The Reform of the European Union

From Brexit to Bratislava. Another EU Reform Debate Emerging

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Taking stock of the debate

The Brexit vote, 23 June 2016, triggered two debates, which should carefully be distinguished from one other: the first one is about how the separation between the EU and the UK should be organised; the other one about the future and the reform of the remaining EU27. The following reflections are not concerned with the former, i.e. the Brexit debate, but exclusively with the second, a debate which has led, in the meantime, to a first common statement from the Heads of State and Government, at Bratislava, 16 September, and is accordingly now being referred to as the "Bratislava Process".

Between 23 June and 16 September, three phases of this debate can already be distinguished: the first one, from the very moment of the Brexit vote itself until the end of July, can be characterised as a phase of "réactions à chaud", immediate, sometimes emotional speeches and proclamations, not yet well prepared and lacking maturity. The first half of August was, despite all the excitement, a sort of shortened summer break, but the second phase can be dated from 18 August, at the latest, when Donald Tusk met Angela Merkel, to discuss with her the preparation of the Bratislava summit. During a period of around four weeks, meetings in very contrasting formats followed. The third phase was the close preparation of the Bratislava meeting and the summit itself, ending up with the "Bratislava Declaration" and the "Bratislava Roadmap" for the further preparation of an EU reform. Things have calmed down since mid-September, but the debate continues in civil society, openly of course, and behind the closed doors of diplomacy.

"Réactions à chaud" (23 June – 21 July)

The first and immediate reaction of those entitled to speak on behalf of the European Union – the President of the European Commission, Jean-

Claude Juncker, the President of the European Council, Donald Tusk, the President of the European Parliament, Martin Schulz, and the Foreign Minister of the member state assuming the rotating presidency, Mark Rutte[1] – was much more than a statement confirming that the EU as such was not put into question by the Brexit vote and would continue on its way: "Together we will address our common challenges", they said.

One day later, the Foreign Ministers of the six founding member states met in Berlin[2], and despite the fact that they did not come up with a substantial reform idea, the meeting as such was already a message in itself: The EU should envisage a "re-form" in the literal sense of the term, i.e. reminding itself of its roots and its initial project.

It took only two more days before another crucial format of cooperation in European integration was to come in, the Franco-German partnership. Again, it was the Foreign Ministers, Steinmeier and Ayrault, who launched a ten-page (and thus the first elaborated) statement on how the EU should shape its future without the United Kingdom[3], under the title "A strong Europe in a world of uncertainties". This paper did indeed introduce strong proposals, such as the request to "move further towards political union in Europe", to create a "European Security Compact", with a "truly integrated European asylum, refugee and migration policy." It also put forward a strengthened Monetary Union whereby "a full time president of the Eurogroup should be accountable to a Eurozone subcommittee in the European Parliament", equipped and empowered by a "fiscal capacity – a common feature of any successful monetary union around the globe", which "should provide macroeconomic stabilisation".

Not only did such proposals exasperate the German Minister of Finance, Wolfgang Schäuble (and probably the Chancellor, too), who never agreed on such future for the €-Zone, sticking to his concept of a much more liberal Monetary Union, based on competition and rules, and not on redistributory and interventionist policies. It did not come as any surprise either, that member states who joined later, and the East Central European countries in particular, became immediately wary and prepared their own statement, all the more so, since most of them are not members of the €-Zone.

In the meantime, Martin Schulz dared to call for the transformation of the European Commission into a "real European government"[4], which should be submitted to a twofold parliamentary control, by the European Parliament and a second chamber representing the member states. Faced with such a political system, the European citizens would finally identify

who would be responsible for what, on the European level, and have a say through their elections. There can be no doubt that this proposal is the cornerstone of a fully-fledged European federation, in line with the post-war tradition of European federalism.

On 21 July, the four Visegrad countries had their statement ready[5]: It does indeed take a totally different stance, underlining the importance of the nation states vis-à-vis and in opposition to the European Union institutions. The key statements in their vision are heading in this direction: The Visegrad 4 "pushed for reforms which would grant national parliaments a larger say in EU decisions. […] "We believe it's up to national parliaments to have the final word on the decisions of the European Commission", Szydlo [the Polish Prime Minister] added. "The EU needs to return to its roots. We need to care more about the concerns of citizens and less about those of the institutions."

Four weeks after the launch of the new debate, the divisions were already visible: Founding member states, and France and Germany in particular, showed their readiness to seize the Brexit opportunity to push integration forward and deeper; East and West were drawing divergent conclusions from Brexit; and there was an attempt to redirect integration towards a more social democratic direction, against the still dominating liberal mainstream. It would be hard to overcome these divisions, during the next months.

Variable geometry diplomacy in the EU between the summer break and Bratislava (18th August – 14th September)

The four weeks leading up to the Bratislava Summit were committed to bi- and multilateral meetings in various groupings. It started with a Tusk-Merkel meeting, 18 August, but nearly or literally all the heads of state and government of the 27 were involved at one moment or another. "Tusk has scheduled meetings with French President François Hollande, Luxembourg Prime Minister Xavier Bettel, Irish Prime Minister Enda Kenny, UK Prime Minister Theresa May, Latvian Prime Minister Māris Kučinskis, Lithuanian President Dalia Grybauskaitė, Estonian Prime Minister Taavi Rõivas, Hungarian Prime Minister Viktor Orbán, Swedish Prime Minister Stefan Löfven, Maltese Prime Minister Joseph Muscat, Spanish Prime Minister Mariano Rajoy and Hungarian Prime Minister Viktor Orbán.- Interestingly, no meeting with Polish Prime Minister Beata

Szydło has been announced. It remains unclear if the new Polish government will support Tusk staying on for a second term."[6] Implicitly, Euractiv suggests that Tusk was at odds with the Polish government, and this could explain why his stance came very close to the one expressed already at the July meeting of the Visegrad countries – one motive for Tusk could be his desire to rule out any Polish opposition to his re-election.

But the heads of the member states met on their own, too, in different formats. One of the most important of these meetings took place at a very symbolic place, at the Ventotene island, off the Italian coast, where Altiero Spinelli and Ernesto Rossi, incarcerated there during World War II, laid down their vision for a unified post-war Europe. Renzi, Hollande and Merkel tried to evoke that spirit of a federal Europe when they met there 22 August. Merkel put the emphasis on security, external border control and economic performance afterwards (as the Bratislava Declaration would, later on), whereas Renzi called for more solidarity with member states in economically difficult situations, still suffering from the financial, economic and public debt crisis – a divergence of priorities similar to the one already obvious in the Steinmeier-Ayrault paper on the one hand and the reluctant endorsement (if at all) by the conservative-liberal camp.[7]

Merkel took another step to breach the gap between the founding member states (and their allies) on the one hand and the Visegrad group (and their followers) on the other, by meeting them in Warsaw, 26 August. No substantial content transpired from this meeting, which was meant to deepen mutual understanding, and not yet necessarily lead to common conclusions: Merkel spoke of a "phase of listening, understanding, and learning from one another in order to properly understand and develop the naturally new balance within the 27-member Union". [8] But it soon became clear that a compromise between the different groups of member states and political families would probably only be achievable in terms of output, of increased and more successful and visible action – not in the form of a systemic reform of the EU.

Preparing Bratislava

In the two or three days before the European Council members (except the British Prime Minister …) met in Bratislava, the options and positions delineated during the previous weeks were made more explicit and sharpened.

This started with a letter from Tusk[9], 13 September, where he sums up the impressions he had drawn from his talks with his colleagues, but which came much closer to the Visegrad position than to those expressed by franco-german, franco-italian-german or founding member state groupings: His letter is divided into two parts, the first one laying the emphasis on policies, urging for more efficient action in the fields of migration, security and economic growth, the second on focusing on the EU as a polity, with a decidedly outspoken affinity to the Visegrad wish for a relocation of competences and power to the national level: "My talks with you clearly show that giving new powers to the European institutions is not the desired recipe. National electorates want more influence on the decisions of the Union. […] The slogan 'less power for Brussels' […] should translate as more responsibility for the Union in national capitals. […] The institutions should support the priorities as agreed among the Member States, and not impose their own [ones]".

This unusually one-sided stance triggered immediate and angry reactions from prominent deputies in the European Parliament, with Elmar Brok and Jo Leinen, both co-chairs of the Spinelli-Groupe, at the forefront: "The letter of President Tusk to the Heads of State and Government goes in the wrong direction. It suggests that the Bratislava Summit should prepare a shift of power and competences from the European Institutions to the national capitals. Europe à la carte and intergouvernmentalism have shown a lack of efficiency and legitimacy in the past. Exactly the opposite is needed today."[10]

The debate continued 14 September, with the annual speech of the President of the Commission, Jean-Claude Juncker, on the "State of the Union" in the European Parliament.[11] Vigorous and frankly critical, as usual, Juncker elaborates a programme of increased and enhanced activities within the existing institutional and constitutional framework of the present (existing) EU (27). But first he focuses on the critical junction of the EU's history: "Never before have I seen such little common ground between our Member States. So few areas where they agree to work together. – Never before have I heard so many leaders speak only of their domestic problems, with Europe mentioned only in passing, if at all. – Never before have I seen representatives of the EU institutions setting very different priorities, sometimes in direct opposition to national governments and national Parliaments. It is as if there is almost no intersection between the EU and its national capitals anymore." And he adds a

few lines later that he is most concerned about the "tragic divisions between East and West which have opened up in recent months".

The consequence Juncker draws from this urgent situation is, as Merkel did, the strong pledge for increased output: "[…] I am therefore proposing a positive agenda of concrete European actions for the next twelve months. [...] The next twelve months are the crucial time to deliver a better Europe: a Europe that protects; a Europe that preserves the European way of life; a Europe that empowers our citizens, a Europe that defends at home and abroad; and a Europe that takes responsibility." The type of actions Juncker suggests run from doubling the ESFI (the 300 billion investment fund launched in 2014) to an acceleration of the digital agenda, from the implementation of the European Border and Coast Guard to the implementation of the transatlantic free trade agreements. "Yes", he says, "we need a vision for the long term. And the Commission will set out such a vision for the future in a White Paper in March 2017, in time for the 60th anniversary of the Treaties of Rome. […] But a vision alone will not suffice." And this is then the main characteristic of the speech: It puts all its hopes on success, recognition and legitimacy via output – and does not put in question the systemic architecture of the EU system.

Finally, as so often in EU history, a Franco-German bilateral meeting prepared a common position of the two countries, which showed all the signs of a low level compromise: "Le président français a rappelé les trois priorités pour ce sommet de Bratislava, la capitale slovaque: "La sécurité extérieure et intérieure de l'Europe, l'avenir économique et la jeunesse", a affirmé François Hollande. Les deux chefs d'Etat ont reconnu que l'Europe était à un moment clé de son existence. Il s'agit aujourd'hui de montrer "la cohésion de la société européenne", a dit la chancelière allemande."[12] Three priorities were then consensus, and any debate about the reform of the EU system was ruled out. The allusion to Merkel's word on social cohesion, by the way, is lacking in the German governmental report on the meeting, and maybe seen as another hint to a divergence between the French socialist and the German conservative governmental stance.

Bratislava

The Bratislava Summit was not an extension of the debate about an EU reform, as triggered nearly four months before, but a reduction: The heads of state and government limited their common statement to the lowest

common denominator. And even the form of the document is frugal and rustic: The "Declaration" is a "one-pager", the "Roadmap" comprises bullet-points over three pages.[13]

The message of the declaration is remarkably thin: "The EU is not perfect but it is the best instrument we have for addressing the new challenges we are facing. We need the EU not only to guarantee peace and democracy but also the security of our people. We need the EU to serve better their needs and wishes to live, study, work, move and prosper freely across our continent and benefit from the rich European cultural heritage." A "vision" will be announced by the 60th anniversary of the Rome Treaties (25 March 2017), and that should be the end of the affair: "We committed in Bratislava to offer to our citizens in the upcoming months a vision of an attractive EU they can trust and support."

The roadmap doesn't offer much more. It reads like a reduced version of Juncker's speech or some of the previously published compromise papers, with vague intentions like the final implementation of the European Border and Coast Guard, the "extension" (but not the doubling) of the EFSI, it announces the will of the member states to "strengthen EU cooperation on external security and defence".

Under these circumstances, it is more revealing to see what has been left out than what is actually in the text: There is no commitment to more economic, financial, fiscal solidarity – the social-democratic turn is obviously not ready for consensus; and there is no allusion to any change in the institutional architecture of the EU, to any change in terms of competences, power, relations to nation states, European government or otherwise – the Treaties are out of reach for this reform process, it would seem.

What is worse, immediately after the summit, this minimal consensus was broken up by a separate statement from the Visegrad countries, which re-introduces the issue of EU-state relations. The four East-Central European countries (among them the current rotating presidency, Slovakia) insist, as they did in July, on the need to reallocate powers to the national level and prevent any differentiated integration moving forward: The current reform process must be seen, in their eyes, as "an opportunity to improve the functioning of the EU: relations between European institutions, relations between European institutions and Member States and the EU's political agenda." Under the headings of "Strengthening democratic legitimacy" and "strengthen the role of national parliaments", they insist that "current challenges of the Union prove that Europe can only be strong if the Member States and their citizens have a strong say in the decision–

making process. [...] Integration within smaller groups of Member States will only weaken the EU both internally and on the global stage. At the same time it is fundamental that the diversity of the Member States is maintained."[14]

Conclusion

The Brexit vote did not only launch a new debate on EU reform; on the contrary, it revealed divergencies which seem to rule out any substantial reform of the EU.

First and foremost, the member states disagree on whether the EU should be more integrated or less so. One option is to transform the EU into a much more powerful political system, which would gain autonomy (not sovereignty!) vis-à-vis the member states and be accountable to the European citizens for its areas of responsibility. Schulz's pledge for a European government controlled by a bi-cameral parliament goes a long way in this direction, but Steinmeier and Ayrault also take some steps, at least at the level of the €-Zone. The advocates of such an option are convinced that the competences of the member states and the Union must be disentangled, that the Union must be visible and responsible in order to generate legitimacy. The opposite option, put forward namely by the Visegrad countries, denies autonomous legitimacy at the European level from the very outset, and is therefore pushing for a re-nationalisation of competences – since there is no genuine legitimacy for the EU, nation states should take up more responsibility, the Union should transform more into an international organisation, refrain from supranational integration, concentrate on cooperation and mutual good-will. It is difficult to imagine how this fundamental cleavage could be overcome.[15] In Bratislava the only option beyond output was formulated by those forces which aim at re-nationalisation.

Second, and similar to this conflict, but not identical, is the divergence between those who put their hopes on a more efficient and convincing output of the EU activities, and those who plead for more input legitimacy. On the one hand, some people, like Juncker, do hope that an improved balance sheet of what the EU has done on behalf of the Europeans would convince the citizens that the Union is a good thing and should have the competences to act in the fields conferred to the European level. Such a success would prevent any other "…exit" and at the same time eliminate

the dangers of populism. Others, like Schulz, opt for more support to the European institutions when they come into office, and vice-versa more accountability to those who voted. Once in office, a European government as well as the European Parliament, could then rely on a due input in terms of legitimacy and feel legitimately entitled to conduct the policies for which they have been elected. The choice between these two options must not necessarily be mutually exclusive, but it is at least a choice of priorities. For the time being and at Bratislava, the unique emphasis was laid on output.

Third, the cleavage between a more social-democratic and a more liberal-conservative Europe is obvious, too. Renzi, Hollande and the weaker part of the German government, as much as other, mostly Southern, member states, are convinced that Europe has to deliver in terms of material solidarity (one of the key words in the Ayrault-Steinmeier paper), otherwise large parts of the European society would despair and fall victim of the populist demagogy. Others, like Merkel, Schäuble, but East Central Europeans, too, do not feel the need to share much of their economic success, since they are persuaded that they own it to their own efforts, sacrifices and sound policies, that sharing this success would only incite others to slow down or give up their necessary efforts to become competitive and prosperous by their own means. In their eyes, this would weaken Europe as a whole.

The precondition for a substantial EU reform would be to address openly these cleavages, in order to overcome them. Bratislava, for the time being, does not even address the divergencies, and much less show a way to overcome them; they are hidden away in the lowest common denominator – a sure way to discredit the European Union further in the eyes of its citizens. The way to Rome, 25 March 2017, is still very long…

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