



A Federalist Alternative for European Governance

How did the European Union (EU) deal with the crises of the 2010s and 2020s? These crises arose in policy realms that were the province of national governments, so the European Council was the driving institution for managing them. National governments were able to take decisions, but their decisions were contradictory and unaccountable, and regularly hindered by divisions between them. In order to manage a policymaking process dominated by the claims of national and sub-regional governments, Sergio Fabbrini argues that intergovernmental governance has had to transform the EU into an international organization. Fabbrini shows that differentiated integration would further distance the EU from the project of an ‘ever closer union’ and, on the basis of a comparative federalism approach, he proposes an alternative paradigm of a multi-tier Europe with a federalist core to balance national sovereignties and supra-national authority.

SERGIO FABBRINI is Professor of Political Science and International Relations, Intesa Sanpaolo Chair on European Governance, at the Political Science Department of the Luiss Guido Carli in Rome. He is a highly respected scholar of European politics renowned for bringing federalism back to the scientific debate. His recent publications include *Europe's Future: Decoupling and Reforming* (Cambridge, 2019), *Which European Union?: Europe after the Euro Crisis* (Cambridge, 2015), and *Compound Democracies: Why the United States and Europe Are Becoming Similar* (Oxford University Press, 2010). He is also a political editor for the Italian financial newspaper *Il Sole 24 Ore*, for which he was awarded the 2017 Spinelli Prize.

A Federalist Alternative for European Governance

The European Union in Hard Times

SERGIO FABBRINI
Luiss Guido Carli



CAMBRIDGE
UNIVERSITY PRESS



CAMBRIDGE
UNIVERSITY PRESS

Shaftesbury Road, Cambridge CB2 8EA, 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
103 Penang Road, #05–06/07, Visioncrest Commercial, Singapore 238467

Cambridge University Press is part of Cambridge University Press & Assessment,
a department of the University of Cambridge.

We share the University's mission to contribute to society through the pursuit of
education, learning and research at the highest international levels of excellence.

www.cambridge.org
Information on this title: www.cambridge.org/9781009573030
DOI: 10.1017/9781009573061

© Sergio Fabbrini 2025

This publication is in copyright. Subject to statutory exception and to the provisions
of relevant collective licensing agreements, no reproduction of any part may take
place without the written permission of Cambridge University Press & Assessment.

When citing this work, please include a reference to the
DOI 10.1017/9781009573061

First published 2025

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

Library of Congress Cataloging-in-Publication Data

Names: Fabbrini, Sergio, author.

Title: A federalist alternative for European governance :
the European Union in hard times / Sergio Fabbrini.

Description: Cambridge, United Kingdom ; New York, NY : Cambridge
University Press, 2025. | Includes bibliographical references and index.

Identifiers: LCCN 2024022681 | ISBN 9781009573030 (hardback) |
ISBN 9781009573061 (ebook)

Subjects: LCSH: Federal government – European Union countries. | Government
accountability – European Union countries. | European Union – Decision making.

Classification: LCC JN30 .F26 2025 | DDC 320.44–dc23/eng/20240813
LC record available at <https://lcn.loc.gov/2024022681>

ISBN 978-1-009-57303-0 Hardback
ISBN 978-1-009-57308-5 Paperback

Cambridge University Press & Assessment has no responsibility for the persistence
or accuracy of URLs for external or third-party internet websites referred to in this
publication and does not guarantee that any content on such websites is, or will
remain, accurate or appropriate.

Cambridge University Press & Assessment
978-1-009-57303-0 — A Federalist Alternative for European Governance
Sergio Fabbrini
Frontmatter
[More Information](#)

*Sebastiano,
you will always be in my heart*

Contents

<i>List of Figures</i>	<i>page</i> viii
<i>List of Tables</i>	ix
<i>Preface</i>	xi
<i>Acknowledgements</i>	xiv
<i>List of Abbreviations</i>	xvi
1 Between Crises and Decision-Making	1
1.1 Brussels in Hard Times: Who Decides?	1
1.2 Theories of EU Decision-Making	15
2 The Decision-Making Structure of the EU	27
2.1 Dual Governance: Supranational and Intergovernmental	27
2.2 Dual Governance and Its Accountability Patterns	45
3 The Sovereign Debt and Pandemic Crises	63
3.1 The Debt Crisis: Unconstrained Intergovernmentalism	63
3.2 The Pandemic Crisis: Constrained Supranationalism	80
4 The Russian War and Its Consequences	101
4.1 Dealing with the Energy and Military Aid Crises	101
4.2 Enlargement and Implications for National Sovereignty	121
5 The Federalist Alternative on Governance	148
5.1 Federal Unions versus Federal States	148
5.2 Executive versus Parliamentary Federalism	168
6 National Sovereignty in Unions of States	188
6.1 Is Governance Differentiation the Solution?	188
6.2 From Governance to Constitutional Differentiation	207
<i>References</i>	223
<i>Index</i>	247
	vii

Figures

4.1 Intergovernmental governance: causes and consequences	<i>page</i> 145
6.1 Multi-tier Europe	213

Tables

1.1 The crises of the 2010s and 2020s	<i>page</i> 12
2.1 EU decision-making regimes	42
3.1 Governance logic of the ESM and RRF	94
3.2 Interstate coalitions in the 2020 EU political process	98

Preface

How did the European Union (EU) perform in hard times? I tried to answer the question through an investigation of the EU governance of the sovereign debt, pandemic, energy, and security crises of the 2010s and 2020s, also defined as ‘polycrisis’ (Zeitlin, Nicoli, Laffan 2019). Since the crises exploded in policy areas under the competence of national governments, the primary executive institution for dealing with them was the European Council, the institution epitomising the intergovernmental approach. Thus, my research question might also be framed in the following way: How did the intergovernmental European Council manage those crises? Because the European Council’s performance ended up in being contradictory (due to the deep divisions emerged between national governments) and unaccountable (due to the lack of a legislative institution operational at the same level of the European Council), another related research question follows: Which EU emerged from a European Council-based decision-making process? Certainly, important decisions were finally taken by national governments but always under stringent emergency conditions and without meeting the criteria of democratic legitimacy. During the crises, the difficulties of national governments required the Commission, the other executive institution, to intervene for streamlining the EU’s response to them, although this role was exercised under the shadow of the European Council and treaties’ constraints. The crises magnified the crucial weakness of an EU that not only is lacking a unitary, effective, and legitimate executive power, but it is relying on twenty-seven national governments for tacking a decision. The governance of the crises shows the limits of intergovernmentalism. The EU is impaired by an executive power deficit. A deficit that is disavowed by many scholars, probably prisoners of the complacency’s trap on the EU’s achievements. It is not recognised that the lack of an effective and legitimate executive power is making the EU marginal also at the global level.

In a union of demographically asymmetrical and nationally differentiated states, the nature and composition of executive power is necessarily problematic. The latter, in the post-Maastricht EU, has acquired a dual nature, with national governments (through the European Council and Council) in the driving seat regarding policies close to national sovereignty and the Commission with its monopoly of legislative initiative in the regulatory policies of the single market. With the increasing centrality acquired by the former policies, and due to the various enlargements, the role of the European Council has been systematically strengthened. However, national governmental leaders have faced also systemic hurdles in acting collectively. Not only for the divisions between them, but because those divisions have had the features of contrasting national sovereignty's claims, at times expressed in the form of sub-regional identities and interests, claims not easily manageable.

Meanwhile, a supranational governance (as institutionalised in the regulatory policies of the single market) of national sovereignty's claims could not be adopted, not only because excluded by the treaties but because its standardised and homogenised logic is at odds with the differentiation of those claims. Is this possible to find a solution for the EU's executive power deficit? No, if one remains within the ad hoc approach to the EU, as the mainstream theories of European integration continue to do. Yes, if one adopts a comparative federalism approach, on the basis of the distinction between federations by aggregation and disaggregation. With the EU being a union of states by aggregation, the former, and not the latter, should be considered methodologically fruitful for understanding the incongruencies of the EU governance and highlighting a constitutional strategy for its reform – thus, from intergovernmentalism to federalism.

The book is organised as follows. Chapter 1 introduces the empirical (the crises) and theoretical (governance's theories) topics of the research. Chapter 2 clarifies the nature of EU dual governance, supranational and intergovernmental, showing that the latter was set up for dealing with core state power policies and the former with single market policies. Because the crises exploded in the realm of core state powers, Chapter 3 investigates the intergovernmental governance of the sovereign debt and pandemic crises, trying to explain the reason of their different outcomes. Chapter 4 moves to discuss the governance of the Russian war's implications. It investigates the intergovernmental

governance of energy and security crises (Section 4.1), where the inter-governmental model adopted was based on policy coordination and thus discusses the enlargement's implications (Section 4.2) solicited by the war, on the bases of the previous enlargements' cycles, all of them favouring intergovernmental rather than supranational outcomes. Sections 3.1, 3.2, and 4.1 show in detail the functioning of the various types of intergovernmental governance (see Section 2.1 for their conceptualisation) adopted for dealing with the different crises, various types that nevertheless ended up in generating similar pathologies, namely the growing activation of national sovereignty's claims in the EU's political process, an activation that accelerated the intergovernmentalisation of the EU. Consequently, Chapter 5 examines an alternative perspective on the EU's dual governance regime (particularly to its intergovernmental side). Through the comparison of federations by aggregation and disaggregation, it shows that the former, not the latter, had to face institutional challenges like those of the EU. On these comparative bases, Chapter 6 concludes discussing the two main perspectives for accommodating national sovereignties in unions of states and citizens. Because governance differentiation would further accelerate the intergovernmentalisation of the EU, the perspective of constitutional differentiation, implying a multi-tier Europe with a federalist core, could make it possible to reconcile, in the latter, national sovereignties and supranational authority.

Acknowledgements

The aim of the book is to investigate the EU's performance in hard times. The quality of a political system, as the character of an individual, can be understood only when they must face difficult and not easy times. I started to work on the book when I was a Pierre Keller professor at the Harvard Kennedy School of Government in the first semester of 2020, and the hard times to consider were the sovereign debt and migration crises of the first half of the previous decade. But then the pandemic arrived, obliging me to postpone the release of the book until I could gain a better understanding of its governance implications. When, at the beginning of 2022, I thought it was finally time to proceed to the writing of the book, Russia invaded Ukraine, trying to destroy the very existence of that country and generating unforeseeable (policy and institutional) consequences for the EU. Once again, my book had to wait for a better understanding of the war's implications for the EU. It was again Harvard, inviting me as a visiting professor to the Center for European Studies (CES) during the 2023 Spring, which gave me the opportunity to develop the book in its current form. In this process, I had the opportunity to publish several articles from which the book profited (because of the useful criticisms those articles received by the journals' reviewers); those articles have been duly reported in the bibliography.

I am grateful to Bob Putnam who (as always) generously supported the 2020 chair and the 2023 invitation. At Harvard, I was enriched by the conversations I had at the Kennedy School with Nick Burns, the then Dean of the transatlantic project, as well as with Karl Kaiser at the CES, responsible for the seminar series to which I was invited to contribute. Special thanks also to Ekiert Grzegorz and Elaine Papoulias, respectively, Director and Executive Director at the CES. The conversations with Peter Hall, Jolyon Howorth, Vivien Schmidt, and Daniel Ziblatt were very helpful. The book's argument was presented at a seminar I was invited to give in December 2022 at Rutgers University,

Acknowledgements

xv

Department of Political Science (thanks to Dan Kelemen for the invitation and the comments), and in April 2023 at Stanford University, The Bill Lane Center for the American West, and the Center on Democracy, Development and the Rule of Law (thanks to Bruce Cain and David Brady for the invitation and the comments).

The book benefitted tremendously from participation in the Horizon Project on ‘Differentiation, Dominance and Democracy’ (EU3D, 2019–2023). I owe special thanks to John Erik Fossum, who led the project, as well as to Jozef Bátora, Magda Gora, Dirk Leuffen, and Chris Lord with whom I had opportunities to discuss research topics related to the book. I also benefitted from participation in another Horizon Project, ‘Rebuilding Governance and Resilience Out of the Pandemic’ (Regroup, 2022–2025), led by Piero Tortola, which gave me the opportunity for discussions with Thomas Christiansen and Mark Thatcher who are members of the Project and my colleagues at Luiss. Finally, in the years of research for this book, I was always enriched by the conversations with Marco Brunazzo, Laszlo Bruszt, Marco Buti, Matthias Matthijs, Yves Meny, Simona Piattoni, Larry Rosenthal, and Tomasz Wozniakowski. I owe a special thanks to two anonymous reviewers for the seriousness with which they read and criticised the original manuscript and to John Haslam at Cambridge University Press for his high professionalism in managing the editorial process. During the book’s writing, I was helped by skilful and reliable research assistants, Andrea Capati, Dora Hegedus, and Tiziano Zgaga. Special thanks to my assistant, Tasha Spedicato. I wish to thank my university’s Rector, Andrea Prencipe, and Intesa Sanpaolo for offering me the chair on European governance. Of course, responsibility for the book’s mistakes is mine alone. The book is dedicated to the memory of my son Sebastiano.

Abbreviations

ACER	Agency for the Cooperation of Energy Regulators
CFSP	Common Foreign and Security Policy
CSDP	Common Security and Defense Policy
DI	Differentiated Integration
EBCG	European Border and Coast Guard
ECB	European Central Bank
ECJ	European Court of Justice (Court of Justice of the EU)
ECOFIN	Economic and Financial Affairs Council
EDA	European Defense Agency
EDIS	European Deposit Insurance Scheme
EDP	Excessive Deficit Procedure
EIB	European Investment Bank
EEAS	European External Action Service
EFSF	European Financial Stability Facility
EMU	Economic and Monetary Union
EP	European Parliament
EPF	European Peace Facility
EPP	European People's Party
ESM	European Stability Mechanism
FAC	Foreign Affairs Council
GNP	Gross National Product
HR	High Representative of the Union for Foreign Affairs and Security Policy
JHA	Justice and Home Affairs
IGR	Intergovernmental Relations
MFA+	Macro-Financial Assistance Instrument
MFF	Multiannual Financial Framework
NATO	North Atlantic Treaty Organization
NGEU	Next Generation EU
OLP	Ordinary Legislative Procedure
OMT	Outright Monetary Transactions

List of Abbreviations

xvii

PELTRO	Pandemic Emergency Longer-Term Ri-financing Operations
PEPP	Pandemic Emergency-Purchase Program
PESCO	Permanent Structured Cooperation on Security and Defense
QE	Quantitative Easing
QMV	Qualified Majority Voting
SEA	Single European Act
SGP	Stability and Growth Pact
SMP	Security Market Program
SRM	Single Resolution Mechanism
SSM	Single Supervisory Mechanism
RQM	Reverse Qualified Majority
RRF	Recovery and Resilience Facility
TTF	Title Transfer Facility
VTP	Virtual Trading Point