the member states with opt-outs do not have voting rights. Moreover, since internal differentiation has so far been designed inclusively, countries that experience serious negative externalities without decision-making rights can join to re-establish congruence or choose not to join at their own discretion. If anything, the EU has erred on the other side by allowing the countries with opt-outs (e.g. the UK and

Denmark) to send full members to the European Parliament, the European Commission and the European Court of Justice, and to participate in most Council and European Council deliberations even in areas covered by their opt-outs (e.g. Adler-Nissen 2009).

Nonetheless, the relationship between decision makers and decision takers raises concerns about external differentiation. This is not a major concern for the selective integration of rich and well-governed non-member states such as Norway or Switzerland. These countries certainly have to pay the democratic cost of being decision takers in the EU's market and flanking policies. However, this arrangement has not been imposed but negotiated in response to a democratic choice to avoid full membership. Moreover, it is hardly conceivable that the EU would deny full membership to any of these countries.

The situation is most ambivalent when it comes to the EU's poorer neighbours, which have to accept many EU rules in exchange for partial access to the Single Market. However, unlike their rich neighbours, these countries do not have the opportunity to avoid these costs by choosing membership. Even if they have membership perspective such as the countries of the Western Balkans, meeting the conditions for accession is a long process with an uncertain outcome. Other decision takers – such as the associated countries of the Eastern Partnership, Georgia, Moldova and Ukraine – do not even have this prospect.

In sum, there is no denying that differentiated integration weakens the unity of the EU's legal order and the formation of a democratic community at the EU level. However, some of

these limitations are short term and only transitory. The goals of legal unity and EU-wide democracy are also debatable because of their statist assumptions. In addition, these principles entail serious opportunity costs for the EU. Forgoing differentiation and limiting European integration to a clear choice between 'in' and 'out' would be likely to result in a lower level of and a narrower regional and functional scope for European integration. Ironically, safeguarding the ideal of a future 'European democracy' by restricting differentiated integration would limit the democratic choices of both member states and non-member states in the here and now.

IS DIFFERENTIATION THE WAY FORWARD FOR EUROPEAN INTEGRATION?

Differentiation has become a core feature of European integration. Each step forward is likely to be differentiated. This is true for both future EU enlargements and revisions of EU treaties. Without differentiation, however, the most recent instances of enlargement or deepening of European integration would either not have been possible or have taken much longer.

Differentiated integration has not put European integration on a slippery slope towards fragmentation or disintegration. Most differentiation – in particular in the context of enlargement and the internal market – is multi-speed integration. The exemptions are transitory and member states arrive at a uniform level of integration in a reasonable time.

Differentiated integration in the area of core state powers, however, is durable and creates a multi-tier core-periphery structure among the EU member states. Nonetheless, the EU's core is open and inclusive. The net effect on integration of differentiation is clearly positive. In return for relaxing the principle of uniformity, the EU has been able not only to advance integration among its member states, but also to allow for the partial integration of non-member countries.

Differentiated integration has also produced a favourable balance for democracy in Europe. Rather than pursuing the idea of a supranational European democracy, which appears unrealistic for the foreseeable future, it allows member and non-member states to '*demos*-cratically' choose the level of integration that is most responsive to the preferences of their people – provided that these choices do not produce significant externalities and do not relegate non-member states to a status of involuntary rule takers.

In sum, differentiation has been good for European integration overall. It has enhanced both the efficiency and the legitimacy of the process. In principle, there is no reason not to rely on differentiated integration in the future. Because the EU's current accession candidates are on average poorer and have weaker state capacity than earlier candidates, any future enlargement is likely to be accompanied by extensive differentiation. In general, however, the EU is running out of countries that are both willing and able to join the EU. In this situation, external differentiation will gain even more importance for managing the interdependence between member and non-member states and for finding mutually acceptable levels of integration.

Differentiated integration also remains a useful strategy for the EU to kick-start integration in new policies, especially in the domain of core state powers. A good example is the recent agreement by member states on Permanent Structured Cooperation (PESCO) as a stepping stone towards the deepening of the EU's common defence policy. In December 2017, 25 EU member states (the exceptions being Denmark, Malta and the UK) decided to participate in PESCO, although the first 17 collaborative projects will have a variable membership ranging from two (European Training Certification Centre for European Armies) to 24 member states (Military Mobility, also known as 'Military Schengen'). Non-member states may also be invited to participate.

In two other areas, however, differentiated integration has run into major obstacles. First, the UK's decisions to renegotiate British membership of the EU and then exchange membership for some form of external differentiation arrangement have triggered the first instance of 'differentiated disintegration' among the EU member states (Schimmelfennig 2018). In contrast to the earlier opt-outs by the UK, however, the EU has been much less accommodating. For one, the EU is willing to engage in differentiation if it facilitates 'more integration' but seeks to discourage 'disintegration' and cherry-picking. In addition, the UK enjoyed a high level of institutional power as a member state when the rest of the EU required British consent to move ahead with integration. In that situation, the UK was able to bargain successfully for opt-outs in exchange. Now that the UK has turned itself into a supplicant for renegotiation, it finds itself in a far weaker bargaining position.

Second, differentiated integration does not appear suitable for resolving the EU's major crises. Proposals to resolve the euro crisis by differentiating the eurozone along the line of 'northern' and 'southern' countries (e.g. Scharpf 2016; Stiglitz 2016) did not fly because of the enormous financial interdependence between the eurozone states and the prohibitive costs that such a split would entail. In the migration crisis, a proposal to differentiate the EU's asylum policy between countries that are willing to relocate asylum seekers and those that are not might have overcome the current reform deadlock. However, the Mediterranean frontline countries and the major destination countries, such as Germany and Sweden, would have regarded such a solution as cherry picking. Finally, the EU conflict over the rule of law – most notably in Hungary and Poland – does not lend itself to management by differentiation. Liberal democracy is a fundamental value of the EU, and the independence of the courts is essential to the functioning of the EU's legal system and internal market.

These examples indicate that differentiated integration works best to boost the integration of new policies and member states, but less well for reforming highly integrated policies. When international solidarity and common values are at stake, differentiated integration is not the answer.

REFERENCES

- Adler-Nissen, R. (2009). Behind the scenes of differentiated integration: circumventing national opt-outs in justice and home affairs. *Journal of European Public Policy*, 16(1), 62–80.
- Adler-Nissen, R. (2014). *Opting Out of the European Union: Diplomacy, Sovereignty and European Integration*. Cambridge: Cambridge University Press.
- Cheneval, F. and Schimmelfennig, F. (2013). The case for democracy in the European Union. *Journal of Common Market Studies*, 51(2), 334–350.
- Dahrendorf, R. (1979). *A Third Europe? Third Jean Monnet Lecture*. Florence: European University Institute.
- Eriksen, E.O. (2018). Political differentiation and the problem of dominance: Segmentation and hegemony. *European Journal of Political Research*, 57(4), 989–1008.
- European Commission (2017). White paper on the future of Europe: Reflections and scenarios for the EU27 by 2025. https://ec.europa.eu/commission/sites/beta-political/files/white_paper_on_the_future_of_europe_en.pdf.
- Holzinger, K. and Schimmelfennig, F. (2012). Differentiated integration in the European Union: Many concepts, sparse theory, few data. *Journal of European Public Policy*, 19(2): 292–305.

Lord, C. (2015). Utopia or dystopia? Towards a normative analysis of differentiated integration. *Journal of European Public Policy*, 22(6), 783–798.

Scharpf, F.W. (2016). Forced structural convergence in the eurozone: Or a differentiated European monetary community, *MPIfG Discussion Paper*, 16/15. http://pubman.mpg.de/pubman/item/escidoc:2385226:5/component/escidoc:2479325/mpifg_dp16_15.pdf.

Schimmelfennig, F. (2017). Differentiation and self-determination in European integration, *EUBorders Working Paper Series* no. 1. http://www.euborders.com/download/WorkingPaper_01_Schimmelfennig.pdf.

Schimmelfennig, F. (2018). Brexit: Differentiated disintegration in the European Union. *Journal of European Public Policy*, 25(8), 1154–1173.

Stiglitz, J.E. (2016). *The Euro and its Threat to the Future of Europe*. London: Penguin Books.

Stubb, A. (1996). A categorization of differentiated integration. *Journal of Common Market Studies*, 34(2), 283–295.

Perspectives on the future of the EU

What are the prospects for legitimacy and democracy in the EU? What is the status of common values inside the Union and how does that affect the EU's global role? In this volume, **five leading European scholars** go beyond policy issues to focus on the future of the EU as a political system.

Christopher J. Bickerton sees the main challenge in balancing European integration and national democracy, while **Ulrike Guérot** envisions a legitimacy where one person equals one vote for the whole of the union. **Ivan Krastev** sees the main challenge in the East no longer wanting to imitate the West and warns against fatalism, whereas **Almut Möller** finds an opportunity for diplomatic relationships across EU capitals, especially where there is conflict. If differentiated integration might hold the key to the future is finally discussed by **Frank Schimmelfennig**.

With these different and sometimes opposing perspectives, the aim is to shed light on where the European Union might – or should – be heading.

The authors originally presented their contributions in the winter of 2018/2019, in a series of lectures co-organized by the Swedish Institute of International Affairs (UI) and the Swedish Institute for European Policy Studies (SIEPS).