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New Models for Europe's Future

Scoping of Tasks and Approaches

FiFo Köln

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Executive Summary

"Europe as we know it is too weak, too slow, too inefficient." Emmanuel Macron's succinct verdict of 2017 is still valid at the beginning of the new Twenties – and it is particularly relevant in the context of the slow joint EU response to the current corona crisis. The corona crisis exemplifies a general lack of capacity to act of the European Union – both internally and externally. In terms of foreign policy, the European Union finds itself in a world in which it must be stronger and more sovereign if it wants to maintain a place in the global order that reflects its economic and cultural self-understanding as well as its ethical standards. Moreover, Europe is also in a weaker position internally. The formula of the "ever closer union" has always been more idealistic than the heterogeneous European reality. However, where in the past there was primarily resistance to further integration, today we observe real dissociation moves away from European unity.

Europe needs to change in order to persist in a changing world. Europe must become stronger internally in order to be strong externally. The premise of this paper and the underlying project "A strong Europe in a globalised world" is that this calls for a broad and honest discussion on future models for Europe. The current global public health crisis is one of several policy areas where the EU needs to become more effective. In the face of a crisis, however, the EU's other challenges should not be neglected, but should be approached with greater energy: Even though much attention is being paid to acute crisis management, the other problems have not diminished. On the contrary, a new and major problem has emerged. All future tasks for Europe - Corona in advance - must now be tackled without delay. The scoping paper is intended as a first step on this path. It illustrates the internal and external challenges, problems and crises that the common Europe must face.

The European Union in its present form is ill equipped to take on this task book. From an analysis of the past integration process, the common Europe emerges as a federal idea without a federal plan. Since the ideal has always been more popular than the practical ways to achieve it, actual European integration often proceeds very pragmatically and out of the situation, without following a "grand plan". This situational integration model has reached its limits. A new model for Europe's future must be able to strengthen the Union both internally and externally and deal more constructively with the existing disparities between Member States. We formulate a number of test questions so as to gear the discussion of future models from the outset to the practical requirements of the coming Europe and outline a solution space. On this basis, we offer then a brief overview of the most important models currently under debate.

The scoping paper paves the way for upcoming discussion. It does not claim to present already answers or a completely new model. This will be the task of the ongoing process. However, the focus of the latter cannot be limited to structural issues. At the same time, the policies of the European Union need to be re-examined. The joint consideration of "European public goods" and of future models corresponds to the duality of function and form. In the solution space for European future models, form and function must always be viewed together.

The paper concludes with a plea to consider not only "full" future models. It will be at least as important to reflect on individual and partial proposals (e.g. Eurozone budget, EU army, European climate bank). The debate on the future of Europe will be stronger and closer to the reality of reform if it takes a pragmatic approach whenever opportunities arise and the need is greatest. Whether giant leaps or small steps, all that matters is that it goes ahead. What matters is that more and more people come together and move forward for a Europe renewed in its traditional strengths and for its new challenges. This is the path taken by the project "A strong Europe in a globalised world."

A. The task of this scoping paper

This paper is one of the impulses for a discussion process that the Bertelsmann Foundation seeks to initiate on new models for Europe's future under the title "A strong Europe in a globalised world. This discussion has come to the fore, albeit involuntarily, due to the current corona pandemic. On the one hand, this crisis makes clear to what extent our societies and economies are interlinked, both with each other and globally. On the other hand, it shows that the Member States of the EU can only overcome this crisis together.

The way in which this is to be done is currently the subject of intense debate. In addition to the immediate medical and epidemiological issues, financial and thus soon also fiscal tasks are currently in the foreground for Europe. Regardless of which financial instruments are ultimately used in what combination, one thing is clear: the social and economic costs of the crisis will affect all EU states, and the fight against the coming recession will place a heavy economic and fiscal burden on each member state. However, the hesitant and sometimes divisive responses to the corona pandemic, especially in the first weeks of the crisis, have once again drastically revealed a fundamental flaw in European policy: it is not capable of acting with sovereignty and often reacts "too slowly, too weakly, too inefficiently".

The current crisis exemplifies the EU's general lack of capacity to act

It is therefore of utmost importance to find the necessary common responses to the health crisis and the coming recession. But as big as these tasks are, that is not all. The corona crisis puts the other problems of Europe into perspective, but does not take anything away from their absolute size (Thöne, 2020). It has added an additional, very large and acute problem. This has even increased the need to make progress in the discussion about the future form of a strong Europe and to strengthen Europe's ability to act both internally and globally.

The crisis only increases the urgent need for a comprehensive debate about the EU's future

In short: Europe must change if it is to survive in a changing world. It must change in order to set a powerful antithesis as a champion of European as well as universal values, at a time when these values are being attacked or recklessly undermined from many sides. The paper will argue that this calls for a comprehensive and honest discussion about future models for the common Europe. This discussion must continue to be conducted in Brussels and Paris. But even more, it must be conducted in and with Tallin, Stockholm, Athens, Lisbon, Dublin, Warsaw, Vienna, Bucharest and the other European cities and regions. And it must be conducted intensively and actively in Berlin. Germany does not owe only this to itself. The European partners expect it from Germany.

Discussion about future models for Europe is necessary – everywhere in Europe

Also the citizens of Europe expect this from their national governments, from the European Parliament and from the EU Commission. The European elections in 2019 shook up the existing majority relations. At the same time, remarkable increases in voter turnout were recorded in many Member States, including Germany. Both are signs that politics in and for Europe can no longer be thought only along traditional lines. The great, but certainly not naive identification of people with Europe is just as much encouragement as it is mandate to develop the participatory and subsidiary elements of a Europe of the people. The electoral results – despite all the difficulties in creating traditional majorities in the Parliament – thus point the way to open and solution-oriented discussions of future models for Europe. The new EU Commission, headed by Ursula von der Leyen, has taken up this impetus from the European elections by launching a two-year

EU election results commit Europe to more participatory policies

"Conference on the Future of Europe" in 2020, based on broad civic participation – and which it maintains in its basic outline also in the face of the corona crisis.

The project *"A strong Europe in a globalised world"* is intended to give impetus to this debate and create a forum. The present paper argues that Europe must change in order to remain faithful to its liberal and multilateral values. Europe needs to become stronger in order to embody its values better both internally and externally. To be clear, we are not talking about strength through increased central power – in particular not about strengthening Europe at the expense of its Member States. European strength emerges where the principle of subsidiarity is followed and tasks with little European added value are (re-)allocated to national and regional levels. New strength always arises where better decision-making ability and increased capacity to act take the place of institutional rigidities and mutual blockades. To achieve this, Europe must become more flexible, more permeable and, in the face of the rest of the world, more adaptable. Cherished European beliefs must also be reconsidered and adapted to the 21st century. The task of this first scoping paper is not to already formulate various conceivable future models and to tap into their strengths and weaknesses. Here we will first prepare the ground by providing an overview of the various external and internal challenges and by outlining where the traditional model of European integration has reached its limits. The demands on a future Europe outline a "solution space" that the further societal, academic and political discussion in Europe will have to explore.

Europe must change to remain faithful to its values

If Europe does not respond to the call for change so as to better meet its many challenges, this will not be the end of the European idea and the European Union. But both the European idea and the European Union will slowly fade away in a world that is not waiting for them and vis-à-vis the European citizens who can expect and receive more from them. This insight is suddenly very acute in the corona pandemic: if anything good could come out of this crisis, apart from all the suffering, then perhaps a greater insight and willingness to further develop and strengthen this Europe.

Without an idea for the future, Europe will fade in a world that is not waiting for us

B. Europe is challenged

Europe is challenged, from the outside and from the inside. The world in and around Europe has changed a lot. The multilateral decades since 1990 under the stable dominance of the North Atlantic Alliance have led to an increasingly multipolar world in which the divisive is again more clearly perceived than the common. Polarization is increasing also in Europe.

The EU Treaty formula of an "ever closer union among the peoples of Europe" has always been more idealistic than the heterogeneous and not always harmonious European reality. Yet, in the past, we registered what was mainly resistance against overly progressive integration. Today, the discussion is about active revocation of integration steps reached and effective departure from the Union. Brexit offers the most drastic example here, but the erosion of common achievements is not confined to the United Kingdom. This is made evident not only by the increasing problems of maintaining the rule of law and freedom of movement. Also the electoral successes of populists and nationalists in many Member States as well in the elections to the European Parliament are clear signs that the forces of disintegration are currently more present in Europe than those of integration.

Currently, we see more disintegration than integration

At the same time, the European Union finds itself in a world in which it *wants* to be stronger – because its weakness is an important point of attack for EU opponents – and in which it *must* be stronger if it wants to maintain a place in the international order that corresponds to its economic and cultural self-image and also to its ethical aspirations.

The geopolitical conditions for Europe's role in the world are currently changing. The long-lasting shifts in economic and political power around the globe gained new clarity since the Trump administration took office in 2017. Since then, the US has been trying much more offensively to change the rules of the game and to override them. In particular, from a European perspective, the associated weakening of the rule-based multilateralism is deplored. This becomes very clear with the resurgence of protectionist trade policies between the United States and China, temporarily between the United States and its North American neighbours, and increasingly also between the European Union and America. The rules of (relatively) free world trade, to which these WTO Member States had committed themselves, only seem to gain recognition when they serve the Member States' individual purposes, but no longer by virtue of themselves.

Weakness of rule-based multilateralism

But multilateral rules are inherently weak. There is no stronger authority to enforce them than the respect they enjoy and the perception that they serve one's own interests in the long run. Multilateral rules are strong as long as they are supported by strong actors.

Behind the weakening of multilateralism is another, more fundamental geopolitical process. After the end of the East-West conflict, the world was marked for over two decades by the unilateral – albeit not unchallenged – hegemony of the only remaining superpower, the USA. The transatlantic alliance between the United States and Europe in economic, political and cultural terms provided the basis for the multilateralism that other geopolitical actors joined according to their own interest. This constellation is undermined by two factors.

The rise of China as an economic power increasingly enables the People's Republic to strive also for recognition as a geopolitical actor. This is currently becoming evident with China's foreign policy in Africa and the numerous other infrastructure investments carried out as part of the "New Silk Road". The second factor, on the other hand, is purely political. The increasing distance between the US and its European partners in the EU and in the NATO – which has been actively deepened by the Trump administration since it took office – has undoubtedly more profound causes than the narrow electoral victory of the Republican candidate, possible only under US electoral law, can explain. In addition to real and perceived imbalances in EU-US trade in goods and (digital) services, the still highly controversial distribution of defence expenditure on the occasion of NATO's 70th anniversary is also a source of transatlantic dissent. Both factors exist independently of the respective incumbent. In the light of a US foreign policy, which oscillates between isolationist impulses and an often single-minded hope to reach special "deals" for the US alone, these latent controversies have gained so much weight that the central European actors – in spite of all partnership – no longer want to rely on the US and its hegemonic solidarity as they used to.

The role of the US as a world power is being questioned today:

- China is growing as geopolitical actor

- US-EU dispute in NATO and trade

In this re-emerging multipolar world, Europe faces the task of developing the EU's global role into an independent pole of world politics in order to safeguard its interests and values. This desirable "capability for world politics" (J.-C. Juncker) calls for – as is currently being demanded above all in Brussels and Paris – a genuine *sovereignty* of the European institutions, which is more than a sovereignty derived from the Member States.

Call for European sovereignty

What such a *European sovereignty* would have to encompass, which political, legal and then instrumental – e.g. military – preconditions would have to be created for it, is the subject of the ongoing debate. The European sovereignty demanded by French President Emmanuel Macron in his celebrated 2017 *Sorbonne* speech does not correspond to the European sovereignty demanded by Jean-Claude Juncker, then President of the EU Commission, in his 2018 *State of the Union* speech. Also the elements of a common sovereignty for Europe, which Chancellor Merkel presented to the European Parliament in November 2018 as a long-term perspective to strive for, overlap partially with the other proposals. In other parts as well as in the underlying time conceptions, the ideas diverge significantly. Finally, the new Commission President Ursula von der Leyen stresses that one of the central tasks of her "geopolitical commission" (v.d. Leyen, 2019b) is to secure and expand European sovereignty. The substance as well as the boundaries of EU sovereignty will still have to be determined.

The competences and instruments ultimately needed for an externally sovereign Europe have not yet emerged from the current discussion. As central elements of European "world political capability", however, the following are repeatedly mentioned:

- Own military decision-making and intervention capabilities in addition to NATO.
- Independent European civil and military cyber security (including integration of intelligence activities).
- Strengthening the Euro as an international means of payment – also in order to become sanction-proof – e.g. through a European alternative to the international SWIFT system.
- Strategic industrial policy with a view to the long-term technological competitiveness (or superiority) of key European industries and with the help of a more offensive, in line with strategic interests, screening of foreign, especially Chinese, direct investments.
- Consolidation and strategic reflection of European development cooperation; also as a counterweight to Chinese foreign policy in Africa.
- European climate and resource protection.

How can Europe become more sovereign to the outside?

This short list of geopolitical issues, with respect to which, according to many actors and observers, Europe in the multipolar world has to do more so as to successfully play its role in world politics, is not a complete enumeration of all the challenges facing the continent. This catalogue will undeoubtedly have to be reflected again in light of the corona crisis. Nonehteless, the strategic challenges mentioned below do not disappear in the face of corona, but are rather exacerbated. In what follows, we will deal in more detail with some of these challenges as well as with others that need to be addressed rather internally. It is not always possible to draw a clear distinction between external and internal challenges. This is evident in refugee and asylum policy, where the internal and external problems to be dealt with are equally part of a good European solution. However, in central respects, both internal and external challenges demand the same: in order to overcome them, Europe must be strong and capable of acting.

C. Europe as we know it is too weak, too slow, too inefficient

If Europe is to act resolutely and independently in the multipolar world, it needs (though not logically and legally imperative) the original European sovereignty. Theoretically, this would also be conceivable if the European Member States were to pull together decisively, move forward by consensus and unanimity and thus become the common European "pole" in the traditional intergovernmental model. This does not reflect European reality. Such a amicable "bottom-up world political capability" does not correspond to Europe as we know it and as President Macron described it in the abovementioned Sorbonne speech as *weak, slow and inefficient*.

If one shares this view, the demand for European sovereignty is consistent. A Europe, which, in its traditional consensus-based model, musters too little decisiveness to the outside world, will be better able to take up the global challenges and overcome them in the Community sense by transferring original sovereignty to the central level. This is logical and, as Demertzis, Pisani-Ferry, Sapir, Wieser and Wolff (2018) point out, at the same time paradoxical: the call for a substantial strengthening of the European Union's external position is getting especially loud at a time when this Union appears particularly weak internally and is showing real signs of dissolution with Brexit.

External sovereignty demands internal sovereignty

Yet, both phenomena converge where the question of future models for a stronger Europe is raised. "Sovereignty starts at home, and the same isolationist forces that undermine the global multilateral order undermine the European multilateral order."[1] Europe is therefore not faced with two different tasks, but with one big task. The internal and external challenges must both be solved simultaneously.

Is this big task manageable for the 27 remaining members of the Union after the Brexit? To answer this question, two factors have to be distinguished. If the current weakness of the European Union is due to deep-seated *political* differences and persistent tensions, a model for the future must be designed differently than if the primary problem lies rather in *structural* rigidities.

Political differences or structural rigidities?

For the Member States as well as for their citizens and enterprises, European integration has always been driven very strongly by economic integration into a common and then uniform market and by the freedoms associated with it.[2] Participation in such an economic integration can be designed in such a way that it is largely beneficial for all parties involved (Archick, 2018). However, even in the past, the harmony of interests on economic matters could not mask differences in other areas. As already mentioned, the EU Treaty formula of an "ever closer union among the peoples of Europe" has always been in tension with the heterogeneous, rarely harmonious European reality.

The first and most important controversy lies in the contrast between the Member States, which are pursuing the goal of an ever closer, and hence at some point federalist, EU, and the Member States, which value the looser intergovernmental character and do not want to go further. Next to geographic explanations, historical differences also play an

Federal state versus confederation of states

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[1]   Demertzis et al. (2018, S. 2).

[2]   Even today, the economic dimension should not be underestimated. In a recent study published by the Bertelsmann Stiftung, Mion and Ponattu (2019) show that, for every EU inhabitant, the added value of membership in the internal market is on average €840 per year.

important role. The rather integration-critical attitude of most Central European states belonging to the Visegrád Group, for example, is also ascribed to their shared experience of centralist control in the Warsaw Pact.

Another controversy arises along the dividing line that eventually emerges in any federal entity: the contrast between rich and poor. In Europe, this distinction is often equated with the juxtaposition of net contributors and net recipients of EU funding. However, it is not only the differences between the interests of the relatively poor and the relatively rich Member States that must be borne in mind. Net-balance-thinking itself also influences European integration, since it means that the Union is perceived primarily as a "good" or "bad" deal for each Member State, depending on how much you pay to Brussels and what you get back for it. From the point of view of the EU Commission and the European Parliament, the "juste-retour" logic is an obstacle to integration of its own (Büttner/Thöne, 2016). Many believe that this can be counteracted by less attributable, centralised financing via EU taxes. Alternatively, an agenda for more "European public goods" might tackle the problem even more directly at its roots. This is because the good spatial attributability of many of today's EU services follows from the fact that structural policy measures and the Common Agricultural Policy are regional or local public services, rather than European public goods (Heinemann, 2016). Truly European public goods provided by the EU are, by their very nature, not attributable to individual Member States as "services received". Both strategies, EU-taxes and European public goods, are plain and consistent in their federal logic.[3]

Net contributor versus net recipient

European public goods

Nevertheless, the hope that, in another system, the representatives of the Member States would no longer have any idea whether they are "payers" or "recipients" in fiscal terms would be exaggerated. Along this distinction, albeit not deterministically, the advocates of stronger redistribution and their critics will continue to sort themselves out in the future.

The different fundamental attitudes of Member States towards the intensity and speed of European integration naturally influence the concrete positions taken on issues concerning the further integration of the current EU. However, they also have an affect other matters, in particular the positions taken on the future enlargement of the European Union. The main focus here is on the six candidate countries in the Balkans (while the EU and its candidate country Turkey are now moving more and more apart, not by mutual agreement, but in a kind of mutual approval). Although the official commitments of Brussels and most Member States to the progressive EU enlargement still sound optimistic, the six candidates increasingly perceive them as lip service (Archick, 2018). This became clear with the decision to open accession negotiations with Northern Macedonia and Albania, which were only opened after a delay, although both countries had already met all the criteria required by the EU for this step at the European Council in October 2019.

Deepening versus enlargement

Not least shaped by the experience of past enlargements, many of the EU Member States that are above average willing to further deepen integration have today adopted a rather critical stance towards enlargement. On the other side of the postulated contrast

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[3]   There are many more good reasons in favour of an agenda to empower the European Union and gradually make it more sovereign by placing genuine European public goods at the focus of its tasks. They are at the heart of the Bertelsmann Foundations's project "A strong Europe in a globalised world," which is also the framework for the present paper. See also our parallel paper "European Public Goods. Concept for a Strong Europe" (Thöne/Kreuter, 2020).

"deepening or enlargement" are Member States wary of further integration. They may see their position buttressed by the heterogeneity of the Union increased by new members and the subsequent slowdown of EU deepening. We can see this clearly in the case of the United Kingdom, which, even before the Brexit decision, has always shown great scepticism towards further deepening and, at the same time, – many say: *therefore* – has been one of the most prominent patrons of the on-going EU enlargement. With Britain's departure from the Union, the prospects of rapid full membership for candidate countries probably decline.

The political heterogeneity of the Member States shapes the European Union in the same way as it has shaped the European Community in the past. On the other hand, the *Acquis communautaire* is an integration model that leaves only little room for heterogeneity. The Acquis communautaire encompasses all rights and obligations that are binding for the Member States. These are first of all, as far as primary law is concerned, the EU Treaty and the EC Treaty, followed by the secondary directives, decisions and recommendations of the EU institutions (Commission, Council and Parliament) as well as by the decisions of the European Court of Justice. On the occasion of the negotiations with Croatia (accession in 2013) and of the talks with the current candidate countries, the acquis was re-organised. Since then it can be summarised in 35 chapters and four fundamental freedoms. Successful accession and permanent EU membership presuppose that the acquis communautaire is recognised fully and irrevocably. The claim of "indivisible and irrevocable" is, on the one hand, a logical prerequisite for all EU states being members with equal rights and obligations. In the EU-enlargement, as well as among long-standing members, the Acquis is intended to prevent "cherry-picking" and two- or multi-class memberships.

At the same pace versus selective participation

The Acquis communautaire is not static. It changes as it grows. To put it bluntly: it *only* changes when it grows. The wave-like growth of common rights and obligations has brought European integration a long way forward, while the claim of "indivisible and irrevocable" produces a ratchet effect: new elements can be added to the Acquis, but old ones cannot be given up in practice. But this centripetal mechanism, which is actually supposed to strength integration, has gradually become a fetter, contributing to the Union's often lamented weakness and inefficiency. The ability to act only in one direction is not the kind of flexibility that suits the new tasks and challenges facing Europe and the European states.

Even though the ratchet effect may appear so, the integration model of the Acquis is by no means the expression of a powerful Leviathan that systematically promotes the centralization of tasks at the European level. Behind the genesis of the European Union is perhaps the *idea* of a federal state. However, this idea is not underpinned by a *federal plan* as to how this multi-level state should be structured and what tasks the European level should receive. The absence of such a plan and the practiced situational acquisition of tasks in its place make the integration model of the Acquis appear historically as a method of dealing with the latent weakness of the European level vis-à-vis the individual states.

Federal idea without a federal plan - Federalism versus functionalism

Infobox: Situational task acquisition, functionalism and European communitisation

Europe is growing and changing through its tasks. New challenges must be met; existing public services must be provided more effectively or in a more sustainable way. In retrospect, a considerable part of the experienced European integration can be explained by situational, task-oriented needs for action and adaptation. In the recent past, for example, the Euro-Plus Pact, the European Semester or the regulations of the so-called "Six-Pack" were agreed because they had become necessary as situational reactions to the economic and financial crisis of 2009. For the EU and the Eurozone, new task dimensions were so opened up through intergovernmental treaties, without constitutional implementation being tackled at the level of EU treaties. The consolidation in the EU treaties can be implemented later, for example, within the framework of the often demanded, but controversial "fiscal union". However, a catching-up embedment in the normative constitutional framework is not mandatory.

The situational acquisition of tasks in the course of European integration portrays in its dynamics the communitisation of tasks in the sense of Jean Monnet. It is reflected in the *functionalism* of David Mitrany (1943/1965), who at very early stage explicitly advised against planning integration projects according to normative goals. Instead of normatively and constitutionally overloading European integration from the outset, functionalism, true to the guiding principle "*form follows function*", seeks technocratic-pragmatic solutions to upcoming challenges or integration opportunities – confident that the situational functional requirements will lead to the right institutional and contractual solutions.

In a community developed on the basis of functionalism, institutions emerge along task packages. That is why functionalism is often presented as a counterpart to federalism. Under federalism, public tasks are assigned to existing levels of government. On the contrary, under functionalism, the required community institution is created out of the task. In the process of gradual integration, this means that, under functionalism, only one additional institution is ever created, whereas, under federalism, an additional task always requires the Community "overall package" to be redefined. It is obvious why the functionalist path to European integration seems easier to follow. The practical integration with the initial coexistence of the Coal and Steel Community (ECSC), the European Atomic Energy Community (Euratom), the European Economic Community (EEC) and the Military Alliance of the Western European Union (WEU) also illustrates the rapid successes of functionalism.

However, an integration based purely on functionalist pragmatism entails the unconnected juxtaposition of numerous "functional pillars". To the extent that the latter were built according to different situational criteria, this leads to an increasingly opaque and democratically difficult to control conglomerate, which can trigger a regulative counter impulse. Historically, the functional integration achievements in Europe, beginning with the EC Merger Treaty of 1967, followed by the Single European Act and the Treaties of Maastricht, Amsterdam, Nice and Lisbon, have been constitutionally consolidated and thus "federalised". However, significant *expansions* of the European task spectrum were, at first, still mostly functionally established. Examples include the Common Foreign and Security Policy (CFSP) and its predecessor, the European Political Cooperation (EPC), as well as the various forms of police and judicial cooperation. For these, the Lisbon Treaty then brought constitutional consolidation from 2009 onwards. Today, following the dissolution of the WEU in 2011, only Euratom still exists in the narrower EU circle alongside the European Union as a (formally) independent institution.[4]

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[4] With Brexit, the United Kingdom will leave also Euratom.

Nor should be underestimated that European integration has often made progress in response to regional and global crises, not as part of a longer-term plan:

- The monetary crisis of the 70s went hand in hand with the emergence of the European Monetary System (1979).

- The deregulation and liberalization of markets promoted by the US in the first half of the 80s and the simultaneous escalation of East-West tensions preceded the Single European Act (1987).

- The unification of Germany speeded up the signing of the Treaty on the European Union (1992).

- The EU enlargements and the rejection of the European Constitution in the French and Dutch referendum paved the way for The Treaty of Lisbon (2009).

Whether the current corona crisis will also crystallize as such a incisive point in the history of European integration, remains to be seen. It depends largely on the answers that the EU develops in response to the crisis, and how decisively it will be able to implement them. As such, Europe is today more than ever called upon to overcome a substantial crisis of action that has closely interlinked internal and external reasons. For a long time, there has been growing evidence that the European structures of task performance and decision-making are no longer suited to meet the challenges ahead.

Alternative forms of membership:

The pressure to adapt European structures to modern challenges has built up over many years. In the conflict between integration-friendly and integration-critical interests, various models have emerged which better reflect European realities than the goal of an ever-closer community.

First in line (temporally) is the model of a "multi-speed Europe". It was proposed as early as 1974 by Willy Brandt and elaborated in 1975 in the Tindemans Report. At its core, a multi-speed Europe is to be understood as a response to the above outlined properties of the *acquis communautaire*. There, the pace of integration is dictated by the slowest. If one does not want to be dependent on veto positions or on objective obstacles to integration in individual Member States, a time-stepped procedure offers a first way out. Member States of the European Union that are ready and able to take further steps towards integration lead the way. The others will follow later. The concept provides that common targets will continue to be set for all Member States. The biggest project of a multi-speed Europe is the European Monetary Union. At the same time, it is a clear sign that the multi-speed formula can also serve as lip service. Some Member States, not only the United Kingdom, but also Denmark and Sweden, today show no discernible interest in ever joining the Monetary Union.
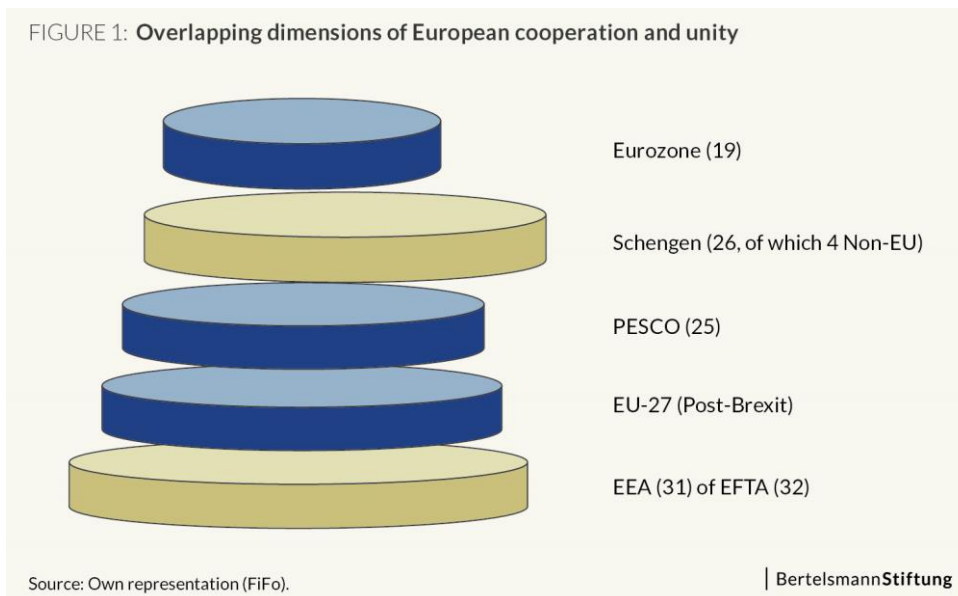
- multi-speed Europe

Talking about *different speeds* when the actual time horizon for some is "never" obviously makes little sense. As a logical consequence, the model of a "Europe of concentric circles" has emerged. Conceptually, this is tantamount to admitting that, in the long term, a single Union is no longer expected for all Member States. To the extent that concentric circles grant individual Member States derogations from certain Community policies in order to facilitate cooperation between the others, they tend to deepen integration. This can be illustrated by the example of the Permanent Structured Cooperation (PESCO), which brings together 25 of the remaining 28 members on armament issues and military

- Europe of concentric circles …

force coordination. In addition to the United Kingdom, Denmark and Malta do not participate in PESCO.

Other central constellations – in which the EU 27 (after Brexit) operates at times with exceptions, at times with enlargements – can also be represented as concentric circles. Figure 1 illustrates the Euro area with its 19 members. The Schengen area is a special circle insofar as 22 EU members as well as four non-EU states participate in it. The European Economic Area (EEA) and the almost congruent European Free Trade Area (EFTA) also extend the understanding of "circle" beyond a mere subset of the EU Treaty. Frankly, bringing together only "willing" EU members for certain tasks, but then possibly extending participation in these tasks also to willing non-members, sounds in practice something like a "Europe of clubs".

… or Europe of clubs

FIGURE 1: **Overlapping dimensions of European cooperation and unity**

Eurozone (19)

Schengen (26, of which 4 Non-EU)

PESCO (25)

EU-27 (Post-Brexit)

EEA (31) of EFTA (32)

Source: Own representation (FiFo).　　| Bertelsmann**Stiftung**

Europe today cannot be understood without taking into account the diversity with which many tasks are performed at a common level. Whether this way of acting via selective exceptions is to be regarded as a strength or a weakness of European integration depends on the alternative scenario considered. Anyone who believes that only full cooperation between all EU Member States is the desirable European integration to be pursued will regard such partial solutions as a weakness of the Community process. On the other hand, those who focus on the role as veto player of the Member States not participating in the closer cooperation agreements will recognize as a strength of cooperation that with the help of exceptions it is possible to open up deeper fields for integration.

Implications of selective participation

But even if the concentric circles for European integration are interpreted positively, it is clear from the framework set by the Acquis that such a model has narrow limits. It works as long as at least the vast majority of Member States participate. In particular, all key actors (to which the UK, despite its size, has never belonged because of its tradition of ostentatious distancing) must be involved. Selective cooperation in which, for example, Germany or France do not participate is here practically inconceivable. Moreover, the model will only work within the framework of the existing European institutions if this type of selective integration itself remains the exception to a regular Community model involving all Member States. Both these limits are becoming increasingly relevant.

European integration has essentially been driven by economic issues in the narrower and broader sense and by the fundamental freedoms associated with them. Even though the structures of the various European economies and the related interests of the respective Member States were and are very different, the economic added value of operating in an integrated internal market has generally dominated these divergences. This corresponds to an integration model in which all EU states – with a few exceptions if necessary – regularly participate and in which other non-members as well as the accession candidates also want to participate.

Clear added value of initial economic integration

As pointed out by Demertzis et al. (2018), the use of the qualified majority rule in the EU Council also fits in well with this: as long as all Member States can benefit from integration decisions in the longer term, it will be easier for individual Member States to accept being outvoted occasionally in Brussels. On the other hand, many of today's pressing issues for deeper European cooperation are not characterised by such a clearly discernible added value, which makes it easier to lift any reservations. The attitudes of the Member States towards external military action vary widely. Also with regard to issues of immigration from outside the EU area, the interests in the European regions sometimes diverge considerably. There are occasional calls to abandon the unanimity rule in foreign policy as well (e.g. by Chancellor Merkel in a keynote speech before the European Parliament in November 2018). This recommendation, though, applies only "in the long term" and only "where the treaties make this possible and wherever it is possible". This double containment of the visionary commitment to the majority rule also serves as a clear confirmation of the status quo for the near future. But increasingly, controversies are also to be expected in economic issues themselves. As the economic advantages of market integration and risk pooling have mainly been realised in the past, distributive issues of a common economy are increasingly coming to the fore. The political and media battles, which are fought solely on the basis of the evocative term "transfer union", vividly illustrate how controversial economic issues in Europe can become.

Different positions on aspects of further integration

The heterogeneity of the political issues relevant to the Union has grown considerably – also because other, non-economic issues have gained in importance. Here, the integration model, according to which the Member States – at most with a few exceptions – move forward together, increasingly leads to blockades and wait-and-see attitudes where action is required. This is reinforced by the centripetal integration model of the acquis communautaire, which blocks centrifugal tendencies, even if these are rather an expression of the idea of subsidiarity than a Brexit-like flight from the Union.

„Europe, as we know it, is too weak, too slow, too inefficient"

The mechanisms that have made Europe an example of successful integration – as it must be clearly recognized today (despite all criticism on individual issues) – are increasingly becoming obstacles to the flexible deepening and sovereign integration that Europe will need for tasks on its own continent and in the multipolar world of the 21st century.

To reiterate President Macon's words: "Europe as we know it is too weak, too slow, too inefficient". The following Section takes a closer look at the major challenges facing the common Europe. It addresses the question: "Too weak for what?"

D.   Challenges for a future Europe

The need for reform is great in Europe because the pressure to act is great. The external challenges of the multipolar world call for a stronger, sovereign Europe. At the same time, internal challenges undermine this strength. Both dimensions require finding viable future models for Europe.

Internal and external challenges

Without claiming to be exhaustive, the following Section looks at some of the important internal and external challenges. What they all have in common is that the Union's traditional governance model, as described above, is here increasingly reaching its limits.

The current corona pandemic clearly shows that components of health policy need to be more closely coordinated at European level. Elements of a common pandemic policy would at least include a substantial strengthening of the European Centre for Disease Prevention and Control (ECDC)[5], clearly defined necessary supply chains of necessary medical materials, coordination of testing capacities. Above all, there will also have to be a more effective and faster joint response to the acute medical crisis: The European idea dies when - as was initially the case in northern Italy - many Covid patients die in one region because of overburdened clinics, while unused capacity is still available a few hundred kilometres away.

Pandemic prevention and control

Beyond the immediate health policy tasks, the fight against the economic recession caused by the forced standstill is currently beginning. In contrast to the global economic crisis following the collapse of Lehman Brothers in 2008, Europe is entering this new crisis not entirely inexperienced in monetary and financial policy. Nevertheless, the combination of globally symmetrical supply shocks and the ensuing depression in demand is presenting European economies and their common political governance with a new quality of as yet unforeseeable challenges. As the depth of the coming recession and the paths of economic recovery are not yet foreseeable at the time of writing, it is not possible to assess the repercussions on the public structures of the Member States and the Union itself. It is certain that public debt will skyrocket. In some of the Member States that are still burdened by the last crisis, some of which are heavily indebted, the loans that are still to be granted may well raise questions of debt sustainability and fiscal solvency. In addition to averting critical peaks from these financial developments and the macroeconomic shocks behind them, one of Europe's central challenges will be to further expand its economic and fiscal and monetary crisis resilience.

Corona recession and debt sustainability

Another, equally long-lasting challenge is the reasonable and damage-minimizing settlement of the Brexit. With the clear mandate from the House of Commons elections of 12 December 2019, the British government has implemented the formal Brexit by 31 January 2020. For London and Brussels this marks the end of the long hanging period and an orderly end to the first act. The necessary additional agreements can hardly be negotiated and adopted during the transitional phase currently limited to 2020. However, the negotiations regarding the transition period are currently on hold due to the corona crisis, which perpetuates the uncertainty about the nature and consequences of the

Brexit continues to create uncertainty

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[5]   The European Centre for Disease Prevention and Control (ECDC) has been based in Solna, Sweden, since 2005.

Brexit vote on June 23, 2016. Provisions have been made for further "drama" in the next act of Brexit.

Even though in 2019 the focus will essentially be on the dysfunctional political process in London, it should not be forgotten that the lengthy Brexit process (with the associated uncertainty) poses enormous economic and political challenges to the EU and calls into question the existing integration framework. Since, especially among the widespread active "populists", little emphasis is placed on realistic cause-and-effect arguments, the economic damage of a disordered Brexit in the EU can certainly further strengthen EU critics and encourage them to follow the British example.

Damage-minimizing Brexit

In recent years, several EU Member States have been confronted with political changes that have threatened the rule of law and liberal democracy – core values on which the EU was founded (Article 2 of the EU Treaty). This development is particularly noticeable in Poland and Hungary and has intensified in both countries as part of the corona legislation. The Hungarian government in particular has been criticised for using the Corona emergency laws of 11 March to undermine the democratic process. Thus the problem of the rule of law is being exacerbated by the corona crisis.

Threat to the rule of law and to liberal democracy

A suspension procedure under Article 7 of the EU Treaty has been initiated against both countries because of threats to judicial independence. However, the likelihood of one of the two countries actually losing its voting right because of suspension is very low, as this would require unanimous agreement among all other EU Member States (Archick, 2018). It should also be noted that the Polish and Hungarian governments regard EU measures as interference in their national sovereignty. This can further strengthen their already overt scepticism about further EU integration in some policy fields. Also in this context the EU is, therefore, faced with the conflict between "deepening or enlargement".

The central geopolitical challenges for a future Europe are directly related to the weakness of rule-based multilateralism outlined above and to the emergence of a new multipolarity (see Section B). The call for genuine European sovereignty or "capability for world politics" is the EU response to two trends: On the one hand, China's global importance is steadily increasing in many fields relevant to geopolitics - be it technological and economic, be it diplomatic and military. On the other hand, the growing self-confidence with which universal human and individual civil rights are portrayed as constructs of the "West" and devalued in comparison to a supposedly Confucian, but de facto primarily authoritarian concept of society, is a constant ideological challenge to Europe and its values. The fact that this debate is taking place against the background of close economic ties, many shared interests - e.g. in climate protection - and a very respectful way of treating each other does not detract from the challenge's fundamental nature.

European sovereignty in the face of an increasingly hegemonic China…

The other geopolitical benchmark of a European aspiration for greater sovereignty is the United States. Here the constellation is, at first glance, reversed. The United States and Europe together form the foundation of this very "West". The bond goes deep. A shared history and values, intensive trade relations, closely intertwined military security and, last but not least, a popular culture that is in some respects virtually amalgamated give Europe's relationship with the United States an almost sibling-like appearance. This image of a close family might correspond to the at times shrill tone of their interactions and a certain tendency on both sides to be easily disappointed with each other in the face of

… and a certain hegemonic fatigue of the US

(too) high expectations. But the European-American relationship does not depend on the atmosphere of communication, but on the strength of common interests.

Here, Europe is confronted with two American trends, both of which suggest a loosening of this geopolitical alliance. On the one hand, the transatlantic relationship is almost inevitably losing importance for the US as transpacific relations gain in relevance. The growing dominance of Californian high-tech companies in American foreign trade also plays a major role here. This change in Europe's significance for the United States is reflected in the clearly stated - and long justified - demand that the costs of military security within NATO be shared less unevenly. The second trend is also evident in this question of burden sharing. Underpinned by an isolationism that has grown strong over the decades but is now also very prominently positioned, the United States is showing a certain hegemonic fatigue. This trend is deeply rooted. To put it in a nutshell, with the fading of the "American dream" for the middle classes in the US (Ca¬se/Deaton, 2020) its sense of mission as the former "world policeman" seems to have waned, too. For more than twenty years American foreign policy has often been merely reactive and essentially follows a "no strategy approach" (Walt, 2020). This trend is further reinforced by the Trump administration's erratic foreign policy, which is primarily based on show effects aimed at domestic politics, and which is now actively undermining American reputation in the world.

Europe must navigate between these two poles, the USA and China. It must also (re)conquer its own place in this constellation. Whether this will be more difficult or a little more easy after the Corona crisis is not yet clear. Either way, it will not be easy. This is because the argument also put forward in this paper that a new multipolarity is increasingly replacing rules-based multi-lateralism in geopolitics is still optimistic in one respect and formulated from a European perspective: Europeans speak of *multi*polarity. In the USA and also in China there is growing talk of an increasingly *bi*polar world. Europe - like Russia and the emerging countries - is perceived as an important player, but not as an equal power pole.

Multilateralism versus multipolarity...

...or multipolarity versus bipolarity?

Insofar as this - not uncontroversial - view reflects geopolitical realities, the challenge for the future Europe on the path to greater sovereignty is twofold: the (re)attainment of rule-based multilateralism should continue to be the goal of European policy, because it offers fairer, more participatory and in some respects also efficient global governance. But the path to this goal will first have to lead via a multipolarity in which Europe is strong enough to formulate and enforce the demand for multilateral rules as a partner of equal standing. Even a revitalisation of close transatlantic ties with the United States will hardly succeed if Europe continues to strive for the role of the (not only financial) junior partner. It is clear, however, that the claim to achieve renewed multilateralism and better partnership from a position of growing strength must also be backed by real substance. Europe will not become stronger by merely *demanding* more power. Geopolitically, power is based on real significance, capacity to act and the will to act. Without significance, the other two factors will not help. This describes the situation of some parts of the world - but not of Europe. Europe does not lack economic, cultural and normative importance. In some fields Europe is even the decisive "world power" - just take the so-called *Brussels effect* for an example.[6] But making better use of this great potential by

Europe will not become stronger by merely demanding more power.

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[6] The "Brussels effect" describes the unilateral adoption of EU legal norms, regulatory measures and standards in large parts of the world, especially - but not exclusively - where transnationally traded goods and services are concerned. The term was formulated in 2012 by Anu Bradford (Columbia Law School); see currently Bradford (2020).

expanding Europe's capacity to act and thereby strengthening its will to act is the goal of European sovereignty. It can be achived – but only through structural reform of the Union. This shows that, particularly in Europe's relations with the USA and China, *new models for Europe's future* cannot be separated from the Union's central geopolitical tasks for the future.

In addition, Europe's strength grows with the quality of how it masters its other challenges. In foreign policy, relations with its large eastern neighbour have traditionally played a central role. Russia's international policy has taken an increasingly aggressive tone in recent years. Following the repeated disruption of gas supplies to the West and the Russian-Georgian war in summer 2008, the EU was forced in March 2014 to impose restrictive sanctions against Russia in response to the illegal annexation of Crimea and continued interference in eastern Ukraine. Russian disinformation efforts, attempts to influence elections in Europe and in the US, Russian actions in Syria, cyber threats, money laundering activities, and multiple human rights abuses have further impaired the relationship.

Russia's aggressive foreign policy

There exist different views among EU countries about how to deal with Russia in the long term. Many Member States have intensive trade relations with Russia (e.g. Germany and Italy) and rely on Russia to meet their oil and gas needs. These countries are committed to maintaining relations with Russia, also with a view to European security. Other EU countries – Sweden, Denmark and the Baltic States – favour a tougher stance towards Russia, alarmed by the increase in Russian manoeuvres, by the dependence on Russian gas ("Nord Stream 2") and by Russian media soft powers. As a consequence, it has not yet been possible to agree on a successor to the Partnership and Cooperation Agreement between the EU and the Russian Federation, which expired in 2007.

Following the EU enlargement in 2004 and 2007, large differences in income and standards of living between the new Member States and the EU-15 prompted an impressive surge in intra-European migration. First, strong migration arose from the eight countries that joined the EU in 2004 to Ireland and the United Kingdom, which, together with Sweden, had opened their borders immediately, without a transitional period. Then, there was extensive migration from the Member States that joined in 2007 - Bulgaria and Romania - to Italy and Spain. Finally, with the Eurozone-crisis starting in 2010, people moved from southern Member States – Portugal, Spain, Italy and Greece – to northern Member States – especially, Belgium, France, Germany and the United Kingdom.

Migration flows and refugee crisis

In addition to internal flows, the EU is also experiencing large migratory dynamics related to the conflicts in the Middle East and North Africa as well as to the population explosion in some countries of sub-Saharan Africa. According to IOM data, more than one million refugees and irregular migrants arrived to Europe in 2015. Also as a result of the deal between the EU and Turkey and of the agreement between Italy and Libya, the inflow fell sharply in subsequent years. In 2018, it dropped to 139,000 refugees, and in 2019 to 120,000 refugees per year.

The Dublin regulation envisions that refugees and irregular migrants must apply for asylum in the EU country where they first enter. This rule contrasts with Article 67 TFEU[7] and sets an unfair burden on Member States, which have already hit by the Euro-crisis and are geographically closer to the war-torn countries or to the North African shores. The EU has made efforts to attempt to relocate refugees into other member countries (2015 Emergency Relocation scheme), but these turned out to be insufficient and struggle with the open resistance of some countries (Austria and the Visegrád group) or with the failure to comply with the Dublin Regulation by other Member States.

Though migration inflows meet, at least with a view to sheer quantities, the demand for labour in Western Europe and help to address its ageing problem, they pose important challenges for labour markets and welfare systems of receiving countries. Also in 2019, there is no sign of an attenuation of the smouldering controversies among EU states on migration issues. Wih the uniletaral cancellation of the EU-Turkey deal by President Ergodan and the fragile ceasefire in Idlib, these controversies can also break out again at any time. Of the 5.7 million people who have fled Syria since 2011 according to UNHCR figures, around one million have come to Europe to date, but there are still around 3.6 million Syrians in Turkey.

Since the September 11 attacks, America and Europe have been confronted with transnational Islamist terrorism. The tactic of global expansion has been and continues to be used by various groups (including ISIS, Al Qaeda, Hamas, Hezbollah) as a revolt against the claimed hegemony of the secular world powers. The response to the terrorist attacks through war, the partly still poor integration of Muslims in European societies and the diffusion of communication systems like Twitter and Facebook have exacerbated the threat of terrorist attacks. Since 2007, EU countries have innovated various information *Global terrorism* exchange mechanisms aimed at optimizing the fight against terrorism and at preventing money laundering (EU Terrorism Situation and Trend Report). Yet, an effective response requires a deep understanding of the complexity of the phenomenon. The victory over ISIS in Syria in 2019 is no guarantee that the terrorist threat to Europe will diminish; new risks may arise from "fighters" streaming back.

Climate change has already caused the average surface temperature on Earth to rise by more than one degree Celsius since the Industrial Revolution. This development will have serious consequences for human health, biodiversity and resources, ecosystems, *Climate change* and many social and economic sectors, including agriculture, tourism and energy production.

The European Union is at the forefront of international efforts to reduce greenhouse gas emissions and thus safeguard the planet's climate. EU climate policies have been developing since 1990, when the United Nations Intergovernmental Panel on Climate Change issued its first report. In 1997, the then-European Community signed up to the Kyoto Protocol and the EU subsequently joined the 2015 UN Paris Agreement.

Yet, the attention devoted by the EU, in the field of environmental protection, to the definition and update of its objectives, legal principles, multiannual action programmes

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[7]   Article 67 TFEU: The Union "shall ensure the absence of internal border controls for persons and shall frame a common policy on asylum, immigration and external border control, based on solidarity between Member States, which is fair towards third-country nationals".

and impact assessment procedures is counterbalanced by external and internal constraints to the implementation of such a policy. Not only the EU has to deal with the lack of commitment by major international actors, but its scope for action is also limited by Treaty rules, in particular: the requirement for unanimity in the Council. Moreover, there is the difficulty of ensuring that Member States comply with the rules laid down at the Community level and the need for controversial public policy interventions – for example, the introduction or increase of carbon prices – if the goals set out in the Paris agreement are still to be attained.

These are by far not all challenges facing European policy today. As primarily economic issues, the strengthening of the Euro as an international means of payment and a strategic industrial policy with a view to the long-term technological competitiveness of key European industries (including screening of foreign direct investment) are also high on the agenda. Immediately behind follow very fundamental challenges such as the progressive coping with and shaping of the fourth industrial revolution and the ever more important cyber security. Nor should the still smouldering conflicts surrounding the topic "Eurozone and public finances" be taken lightly.

Economic policy challenges

In their sum and structure, these challenges are now too great to be met by the traditional EU voting and governance model. This does not rule out the possibility that the previous model "performs well" in individual areas. The EU 27, for example, has made a good impression in the Brexit negotiations. However, it is hardly to be expected that other challenges will create a similarly unifying thrust as the often self-centred and at times sickening behaviour of the British government has unintentionally but very effectively accomplished for the EU. Thus, in order to be able to act flexibly and energetically *overall*, the EU needs a new governance model.

E. Check points for further European development

How should a future European model be designed if it is to meet these challenges? What criteria must a future model for Europe fulfil? The project *"A strong Europe in a globalised world"* will explore these questions and seek to answer them.

In order to shed light on the possibilities and limits of new models for Europe, we first formulate practical thought experiments. They are expressed as questions that are not yet to be answered in this paper. The task of the thought experiments is to put a discussion process about future models into practice and so "ground it". The questions are intended to help assess whether, in a new model, the grass not only appears greener from the other side of the fence, but also is greener when you actually stand on it.

Check points as tests for European future models

The questions of the thought experiments aim at a voluntary and sustainable acceptance of the mentioned measures. It is not a matter of which model could best be used to *force* the Member States to adopt one of the solutions:

- How can the UK (after Brexit) continue to participate as a full member in a European security and defence structure?

- How can the monetary union be complemented by elements of a fiscal and social union so as to ensure that the macroeconomic governance of the Euro area stands on "both feet"?

- How, and with which decision-making mechanisms, will the EU become more "world politics capable"?

- How can the EU better absorb external shocks than was the case during the 2015 refugee crisis or is now in the beginning of the corona crisis? How can the EU guarantee fair *burden-sharing* and implement it more effectively?

- How, and according to which roadmap, can the EU offer candidate countries (especially in the Western Balkans) a realistic integration perspective, up to full membership?

- How can the EU offer Member States also possibilities of partial disintegration as an alternative to complete withdrawal? With which incentive structure can such a partial disintegration be made "expensive" enough but not impossible?

- How can the EU strike a balance of the current positions within the EU, for example between net contributors and net recipients, between South and North, and between East and West?

- How can the needs of European citizens be better taken into account? Through which processes and by what means can the "citizens' will" be better integrated into European decision-making processes?

These questions are not intended to be an exhaustive list. Nor is it about answering all questions positively for the "best" model. Here, ambiguities and trade-offs are inevitable. Whether they are answered positively or negatively – either way, such thought experiments help to ensure that the future models for Europe are not viewed exclusively in terms of their constitutional consistency or other abstract criteria. The thought experiments force us to view the quality of future models from the outset as *solutions* to real European policy issues.

Concrete instead of abstract solution approaches.

F.   Solution space

Europe must reform itself in order to be able to develop further. The title of the project *"A strong Europe in a globalised world"* does not only refer to the EU in its present form; it is about *new* future models for Europe. In winter 2019/20 - when the new EU Commission has just been sworn in, the EU Parliament has been operational for a few months after the elections and the Brexit has been postponed once again - such a perspective has already almost been common good. In the media, in science and in politics – national as well as European – it would be difficult to hear voices expressing continuous satisfaction with the status quo of the European model. The corona crisis does not move these questions to the background, but rather shows the deeper-reaching needs for forward-looking reforms ever more clearly.

The great willingness to discuss reforms of the European Union, however, does not mean that there is agreement on a direction or even on the objective. With regard to the internal and external challenges, there are sometimes major divergences between the Member States in key policy issues.

Different opinions on the state and development of the EU

To some extent, these differences also reflect the division of the European public into confident and insecure EU citizens, as revealed by the *eupinions* 2019/1 survey in the run-up to the European elections. Economically and above all socially insecure EU citizens are largely dissatisfied with the functioning of democracy at the EU level and with

the political development of the EU (de Vries and Hoffmann, 2019). The confident respondents, on the other hand, are rather satisfied with the functioning of democracy at EU level and the political orientation of the EU. Here, too, the unifying factor seems to be the unease with the structural status quo: according to the survey, only 36 percent of those who are confident believe that "the EU is developing in the right direction". Of the socially insecure EU citizens, only 23 percent express this view. The result of the EP elections in May 2019 can also be understood in this sense: both EU critics – "populist" or conventional – and very convinced EU supporters have gained more votes. Above all, however, voter turnout has increased enormously and surprisingly: Europe is inciting people stronger. Europe's future moves people. In this respect, the election results – despite all difficult arithmetic of stable majorities – strengthen the obligation to embark on an open discussion on future models for Europe.

Thus, EU sceptics and supporters alike say that Europe must be reformed. This – for the time being empty – formula can also be agreed upon in politics by integration supporters and critics. Of course, the two sides hardly strive in the same direction. But even in view of disparate and potentially even more divergent reform wishes, a basic thesis of the project *"A strong Europe in a globalised world"* is that the intersection of possible reforms, *most of which* can be recognized as progress, is not empty. Euroscepticism does not only arise from nationalistic attitudes that are averse to the idea of community. Euroscepticism can also stem from the disillusionment caused by the weakness, slowness and inefficiency of the Union. The more capable and successful Europe becomes through reforms, the less reason there is for scepticism and distancing.

The EP election result is a clear, albeit difficult, reform mandate

This constellation is a good, by no means self-evident starting point for the necessary reform debate on structural future models for Europe. But it must also urge a certain caution. Structural reforms can help to solve structural problems. This must be separated from the occasional tendency, when dissatisfied with the results of the political process, not to criticize the opinions and majorities expressed therein, but to raise directly the fundamental question of the functioning of the political system as such. European policy in particular can give rise to this kind of dissatisfaction if dissent between the Member States results in urgent questions not being answered or being answered only insufficiently.

In new future models, the grass should actually be greener

Yet, not every unsatisfactory policy outcome amounts to a system failure. This would only be the case if, in a different European model, the *same* actors would *not* come to the same unsatisfactory results. Yet, when viewed realistically, one would have to expect frequently that the same actors would also achieve similar results in alternative configurations as long as their political positions or interests remain unchanged. In such cases, the search for alternative models must lead to disappointment. They, too, cannot offer redemption from the subjectively unsatisfactory outcome of the political process. We want to take advantage of this distinction in the project *"A strong Europe in a globalised world"*. New future models for Europe should not only serve the *perception* that the proverbial grass on the other side of the fence is greener. The grass should actually be greener. The same political actors should be able to achieve different, better results in a new model.

In the further project, it is necessary to map a solution space for future models and to locate existing model proposals as well as further developments and completely new proposals in this space. From today's perspective, the solution space is quite well filled already, if one takes in all models that are available in principle and that have already

Existing model proposals as a starting point for the discussion

been suggested. For example, the European Commission presented five scenarios in its 2017 White Paper on the Future of Europe, four of which – i.e. after deducting scenario 1 "Carrying on" – can be regarded as reform models. The solution space is, thus, already populated at least by (not ranked):

- „Nothing but the single market": the EU gradually returns to the single market (scenario 2 in the White Paper).
- „Those who want more do more", i.e. Europe of concentric circles: the maxim of homogenous integration in the acquis communautaire is abandoned in order to enable Member States with different integration capabilities to deepen integration in individual policy areas (Scenario 3 in the White Paper).
- „Doing less more efficiently": The EU focuses on selected policy areas so as to achieve here quick results, but reduces its role in other policy areas (scenario 4 in the White Paper).
- „Doing much more together": the Member States decide to do much more together in all policy areas (scenario 5 in the White Paper).
- Multi-speed Europe: only the temporal unity of the acquis communautaire is given up; groups of Member States can deepen integration, while the other Member States commit themselves to taking these integration steps at a later stage.
- United States of Europe: the EU becomes an autonomous and sovereign territorial entity, and the states become federal countries within the EU.
- Europe of Clubs: there is no "supreme form of European integration"; instead, different Member States join to form policy-based "clubs", the basis of which is a reduced, generally binding Acquis communautaire.
- Functionally enhanced Europe of Clubs: the model takes up the flexibility concept of a club model and supplements the mechanisms in the functionalist perspective discussed above, which has played a major role in past European integration. In the form of "functional pillars" would be organized, for example, such tasks, which Member States of the European Union want to implement together with non-members as equal partners.

These model proposals essentially differ in two dimensions: firstly, between "more Europe" and "less Europe" and, secondly, whether and how the future models involve all or specific Member States. Bringing such model proposals together with the current and future challenges facing Europe, it quickly becomes clear that the definition of the right EU competences is at the heart of considerations. The emerging discussion on "European public goods" is moving in this direction (see e.g. Fuest and Pisani-Ferry, 2019). This perspective - including that of the project "A strong Europe in a globalised world" - aims to classify current and future EU competences on the basis of the economic analysis of fiscal federalism and, from there, to identify inclusive reform perspectives that integrate political and legal as well as economic and social aspects. The focus on European public goods and future models for the EU corresponds to the duality of function and form. The two must go together. The present paper has shown, among other things, that the genesis of the European constitution has by no means consistently reflected the simple motto "form follows function". Whenever future models define European competences, shape sovereignty and, not least, constrain and control power, form cannot simply follow function. Nevertheless, the form – the future model – lives only by enabling the function – be it an established EU task, be it a European public good – to be fulfilled

Future models for the EU and European public goods are, respectively, "form and function" in the upcoming design question

optimally. In the solution space for European future models, form and function must always be seen together.

At the same time, the conceptual claim should be kept in check. The solution space should be framed as a place where not only "full" future models are depicted, designed and discussed. At least as important are individual proposals and institutions, such as the Eurozone budget, Chancellor Merkel's long-term aspiration of a European army or President Macron's proposal for a European climate bank. Here, the Macron-Merkel-proposal of May 2020 for a debt-based and transfer-oriented European reconstruction fund joins the ranks, albeit in a much larger format.

Not only „big" future models, but also partial building blocks

It is in this spirit that the "Conference on the Future of Europe", initiated by the Commission and the European Parliament and supported by the Council, will seek to launch numerous civil society debates on the renewal of the Union from 2020 onwards. This conference should not be marginalized by the Corona crisis - although more digital formats of gathering should be found in the initial period. With climate change, social justice, digital change, the strengthening of the Union's democratic structures and the like, the conference will focus on key issues affecting people. Solutions are sought for tangible problems, not necessarily for the entire model.

The focus on building blocks that are not fitted into a certain future model from the outset takes up the mechanisms of situational task acquisition. As experience has shown that reforms are more successful if they do not want to change content and form at the same time, the discussion of future models must not be limited to considering the "big picture".

This is not a plea for utter modesty. Yet, the discussion on the future of Europe will be stronger and closer to the reality of reform if it takes a pragmatic approach and identifies where opportunities present themselves and where the need is greatest.

Whether giant leaps or small steps, all that matters is that it goes ahead. What matters is that more and more people come together and move forward for a Eu-rope renewed in its traditional strengths and for its new challenges. This is the path taken the project "A strong Europe in a globalised world."

Big or small steps, as long as it goes ahead

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