Europe's Future Decoupling and Reforming

Sergio Fabbrini proposes a way out of the EU's crises, which have triggered an unprecedented cleavage between 'sovereignist' and 'Europeanist' forces. The intergovernmental governance of the multiple crises of the past decade has led to a division on the very rationale of Europe's integration project. Sovereignism (the expression of nationalistic and populist forces) has demanded more decision-making autonomy for the EU member states, although Europeanism has struggled to make an effective case against this challenge. Fabbrini proposes a new perspective to release the EU from this predicament, involving the decoupling and reforming of the EU: on the one hand, the economic community of the single market (consisting of the current member states of the EU and of others interested in joining or re-joining it); and on the other, the political union (largely based on the eurozone reformed according to an original model of the federal union).

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Cambridge University Press 978-1-108-48451-0 — Europe's Future Sergio Fabbrini Frontmatter <u>More Information</u>

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Europe's Future

Decoupling and Reforming

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CAMBRIDGE UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom

One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi – 110025, India

79 Anson Road, #06-04/06, Singapore 079906

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www.cambridge.org Information on this title: www.cambridge.org/9781108484510 DOI: 10.1017/9781108680981

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First published 2019

Printed and bound in Great Britain by Clays Ltd, Elcograf S.p.A.

A catalogue record for this publication is available from the British Library.

ISBN 978-1-108-48451-0 Hardback ISBN 978-1-108-72327-5 Paperback

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Preface

The European Union (EU) has turned the corner of its existential crisis. It has shown itself to be resilient to, first, the euro crisis, then to the arrival in Europe of millions of political refugees and economic migrants, after that to the terrorist attacks in the heart of Europe's cities, and finally to the decision of British (or, more specifically, English) voters to take their country out of it. As if that were not enough, those crises intertwined with an unexpected change in the geopolitical equilibria on which the integration project was historically based. A new form of nationalism has taken root on the other side of the Atlantic, ending (or at least scaling back) the long political cycle that started at the end of the Second World War, marked by the opening up of the international system and its governance through multilateral institutions. Notwithstanding its resilience, the EU has, however, shown the inadequacies of its governance structure in managing those crises. The financial crisis lasted much longer than on the other side of the Atlantic, and it left a continent deeply divided between the north and south; the migration crisis led to unilateral and controversial choices by individual national governments that called into question the internal solidarity of the EU member states; the security crisis showed the existence of strategic and institutional divisions among EU member states regarding the response to terrorism. The governance structure of the EU has guaranteed its resilience, but it has also led to its internal divisions. Why and how has this happened?

The EU is structured on a dual constitutional regime, supranational in the policies of the single market and intergovernmental in the policies concerning traditional core state powers. As the aforementioned crises affected the latter issues, the institutional inadequacy of the EU can be considered the outcome of the deficiency of the intergovernmental regime (although this does not imply we should assume that the supranational regime would have guaranteed a better outcome).

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It was the intergovernmental governance of the multiple crises that led to the emergence of new divisions among EU member states and within each of them. Particularly, it led (for the first time) to a division across states on the very rationale of the integration project. On one side, nationalism and populism created a "holy alliance" under the banner of sovereignism in order to claim more national decision-making autonomy within the EU framework. In fact, the dramatic consequences of secession (from the EU) even for a country such as the United Kingdom have led to an interpretation of nationalism as sovereignism within the EU rather than secession from the EU. Post-Brexit sovereignists want to remain within the EU, although they aim to hollow it out (i.e., not only to remove many of its supranational prerogatives but also to weaken its rule-of-law foundations). They do not aim to disintegrate the EU per se or to dismantle the single market, but they want to repatriate competences from Brussels and reinvigorate national sovereignty (understood in illiberal terms). Sovereignist political forces have gained control of several national governments in eastern and central Europe and are becoming more and more influential in the political processes of several countries in western Europe (as in Italy). This sovereignism is represented mainly by Viktor Orban, re-elected prime minister of Hungary on April 8, 2018, for a third mandate, whose party (Fidesz) is a member of the main pro-EU political party (the European People's Party). On the other side, Europeanist forces have hesitated in opposing the holy alliance, limiting themselves to containing sovereignism rather than challenging it with a renewed vision of a political Europe. Indeed, Europeanism does not seem to have elaborated a vision of Europe able to recompose the divisions that have emerged in the current decade during multiple crises - with the sole exception of Emmanuel Macron, who became the president of France on May 7, 2017. In any case, all over Europe, a political divide has emerged between sovereignist and Europeanist forces that has clouded the traditional cleavage between left and right. A new political era is emerging on the old continent.

This book aims to advance a perspective to bring the EU out of its paralyzing divisions, contributing to the debate on Europe's future. On the basis of the analytical reconstruction of the transformations of the EU, it advances an argument for decoupling the latter into two separate organizations. To the strategy of hollowing the EU out from

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within, pursued by sovereignist forces, Europeanist forces might respond with the strategy of separating out, on the one hand, the economic community of the single market (consisting of all the current member states of the EU and other states interested in joining or re-joining it, as in the case of the United Kingdom) and, on the other hand, a political union (necessarily based on those member states at the core of the Eurozone and Schengen projects because they already share crucial components of national sovereignty) organized according to the model of a federal union. It is a strategy of simultaneous decoupling and reforming. In fact, the economic community can be based on an interstate treaty, relieved of the unnecessary supranational regulations and intrusions into national sovereignty. The federal union must instead be based on a political compact that celebrates the division of sovereignty between (a large number of) policies to be managed at the national level (self-rule) and (a limited number of) policies to be managed at the supranational level (shared rule). The federal union paradigm assumes that the European integration process and national democracy are in no way irreconcilable, if we stop thinking (on the one hand) of Europe as a substitute for the nation state or (on the other) as an enemy of the nation state. This book arises from dissatisfaction with the theoretical models around which European integration has been interpreted and, above all, with the dual governance structure that has driven its development. Contrary to what is assumed by those models, it is here argued that only the federal method can limit the powers of shared rule and increase those of self-rule.

Without decoupling the current EU and without creating a political union with federal features (a federal union), whose members should remain within the single market, the EU will find it difficult to deal with the sovereignist challenges. The existence of a smaller (but nonetheless representing, if it corresponds to the Eurozone, 330 million inhabitants) but more cohesive federal union than the current EU (although following different legal and constitutional criteria from those adopted up to now) will represent the basic premise to stabilize the continent, to curb sovereignist sentiments, and to fight xenophobic and illiberal movements that are spreading all over Europe. This book aims to be a contribution to looking afresh at Europe's future.

This book has been written for a broader audience than EU specialists, although it is not easy to write about the EU in a way that

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is understandable to a non-specialist readership. The EU seems deliberately designed not to be understood, with its acronyms (which I have tried to limit), its technicalities (which I have tried to simplify), and its esoteric language (which I have tried to avoid). However, the future of Europe is too important not to be the subject of a public debate. This book is organized in the following way: After an introduction that synthetizes the correlation between the multiple crises of the 2010s and intergovernmental governance, Chapter 1 reconstructs the institutional transformation of the EU from the 1957 Rome Treaties to the 2009 Lisbon Treaty, with the aim of identifying its dual governance structure. Contrary to the standard reading of the EU as a unitary organization, the chapter shows that the EU has come to be organized around a basic dual constitution or decision-making regime (supranational in the single market, intergovernmental in the policies that became part of the EU agenda after the end of the Cold War). Without acknowledging this dualism, and particularly the nature of the intergovernmental regime, it is impossible to understand the difficulty the post-Lisbon EU had to face during the multiple crises. Because these crises were subjected to intergovernmental management, Chapter 2 analyzes the logic of the intergovernmental governance in dealing with the euro and migration and security crises to show not only the resilience of the EU but also its weakness. Chapter 3 discusses the nature of the sovereignist forces that emerged powerfully during those crises (triggered by the intergovernmental logic) and their view of an (undefined) economic project of integration. At the same time, the chapter discusses the alternative political view of integration, traditionally defined as Europeanism. The aim of the chapter is to show the weakness of both sovereignist and Europeanist arguments, owing to their shared (albeit different) ambiguities. Chapter 4 discusses the statist bias that affects all the arguments in favor of political integration, thus advancing the alternative paradigm of a federal union as an anti-statist form of political aggregation of asymmetrical and differentiated states. Chapter 5 then applies the analysis developed previously to the debate on the future of Europe, delineating the rationale for the decoupling of the EU, i.e., the separation (within the single market framework) of the economic and political integration projects. Within the single market shared by all the EU member states and regulated by an interstate treaty, a project of a federal union should be pursued by those member states already involved in the most

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advanced integration programs. This federal union should be based on multiple separation of powers in order to solve the paradox of constructing a sovereign union of sovereign states. Finally, the conclusion summarizes the reasons why Europe's future should be plural and not singular.

Rome, June 6, 2018

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