



EU Integration and Differentiation for Effectiveness and Accountability

editorial

I Herman Van Rompuy calls for European unity over fragmentation at final EU IDEA conference

By **Herman Van Rompuy**, President Emeritus of the European Council and former Prime Minister of Belgium, is President of the EPC. He is also President of the Strategic Council.

(Speech delivered at the final EU IDEA conference on 20 April 2022 in Brussels)

"I hope you will forgive me for also speaking about the world and not just the EU as such. So much is at stake. There is a clash of values going on and values are central to a civilisation. In a way, it is a clash of civilisations – but not in the way Huntington thought. I apologise for going off-topic for a moment this morning. I will be more controversial than usual.

The term geopolitics, like many others, is ambiguous. It refers to power relations on a global scale, but there are different kinds: military, economic, moral and others. Let me apply that briefly to the EU.

The EU certainly plays a geopolitical role through its common trade policy and through the volume of trade. This is also called 'geo-economics'. The euro plays a geopolitical role as a reserve currency (20%) and as a means of payment. Almost 40% of global international payments and almost half of the EU's global exports are made in euros. At the same time, the Union is too dependent, not sufficiently 'strategically autonomous' with regards to energy, defence, chips, batteries, the dollar, migratory flows, etc. We are making significant progress in the last few years, but we still have a long way to go. The Union, through its socio-economic role, fulfils the role of a global player. The Union assumes, through its socio-economic and political model, an exemplary function worldwide ('soft power'), but within the Union, confidence in this has declined sharply in recent years. A real paradox. About 20% of Europeans say they no longer believe in political democracy. This is where we need to turn the tide. It is no coincidence that the Conference on the Future of Europe focused on this before the outbreak of war. The internal consensus on a democratic renewal at all levels of government is essential to our future. Here there must be no differentiation on this objective.

There is no European army; the military landscape within the Union is fragmented – but the recent debacle in Afghanistan and Russia's setbacks show also the limits of military power. We have known that since Vietnam. Of course, one has to look after one's own security, especially the EU. In any case, the human and economic cost of any military operation is enormous.

A prerequisite for every aspect of geopolitical action is unity. There is no room for differentiation in war times. For the Union, this is easier to achieve with 'Community' powers, such as trade and currency, than with intergovernmental powers. Intergovernmentalism would function more smoothly if it were not for the rule of unanimity. QMV in those matters is a top priority in future proposals about the future of Europe. The future

QMV for foreign policy may be different from what is currently provided for in the Treaties. The aim is not to be blocked by one or a few countries. Yet, the 27 succeeded on an unprecedented scale in imposing sanctions on Russia since 2014 and, of course, in the past few weeks.

Achieving unanimity outside of times of crisis, however, remains difficult. Brexit gave a boost to military cooperation through PESCO and the war in Ukraine will hopefully give substance to the 'Strategic Compass' for stronger security and defence. We spend more on defence than China but we are far from their efficiency due to the heterogeneous character of the equipment. More uniformity and less differentiation is needed.

More generally, I would like to state that I am not in favour of regional collaborations. It is the time for unity, not fragmentation. But do the Visegrad and Frugal Four still exist?

The war in the East has also dispelled the naive belief that economic interests ultimately prevail. In a non-violent way, we have already seen the return of that kind of politics with Brexit and with Trump's trade wars, both of which were anti-economic. Ultra-nationalism is stronger than income. This has reached a new peak with the current war. German and even European foreign policy was largely a trade policy. This has led to the enormous dependence on Russian energy and on Chinese export markets. The war is a 'return of the tragic' (J.M.Domenach, 1967) where it is not reason and values that dominate but other dark and diabolical forces. Germany suffered and caused so much suffering that it chose a different model. History is now turning back – but not through their fault. Time runs backwards.

The rise of nostalgic nationalism also threatens to undermine the multilateral order. In the Trump era, the WTO, UNESCO, the UN itself, and NATO came under pressure. World trade – economic globalisation – already reached its peak thirteen years ago. But without Trump, China and others increasingly paid 'lip service' to the international order. The EU had to respond by deploying new tools to defend its economic interests. We remain the strongest 'believers' in multilateralism albeit with far less naivety. President Biden, too, is still clinging too much to the many protectionist measures of his predecessor. It is clear that the drive for 'self-reliance' among global actors and our own 'strategic autonomy' will put further pressure on multilateralism. How to protect better our interests without falling into protectionism?

But there is also an internal challenge. How to protect our own people better against real or perceived threats such as unemployment, precarious jobs, climate change, terrorism, corruption, illegal migration, military invasion, pandemics, and rising inequalities? It is a task for all governments at all levels of power. How to better 'protect' our people without lapsing into protectionism? That's the question!

The Climate Conferences of Paris (2015) and Glasgow (2021) were still 'successful' in a certain sense (also for multilateralism). The EU spoke almost with one voice. Now climate objectives threaten to be pushed aside by the need to become less energy-dependent on Russian gas through a greater role for our own coal and for shale gas. The real energy sovereignty or strategic autonomy lies with a climate policy aimed at renewable energy. Meeting the climate targets would have been very difficult anyway. On climate, it is clear that we are in the same storm, though not the same boat. Support for poorer countries is also a much-needed form of solidarity. Can the advancing populism in the West afford it?

Because of the war, not only the USA is back but also NATO and the West! Even in Europe, there are probably new candidates for NATO like Finland and Sweden. Putin's geopolitical blunders are piling up. I am sure that China is not happy with Putin's war. But the aversion to the West is so strong that they will never admit it. The same goes for India, Pakistan and Indonesia, even though they are democracies. The same aversion can be found in half of the African countries, which have been hit hard by the rise in the price of energy and even more so, of food. Putin's soft power is small, but one should not overestimate that of the West. The non-aligned countries from the Cold War period have not disappeared. Europe has a role to play to reverse the tide.

Is the current geopolitical struggle between democracies and authoritarian regimes? Apparently, it is a strong narrative. This dichotomy does not apply to the third group of non-aligned ones. As mentioned, the world's largest democracies belong to this 'group'. At the time, the West included dictatorships such as Saudi Arabia.

That is not so clear today. The connection between China and Russia is not so much that they are both authoritarian - they have no democratic past - but that they are against the West.

What is the EU's position in this new world? Originally, the idea of 'strategic autonomy' was also invented to oppose Trump's America. But the war has made Europe realise the importance of NATO again. It has even given the alliance a new reason to exist, spurred on by most of the countries of Central and Eastern Europe. But what happens in the event of a possible return of Trump? The Republican Party is, if possible, even harsher than Biden in their anti-Russia stance, but will it stay that way? The policy of European sovereignty should, therefore, on no account be abandoned in the event of a possible new switch in American policy, which for the past 20 years has oscillated between multilateralism and unilateralism, back and forth.

Nevertheless, I argue for Atlantic solidarity. We should take this opportunity to greatly strengthen transatlantic relations. Abandoning the TTIP (Transatlantic Trade and Investment Partnership) a few years ago was a missed opportunity. In a different way, we need to restore it. The EU and the US can set international standards in many areas. But at the same time, we have to deepen our work on our own technological, economic, monetary and military cooperation and integration. That will give substance to a truly balanced 'partnership'.

The enlargement of the Union to Central and Eastern Europe was a real geopolitical operation. But there is great disappointment at the violation of democratic principles in some countries. The war has shown that the EU shares the fear of Russia of a number of countries in Central and Eastern Europe. Hopefully some now better understand the concerns of an overwhelming majority of member states about democratic values in the Union. We are in solidarity with Poland, but we must stand together in solidarity behind the treaties. The Union wishes to ensure that there is no repetition of this in further enlargements, however great the importance of the Western Balkans and peace there is. For Ukraine, but also for Georgia and Moldova, an intermediate stage must be sought, on the basis of the existing association agreements, a kind of upgrade of the present relationship and, of course, a much greater guarantee of security. If necessary, the EU Treaty should be amended for this. These countries and their citizens deserve it.

The war is far from over and will require us to work together even more. At the same time, we must seize this major crisis to build a true strategic autonomy. We should not wait for the results of the Conference on the Future of Europe. And we won't. Strategic autonomy is a matter of survival.

Barbaros ante portas. The enemies of our way of life are at the door. Over the next few decades, let's be more united around what we build together."

EU IDEA PUBLICATIONS

POLICY PAPERS

External Differentiated Integration in Justice and Home Affairs: Participation of the Western Balkan Countries in EU Agencies

Ivan Damjanovski, Professor at the Political Science Department, Faculty of Law, Ss. Cyril and Methodius University in Skopje, and **Zoran Nechev**, Senior Researcher and Head of the Centre for EU Integration, Institute for Democracy “Societas Civilis” (IDSCS), February 2022.

Justice and Home Affairs (JHA) policies, and especially migration and border management, have been on the forefront of deepening relations between the European Union and the countries of the Western Balkans. The recent events caused by the migration and asylum governance crisis in 2015/16 have clearly shown that EU problem-solving outputs in migration management have become increasingly reliant on cooperation with the Western Balkan countries. The resulting gradual inclusion of the relevant law enforcement authorities from the Western Balkans into the operational activities of the JHA agencies has directed them towards a governance-type, day-to-day interaction that has enabled them to take part in implementation of EU policies that could go beyond borders and jurisdictions. This policy paper aims towards a preliminary mapping of the modalities of participation of the Western Balkan countries in EU JHA agencies in the context of differentiation. With a particular emphasis on cross-border cooperation in migration management, asylum and fight against organised crime, the paper focuses on analysis of participation of the Western Balkan countries in three key JHA agencies: the European Agency for Law Enforcement Cooperation (Europol), the European Border and Coast Guard Agency (Frontex) and the European Asylum Support Office (EASO).

Differentiated Integration and EU Outsiders: A Norwegian View

Nina Græger, Professor and Head of Department at the Department of Political Science, University of Copenhagen, and Research Professor II at the Norwegian Institute of International Affairs (NUPI), and **Kristin Haugevik**, Senior Research Fellow at NUPI, February 2022.

A non-EU state and member of the European Economic Area (EEA) since 1994, Norway enjoys a unique legal, political and practical relationship with the EU. This policy paper discusses what the EU's increased openness to differentiation in association models and decision-making procedures could mean for a highly integrated third country like Norway, especially within foreign, security and defence policy. Based on interviews conducted in 2020 and 2021, we highlight three observations: First, Norway's current association model – the EEA agreement plus some 70 bilateral agreements – is generally seen to have served Norwegian interests well, although both Europhile and EU-sceptic interviewees see EU–Norway relations as asymmetric. Second, the EU's openness to differentiated solutions is generally welcomed, and considered to give Norway opportunities and leeway. Finally, Norwegian EU membership is unlikely to happen in the foreseeable future. Reasons include well-functioning association agreements, two negative votes on EU membership, and the continued and growing strength of EU-sceptic political parties in the Norwegian Parliament.

Important Projects of Common European Interest (IPCEIs) as a New Form of Differentiation: An Analysis of Their Challenges for the European Single Market

Andreas Eisl, Research Fellow on European Economic Policy at the Jacques Delors Institute and a Doctoral Fellow at Sciences Po, February 2022

In support of a more active EU industrial policy, so-called Important Projects of Common European Interest (IPCEIs) have been increasingly used in recent years. IPCEIs can, however, create some tensions with EU competition policy, and thus the functioning of the Single Market. In this paper, we show that these tensions are linked mainly to the nature of IPCEIs, constituting budgetary differentiation with a comparatively informal and vague governance framework. The identified key challenges for the Single Market's level playing field are differences in financial, technical and administrative capabilities between member states and their enterprises as well as shortcomings in the arrangements governing the creation, implementation and evaluation of IPCEIs. Based on analyses of the public consultation for the recent revision of the Commission's IPCEI communication and all currently approved national recovery and resilience plans, we find that the identified challenges have not been addressed sufficiently so far. To alleviate some of the tensions between EU industrial policy and competition policy we recommend to finance IPCEIs through European rather than national funding and to implement a more inclusive and coherent governance framework.

POLICY BRIEFS

Flexible Defence Cooperation in Europe: FNC, JEF and EI2

Tuomas Iso-Markku and **Tyynne Karjalainen**, Research Fellows in the European Union Research Programme of the Finnish Institute of International Affairs (FIIA), March 2022

Defence cooperation between European Union member states has long been characterised by a high level of fragmentation. To manage, and potentially overcome, some of the existing divides, differentiation has been recognised as one way forward, exemplified by the activation of Permanent Structured Cooperation (PESCO) and discussions about the use of Article 44 of the Treaty on European Union. However, beyond treaty-based forms of differentiation, EU member states have also joined extra-EU frameworks for defence cooperation such as the Joint Expeditionary Force, the Framework Nations Concept and the European Intervention Initiative, which embody different levels of formalisation, diverse memberships and foci, as well as varying links to the EU and NATO. This Policy Brief analyses whether this kind of differentiated cooperation outside the EU structures contributes to the long-term prospects of European integration in security and defence, or whether it adds to the existing fragmentation within the EU and European defence more broadly. The paper argues that the flexible defence frameworks bear some potential for enhancing defence cooperation among EU member states, but also present challenges. Moreover, their ability to manage diversity in European defence remains largely unproven.

Informal Differentiated Integration in EU Foreign and Security Policy: Perspectives of a Small Member State

Jan Kovář, Senior Researcher and Head of Centre for European Politics at the Institute of International Relations Prague (IIR), and **Kateřina Kočí**, Associate Researcher at IIR, January 2022.

The last decade has seen a significant increase in the study of mechanisms of informal differentiation, such as lead groups, for conducting EU foreign and security policies. This policy brief examines

these groupings from the perspective of small member states based on data collected from 20 interviews with Czech stakeholders. While informal differentiated integration can contribute to advancing EU foreign policy objectives, it should not become the default go-to approach that avoids the potentially lengthy formulation of a common EU position. The consent, at least tacit, of the non-participating member states should be understood as a necessary condition for the emergence and legitimacy of informal differentiation. The involvement of the EU-level policy actors, or at least of an intensive information flow, should be ensured to strengthen accountability.

Policy Recommendations for a Differentiated Union: Ensuring Effectiveness, Sustainability and Democracy

Nicoletta Pirozzi, Head of the “EU, Politics and Institutions” programme and Institutional Relations Manager at the Istituto Affari Internazionali (IAI), Scientific Coordinator of EU IDEA project and Associate of European Governance and Politics Programme at the European University Institute (EUI), and **Matteo Bonomi**, Research Fellow at IAI and member of the Balkans in Europe Policy Advisory Group (BiEPAG), December 2022.

This policy brief aims to present to policy-shapers and policy-makers at the national and European level some selected recommendations based on the main outcomes of EU IDEA – Integration and Differentiation for Effectiveness and Accountability. We found that differentiated integration and cooperation have been and will remain a necessity in Europe in order to allow the resilience and functioning of the EU system, but a number of corrective actions should be taken to make it not only compatible with, but also conducive to a more effective, sustainable and democratic Union.

EU IDEA MULTIMEDIA



VIDEOS

EU IDEA Final project
“The Impact of Differentiation on EU Governance: Effectiveness, Sustainability and Accountability”

Concluding Conference of EU IDEA
GOVERNING DIFFERENTIATION AND INTEGRATION IN THE EUROPEAN UNION
 Brussels, 20-21 April 2022



Session 1



Session 2



Session 3



Session 4



Closing Session



Closing Keynote Speech



PODCAST

Euidea #9 International Spectator Special Issue



INFOGRAPHICS

The Impact of Differentiation on EU Governance: Effectiveness, Sustainability and Accountability

THE INTERNATIONAL SPECTATOR SPECIAL EDITION



How much and what form of differentiation propels European integration forward – as a whole and in specific policy areas – and under what conditions differentiation should be avoided instead to prevent incoherence, political tensions and potential disintegration?

With a view to discussing these questions, this Special Issue edited by **Nicoletta Pirozzi, Matteo Bonomi** and **Sandra Lavenex** collects a number of contributions of experts and scholars from EU IDEA – Integration and Differentiation for Effectiveness and Accountability:

The International Spectator, Volume 57, Issue 1 (2022)

Special Issue “**Governing Differentiation and Integration in the European Union: Patterns, Effectiveness and Legitimacy**”.
Guest Editors: **Nicoletta Pirozzi, Matteo Bonomi, Sandra Lavenex**

EVENTS

| Past events

EU IDEA project, differentiation as a tool for European integration. Reynders: “But the rule of Law is the limit”

Friday 22 April 2022

Brussels – The last dance. The EU IDEA project has come to an end, with a final conference that presented the project’s results and discussed the theme of differentiation and integration among researchers, EU representatives and experts. The two-day event (April 20-21) was organized in Brussels, within the framework of EU IDEA – Integration and Differentiation for Effectiveness and Accountability: it addressed all the aspects of differentiated integration as a strategic choice, as the European Union is dealing with its manifold internal and external challenges.

EU IDEA Project: Differentiated integration has to be used “very carefully” in the Western Balkans Events

Friday 28 January 2022

Growing geopolitical tensions and uncertainty about global partnerships have led European Union member states to pursue strategic autonomy and more effectiveness in foreign, security and defence policymaking. However, the EU framework continues to provide limited opportunities for quick diplomatic moves, rapid interventions, or deeper cooperation between European armies.

EU IDEA Project: Informal Differentiated Integration in EU Foreign and Security Policy: Perspectives of a Small Member State defence industrial co-operation between partners and the EU.

Friday 11 February 2022

The roundtable hosted by the Institute of the International Relations in Prague, included participants from the Czech Ministry of Foreign Affairs, from the Office of the Government of the Czech Republic, representatives from the EEAS, and academics from several Czech universities. Speakers commented the policy brief which was published in the IDEA project and examined various forms of informal differentiated integration from the perspective of small states, particularly of the Czech Republic.

Europe 2035: Differentiated integration and the Conference on the future of Europe

Wednesday 16 March 2022

The people of Europe are currently engaged in a wide discussion on the future of the Union and the direction of the integration process, with a view to propose reforms for common policies and institutions. Differentiation has been and will remain a necessity if the Europeans want to overcome stalemates in EU decision-making and improve the functioning of the European system. The central question is thus not whether there will be a differentiated Europe, but what it will or rather should look like.

The presentation of the paper Differentiated EUrope 2035: Elaboration and Evaluation of Five Potential Scenarios by Janis A. Emmanouilidis gives the occasion to discuss differentiated integration and the Conference on the Future of Europe.

FROM THE NETWORK

Differentiated integration in MERCOSUR: Risks and opportunities for the association with the European Union

by **Anna Ayuso**, Senior Research Fellow at Centre for International Information and Documentation in Barcelona (CIDOB),
April 2022

Defence cooperation btwn members and nonmembers of NATO & EU, recording available: Security shocks for EU member states outside NATO

Event organized by **the Finnish Institute of International Affairs** (fii.fi),
16 March 2022

Turkey's EU membership and more, recording available: Turkey-EU relations and the Turkish political process

Event organized by **the Finnish Institute of International Affairs** (fii.fi),
3 March 2022

Could EU-endorsed 'coalitions of the willing' strengthen EU security policy?

by **Luigi Scazzieri**, Senior Research Fellow at Centre for European Reform (CER),
February 2022