



Sofia University  
„St. Kliment Ohridski“

„Hanns Seidel“ Foundation

Wilfried Martens Centre  
for European Studies

# *The Call for* **MORE EUROPE** **Ambitions and Realities**

Papers from the Eighth International Scientific Conference  
of the European Studies Department, Faculty of Philosophy  
at Sofia University „St. Kliment Ohridski“



Sofia, 2021

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# THE CALL FOR MORE EUROPE

## AMBITIONS AND REALITIES

Sofia University „St. Kliment Ohridski“,  
„Hanns Seidel“ Foundation,  
Wilfried Martens Center for European Studies

Sofia, 2021

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# Introduction

*It is wrong to give up an endeavour just because its implementation encounters a series of difficulties. Guided by this thought, we overcame the numerous obstacles to organising the Eighth international conference of the Department of European Studies to Sofia University „St. Kliment Ohridski dedicated to „The Call for more Europe – ambitions and realities“. We have sought inspiration from the founding fathers, whose wisdom we always turn to when looking for answers to difficult questions. Jean Monnet helped us with his statement: „We are in a crisis. This is a good sign, because the opposite would mean that we are not changing anything.“*

*Discussing the future of Europe in times of crisis is very necessary. Three prerequisites will predetermine the outcome of the efforts to imagine and to create the future of the European Union: active citizens, committed experts and academics, and courageous politicians. The participation of experts and academics is undoubtedly important because they are expected to analyse, to discuss, to identify weaknesses, to criticize, to propose solutions, to be creative. The desired future of Europe could not happen without the involvement of academic expertise. Yes, the role of citizens and the academic community in shaping Europe’s future is undoubtedly important, but overcoming existing problems can only be done through strong political will and the desire of European leaders to breathe new life into the European project with sustainable results. Learning lessons from the past and correcting the mistakes of the present are the first step to the future. This step should be taken by the politicians. In other words, we need not only active citizens and academic expertise, we need wise and brave politicians.*

*It is necessary to accept the fact that there is a new political reality in the European Union and a pragmatic approach should be applied. The future of the European Union depends on an adequate response to the realities of the 21<sup>st</sup> century and on the ambitions how to move integration forward. Overcoming contradictions, disputes and differences on specific issues and challenges posed by the real life can only be achieved by a strong motivation to build a genuine union. In this sense, the future of the European Union depends on several basic preconditions, expressed in the ability to develop the economy of knowledge, to meet the challenges of energy dependence and population aging, the ability to compete on the global market, the ability to be flexible in order to find the right combination of active labour market policy, flexibility, effective training and social protection; the ability to strike the right balance between openness and protection, the ability to think big, not only in a European but also in a global dimension. We need to strengthen the Union, having a fresh look and new approach.*

*More Europe or less Europe – is that really the question? How can we continue not only being together, but also to work successfully together? Or the question is rather how to find the balance between ambitions and realities in order to move forward together? During the conference, speakers from Bulgaria, Belgium, Germany, France, Romania and Serbia raised a number of specific issues for discussion –*

*differentiated integration, strategic autonomy, public communication, money laundering, fiscal union, lessons learnt from Brexit, the future of the EU enlargement, etc. Special attention was paid to the civic education, the European identity, the European values. The deliberations were inspired by new ideas and academic creativity. Thanks to all the speakers and participants, the conference was a fruitful event to discuss, to draw lessons, to imagine, to dream.*

*I would like to express my deep gratitude to the Hanns Seidel Foundation and the Wilfried Martens Centre for European Studies for their support and understanding. Their assistance and cooperation have been highly appreciated by the European Studies Department of Sofia University.*

*We are going through difficult times. I can't but remind once again the inspirer Jean Monnet, encouraging his collaborators with the simple but sincere phrase: „We continue, we continue, we continue...“. This was the rationale and the spirit of the conference „The call for more Europe - ambitions and realities“.*

***Prof. Ingrid Shikova***



The Debate for the  
**Future of Europe** and  
the Call for More EU





# IS THE EMPEROR NAKED? PROCEDURES AND EXPECTED RESULTS OF THE CONFERENCE ON THE FUTURE OF EUROPE

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***Abstract:***

*The Conference on the Future of Europe is not the first attempt of the European institutions to bring a debate on the future of the EU to European societies. The last such approach was the European Commission's 2017 White Paper on the Future of Europe.*

*The conference's concept purports to take a bottom-up approach but does not really do so as the organizational details presented below show. The European institutions want to keep the discussion process under control and also hinder each other through the principle of unanimity.*

*At the time of writing, the results of the conference are not yet available, let alone a mapped-out way to implement them. However, scepticism is warranted that the conference results will change the structure and policies of the EU.*

**Keywords:** Laeken Conference, White Paper on the Future of Europe, Conference on the Future of Europe, Participation, Decision Shaping

People think about health primarily when they are ill. It's the same with the future. It is discussed when you have the feeling that you don't have one, at least not in the dreamed way. Discussions about the future serve to grab the spokes of the present, to prevent the status quo, which one has identified as insufficient, from perpetuating itself. In other words, those who start a debate about the future have difficulties in the present.

This also applies to the European Union since a long time.

This became particularly clear after the Nice summit in 2000. This meeting of the then 15 heads of state and government in the French Mediterranean

city was unsatisfactory in terms of both procedure and outcome. The German historian Wilfried Loth speaks of a „devastating impression that this conclusion of the Intergovernmental Conference in Nice left not only on many participants, but also on the public and in the European Parliament“<sup>1</sup>. As a result, some improvements were not noticed. The way had been cleared for the enlargement of the EU by 12 countries at that time, but it was clear to everyone that this way was too narrow.

The Treaty of Nice had not yet been ratified when it was already overtaken a year later at the Laeken Conference (Belgium). This conference was already announced in No. 23 of the numerous declarations on the Nice Treaty:

„Having thus opened the way to enlargement, the Conference calls for a deeper and wider debate about the future of the European Union.“<sup>2</sup>

The declaration adopted there formulated far-reaching goals („Challenges and Reforms in a Renewed Union“):

- A better division and definition of competence in the European Union
- Simplification of the Union’s instruments
- More democracy, transparency and efficiency in the European Union<sup>3</sup>

The new design was to be worked out by a convention, which was to include European and national parliamentarians, representatives of the governments and the European Commission, and was to be enshrined in a European constitution.

In fact, a draft constitution emerged from the Convention’s work by 2004, but it failed to accomplish the „simplification of the Union’s instruments.“ Above all, the authors packed the entire primary law of the EU into this draft constitution, so that the framework of a traditional constitution, which regulates the basic principles but leaves the rest to simple laws, was blown up.

The fate of the European Constitution is well known. France and the Netherlands rejected the draft in referendums, and other members such as Great Britain had not even begun the ratification process. The Constitution, solemnly and pompously signed in Rome in 2004, never saw the light of day in the political world.

The Lisbon Treaty of 2007, which came into force in 2009, then picked up the pieces. The draft for the future had failed, a few improvements and corrections were made, and the primary law was divided into the Treaty on European Union, which corresponded most closely to a constitution, and the

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<sup>1</sup> Loth, W. (2014): Europas Einigung. Eine unvollendete Geschichte, Campus Verlag, Frankfurt/New York (E-Book) p. 903 von 1387

<sup>2</sup> Treaty of Nice, 2001/C80/01, 23. Declaration on the future of the Union, Pt. 3

<sup>3</sup> Laeken Declaration on the Future of the European Union, Presidency Conclusions, European Council Meeting in Laeken 14 and 15 December 2001, SN 300/1/01 REV 1, Annex I, pp. 21 ff.

Treaty on the Functioning of the European Union. A design for the future did not emerge in this way; only the most necessary repairs were made to the status quo.

In 2017, the European Commission, namely its President Jean-Claude Juncker, made a new attempt to initiate a discussion about the future. In a white paper on the future of Europe, he presented five scenarios:

„These five scenarios offer a glimpse into the potential future state of the Union, depending on the choices Europe will make:

- Carrying On: The EU27 focuses on delivering its positive reform agenda
- Nothing but the Single Market: The EU27 is gradually re-centred on the single market
- Those Who Want More Do More: The EU27 allows willing Member States to do more together in specific areas
- Doing Less More Efficiently: The EU27 focuses on delivering more and faster in selected policy areas, while doing less elsewhere
- Doing Much More Together: Member States decide to do much more together across all policy areas“<sup>4</sup>

Juncker’s intention was to trigger a wide-ranging discussion so that he could then express his own ideas in his 2017 „State of the Union“ speech.

Neither of those occurred. In fact, the White Paper on the Future of Europe had little impact and did not trigger any significant debates. The EU was too preoccupied with itself and the immediate present because of the refugee crisis to devote itself to such a discourse. Juncker, too, ultimately avoided committing himself. He favoured, he said in his speech<sup>5</sup>, a sixth scenario, which he backed up with a series of demands without drawing an overall framework. The impact of the White Paper on the future of Europe had fizzled out; the debate about the future did not take place, certainly not among the broad European public.

The 2019 European Parliament elections, which showed a clear upward trend in terms of voter turnout, led to a difficult situation with regard to filling the position of Commission President. The major party families had committed themselves in advance to the lead candidate principle. This meant that each party grouping nominated a top candidate who, if the party family did best, would then take over as head of the Commission. In 2014, this had come to

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<sup>4</sup> European Commission: White paper on the future of Europe: Five scenarios, [https://ec.europa.eu/info/future-europe/white-paper-future-europe/white-paper-future-europe-five-scenarios\\_en](https://ec.europa.eu/info/future-europe/white-paper-future-europe/white-paper-future-europe-five-scenarios_en); accessed: 18.08.2021; the whole paper can be found here: European Commission: White paper on the future of Europe. Reflections and scenarios for the EU27 by 2025, Brussels 2017, [https://ec.europa.eu/info/sites/default/files/white\\_paper\\_on\\_the\\_future\\_of\\_europe\\_en.pdf](https://ec.europa.eu/info/sites/default/files/white_paper_on_the_future_of_europe_en.pdf); accessed: 18.08.2021

<sup>5</sup> European Commission: President Jean-Claude Juncker’s State of the Union Address 2017, Brussels 13 September 2017; [https://ec.europa.eu/commission/presscorner/detail/en/SPEECH\\_17\\_3165](https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_17_3165); accessed: 18.08.2021

pass - to the displeasure of some heads of state and government - but the treaties do not provide for such a junction. Instead, the procedure under Article 17 (7) assigns different responsibilities to the European Council and the Parliament:

*„Taking into account the elections to the European Parliament and after having held the appropriate consultations, the European Council, acting by a qualified majority, shall propose to the European Parliament a candidate for President of the Commission. This candidate shall be elected by the European Parliament by a majority of its component members. ...“<sup>6</sup>*

In 2014, Parliament had taken away the competence of nominating a candidate from the heads of state and government. The fact that with former Luxembourg Prime Minister Jean-Claude Juncker, the top candidate of the European People's Party, ultimately received this office, had certainly calmed tempers. Now the top candidate principle was to apply again in 2019. However, the political groups then sabotaged their plan themselves by failing to win a majority in the European Parliament for one of the top candidates. The European Council took note of this - at least in large parts - with sympathy, as the way was now free to nominate its own candidate. The choice fell on German Minister of Defence Ursula von der Leyen, who was ultimately confirmed by the European Parliament by a narrow majority. Her candidature was met with great scepticism.

Partly in response to the parliament's reluctance to appoint her, von der Leyen announced the idea of a future conference in her introductory speech before her election:

*„First, I want European citizens to play a leading and active part in building the future of our Union. I want them to have their say at a Conference on the Future of Europe, to start in 2020 and run for two years.“<sup>7</sup>*

But again, the European Union did not find the peace to discuss its future. The Corona pandemic, which has held the world and thus also Europe hostage since the beginning of 2020, prevented both the focus on debates about the future and meetings and conferences. Thus, the start of the conference had to be postponed for a year. The official starting signal was given on May 8, 2021. Nevertheless, the conference is scheduled to come to an end in spring 2022. The discussion time has thus been cut by more than half. There is no factual reason for this, but there is a political one: In the first half of 2022, France will hold the Council presidency and the French president Emmanuel Macron will be fighting for his re-election against the party leader of the radical right-wing Rassemblement National, Marine Le Pen. Macron wants to and should adorn himself with the results of the Future Conference - at the risk of having none because of the shortness of time.

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<sup>6</sup> Treaty on the European Union, Official Journal of the European Union, C 326, Art. 17.6

<sup>7</sup> European Commission: Opening Statement in the European Parliament Plenary Session by Ursula von der Leyen, Candidate for President of the European Commission, Strasbourg 16 July 2019; [https://ec.europa.eu/commission/presscorner/detail/en/SPEECH\\_19\\_4230](https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_19_4230); accessed: 18.08.2021

In fact, shortening the time frame hurts the cause. In 2021, Europe is still in the grip of the Corona pandemic and its consequences, and after the summer break in 2021 Germany, not the least important country in the EU, faces not only parliamentary elections but also the formation of a new government without the current chancellor Angela Merkel. This leaves little room for fundamental discussions on European policy and also little public interest.

A number of questions arise in connection with the Future Conference:

### **1. What will be discussed at the conference?**

The ideas about the shape of such a conference differed.

In a communication of January 2020, the European Commission shows its interest in having conference discuss primarily along their guidelines:

*„The Conference should be framed around the EU’s headline ambitions, as set out in the Commission’s six Political Priorities<sup>8</sup> and the European Council’s Strategic Agenda<sup>9</sup>. These include the fight against climate change and environmental challenges, an economy that works for people, social fairness and equality, Europe’s digital transformation, promoting our European values, strengthening the EU’s voice in the world, as well as shoring up the Union’s democratic foundations...*

*The second strand should focus on addressing topics specifically related to democratic processes and institutional matters, notably the lead candidate system for the election of the President of the European Commission and transnational lists for elections to the European Parliament.“<sup>10</sup>*

Although there was also the indication in the communication:

*„While these topics should frame the debate, they should not limit the scope of the Conference. Citizens should be free to focus on what they consider to be important.“<sup>11</sup>*

The Commission had clearly chosen the conference to accompany its own policy projects.

The European Parliament took a more far-reaching approach:

*„[The European Parliament] proposes that the Conference Plenary should enable an open forum for discussions among the different participants without a predetermined outcome, while including input from Citizens’ agoras and without*

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<sup>8</sup> A Union that strives for more - My agenda for Europe, [https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf)

<sup>9</sup> A new strategic agenda for the EU 2019-2024: <https://www.consilium.europa.eu/media/39914/a-new-strategic-agenda-2019-2024.pdf>

<sup>10</sup> European Commission: Communication from the Commission to the European Parliament and the Council. Shaping the Conference on the Future of Europe, COM (2020) 27 final

<sup>11</sup> Ibid.

*limiting the scope to pre-defined policy fields or methods of integration; suggests that as a maximum, pre-defined but non-exhaustive policy priorities could be identified, such as:*

- *European values, fundamental rights and freedoms,*
- *Democratic and institutional aspects of the EU,*
- *Environmental challenges and the climate crisis,*
- *Social justice and equality,*
- *Economic and employment issues including taxation,*
- *Digital transformation,*
- *Security and the role of the EU in the world*<sup>12</sup>

The Parliament thus only submits very general proposals for topics but is open to further suggestions developed from the conference.

This in turn conflicts with the considerations of the Council of the European Union, which would like to focus the conference on the priorities of its Strategic Agenda:

*„In order to make the discussions relevant to citizens, the content of the Conference should be centred around several key topics, including those from the EU Strategic Agenda, which are wide enough to provide sufficient space for all participants to express their views and the relevance of which has been further highlighted in the context of the COVID-19 pandemic and the challenges of the economic recovery, such as:*

- *sustainability, including green and just transition and climate neutrality by 2050 (...)*
- *innovation, competitiveness and digital transformation (...);*
- *fundamental values, rights and freedoms (...);*
- *international role of the EU (...).*<sup>13</sup>

The basic question is whether new ideas for shaping the future of the EU should and can be drawn on the conference, or whether the conference should help to better achieve the priorities set (by the Commission or the Council).

Finally, there was a Joint Declaration of the three institutions which states:

*„We, the Presidents of the European Parliament, the Council and the European Commission, aim to give citizens a say on what matters to them.*

*Reflecting the Strategic Agenda of the European Council, the 2019-2024 Political Guidelines of the European Commission and the challenges brought about by the COVID-19 pandemic, discussions will cover, amongst others:*

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<sup>12</sup> European Parliament: European Parliament resolution of 15 January 2020 on the European Parliament's position on the Conference on the Future of Europe, 15 January 2020, P9\_TA (2020)0010

<sup>13</sup> Council of the European Union: Conference on the Future of Europe, 24 June 2020, Doc 9102/20

*Building a healthy continent, the fight against climate change and environmental challenges, an economy that works for people, social fairness, equality and intergenerational solidarity, Europe's digital transformation, European rights and values including the Rule of Law, migration challenges, security, the EU's role in the world, the Union's democratic foundations, and how to strengthen democratic processes governing the European Union. Discussions can also cover cross-cutting issues related to the EU's ability to deliver on policy priorities, such as better regulation, application of subsidiarity and proportionality, implementation and enforcement of the acquis and transparency.*

*The scope of the Conference should reflect the areas where the European Union has the competence to act or where European Union action would have been to the benefit of European citizens.*

*Citizens remain free to raise additional issues that matter to them.*<sup>14</sup>

Here, the European Parliament has asserted itself insofar as the range of topics to be discussed is broad. On the other hand, the question arises as to whether the wide range does not lead to arbitrariness, which ultimately prevents the conference from producing results. However, it will only be possible to assess this after the conference.

The Conference on the Future of Europe website now presents 10 topics:

- Climate Change and the environment
- Health
- A stronger economy, social justice and jobs
- EU in the world
- Values and rights, rule of law, security
- Digital transformation
- European democracy
- Migration
- Education, culture, youth and sport
- Other ideas<sup>15</sup>

On all these topics (and on „other ideas“), EU citizens can now make suggestions, network, organise and participate in events.

## **2. Who can take part in The Conference on the Future of Europe?**

The conference is explicitly aimed at the citizens of the European Union. To make it easier for them to contribute ideas and to network transnationally,

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<sup>14</sup> Joint Declaration of the European Parliament, the Council and the European Commission on the Conference on the Future of Europe, Official Journal of the European Union, 18.3.2021, C 91 I

<sup>15</sup> Conference on the Future of Europe, <https://futureu.europa.eu/?locale=en>; accessed: 4.9.2021



not only is the website available in the 24 official languages of the EU, but the contributions are also translated into other languages by means of a translation programme.

The interest of the citizens could not really be aroused, at least in the first months. Four months after the official start of the conference and the launch of the website, it registered around 36,000 participants. With a population approaching 450 million, that's not an impressive number. Twice as many people show up to a national league soccer game in a single day.

The low turnout also has to do with the fact that politicians are staying out of this process, either deliberately or out of disinterest. In Germany and, as far as can be seen, in other EU countries, the Conference on the Future of Europe is not an issue in parliament, in the political parties or in the major associations. As a result, it is also of no interest to the media. Public attention is focused on other things such as the Corona pandemic and its consequences and, not the least, natural disasters such as floods and forest fires, which are attributed to climate change. While these are also European issues, they are not, or very little, placed in the EU context.

Anyone who wants to participate in the conference via an Internet platform must register. This can be done via social media, for example Facebook, but also by registering directly via the EU login (previously: ECAS, European Commission Authentication Service). In the process, some social data is collected, such as gender, age group or professional status. It will be interesting to see who actually participated in the debates of The Conference on the Future of Europe.

### **3. How should be the conference structured?**

The original idea of the conference was to have it chaired by a renowned personality. This was the case with the two Conventions, the Fundamental Rights Convention in 1999/2000 chaired by former German President Roman Herzog and the Constitutional Convention in 2002/2003 chaired by former French President Giscard d'Estaing. However, the Council, the Commission and the Parliament could not agree on one person, so that there is now a joint presidency of the three presidents. This should not be seen as a sign of good cooperation but rather as an expression of the institutions' distrust of each other.

Apart from the fact that it is questionable how much time these top personalities are able to devote to the discussion process, the organisers have thus deprived themselves of the opportunity to give the conference its own face. In addition, the presidency of the Council changes every six months, and at the end of 2021 there will also be a new election for the president of Parliament, which, according to the agreements of the party families, would have to lead to the replacement of the current incumbent.

One gets the impression that the focus of this concept was not on the efficiency and effectiveness of The Conference on the Future of Europe, but on the absolute equality of the three institutions.

The core of the whole project are plenary sessions of the conference, which are supposed to be served by four European Citizens' Panels:

*„There will be four European Citizens' Panels, each of them comprising 200 citizens and ensuring that at least one female and one male citizen per Member State is included. Citizens will be chosen randomly to ensure that they are representative of the EU's diversity, in terms of geographic origin, gender, age, socio-economic background and level of education. Young people between 16 and 25 will make up one-third of each panel.“<sup>16</sup>*

The representative selection of the total of 800 participants and a reserve list of a further 200 participants was entrusted to an agency in Brussels. It is hoped that this will also attract people who have not previously been involved with the EU. However, since participation in such a panel (2 days plus travel to and from the event) requires considerable efforts, it can be assumed that those from the European population as a whole who have a positive attitude toward the EU are more likely to participate.

Each of these panels is focused on one topic area:

- Values, rights, rule of law, democracy, security;
- Climate change, environment/health;
- Stronger economy, social justice, jobs/education, youth, culture, sport/digital transformation; and
- EU in the world/migration.<sup>17</sup>

The panels should then incorporate their findings into the conference plenaries:

*„Representatives from each European Citizens' Panel, of which at least one third shall be younger than 25, shall take part in the Plenary, present the outcome of their discussions and debate them with other participants. The panels shall take on board contributions gathered in the framework of the Conference through the digital platform, providing input to the Conference Plenary by formulating a set of recommendations for the Union to follow-up on.“<sup>18</sup>*

The conferences themselves are scheduled to take place at least every six months, though with the project running from May 2020 to spring 2021 that's not much. The conferences are, in a sense, the heart of the project:

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<sup>16</sup> Conference on the Future of Europe: About the conference, <https://futureu.europa.eu/pages/about?locale=en>, accessed: 6.9.2021

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

*„The Conference Plenary will be composed of 108 representatives from the European Parliament, 54 from the Council (two per Member State) and 3 from the European Commission, as well as 108 representatives from all national Parliaments on an equal footing, and citizens. 108 citizens will participate to discuss citizens' ideas stemming from the Citizens' Panels and the Multilingual Digital Platform: 80 representatives from the European Citizens' Panels, of which at least one-third will be younger than 25, and 27 from national Citizens' Panels or Conference events (one per Member State), as well as the President of the European Youth Forum.*

*Some 18 representatives from both the Committee of the Regions and the European Economic and Social Committee, and another eight from both social partners and civil society will also take part, while the High Representative of the Union for Foreign Affairs and Security Policy will be invited when the international role of the EU is discussed. Representatives of key stakeholders may also be invited. The Conference Plenary will be gender-balanced.“<sup>19</sup>*

So: 108 MEPs + 54 representatives of the Council + 3 representatives of the European Commission + 108 representatives of national parliaments + 108 citizens + 18 representatives of the Regional and the Economic and Social Committee, + 8 representatives of the social partners and the civil society, this results in a conference of 407 people, without the others who might still be invited. More than 400 people are to reach valid results within two days in each case.

*„Their exchanges will be structured thematically around recommendations from the Citizens' Panels and input gathered from the Multilingual Digital Platform. The Platform is the single place where input from all Conference-related events will be collected, analysed and published.“<sup>20</sup>*

One does not have to be a pessimist to harbor a certain skepticism that serious discussions with common results can really take place. The first conference took place for half a day in Strasbourg in June 2021 but was only intended as a kick-off and did not deliver any results.

#### **4. Who would structure the results?**

When 800 people from 27 countries discuss different topics in two-day European Citizens' Panels and bring them to a two-day conference with over 400 people, again from 27 countries, it is obvious that the decisive task lies in filtering and structuring the ideas and contributions to the discussion.

Structuring the results is the responsibility of the Executive Board, which thus has a key role to play.

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<sup>19</sup> Conference on the Future of Europe: About the conference, *ibid.*

<sup>20</sup> Conference on the Future of Europe: About the conference, *ibid.*

*„In due course, the Plenary will submit its proposals to the Executive Board, who will draw up a report in full collaboration and full transparency with the Plenary and which will be published on the Multilingual Digital Platform.“<sup>21</sup>*

The Executive Committee is again composed of equal numbers of representatives from the European Parliament, the Council and the Commission, and is also jointly chaired by them.

*„The Executive Board will be responsible for taking decisions by consensus, regarding the works of the Conference, its processes and events, overseeing the Conference as it progresses, and preparing the meetings of the Conference Plenary, including citizens' input and their follow up.“<sup>22</sup>*

„Decisions by consensus“ means that each of the three institutions has a veto, which ensures that only that which hurts none of the three institutions reaches the actual conference at all.

## **5. What happens to the results?**

The Conference on the Future of Europe has no democratic legitimacy that would make it obligatory to implement proposals from the conference - even if they are adopted unanimously. At best, it is a contribution to decision shaping, not to decision making. The latter is the responsibility of the European and national institutions, which are legitimized by democratic processes. It is important to point this out so as not to create any illusions among the participants in this conference.

The goal of the entire conference is a report to be presented to the European Council in 2022. The Council will then discuss it and adopt conclusions that the EU institutions can further evaluate.:

*„In light of the conclusions of the European Council, the EU institutions would commit to examine swiftly how to follow up effectively to this report, each within their own sphere of competence and in accordance with the Treaties.“<sup>23</sup>*

To make sure it has no negative effects, a „fuse“ is also implemented here once again:

*„The Conference does not fall within the scope of Article 48 TEU.“<sup>24</sup>*

Art. 48 of the EU Treaty regulates treaty amendments which are thus excluded - as a proposal, that's all it's about anyways.

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<sup>21</sup> Conference on the Future of Europe: About the conference, *ibid*.

<sup>22</sup> Joint Declaration of the European Parliament, the Council and the European Commission on the Conference on the Future of Europe, Official Journal of the European Union, 2021/C 91 I/01

<sup>23</sup> Council of the European Union: Conference on the Future of Europe, 24 June 2020, Annex, 9102/20, p. 5

<sup>24</sup> *Ibid*.

So, what happens to the results of the conference? Probably nothing. Like the European Commission's White Paper on the future development of the EU, they will fill the libraries of European studies seminars. They might not even be useful for the election campaign for the European elections in 2024, because by then they might have slipped into obscurity.

## **6. How can the future conference be assessed as a participatory instrument?**

The Conference on the Future of Europe is said to be a bottom-up process, but it is in fact a top-down process designed for affirmation. The topic areas are predetermined, albeit very broad and open to interpretation; the European institutions are careful not to include anything in the recommendations that runs counter to their policies, for which they can use their veto power; the timetable is tailored to the needs of the French president, which is why the conference started a year later but still has to come to an end in spring 2022.

Most importantly, despite all the efforts of the European Parliament and the European Commission, the spark in society has not been ignited. Even though the outcomes are not yet available at the time this article was completed, one can venture a prediction that they will show little result.

The unfortunate part of this observation is that the EU is in dire need of a broad societal-led discussion of the future because consensus among and within member states is crumbling, leading to ever-increasing EU paralysis. But such an approach has to start from below, the discourse has to be conducted in parties and associations, among trade unions and employers, in social clubs and the (social) media. Politicians must also get involved. After all, the fact that politicians are holding back in the debate is not due to respect for the participants, but to disinterest in the entire process.

On the positive side, the lack of interest prevents the great disappointment that would inevitably occur if demands widely discussed in society subsequently disappeared in the thicket of the institutions, especially the Council of the European Union, which is unwilling to change.

In the necessary discourse the approach must also be different: the starting point is not how we want to change the EU, but how we and our children want to live in the 21-st century. From this, conditions and demands can be developed that cannot be met by the individual. The next step is then to consider which issues extend beyond the nation state and what demands it places on the European Union. „Form follows function“ is the word of architecture saying - and this also applies to the architecture of the future Europe.

The Conference on the Future of Europe does not meet this requirement. At best, it is well-intentioned and certainly contributes to European policy education for some who engage with the conference via its website. It has less the character of a think tank than of a company suggestion box, where employees

are allowed to come up with ideas on how to make the given processes work better. This is not nothing, but it is not what has been formulated as a claim.

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# THOSE WHO WANT MORE DO MORE

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## ***Abstract:***

*Differentiated integration is one of the important topics in the debate of the future of the European Union. The key question we are asking is whether and how the implementation of differentiated integration can contribute to progress into cooperation and policy implementation in different spheres, avoiding bottlenecks and stagnation in the integration process, or the result would be a fragmented European Union with unpredictable development of the Member States relations. Based on the Goal Setting Theory, the article proposes to adjust the SMART approach to the „intelligent“ application of differentiated integration, ensuring its positive impact on the integration process.*

**Keywords:** European Union, differentiated integration, SMART approach, future of Europe

Differentiated integration is not a new phenomenon in European integration and enjoys great attention from both politicians and researchers. The proposed definitions and concepts are just as diverse as the forms that differentiated integration takes. Its importance for the development of European integration has been both overestimated and strongly criticized. This diversity in the analyses and assessments, also causes the ambiguous perception of differentiated integration - as an engine or as a brake on European integration in the future.

## **1. Differentiated integration – the two-faced Janus to help those who want more to do more**

The acceptance of **heterogeneity** as the main reason for the need to apply differentiated integration is plausible and justified. When we talk about heterogeneity, however, it should be clarified that its origin can be associated with

different preferences, interests and opportunities - economic, ideological, institutional, governmental, social attitudes. A thorough analysis on the differentiated integration (Advisory Council on International Affairs - the Netherlands, 2015) examines four situations which are the result of heterogeneity in its various manifestations and presuppose in practice the motives for the various forms of differentiated integration. Firstly, the social, economic and political starting points of the Member States are so different that it is not possible for them to follow the same 'path' (they want to but cannot); secondly, the majority of Member States want to deepen their cooperation, but a small number do not want to participate; thirdly, a small leading group of countries wants to go further into the integration, but the majority of countries do not want to; fourthly, crisis situations requiring intervention for which there is no consensus among all Member States. Each of these situations presupposes both the motives for differentiated integration and its forms - permanent or temporary exceptions, enhanced cooperation, intergovernmental cooperation.

As mentioned above, the economic interests of the Member States, the benefits and costs often take precedence over the application of differentiated integration. Here again we will return to heterogeneity in its various aspects, because a number of researchers have come to the conclusion that the more heterogeneous the European Union is, the more likely it is that groups of countries will create their own „clubs“ in order to achieve their own interests and group goals (Majone, 2012). In fact, differentiated integration is largely an inevitable consequence of heterogeneity in its various manifestations, the interests of individual groups of Member States, their preferences and benefits, and this presupposes its increasing application in the future. The more Member States the Union has, the less likely it is that they will all share the same goals and ambitions for the future of the European project.

To this generally accepted reason for applying differentiation, two more should be added. The first one is related to **public attitudes**, which are also quite diverse. Deepening integration, the transfer of sovereignty at the level of European institutions, the implementation of common policies in a number of areas are topics on which there are serious disagreements and conflicting views in society about the future of the integration project, and this leads to different reactions from the national governments. Perceptions of differentiated integration differ significantly: while in Germany or France it may have a positive connotation and be associated with the idea of creating a „pioneer's group“ designed to make faster progress in deepening integration, in Bulgaria and in some other Central and Eastern European countries, it is seen as a path to first- and second-class membership.

The second reason, which cannot be avoided but is rarely discussed, is the issue of **trust between Member States**. Trust is in fact a belief based on important concrete facts that other Member States are following the agreed rules. The creation of legislation within the EU goes through its implementation in the national systems of the Member States. It is obvious that even if there is



political will in the EU to adopt legislation, to implement integrational policies, its incorrect application by some Member States and the lack of trust in the bodies that implement it, may make it meaningless. In this sense, we should note the trust, or more precisely the lack of it, is also one of the factors for the application of differentiated integration in certain areas.

The existence of different options for differentiated integration raises the question of whether and to what extent Member States are willing and being able to participate in certain EU policy areas. Although at first glance the answer to this question may seem simple, the discussion it provokes is related to the political goal of differentiated integration. Here we can see its dual nature and its dual use. For some Member States, differentiated integration is means of deepening integration, while for others it proves to be a convenient tool for withdrawing from inconvenient integration policies.

## **2. Differentiated integration – how to achieve a positive balance?**

No matter how it is theorized, differentiated integration is one of the important topics in the discussion of the future of the European Union. In fact, the main question we should ask is whether and how the implementation of differentiated integration can contribute to progress into cooperation and policy implementation in various fields, preventing difficulties and stagnation in the integration process or the result would be a fragmented European Union with unpredictable development of relations between Member States in the future.

The analysis of the current practice of differentiated integration gives grounds to draw several conclusions about its future application and the consequences for the integration process. The future of the European Union cannot go without taking into account the peculiarities of modern development and political realities. That is why differentiated integration is inevitable and even to some extent already accepted by its opponents as the „necessary evil“. On the one hand, it is clear that even today the different speeds are reflected not only in the views of leaders, but also specifically in the fact that there is a **diversity of preferences** and a **diversity of capacity** to the participation of the different Member States. And the very fact that the Treaties provide for „enhanced cooperation“ of a number of countries willing to deepen and to develop integration in a given area, proves that different speeds are not only possible but also permissible, and in practice are already a reality. A pragmatic approach becomes imperative, especially when quick decisions need to be made in crisis situations.

Proof of this is that even the European Commission, which is called upon to safeguard Community interests, demonstrates a certain tolerance for differentiated integration. The proposed third option, „Those who want to do more, do more“ in the White Paper on the future of Europe in 2017, is entirely plausible and realistic. Tolerance, however, is within certain limits. For example, this scenario states that a group of countries could work in much closer cooperation,

in particular the field of taxation and social issues, which has to further strengthen the single market and its four freedoms. At the same time, it is emphasized that relations with third countries, including in the field of trade, must be managed at EU level on behalf of all Member States.

The conclusion is that the „two faces“ of differentiated integration should always be taken into account - on the one hand, it can in some cases contribute to moving forward and deepening integration in the long run, but on the other hand, it can also lead to disintegration in some policies, therefore non-participation in them should not be allowed. The two faces of differentiated integration require its careful, reasonable and intelligent implementation and, above all, ensuring the necessary balance in political, institutional and legal aspects - balance between unity and differentiation, between the institutions that implement differentiated integration and the need to preserve institutional unity in the EU, between the flexible forms and the homogeneity of European legislation.

### **2.1. Mandatory „foundation“ of principles, policies and legislation**

There are several issues that need to be approached carefully so that differentiated integration turns into „smart integration“ and has a positive effect on the development of the European project: preserving the fundamental values and principles of the EU and not violating the existing European legislation, the existence of a binding „foundation“ of policies and legislation to be applied by all Member States, transparency in the management of differentiated integration, the existence of solidarity and responsibility, ensuring „permeability“ for all who wish and are prepared to join.

First of all, it should be emphasized, that differentiated integration cannot and must not be applied in a way that undermines the fundamental values on which European integration is based, in accordance with Article 2 of the TEU. In other words, the request to „opt out“ of these values and principles cannot be granted. The same applies for the main objectives of the European Union, referred to in Art. 3 of the TEU. Second, it would be unacceptable for differentiation to become the predominant form of integration and to lead to the erosion of the existing European legislation. This means that there must be a mandatory „minimum“ of values, principles, objectives and legislation to be applied by all Member States without exception and which are not subject to differentiated integration in any form. The acceptance of the positive „face“ of differentiated integration as a tool for progress in certain areas must necessarily be linked with caution and prevention of the risk of undermining the „acquis communautaire“.

### **2.2. Institutional transparency**

Accepting the positive side of differentiated integration, we must not miss the problems it creates and the impact it has on the institutional architecture, the decision-making process and the management of European integration in

general. There are many questions here. The shift towards different circles of cooperation between groups of Member States undoubtedly leads to risks, especially for relations between participating and non-participating countries, to difficulties in coordination, to ambiguities and insufficient transparency, especially if differentiated integration is achieved through intergovernmental cooperation. The continued development of the integration process and its new constructions and projects through the intergovernmental method limits, even isolates, the Community institutions at the expenses of increasing the weight and influence of the large Member States. An important factor for mitigating possible negative consequences of differentiated integration is its implementation in the general institutional framework and with maximum transparency. But even under the Treaties, differentiated integration can have its adverse effects on clarity, transparency and legitimacy in decision-making. For example, is it appropriate for Members of the European Parliament to vote on policy issues in which their countries are not involved?

### **2.3. Appropriate wording**

It would be a very dangerous and undesirable to present the differentiated integration in the narrative of „first speed“ countries and „second speed“ countries or a pioneer group and a group of lagging behind, core and periphery. This narrative largely creates a sense of isolation and detachment. The feeling of „second class“ membership is already known, for example in relation to the transitional periods for the free movement of workers from the Member States that joined the EU in 2004-2007, or in the differences of the level of agricultural subsidies. Attitudes towards the perception of differentiated integration may be very different depending on the terms used: enhanced cooperation is perceived more positively than a two-speed Europe, structured cooperation is preferred to a Europe of concentric circles or a Europe with a core and periphery.

### **2.4. Solidarity and responsibility**

This is the place to pay attention to one element of the European integration, without which differentiation could lead into undesirable consequences and even become dangerous for the EU unity – this is solidarity. The risk of a short-sighted approach and of dividing the Member States on the selfish principle of „each for himself“ in differentiated integration is very real. At least, because the very concept of solidarity can be formulated and accepted in different ways (see in more detail Raspotnik, Jacob and Ventura, 2012). But here we will focus only on solidarity between Member States as a factor in the overall progress of the integration process. The form of solidarity between Member States is a component of the system of „package deals“ that links liberalization to redistribution. Perhaps the most eloquent is Jacques Delors' triptych, „competition that stimulates, cooperation that strengthens, and solidarity that unites.“ In fact, every major step in European integration involves a kind of solidarity agreement or, in Euro jargon, a „package deal“ – let us

recall, for example, the construction of the single market and the activation of the Structural funds, the building of Economic and Monetary Union and the creation of the Cohesion fund for the four less developed Member States. Whatever the project for the future of EU integration is, its key element must be solidarity to achieve cohesion between all Member States. The existence of huge socio-economic disparities between Member States and regions is not in the interests of either rich or poor countries. Without reducing these disparities, it would be difficult for the European Union to be stable and move forward to the path of integration, and differentiated integration will not save it.

In this „package deal“, however, solidarity must be combined with responsibility. The example of the euro crisis shows the extent to which the restoration of responsibility is essential for a long-term spirit of solidarity. The links between solidarity and responsibility are becoming fundamental. This combination can be called „active solidarity“ – it means making efforts and commitments by all the participants in this process. The centripetal and the centrifugal forces maintain a delicate balance between European solidarity and national selfishness. In the name of a common future, the „solidarity of enlightened selfishness“ must lead governments to identify national goals into a common and long-term integration strategy, and the European project must combine pragmatic differentiation with active solidarity. A European Union with an integrated core and a disintegrated periphery could not achieve the fundamental goal of the unity of the European continent.

### **2.5. The choice of national authorities and the correct dosing of differentiated integration**

In this context, differentiated integration places serious demands on national authorities. Membership in the European Union is becoming an increasingly complex task that requires increasing efforts. This is because, on the one hand, the quality of governance of individual Member States affects the achievement of common integrational goals, and on the other hand, European integration affects the quality of their own governance. Member States with low governance capacity could be slow and ineffective in implementing common policies (Tallberg 2002). This requires countries to make clear choices on national level, to analyse and identify areas in which differentiated integration can realistically be expected in the future. Differentiated integration is very likely to exist in areas such as energy, police cooperation, security and defence. The development of differentiated integration and the presence of Member States that do not want or due to inability, cannot join the majority of future projects, inevitably raise the question of their „full“ membership in the European Union or of finding another type of partnership.

In fact, the problem that the Member States have to solve is how to find the balance in which the European integration process develops in the „differentiated“ European Union. Differentiated integration is increasingly mentioned

as a panacea for all integration problems in the European Union. However, its careful application is the same as with drugs – if the dose is exceeded, the drug becomes a poison. The most important condition for the application of differentiated integration is its correct dosing – to be applied where it will really contribute to the progress of the integration process and in a way that will not lead to neglect of the EU values, principles and goals, to erosion of European legislation and, accordingly, of the whole European construction. The main requirement for differentiated integration in its specific dimensions is a clear political goal and a specific strategy for achieving the desired results. The differentiated integration project must be open and inclusive for all who would like to join it, following their own rhythm of preparation. This means ensuring a high level of „permeability“ – the possibility of later accession of Member States that meet the necessary criteria and the implementation of strategies to support the preparation of these countries.

It can be concluded that, being already a political reality, differentiated integration must be planned and implemented in the most intelligent ways in order to give positive results for the whole European Union and its citizens.

### **3. Management of differentiated integration through the SMART approach**

Differentiated integration is no longer an exception in the modern development of the European Union and it would be more productive to discuss its management, under what conditions to apply it, what means and methods would make it a tool for positive development of the integration process.

If we start from the statement that the goal justifies the means, then the application of differentiated integration in each specific case should have justified goals. Setting clear goals in the application of differentiated integration can be related to the goal setting theory applied in management. It is widely recognized as one of the most useful theories of motivation in industrial and organizational psychology, human resource management and organizational behaviour. Edwin Locke developed his theory of goal setting to explain human actions in specific work situations. The theory states that goals and intentions stimulate the human behaviour. In his article „Towards a Theory of Task Motivation and Incentives“ (Locke,1968), he argued that properly set goals lead to better organizational effectiveness. Locke’s research shows that clear, specific, albeit difficult goals lead to better performance than vague, albeit easy goals. For this statement to be valid, however, it is necessary for the goals to be accepted by those who will meet them and to be provided with constant feedback to eliminate possible weaknesses in achieving them. In 1990, Locke and Latham published the book „Theory of goal setting and task performance“, in which they further developed the original ideas.

Based on this theory, George Doran developed the basic principles of SMART goals. According to Doran, meaningful goals are the framework of the desired

results. When it comes to writing effective goals, corporate employees, managers and supervisors just need to think about the acronym SMART. Ideally, every corporate goal, department, and section should be SMART (Doran, 1981). This brings us to the SMART method for setting goals: SMART goals are usually understood to be specific, measurable, achievable, realistic and timely. But it should be emphasized that there are different interpretations of what the letters in SMART actually mean. For example, Robert Rubin (Rubin, 2002) puts behind the acronym SMART - Strategic, Measurable, Attainable, Results oriented, Time bound. Rubin's conclusion is that one of the important merits of the SMART method is that it focuses on goals and stimulates discussion about those goals. He also concludes that not all SMART goals are equal and of equal weight. The SMARTER concept builds on the original idea for SMART goals, „E“ and „R“, again using different features depending on the goals set.

The theory of management by objectives (Management By Objectives) developed by Peter Drucker is largely based on the theory of goal setting. An important principle in this theory is that setting challenging but achievable goals encourages motivation to achieve them. Peter Drucker developed five steps for the practical application of his theory (Drucker, 2007). The first and main step is to determine the strategic goals of the organization, which derives from its mission and vision. Without setting clear strategic goals, it would not be possible to move to the next steps. The second step is the acceptance of the goals by those who will fulfil them. In fact, using the SMART method, according to Dracar, the goals must be acceptable, that is, there must be agreement on them. They must be clearly identifiable at all levels and everyone must know what their responsibilities are. Communication has an important place in this second step. The third step is to stimulate participation in defining the specific goals of each member of the organization. This approach increases participation and commitment to achieving the goals. The fourth step is related to the creation of a system for monitoring progress, which will identify emerging deviations in achieving the goals. The fifth step is aimed at evaluating and upgrading achievements.

We will try to adapt the theories and the SMART method discussed above to the management of European Union and in particular of the differentiated integration. First of all, there should be clear and specific goals in achieving differentiated integration in a certain area. They must be motivating for achieving results. It is very important to communicate and win public opinion for their implementation. Here is what the SMART method applied to the goals of differentiated integration might look like:

SMART goals of differentiated integration:

- **Strategic** - Related to the overall policy objective of integration, suggests a careful analysis, to identify policies that would be more effective on European than on national level;
- **Manageable** - Selection of a model that provides appropriate management of the process of achieving goals;



- **Acceptable** - Gaining the support of citizens to achieve the goals;
- **Reasonable** - Proper dosing and application of differentiated integration, when it will really contribute to the progress of the integration process, carefully evaluating the potential negative effects, benefits and costs;
- **Transparent** - Ensure clarity, transparency and legitimacy in decision making

The application of management theories through goal setting and the SMART approach can help the „smart“ application of differentiated integration, ensuring its positive impact on the integration process. This would allow the introduction of new terminology, an updated concept and a new narrative. If it is really implemented in the appropriate way, in accordance with predetermined goals and requirements, if it contributes to the positive development of the integration project, if it overcomes obstacles and solves problems, if it achieves positive results, why not call it **smart integration**?

#### **4. Instead of a conclusion - four steps to smart integration**

Firstly, the common political goal of the European Union should be clearly defined - if the goal of building an „ever closer Union“ is confirmed, as enshrined in Art. 1 para 2 of the Treaty on European Union, then „opting out“ of this goal and of the policies that lead to its implementation should not be allowed. In this respect, Brexit is a very telling example. The systematic non-participation in the main policies of the European Union has in practice led to the complete alienation of the United Kingdom from the integration project and its abandonment. Moreover, according to Art. 4 (3) of the EU Treaty „by virtue of loyal cooperation, the Union and the Member States shall, in full mutual respect, assist each other in carrying out the tasks arising from the Treaties.“

Secondly, on the basis of the general political objective of the European Union, it is necessary to define the specific policies and legislation which should apply to all Member States and for which it is not acceptable to opt out. The Member States which are not sufficiently prepared may apply only temporary differentiation with a joint support in overcoming the difficulties. This „foundation“ of policies and their corresponding legislation should not be allowed for non-participation by countries that can but do not want to participate. For example, Sweden does not have a non-participation clause in the euro area, as does Denmark, but refrains from joining the euro area. This requirement to participate in the EU's main policies leading to an ever-closer Union will, in fact, determine the future of the European Union.

Thirdly, the next step is to carefully identify the areas in which differentiation is permissible. Differentiated integration should be the „second best solution“ and be applied only when it will contribute to overcoming obstacles, will be beneficial to the whole integration project and will not lead to the progressive fragmentation of the European Union.

Fourthly, the transformation of differentiated integration into smart integration presupposes clearly defined goals and a careful study of the potential negative effects on countries that remain outside it. When pragmatism calls for its implementation, the ultimate goal of smart integration should be the inclusion of more and more countries and the full participation of all Member States. Achieving this ultimate goal depends both on its successful implementation and on ensuring „permeability“ on the part of those already involved. To this can be added the choice of an appropriate institutional model for its implementation, in order not to affect the general interest of the European Union, as well as ensuring transparency in decision-making. This type of integration should only be seen as a necessary step in order to make more effective decisions and speed up the integration project.

In recent decades, European integration has not only deepened and expanded significantly, but has also become increasingly differentiated. But whether we call it flexible, differentiated or smart integration, it must be applied cautiously, intelligently and purposefully - in order to see in the future European Union, the good face of the two-faced Janus.

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# WHAT EUROPE BEFORE „MORE EUROPE“: THE EUROPEAN VALUES PERSPECTIVE

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## **Abstract:**

*The paper's starting point is that the answer to the question „what Europe“ should precede the quest for „more Europe“. It is argued that the increasing divergence on the understanding and attainment of core European values such as solidarity, justice and equality within and across EU member states makes the answer to the question „what Europe“ all the more difficult and problematic. Building on historical retrospection and contextualization of „European values“ in European documents, the paper sets out to study the state of convergence and divergence of values within EU focusing in two specific areas - immigration and gender/LGBT issues. To illustrate value frictions the study explores answers to relevant value-laden questions from the European Value Study 2017-2021. The analysis reveals that value divergences can diachronically be seen as a step or phase in the process of the „EU East“ catching up with the „EU West“. Yet, top-down imposition of policies and decisions neglecting the expressed values within societies would not lead to closure of values breaches but (would) rather contribute to rise of populist mobilization and additionally antagonize societies.*

**Keywords:** European values, oppositions within EU, EVS, migration, gender issues, LGBT rights

## **Introduction**

The title of the present paper puns on the topic of the conference where ambitions and realities are juxtaposed to consider the call for more Europe. „What (kind of) Europe?“ is a question that has been raised since the start of the process of unification and integration in the post-WWII Europe. And the answer to this question presupposes and sets the directions for the answers of

„more Europe“. To be sure there are many ways to address the question of „What Europe“. There are formal, normative or technical ways of answering it addressing institutional design, distribution of powers, *acquis communautaire* and policy issues. Considering realities (as in the conference title) implies, however, that we look also at the somewhat elusive concept of European values and frictions that stem therefrom.

There is hardly any doubt that convergence on values – particularly convergence on specific political values – marks the onset of the European project. Yet, as of today, divergences on values underline a number of internal frictions within the Union. Whether it is about questions of rule of law, migration, the EU external relations or LGBT issues, the opposing views and positions can be traced down to a clash of values. The present paper seeks to explore the divergence of values among the EU countries and within the European societies looking at some of the most value-laden issues such as migration and LGBT issues. The claim of value frictions is supported by data from the EVS 2017-2021.

The paper is structured in two parts. The first one conceptualizes „European values“ presenting the concept in a historical context with a particular focus on the analysis of the Future of Europe debates in the European Parliament that took place in 2018-2019. Drawing on data from the EVS 2017-2021, the second part analyses value frictions among and within EU states and societies in regards to immigration and LGBT issues.

## **Conceptualizing and contextualizing „European values“**

„Value/values“ is a term vastly used in philosophy and deriving social sciences to denote the human, social and cultural significance of certain phenomena of reality. Values are fundamental ideas and beliefs about what is important in life and as such they could serve as general guidelines (for choices and action) in all situations. Values are at the core of principles and norms which on their part determine behavior. They can also be seen as key building blocks of identity. Values pertain to individuals, but also to large social groups that are „the ultimate subjects of political values“<sup>1</sup>. Political values represent „conceptions of the way politics and society should be organized“, they are „about the ‘desirable’, and they are ‘moral’ in the sense that they describe the way things ‘should’ or ‘ought’ to be, rather than the way that they are or have been“<sup>2</sup>.

As a term „European values“ was coined relatively recently. It appeared in the 1980s in the process of outgrowing of the European Community into the European Union. However, what the term „European values“ stands for is

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<sup>1</sup> Mirosław Karwat (1982). Political Values as Ideas of Social Need. In: International Political Science Review, Vol. 3, No 2, p. 200.

<sup>2</sup> Miller et al. (1998). Values and Political Change in Postcommunist Europe. Palgrave Macmillan UK

far from recent. Since its inception (which was long before the start of its actual attainment after WWII) the European idea and its practical realization have been associated with the political values of the Enlightenment, which crystallized and prevailed with the French bourgeois revolution and the subsequent bourgeois revolutions of the mid-19th century. There lie the roots of human rights, rule of law and liberal democracy as core European values.

Following the WWII, when the fathers of European integration were looking for ways to establish a working and lasting cooperation between European countries (not least as a means of achieving lasting peace in Europe), there was an awareness that the deep foundations of such cooperation were to be laid not only in economic mutual benefit and the institutional advantages of pooling efforts to achieve goals of mutual interest, but also in the shared values underlying the organization of political communities and their functioning. At the same time, given the historical context at the onset of the European integration process, the core values, underlying this process were juxtaposed to the Realist types of values in the Cold war international relations lying behind the East-West bloc opposition.

By the time it appeared as a construct in the European political discourse, the „European values“ have become to be seen as a vehicle of delineating and boosting a European Identity denoting the shared deep (going back to the Enlightenment) and lasting beliefs and ideals of good and bad, right and wrong, desired and undesired. As political values, European values are believed to refer to what transcends national or state identity and thus can serve as a foundation for shared European identity and by this as a promoter of the European integration process itself. It is within this project of European integration towards the formation of the European Union that the notion of „European values“ has been put forward and promoted by the European Values Study that was launched in early 1980s as a long term-project of the University of Tilburg aimed at studying basic human values in the European populations.<sup>3</sup>

The outgrowth of the European cooperation into the European Union at the beginning of 1990s coincided with the major post-Cold War shifts in the international relations in Central and Eastern Europe. As a consequence, the process of European Eastern enlargement has been entangled with the process of sharing, ascribing to and recognition of European values. Starting with the Copenhagen criteria for joining the EU (especially the political part with its emphasis on democratic government, rule of law, human rights and protection of minorities)<sup>4</sup> the explication and promotion of the „European values“ climaxed in the Treaty of Lisbon which lists a number of values of the Union, namely „freedom, democracy, equality and the rule of law and respect for

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<sup>3</sup> See the EVS page at the web-site of Tilburg University at <https://research.tilburguniversity.edu/en/publications/european-values-study> (last accessed October, 2021)

<sup>4</sup> See Accession Criteria (Copenhagen Criteria) at [https://eur-lex.europa.eu/summary/glossary/accession\\_criteria\\_copenhagen.html](https://eur-lex.europa.eu/summary/glossary/accession_criteria_copenhagen.html) (last accessed October, 2021)

human right, including the right of persons belonging to minorities“. These values in turn promote other values such as pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men.<sup>5</sup> These values are regarded as European core values upon which the European identity rests. The EU is said to safeguard these shared values to ensure that inclusion, tolerance, justice and solidarity prevail.

In the last decade, however, more than ever before it seems that sharing European values has been withering away. Internal and external shocks and consecutive crises of various nature bring to the fore political oppositions in regards to proclaimed European values of tolerance, solidarity, rule of law. „European values“ are waved liked a flag by EU and national politicians but the connection between values and political behaviour on a number of issues remains problematic.

Worth noting in this respect is the analysis of the Future of Europe debates in the European Parliament that took place in 2018-2019.<sup>6</sup> The importance of European values and the need to defend them, both within the EU and externally, is a recurring theme in the speeches of EU Heads of State or Government. The Spanish Prime Minister, for instance, pointed out that „now is the time to protect and defend the values that make our project unique, even envied in the world“ without reference as to the substance of the values. In fact, „defending EU values“ is one of the main messages that all speakers seem to agree upon often mentioning it together with European Identity. But then again some highlighted the Christian roots of the European identity, while others emphasized its basis in principles, values and common interest (without specifying those values).

As one of the core European values, solidarity was mentioned in connection with preserving EU unity. Since the debates preceded the outbreak of Covid-19 crisis, solidarity (or thereof the lack of such and hence the need of strengthening it) was put forth with a reference to migration and economic issues. Rule of law, another of the European core values, was considered as a separate topic in the speeches (coupled with press freedom – sic!). Its prominence, however, remained average: „rule of law“ as a topic appeared in one third of the speeches (7 of 20) with a weight of less than 2 points (in a 1 to 3 point scale).<sup>7</sup> Yet, in more practical terms it should be noted that a new proposal was put forward (by the President of the European Council Charles Michel), namely the introduction of a peer review mechanism on the rule of law<sup>8</sup>, as well as the new measures linking the EU budget with the rule of law

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<sup>5</sup> Consolidated version of the Treaty on European Union - TITLE I. COMMON PROVISIONS - Article 2

<sup>6</sup> The Future of Europe debates in the European Parliament 2018-2019. A synthesis of the speeches by EU Heads of State or Government. EPRS. Lead authors: R. Drachenberg and Silvia Kotanidis. PE 637.948 - May 2019.

<sup>7</sup> Ibid., p. 11, Figure 8..

<sup>8</sup> Ibid., p. 12, Table 2.

introduced by the Commission. „Tolerance“ was not mentioned a single time. However, there was a new proposal (by the Spanish Prime Minister Pedro Sánchez) about the introduction of a binding gender-equality strategy, which clearly refers to the equality between men and women, but also to gender issues and LGBT rights.<sup>9</sup>

The overview of the Future of Europe debates in the European Parliament reveals that convergence on European values stays at a rather abstract level (as in the general recognition that the EU values must be defended). However, when it comes to practical implications and implementation of these values, one encounters varying interpretations and understandings of how these values should be translated into political behaviour and what are their scopes and limitations. Prominent examples here are:

- migration and refugee issue where prolonged (over 3 years) discussion on the proposals for reforms in the Common European asylum system could not reach a compromise among governments and EU institutions on the internal aspects of the EU’s migration policy and thus trumps solidarity;
- rule of law issue as a continuous cause of internal frictions becoming particularly conspicuous after the decision of the Polish Constitutional court about the primacy of the national constitution over the EU legislation;
- gender issues and LGBT rights, on which there is a clear division between states that support such rights (in varying scope) and states that are overtly or more tacitly opposing them.

### **Societal dimensions of value frictions**

The deeper roots of value frictions within the EU are to be sought at the societal level, in „the values, beliefs, and attitudes that people living in the various European countries hold in important spheres of their private and social lives“, mapping of which is the core aim of EVS.<sup>10</sup>

This section presents and analyses the EVS 2017-2021<sup>11</sup> dataset results by country focusing on the results of 22 EU member states: Austria, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Lithuania, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.<sup>12</sup>

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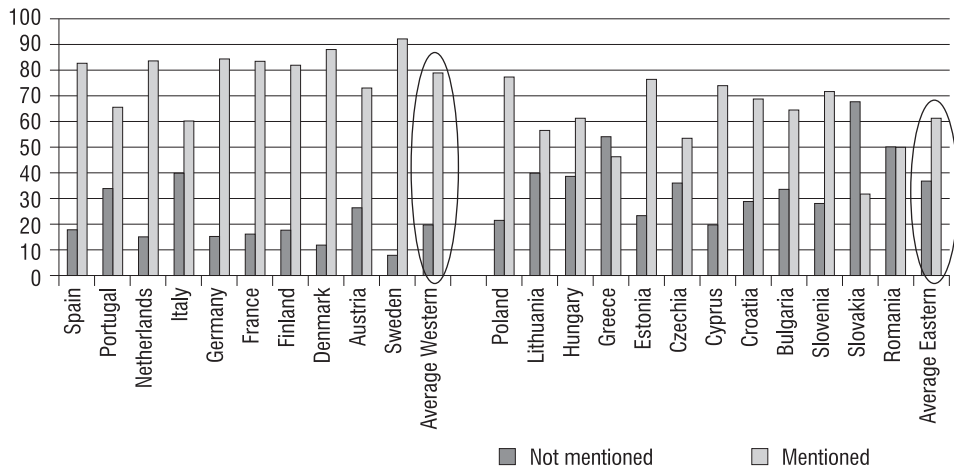
<sup>9</sup> Ibidem.

<sup>10</sup> See the EVS page at the web-site of Tilburg University at <https://research.tilburguniversity.edu/en/publications/european-values-study> (last accessed October, 2021).

<sup>11</sup> Variable report - Tables. Joint EVS/WVS 2017-2021. Dataset. GESIS-DAS and JD Systems Madrid. Doi: 10.4232/1.13737.

<sup>12</sup> The EVS 2017-2021 does not present results for Ireland, Luxemburg, Malta, Belgium and Latvia.

Several questions in the Study have a direct bearing on tolerance since they are related to attitudes to „the other“ - be it the immigrant/refugee or a member of the LGTB community. The first question is whether tolerance and respect for people is an important quality for a child.<sup>13</sup> In the polarity of two major possible answers - „Not mentioned“ and „Mentioned“ - predominates the latter. With the notable exception of Slovakia and Greece, in all countries tolerance is considered an important child quality mentioned in more than 50 % of the answers. On average 70% mention it in comparison to only 29% who do not (see Graph 1). The immensely higher percentage of answers that perceive tolerance as an important child quality is typical for the answers from all countries (except for Slovakia and Greece), although the positive percentage decreases as the answers come from Western EU countries to Eastern EU countries (see markings in green on Graph 1).



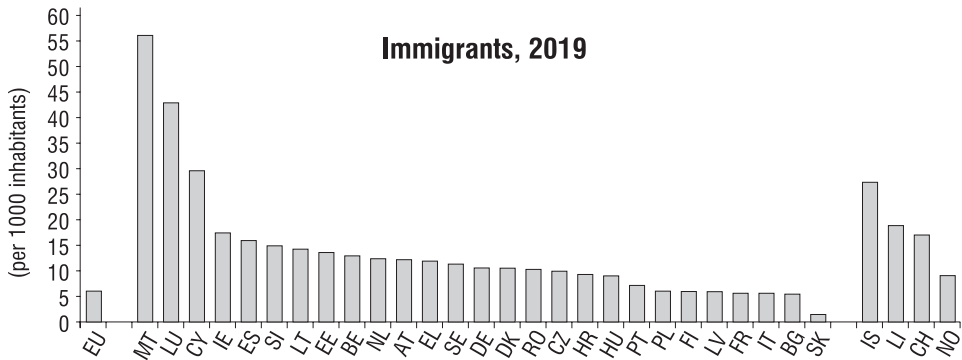
Graph 1. Importance of tolerance and respect for people as a child quality

Source: prepared by the author building on EVS 201702021 data

A number of questions have a direct bearing on the attitudes towards immigrants. There is a question asking whether one’s neighbours are specifically designated as immigrants/foreign workers or not.<sup>14</sup> Anticipating the argument that answers could mostly reflect the real situation of having or not having immigrants for neighbours, it needs to be pointed out that answers in countries with a similar percentage of immigrants (see Graph 2) differ (in some cases rather significantly). For instance, in Cyprus, which is the third country by number of immigrants in 2019 (30 per 1000 inhabitants) more than 2/3 do not mention the designation „immigrant“ in relation to neighbours and only 20% mention it. In Czechia and Bulgaria (respectively 10 and 6 immigrants per 1000), „Not mentioned“ answers are 37% for both countries, while „Mentioned“ is chosen by 53% in Czechia and 50% in Bulgaria (see Graph 3).

<sup>13</sup> EVS 2027-2021, „A035 - Important child qualities: tolerance and respect for other people“, pp. 132-133.

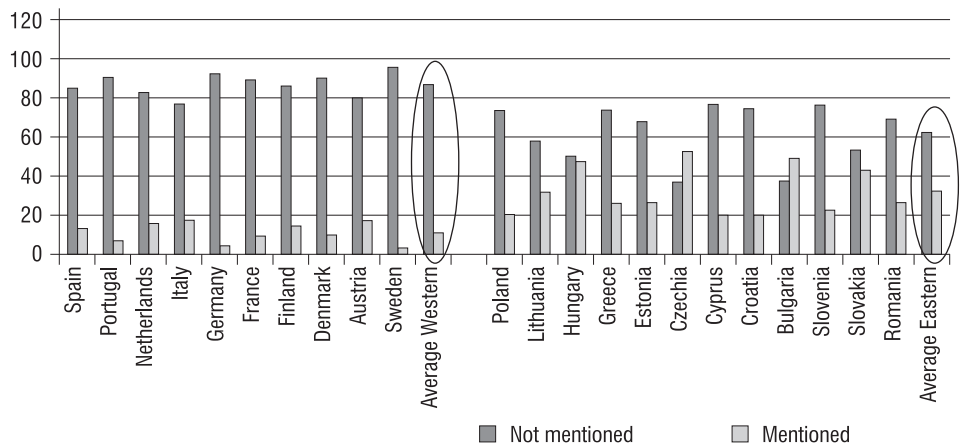
<sup>14</sup> EVS 2027-2021, „A124\_06 - Neighbours: Immigrants/foreign workers“, pp. 170-171.



Graph 2. Immigrants per 1000 inhabitants in 2019

Source: Eurostat (online data codes: migr\_imm1ctz and migr\_pop1ctz)<sup>15</sup>

Notably, in the Western EU countries the answers „Not mentioned“ (above 85% on average) predominate over „Mentioned“ (less than 12% on average). In the Eastern EU countries the two groups of answers are closer - above 60% „No mentioned“ on average and above 30% „Mentioned“ on average (see Graph 3). Although typical for all countries (except for Bulgaria and Czechia), it is clear that more people in the Western countries do not focus on whether their neighbours are immigrants or not and a really small percentage of people deem it important enough to designate their neighbours by this criterion. (For comparison, EVS data reveals that people both in Western and in Eastern EU countries are considerably more sensitive when it comes to drug addicts or heavy drinkers as one’s neighbours and the respondents who do mention these as designations for their neighbours are more in all countries).



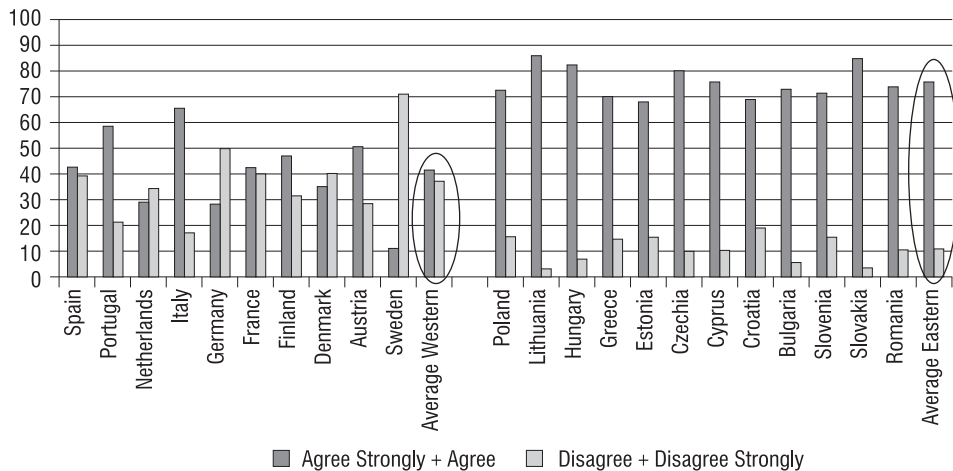
Graph 3. Designation of one’s neighbours as immigrants/foreign workers

Source: prepared by the author building on EVS 201702021 data

<sup>15</sup> See „Migration and migrant population statistics“ at [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Migration\\_and\\_migrant\\_population\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Migration_and_migrant_population_statistics) (last access October, 2021).



When it comes to more specific questions revealing attitudes to particular „others“, the East-West division gets particularly pronounced. Thus, in all the countries the question of whether employers should give more jobs to own nationals than immigrants receives generally more positive („Strongly agree“ and „Agree“) than negative answers („Disagree“ and „Disagree strongly“) (see Graph 4)<sup>16</sup>. However, in the Western EU countries along with the group of countries with predominantly positive/agree answers (Italy, Portugal and to a lesser extend Austria and Finland), there is a group of countries where „(strongly) agree“ and „(strongly) disagree“ answers are almost on a par – Spain, France, Denmark with a little prevalence of „agree“ answers and the Netherlands with a little prevalence of „disagree“ answers. There are also two countries – Sweden and Germany where considerably more people think that immigrants should get priority on the labor market. Consequently, the averages of „(strongly) agree“ and „(strongly) disagree“ for all West EU countries are very close – 41,4% and 37,5% respectively.



Graph 4. Attitudes towards employers' giving priority to own nationals than immigrants

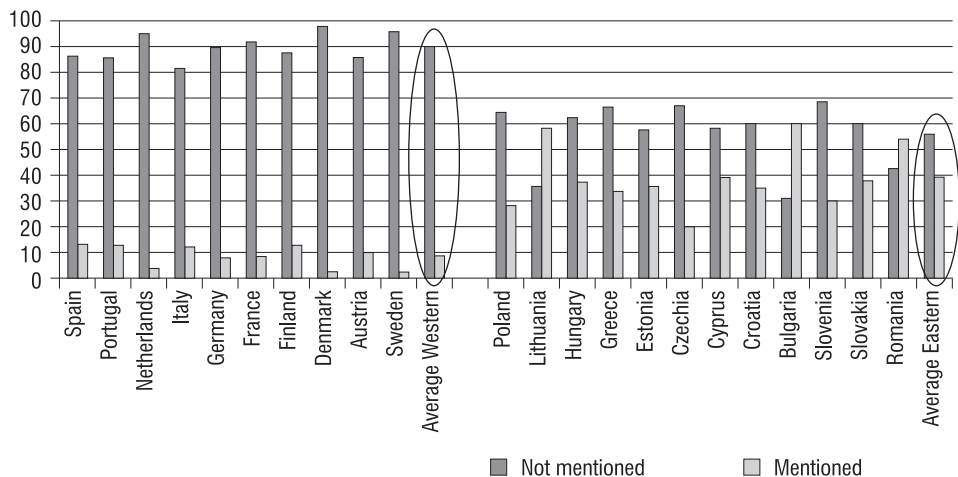
Source: prepared by the author building on EVS 201702021 data

The picture is quite different in the right part of Graph 4 where the answers from the Eastern EU countries are presented. The results are straightforward and quite uniform for all the countries from this group – the „(strongly) agree“ answers exceed on average 7 times the „(strongly) disagree“ answers. Certainly there is more to this question than tolerance to the „other“. It is related also to economic situation, standard of life, levels of unemployment, etc. Nevertheless, the answers to this question (especially if considered in the light of the data

<sup>16</sup> EVS 2027-2021, „C002\_01- Jobs scarce: Employers should give priority to (nation) people than immigrants (5-point scale)“, pp. 186-187.

on the previous question about the neighbour-immigrant) reveal the attitudinal basis of an East-West divergence that hinges upon tolerance.

Value-laden divergence along East-West divisions becomes particularly conspicuous in regards to gender-sensitive issues. Graph 5 shows the answers to the question of specifically designating one's neighbour as a homosexual.<sup>17</sup> While in the Western EU countries less than 10 % mention it and 90% do not bother with this, in the Eastern EU countries nearly 40% mentioned the homosexuality of their neighbours and 56% do not consider homosexuality as a characteristic to describe their neighbours with. For Lithuania and Bulgaria the mentions outnumber the non-mentions significantly (for Romania this is moderately so). This is a clearly a matter of tolerance and acceptance of homosexuality within the society. In all of the Western EU countries in Graph 5 (with the notable exception of Catholic Italy) the same-sex marriage is legal, which is not the case in any of the Eastern EU countries. Hence, in the latter homosexuality becomes a more remarkable and less accepted „otherness“ which does not always feel comfortable revealing and expressing publicly itself and yet remains seen and „mentioned“.

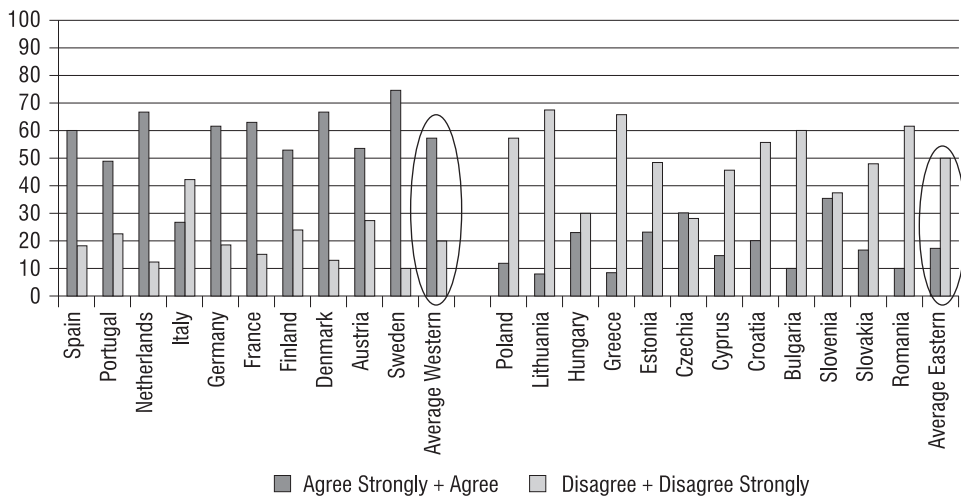


*Graph 5. Designation of one's neighbours as homosexual*

*Source: prepared by the author building on EVS 201702021 data*

The value rift becomes more pronounced when it comes to the assessment of parental capabilities of homosexual couples. The East-West result mirror each other with an average of 57% „(strongly) agree“ and 20% „(strongly) disagree“ for the Western EU countries and an average of 16% „(strongly) agree“ and 50% „(strongly) disagree“ for the Eastern EU countries (Graph 6).

<sup>17</sup> EVS 2027-2021, „A124\_06 - Neighbours: Immigrants/foreign workers“, pp. 170-171.



*Graph 6. Homosexual couples are as good parents as other couples*

*Source: prepared by the author building on EVS 2017/2021 data*

The revealed East-West divergence at the levels of tolerance towards the „otherness“ undermines solidarity when it comes to political solutions of practical issues such as migration inflows in the Union or fighting violence against women. It shows the societal foundation beneath the fact that it is precisely some of the Eastern EU member-states who are the most vocal champions of anti-immigration policies and refrain from the ratification of the Istanbul convention<sup>18</sup>.

The elaborated East-West divergence seems to provide the axis of the most conspicuous tensions within the EU – value-laden tensions between states and societies. Yet, the EVS data reveals that value breaches open not only between and among states and societies but more importantly within them. Some questions split the national respondents and receive close percentages of opposite answers. Thus, behind the almost equal averages in the Western EU countries of the „(strongly) agree“ and „(strongly) disagree“ answers to the question about more jobs to own nationals than to immigrants there are four states with very close agree/disagree answers – Spain, the Netherlands, France and Denmark (see Graph 4 above). In the assessment of parental capabilities of homosexual couples three of the Eastern EU countries exhibits very close agree/disagree answers – Slovenia, Czechia and Hungary. Moreover, as Ivan Krastev point out in a recent interview for DW „when it comes to

<sup>18</sup> The following EU member-states (all from the group of the Eastern EU countries, as described here) signed the Istanbul Convention but have not ratified it: Bulgaria, the Czech Republic, Hungary, Latvia, Lithuania, Slovakia. See Chart of signatures and Ratifications of treaty 210 „Council of Europe Convention on preventing and combating violence against women and domestic violence“ at <https://www.coe.int/en/web/conventions/full-list?module=signatures-by-treaty&treatynum=210> (last visited October 2021).

liberal values, this part of the continent (Eastern) is not homogeneous at all. In capitals such as Budapest and Warsaw, citizens' political preferences, as well as election results, are closer to those in Berlin and Hamburg than in the depopulated, rural regions of their own countries".<sup>19</sup>

## Conclusion

The East-West value divergences within the EU are clearly expressed when it comes to immigration or gender/LGBT issues. However, if we take the data as a snap-shot (which in a way they are), value divergences can diachronically be seen as a step or phase in the process of the „EU East“ catching up with the „EU West“. In other words, as long as adherence to values is also a matter of socialization (Europeanization) which is still under way, the divergence would eventually subside. Still, three important repercussions should not be neglected. First, it is clear that protection of human rights is a key element of Western EU countries' political identity. In particular, they hold great attention to the rights of sexual minorities and see this as a part of what Europe *is/should be*. Yet, given the presented societal attitudes in the Eastern EU countries, top-down imposition of policies and decisions neglecting the expressed values would not lead to closure of values breaches. Second, the value rift between East and West might be seen as a rift between conservatism and liberalism, between right and left, when in reality it is a clash between liberal democracy and authoritarian populism. Consequently, and this is the third point, higher levels of intolerance or split societies over value-laden issues provide a fertile ground for populism in search of support for political mobilization thus additionally antagonizing societies.

A truism in political science posits „the need for a political system - especially a democratic political system - to be consistent with the political values of its people“. <sup>20</sup> Within the EU, though, such a consistency seems difficult to achieve at present given the divergent views on and varying adherence to core European values such as solidarity, tolerance, justice and equality within and across EU member-states. The question „what kind of Europe“ we want and need, remains to be answered.

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2. Consolidated version of the Treaty on European Union - TITLE I. COMMON PROVISIONS - Article 2

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<sup>19</sup> Ivan Krastev, „Razlom mezhdru Iztoka i Zapada sled Merkel“ [A rift between East and West after Merkel] DW, 30.09.2021.

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# THE MANY DIMENSIONS OF THE EU STRATEGIC AUTONOMY

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## **Abstract:**

*In a speech to a distinguished audience at the Bruegel's Think Tank last autumn, President Charles Michel of the European Council chose to address a principle that has been in one way or another at the heart of the EU Common Security and Defence Policy since its inception, but which was explicitly mentioned only in the EU Global Strategy developed by his predecessor Federica Mogherini in 2016. Back then, the principle of strategic autonomy was seen as an essential prerequisite for the promotion of European principles and values, peace, and security across European borders. Until now, it has been considered that since Europe is already one of the world's leading strategic powers, from this position the EU will have to pursue three objectives: stability, the ability to set standards, and the advancement of its own values (Charles Michel). The aim of this contribution is to assess the concept of strategic autonomy of the European Union based on the „capability-expectation gap“ hypothesis, as defined by Christopher Hill in 1993, to describe the imbalance between the growing expectations for a stronger EU political role on the international stage and the limited opportunities available to the EU to meet those expectations.*

**Keywords:** strategic autonomy, EU global strategy, common foreign and security policy

The calls for an even stronger commitment in world affairs from its side have fuelled Europe's inner quest on how it can add strength to its soft power profile as an undeniable proof of its prominence on the international stage. Reverberating Hedley Bull's appeal (Bull, 1982), Professor Christopher Hill from the London School of Economics argued in the immediate aftermath of the launching of the Common Foreign and Security Policy (CFSP) in an article that has remained a reference in the literature, that in order to achieve international actorness the Union has to develop its capacity to defend itself and

project a military power (Hill, 1993, p. 318; Cameron, 1999, p. 11). Hill's analysis went on that in order to have effective military actions, the European Union has to strengthen its defence capabilities which in his view meant the strengthening of the mutual obligations of the Member States, the enhancing of the operational capacities and the mobilization of the necessary resources (Hill, 1993, pp. 319-321). Although he proceeded from the reality of a manifest lagging behind the EU's Common Defence Policy, in his contribution he touched upon the need for a political and constitutional support for redressing the obvious imbalances. The analytical framework advanced by him for evaluating Europe's capacity to assert itself as a reliable partner on the international stage centred around the „capability-expectations gap“. As already mentioned, this has quickly become part of the foreign policy analytical toolbox because of its power to tackle one of the biggest challenges of European foreign policy: meeting demands with positive outcomes, and preserved its explanatory power despite the many attempts aimed at refining it (Holland, 1995; Hill, 1998; Ginsberg, 1999; Bretherton and Vogler, 1999).

Building on the three above-mentioned variables identified by Hill as essential for evaluating the EU capacity to defend itself, we intend to evaluate EU's ambitions of strategic autonomy. In doing so we intend to organise this paper in three sections. Firstly, we will explore the three variables with the aim to determine and expose their various facets. Then, based on these findings we will attempt to adjust them in order to make them fit for the proposed research on EU strategic autonomy. In the final part, we will assess the EU's capacity for strategic autonomy using these three variables and based on how France and Germany relate to this issue. Throughout the analysis we will rely on official documents relevant to the topic under discussion.

### **The three dimensions of the capabilities-expectations gap**

In a world of „complex interdependence“ it is obvious that the capability side needs to be carefully considered, especially if we take into considerations the current expectations from the EU. By the time Hill wrote his seminal article, these expectations were related directly to the ambition to maintain the stability of Western Europe, to contribute to the better management of the world trade, to become a voice of the developed world in relation to the South, and to provide a second Western voice in international diplomacy (Hill, 1993, pp. 310-312). In a larger sense, the expectations from the EU concerned mainly around assuming an international role as a regional pacifier, responsibilities in international crisis management, and duties as mediator in world in international conflicts, as well as offering a bridge between rich and poor, and, finally, building better coordination mechanisms for the world economy (Hill, 1993, pp. 312-315).

Many of these considerations on which Hill built his arguments on the role of the EU on the international stage preserve, as we will show in the next

section, their relevance. Moreover, the discussion on the strategic autonomy of the European Union, it can be passed very easily through the filter of those considerations, especially if we take into account the three prerequisites identified by him as necessary to close the gap with the capabilities. *Mutual obligations* were regarded as an important requirement to express solidarity in the face of any military or security threats coming from the outside environment. As such they did not need to be in conflict with other obligations such as those arising within the framework of NATO (Ojanen, 2006) or OSCE (Moser, 2015), but they had to offer the Union the ability to act independently in case any of these alternative forms of cooperation would have fallen apart. Under the *operational capacities* it was understood an ever-deeper coordination and institutionalization of the cooperation among the military command centres of the Member States so that they will be prepared for the further elaboration of the Union's operations in the field of security and defence. As far as the *resources* were concerned, it was considered that they will have to cover both the operational and the administrative costs necessary for enabling European Union to act convincingly on the world stage. In the centre it is placed the budget and its capacity to bear the necessary costs. Looking at the multilayered nature of the European decision making, the wide variety of actors involved as well as the multitude of instruments that might be employed, then it is obvious that the success of the European Union in tackling worldwide problems depends largely on the fruitful interaction between the Member States and the EU institutions.

Furthermore, this essay will try to evaluate based on the criteria mentioned above how strengthening the EU capabilities will make it fit for achieving goals and projecting power on the world stage. In other words, we will attempt to assess the EU capacity to achieve a level of strategic autonomy proceeding from the way the EU sees its role on the international stage and how it aims to reconcile its institutional constraints with the political ambitions to create a favourable environment for strategic action. Against this background, the following section aims to examine how, in the view of European leaders, the EU's international position could be strengthened by increasing its capacity for strategic autonomy.

### **Dimensions of the capabilities-expectations gap in the EU ambition on strategic autonomy**

According to the EU's Global Strategy, the principle of strategic autonomy has been seen as an essential prerequisite for the promotion of European principles and values, peace, and security across European borders (European External Action Service, 2016). Strategic autonomy was set as the „ambition of the Global Strategy“ (p. 7), „necessary to promote the common interests of EU citizens, as well as EU principles and values“ (p. 7), and „important for Europe's ability to promote peace and security within and beyond its borders“ (p. 12, 22). With direct reference to the strategic autonomy, it was also



mentioned that it needs a „sustainable, innovative and competitive European defence industry“ (p. 48). Three years later, the review of the Global Strategy made reference to the EU’s strategic autonomy again in connection to the Union’s security and defence by outlining the areas in which it will need to further expand and/or consolidate – intelligence support to decision-making, building a common strategic culture, enhancing interoperability, improving the command and control, deepening defence cooperation to retain and develop Member States’ single set forces, building a Defence and Technological Industrial Base, offering an improved normative framework for the development of new technologies, ensuring coordinated response to cyber threats, interconnecting the areas of capabilities, effectiveness and the joined-up approach, securing access to routes and networks (European External Action Service, 2019, pp. 12-14).

These general ideas on the strategic autonomy of the European Union were to be complemented by a Roadmap that would consider different public policy options. Unfortunately, Federica Mogherini failed during her term to advance in the direction of generating a Roadmap. Nevertheless, her ideas were brought forward by Charles Michel in his capacity of president of the European Council. He acknowledged Mogherini’s contribution to the discussion, although her „strategic leadership in this area has not yet been fully appreciated.“ According to Charles Michel, Europe is already one of the world’s „leading strategic powers“, and from this position the EU will have to pursue three objectives: stability, the ability to set standards, and the advancement of its own values (Michel, 2020). As far as the *stability* is concerned, this is supposed to refer first and foremost to physical security, but is also bound to take into consideration environmental security (air quality, access to drinking water, protection of biodiversity, respect for the planet and for the human species), economic and social security, a favourable environment for investment and trade, both within the EU market and with the rest of the world, and upholding fair market conditions and reciprocity with EU trading partners, free and open economies, while opposing protectionism, securing the EU’s supply of critical resources (medical products, rare earth elements) and digital sovereignty. With regard to *safeguarding EU capacity to set standards*, this was seen as a key factor contributing to Europe’s current power and being the leader in different fields. It is meant to cover a wide array of topics from the use of chemical substances that ensure that toys produced around the world are safe to General Data Protection Regulation that sets the global standard for the protection of privacy online or climate change. Finally, *promoting EU values* was viewed as a necessary element for heightening the Union’s legitimacy and attractivity in the eyes of its partners around the world.

As such, the idea of strategic autonomy has expanded gradually from the area of security and defence to cover a wider array of matters. Charles Michel’s speech highlighted a considerable broadening of the meaning given to the concept of strategic autonomy from its original meaning. His speech is indicative of a wider range of expectations regarding the EU’s involvement in inter-

national affairs. Under these circumstances, the next section of this contribution will attempt to assess EU capacity to bridge the gaps that separate it from its stated goal of achieving strategic autonomy. The analysis will seek to identify the solutions envisaged by the Franco-German couple to strengthen the European Union's strategic autonomy, by considering the three elements considered by Hill as essential to bridge the gap between expectations and capabilities.

### **Agendas for closing the gap on EU strategic autonomy in France and Germany**

Without directly contradicting the French idea of European strategic autonomy, Germany believes that this should refer to Europe's ability to „actively shape“ its own neighbourhood and the world order. This means that it cannot be limited strictly to security and defence issues, but must be understood in a much broader sense of a politically coordinated approach not only to foreign policy, but to all areas of public policy that bear an external dimension (trade, development policy, environment, etc.). What is essential to note in this context is that the German idea of strategic autonomy is more nuanced than France's, as it appeared in the heated exchange between the French President and the German Defence Minister in November 2020. While agreeing that Europe needs a „well-coordinated foreign, security and defence, trade and development policy“ if it is to „play a bigger role in world politics,“ according to the German defence minister, any discussion on this topic must start from accepting the reality of Europe's dependence on the United States in terms of defence – 75% of capabilities, 70% of strategic enablers (reconnaissance, satellite communications, helicopters, aerial refuelling systems, etc.), 100% of ballistic missile defence capabilities, most nuclear deterrence capabilities, 76,000 US troops deployed in Europe (Kramp-Karrenbauer, 2020a). From Germany's point of view, it would take several decades to reduce this dependency. However, the prevailing view is that under no circumstances can there be any question of Europe decoupling from the US (Steinmeier, 2020). Moreover, to maintain the US commitment to the continent's security, Europe itself needs to try „to stand shoulder to shoulder with US as a strong partner, not as a helpless child“ (Kramp-Karrenbauer, 2020a). These stances reflect deeply entrenched views among German policy-makers (Roos, 2010, pp. 321-323) and this attitude is expected to continue in the future.

To narrow the obvious chasm between security capabilities and expectations, Germany actively supports industrial consolidation at the EU level and the channelling of Member States' efforts towards those industries and technologies that can ensure not only the EU's global competitiveness but also its „technological sovereignty“ (Federal Ministry for Economic Affairs and Energy, 2020). Such initiatives are also likely to boost the defence industry with a substantial technological input. The defence industry is an integral part of the European economy and cannot evade the rules of the EU's single market, yet the defence industry is still developing mainly in predominantly national

contexts, often in divergent directions. The German solution proposes to move in the direction of a „Europeanisation“ of the European defence industry. It assumes that control over key technologies would be kept at a national level, but Member States would agree to take measures to increase the interoperability of their armed forces in close coordination with NATO as reflected in the intervention of the German Defence Minister in the Bundestag debate on the subject (Deutscher Bundestag, 2020). Essentially, there is a question of using standardised designs based on uniform capability requirements, which is already beginning to take shape as can be seen in projects such as Eurodrohne or Esoar (European Secure Software-defined Radio). In addition, it is envisaged that the European defence industry could benefit directly or indirectly from a number of public policy measures taken at European level through the EU Industrial Strategy (2020), complemented a year later by the so-called „Three-Point Belt“ Action Plan (2021) to generate synergies between the civil, defence and space industries and promote spin-ins and spin-offs. All these measures are in line with German ambitions for an internationally militarily competitive Europe and are meant to support the ambition of European strategic autonomy. However, it is imperative for Germany that these measures are complemented horizontally by a series of measures that are essential to unlock the full potential of the EU in the field of critical technologies - rewriting the rules of European competition policy, digitising the single market, supporting the creation of strategic alliances around projects capable of generating considerable added value.

In all discussions about reviving European industry and adapting it to the reality of the fourth industrial revolution, Germany most often has France on its side. While France and Germany are generally close in terms of creating industrial capabilities that could boost the potential of the European defence industry, there has been a lack of trust in direct cooperation aimed at the development of important projects to create key European defence capabilities (Major & Mölling, 2020). German ambitions to support cutting-edge technologies through cross-cutting industrial policy measures or to place competition policy of a global perspective, which would allow the emergence of genuine „European champions“ without which the European defence industry could not develop, are opposed by a fairly compact group of states (Stolton, 2020) who fear that they could abuse their dominant position in relation to small and medium-sized competitors on the European market. The alternative of creating strategic alliances around Important Projects of Common European Interest (IPCEI) in an attempt to create conditions for European firms relevant to a given „economic ecosystem“ to collaborate more easily to address technological needs, identify investment opportunities and remove barriers, so that ultimately, become competitive and compete more easily at a global level is in principle accepted by Germany, especially as the alliances created so far around joint projects cover topics of strategic interest from its point of view (power supplies, autonomous vehicles, hydrogen technologies, cybersecurity, etc.). However, Germany, along with France, argue that there is a need for „more strategic thinking“ (Ministry for the Economy and Finance (France);

Federal Ministry for Economic Affairs and Energy (Germany), 2019) and EU determination to „strengthen the competitiveness of its industry and master the ongoing industrial transition“ (Federal Ministry for Economic Affairs and Energy, 2020). Although Germany itself is still far behind in its commitment to spend 2% of GDP on defence, and the crisis generated by the current pandemic has only further distanced it from this goal (Vogel, 2020, p. 89), from its perspective, it is essential that on the long run the funds allocated by European states for security and defence policies are directed to support major transnational projects such as those aimed at creating a new generation of air combat systems that will level the gap between capabilities and expectations and transform the profile of European armed forces.

We also cannot ignore the existence of certain nuances between the positions of the two in the shaping of the security concept of the European continent. These can be explained in terms of fundamental differences in the strategic culture of the two countries and translate into different interpretations of the idea of national interest, different preferences in dealing with security issues, and relations with other partners or regarding the use of force (Major, 2021a). If France tends to engage more freely in dealing with international problems, particularly those concerning international peace and security, starting from the assumption that in dealing with international challenges it has only two alternatives „either taking back control of our destiny or aligning ourselves with any power whatsoever, thereby abandoning the idea of any strategy of our own“ (Macron, 2020) and always animated by the desire to preserve its „autonomy of assessment, decision, and action“ (Ministère des Armées, 2021, p. 29), Germany remains committed to a coordinated engagement with its strategic partners, NATO and the European Union, which it considers as the anchors of its security and defence policy. It is important for Germany that both organisations remain as strong as possible as only then can its security be guaranteed (Kramp-Karrenbauer, 2020b, p. B 24467). Of course, there is no question of emancipation from NATO or the EU in the case of France. On the contrary, NATO and the European Defence remain for it „two pillars of European collective security“ (Macron, 2020). However, France tends to water down the significance of the existing institutional security and defence framework, by referring to Europe in a broader sense and not only strictly to the EU (Kempin, 2021, p. 47) or making distinctions between political and military cooperation within NATO (Major, 2021b). From a German perspective, French tendencies to frequently revise its own positions are essentially nothing new, but their recurrent manifestations since Emmanuel Macron took office have become annoying, especially as they concern both the EU’s relationship with NATO and cooperation with the EU’s strategic partners (e.g. Russia). Some of these have proved difficult to accept for Germany, as for instance, President Macron’s proposal for a European Intervention Initiative (EI2) or the interpretation of the concept of strategic autonomy in terms of supporting the EU’s transformation into a geopolitical actor. They have most often required difficult negotiations to accommodate the two

positions and to find a compromise formula (Bundesregierung, Presse- und Informationsamt (BPA), 2018).

## Conclusions

The capability-expectations gap allowed Hill to demonstrate that to close the gap and relieve the emerging European foreign policy from the negative tensions that surrounded it, either the capabilities have to be increased or the expectations to be decreased. In a world marked by complex interdependencies, by a significant fragmentation of power relations, it is obvious that the EU must build and preserve a space of strategic autonomy that allows it to protect and promote its interests, values, and principles. This paper has sought to highlight how the EU is trying to carve out for itself an area of strategic autonomy. Given the limitations imposed on this analysis, the discussion was limited to the positions expressed by France and Germany but managed to provide an insight into a complex reality and the options being considered to better manage it. Equally, this contribution has highlighted the usefulness of the analytical framework proposed by Professor Christopher Hill to assess the EU's ambitions for strategic autonomy.

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# THE EU POLITY AND ITS DISINTEGRATED PUBLIC. CHALLENGES OF PUBLIC COMMUNICATION IN MULTI-LEVEL GOVERNANCE

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## ***Abstract***

*By being driven largely by its elitist logic and functional integration design, the EU lost the momentum for social construction of Europe-wide publics, beyond the mere technocratic, political and business circles, which proved to be quite exclusive. The integration and enlargement process faced, along with many other hurdles,, created a breeding ground for anti-EU rhetoric and sentiments. It was only after severe anti-EU propaganda appeared that the EU became aware of its public communications gaps which grew larger and larger once many new challenges and threats like refugee and migration crisis came on the agenda as well as discussions for further and deeper integration. Brexit just illustrated many of these concerns, but the post-Brexit public communication lessons do not seem to have been learned yet. Against this background it is crucially important how the EU will handle and approach its various and quite segmented and disintegrated publics. What is needed is definitely not the kind of information activities of One-size-fits-all, but rather targeted, customized and engaging communications that transcend national borders but also create communities of engaged publics at EU level.*

**Keywords:** EU polity, EU publics, public communications and awareness raising

Amid sequences of crises over the last decade, the EU is facing paramount challenges in justifying its own *raison d'ktre* – migrants and refugees, economic slowdown, Brexit, nationalist conservative drawback in several EU member states, anti-EU rhetoric, and above all – the COVID-19 pandemic, which really



closed borders, posed mounting burden on the EU, and multiplied its structural and functional problems.

The multiple-choice EU that Juncker's European Commission (and its Five Scenarios for the Future) offered as a compromise to diverging perspectives and voices in an effort to keep them all in a common space at least, neither provided clear guidance for the future, nor soothed soaring discontent.

Deductively, using the method of social deconstruction we can crosscut the problem of the super-complex social reality of the EU or in which it seems to be at. Whatever view of the EU one may have, the spill-over effects of the integration have turned the Union into an extremely complicated super-structure with many subtle balances within. These balances are mostly between national, inter-governmental and the supranational level of policy-making, which intertwined various interests, perspectives, discourses and narratives, none of which has any feasible chances of becoming dominant within the whole Union. Why is that? One of the possible answers is because while integration of member states has been conducted for decades, disintegration of member states' publics has occurred, which was overlooked by elites and thus was underestimated until recently, when anti-EU rhetoric began gaining popularity among disenchanted segments of the disintegrated EU public. Fluctuating levels of support for the EU monitored by Eurobarometer show how sensitive European national publics are and existing divergence between different public segments even within a single member state. After years of post-modern societal transformations disintegration of European publics went on unnoticed and it was the shattering shock of Brexit that ended the disrespect and underestimation of disintegrated European public.

The EU as a project and the public support for it has been always taken for granted and it was the most obvious mistake from the perspective of public communications professionals. The fact that it was only during the last 10-15 years that this problem attracted academic research interest also proves that there was even no alarm or early warning about it.

## **The Concept of EU Polity**

A polity is largely considered as an identifiable political entity, comprising any group of people who have a collective identity, who are organised by some form of institutionalised social relations, and have the capacity to mobilise resources.<sup>1</sup>

As the European Union is a unique experiment in post-national integration it can hardly be compared to any other form of political organisation. The nature of the EU's organisation has been troubling many political and social

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<sup>1</sup> Ferguson, Yale; Mansbach, Richard W. (1996). *Polities: Authority, Identities, and Change*. Columbia, South Carolina: University of South Carolina Press.

scientists and practitioners. Depending on how people see the EU, this defines their position on some of the key elements of integration including the division of power between the member states and EU institutions, democracy and the relationship between EU institutions and its citizens, the relationship between EU law and national and international legal orders, or the EU's role in a wider world.

Claudia Wiesner (2019) argues that the EU has been invented as a democratic polity and discusses the deficit of democratic legitimacy. Wiesner claims that the EU is the product of creative and innovative actors and thinkers that conceptualised and gradually realised it. But the concepts, ideas, and utopias of a democratic Europe differ considerably. The processes of inventing and building a democratic EU are marked by conceptual controversies in both public and academic debates. Wiesner focuses on the concepts, actors and controversies related to inventing the EU as a democratic polity.<sup>2</sup>

Massimo Fichera (2018) in his monograph *The Foundations of the EU as a Polity*<sup>3</sup>, provides an original account of the European integration as a process. He argues that European constitutionalism has been informed from its earliest stages by a meta-rationale, which is expressed by security and fundamental rights as discourses of power. Employing this descriptive and normative conceptual framework to analyse the development of the EU as a polity, his study covers significant recent events such as the Eurozone crisis, the refugee crisis, the rule of law crisis, Brexit, and the constitutional identity crisis.

In earlier studies, Jo Shaw and Antje Wiener (2000) in their article *The Paradox of „European Polity“*, focus on features of the process of European integration which suggests that the European Union is simultaneously both 'near-state' and antithetical to stateness. The centrepiece of their argument is the paradox of the 'European' polity with particular regard to its 'stateness'. This paradox consists of a parallel development of two dimensions. One dimension is *institutional*, the other is *theoretical*. The institutional dimension can be assessed through studying the process of supra-, trans- and intranational institutionalisation, with contrasting conditions of decision-making and legitimacy attaching to the different levels observed. In turn, the theoretical dimension encompasses a peculiar mismatch between theories and politics of European integration that cannot escape the reference to stateness.<sup>4</sup>

Shaw and Wiener point out that recent social and legal constructivist approaches to European integration have begun to discuss new ways of assessing the 'European' polity. Their specific validity with a view to avoiding stateness,

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<sup>2</sup> Wiesner, Claudia, *Inventing the EU as a Democratic Polity. Concepts, Actors and Controversies*, Palgrave Studies in European Political Sociology, 2019.

<sup>3</sup> Fichera, Massimo; (2018). *The Foundations of the EU as a Polity*; Edward Elgar Publishing.

<sup>4</sup> Shaw, Jo, Antje Wiener, *The Paradox of the „European Polity“*, [https://jeanmonnetprogram.org/archive/papers/99/991002.html#P10\\_393](https://jeanmonnetprogram.org/archive/papers/99/991002.html#P10_393).

lies in an ontological shift from a focus on the state towards analysing the impact of norms, identities, language and discourse on politics and practices in the 'European' polity. They specifically highlight the important insights gained through analyses of constitutionalism that have begun to set new parameters for the study and characterisation of the 'European' polity. The argument develops from noting the tensions between those formal elements of a 'European' constitution or the constitutional framework which have so far evolved, on the one hand, and the abstract ideas about civilised co-existence within polities which are necessarily implicated by the invocation of the term 'constitutionalism', on the other. While this tension is particularly interesting, thus far it has remained largely under-researched.

A core constructivist insight stresses the importance of communication and intersubjectivity in situations of decision-making and bargaining beyond the borders of nation-states. Actors act within an environment that is structured by the social sphere which contributes, in turn, to shaping the structures of this very environment. The environment or the norms that emerge in this context have an impact on identities. In turn, identities influence interest formations and subsequently behaviour.

Constructivist approaches to European integration contrast with other approaches such as, for example, normative and conceptual approaches to the 'European' constitution, as well as 'integration-focused' approaches. While the latter struggle to escape stateness, for example, by focusing on what must be done to establish a European constitution, or by discussing the final shape of the European polity, respectively, constructivists do not focus on the whole. Instead, they propose referring to meta-theoretical approaches and new ontological perspectives, when studying European integration. Empirically, Shaw and Wiener suggest linking political and legal approaches on the basis of rules and norms that emerge from and structure the day-to-day practices of constitutional politics. They suggest that this approach has great potential for studying the processes and practices without falling into the trap of implicit recurrence to stateness in the 'European' polity, precisely because of its focus on ontology. Thus, constructivists have begun to study the impact of identity, discourse, and norms and their respective impact on explaining and understanding the 'European' polity. The main implications of constructivism lie in the methodological tools that prove helpful for analysing processes of fragmentation, as well as the process of differentiation.

### **Public communication, discursive opportunities and framing processes in multi-level governance and transnational perspectives**

While many important social processes cut across national borders and have transnational institutions to regulate them, democratic participation still occurs almost exclusively within individual nation states. Public information

and debates are essential ingredients of democracy, and their confinement to the individual national public sphere threatens the democratic aspirations and legitimacy of transnational institutions. Therefore, it is often argued that the European Union can only achieve greater legitimacy if there is a Europeanization of national public spheres. Has public discourse in fact Europeanized to any extent in the last decades?<sup>5</sup>

Europeanization of public discourse is quite an ambitious goal, since there are many competing public discourses regarding Europeanization and the EU. Therefore, public communication of the EU polity needs to be reviewed through the lenses of public communication theory.

It was Karl W. Deutsch (1953) who argued essentially that increasing transnational communication and transnational action would lead ultimately to European society and community-building.<sup>6</sup>

Eder and Trezn (2004) point out that in the structures of public communication within such a complex entity as the EU where national, international and supranational levels of governance interact, political representatives have to give reasons for their decisions and the represented citizens have to be able to protest or vote against their representatives if they are not convinced by the decisions or the reasons given for them. The contingency of public communication can severely restrict the governmental scope of action. Most importantly, the newly expanding transnational publics which are seen as an alternative source of legitimacy and are increasingly being recognized as such by other actors within the field (in particular by the European Commission and the European Parliament). Governments must now stage carefully their policy choices for the increasingly diversified national, sub-national, and transnational publics.<sup>7</sup>

In this new context, the practices of venue shopping<sup>8</sup> in the intergovernmental arenas of cooperation and credit-claiming in front of the electorate become difficult, since other actors make quite different credit claims. The governmental monopoly on defining the policy agenda is increasingly challenged by all kinds of external supra- or transnational actors (such as international

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<sup>5</sup> Peters, B., Sift, S., Wimmel, A., Brüggemann, M., & Kleinen-Von Königslöw, K. (2005). *7 National and transnational public spheres: The Case of the EU*. *European Review*, 13(S1), 139-160. doi:10.1017/S1062798705000232

<sup>6</sup> Deutsch, K. (1953), *Nationalism and Social Communication: An Inquiry into the Foundations of Nationality*, New York (NY)

<sup>7</sup> Eder, Klaus, Hans-Jörg Trezn, in: Kohler-Koch, B. (ed.) *Linking EU and National Governance*, Oxford University Press, 2004, pp.111-134.

<sup>8</sup> Theory of venue shopping is laid out in Baumgartner and Jones (1993).

Jones, B., Baumgartner, F., & Talbert, J. (1993). *The Destruction of Issue Monopolies in Congress*. *American Political Science Review*, 87(3), 657-671. doi:10.2307/2938742

Venue shopping refers to the activities of advocacy groups and policymakers who seek out a decision setting where they can air their grievances with current policy and present alternative policy proposals.

NGOs (INGOs); the European Commission; members of the European Parliament (MEPs); but also, governments of other member states. As for the impartial 'moral voice' of the people, the statements and initiatives of these transnational actors find approval in the media and are frequently used by domestic actors to oppose their governments. Most importantly, the governments which decide to block decision-making now have to account for their choices publicly. They propagate specific justificatory discourses, symbolic means, and claim for legitimacy without knowing in advance how the addressed and non-addressed publics will react to it. These phenomena point to a particular mechanism of integration of multi-level governance: the integrative force of transnational resonance structures. This specific resonance structure has been measured in terms of growing attentiveness as well as concerns and expectations that are directed from the public towards the policy process within the emerging transnational realm.<sup>9</sup>

This novel mode of political integration through transnational resonance enables the recognition of positive-sum links between national and European levels of governance. Such positive-sum links are the simultaneous increase of power on both the national and the European level, the simultaneous increase of identity and loyalty on both levels, and the simultaneous increase in capacities of institutional reform on both levels. The more transnational resonance structures develop, the more positive sum games between the EU and the member states can be expected to develop.

In terms of institutional transformation, it can be expected that increasing transnational resonance will stabilize multi-level governance in Europe. Under conditions of public monitoring, multi-level governance is equipped with a normative power. As such, it is accepted as the standard model of EU governance that all actors within the field have to follow. For governments, this implies the necessity of making intergovernmental negotiation arenas transparent and opening them for participation. For civic actors, this implies the necessity of engaging in networking and of adapting their mobilisation strategies to the logics of the emerging transnational political field. Multi-level governance does not necessarily result in an increase in decision-making. It rather results in an increase in communication, collective action, and participation. It is easy to criticise the importance given to PR and image campaigns as ideology and as a hidden form of power politics. But European institutions become increasingly reflexive on the contingency of their interaction with the public. European institutions learn that the resonance of the public creates resistance and constraints that cannot be handled strategically. They learn that the pursuit of interests is only possible on the basis of arguments and the performance of public debates. It is not simply the participation that counts here. What counts is that European institutions take on the normative premises of the public

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<sup>9</sup> Eder, Klaus, Hans-Jorg Trenz, in: Kohler-Koch, B. (ed.) *Linking EU and National Governance*, Oxford University Press, 2004, pp.111-134.

sphere as a framework for collective will formation. From this perspective, the public monitoring of the emerging European field of collective action may have contributed at least to some extent to the development of shared assumptions and expectations about transparency, democracy, and rights to which the institutional structure of EU governance can no longer remain unresponsive.<sup>10</sup>

From the viewpoint of public communications in transnational and multi-level governance structures, framing processes are essential. They are even more relevant on the transnational level, where identities have to be rethought and re-negotiated among different groups with specific aims and historical perspectives. Various concepts can assist in making sense of the framing processes. First, establishing and categorising frames – diagnostic, prognostic and motivational frames, in order to create susceptible interpretative infrastructure. Second, the diffusion of frames amongst groups and into the wider public sphere in order to spread networks of communication processes and diversify communication channels. Third, bridging of frames in transnational environment helps expand the coverage of networks to sustain and raise public awareness and support. Framing is an ongoing process including reactions to new inputs and outside information. In terms of the political opportunities provided by the EU, strong frames can help groups exploit these by contributing to their network density, as well as by allowing them to pool all kinds of resources needed to exploit different opportunities of different institutions.<sup>11</sup>

In order to end on a positive note, illustrating the last point of argument about public communication, framing and transnational resonance in a complicated multi-level polity like the EU, it is worth mentioning the *Conference on the Future of Europe*, which has been initiated as a citizen-led series of debates and discussions that will enable people from across Europe to share their ideas and help shape our common future.<sup>12</sup> The Conference is in line with one of the European Commission 2019-2024 priorities – A New Push for European Democracy. It is the first of its kind: as a major pan-European democratic exercise, with citizen-led debates enabling people from across Europe to share their ideas and help shape their common future. This is done via an innovative Multilingual Digital Platform where any European can share ideas, and both national and European Citizens’ Panels. The contributions from the Conference will have influence on the Conference Plenaries. The Conference offers a new public forum for an open, inclusive, and transparent debate with citizens around a number of key priorities and challenges.

As this is an evolving initiative, it is a matter of time to see its foreseeable outcomes and outputs. At least, hope remains that it may improve the quality

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<sup>10</sup> Eder, Klaus, Hans-Jorg Trenz, in: Kohler-Koch, B. (ed.) Linking EU and National Governance, Oxford University Press, 2004, pp.111-134.

<sup>11</sup> Kauppi, N. (ed.), A Political Sociology of Transnational Europe, ECPR Press, 2013.

<sup>12</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/new-push-european-democracy/conference-future-europe\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/new-push-european-democracy/conference-future-europe_en)

of democracy in the EU polity and raise the levels of public trust in EU institutions and policies.

## Conclusion

European institutions become increasingly attentive to their communication and interaction with the public. The lessons learnt during the last decade remind that the resonance of the public creates resistance and constraints that cannot be handled strategically neither at the EU, nor at national level. The pursuit of interests is only possible on the basis of arguments and the performance of public debates. European institutions take on the normative premises of the public sphere as a framework for collective will formation.

The expanding transnational publics are discovered as an alternative source of legitimacy and are increasingly recognized as such especially by the European Commission and the European Parliament. Governments of EU member states should also consider fine-tuning their policy choices reflecting the increasingly diversified national, sub-national, and transnational publics.

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# A VISION OF MORE EU. THE EU SOCIAL MEDIA STRATEGY.

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## **Abstract**

*The article presents the role of a functioning EU social media strategy. As mentioned on the official website of the European Commission, the future is aimed to encouraging new social media initiatives, paving the way to the next generation of social media platforms for Europe, and to a future global social sphere. Creating a common digital policy is a priority, and the use of social media to keep the EU closer to its citizens is a necessity. The sense of EU involvement, transparency and openness have become stronger during the COVID-19 pandemic, all thanks to the social networks. The EU should continue to appeal to the social media platforms and learn how to create a public interested in its surroundings.*

**Keywords:** EU, social media strategy, EU citizen

The chosen subject is not new, or lacking interest. The use and importance of social media platforms are „fashionable“, yet dangerous topics due to the limited access to necessary data. Most researchers are restricted to the use of qualitative or hybrid methodologies, usually based on analysis of official documents, academic articles, professional experience, and study cases that do not manage to attract sufficient attention (e.g. the number of fans of Facebook/ Twitter pages of the European Commission in different member states).

The European Union has realised that common communication cannot be done only through the traditional media, whether it is the communication made by the European institutions and decision-makers, or other actors who play a role in European public affairs and are interested in conveying a message to the European public space<sup>1</sup>.

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<sup>1</sup> M. A. Balosin. (2017). Spațiul public european și politicile de comunicare mass-media, in N. Prun (ed.), *Uniunea Europeană on contextul unei lumi on schimbare. Fundamente istorice, valori, instituții, politici*, Editura Academiei Române, București, p. 478.



Different studies from EU member states (e.g. Latvia<sup>2</sup>) suggest that, even now, EU institutions have little potential to develop and promote EU common values. A well-considered application of social media is needed to ensure that the opportunity for two-way communication is used fruitfully. During the COVID-19 pandemic the social media and internet have become available sources of information and this right channels where the EU institutions can reach the so-called „forgotten“ population and improve their knowledge and interest in the EU. The EU and „the forgotten“ have found a viable common ground for communication. The problem remains the ability to set up functional strategies for all parties involved.

E. Gaušis shares a common opinion that in the context of European institutions, social media is providing the possibility to reach all European citizens without any middlemen. Still, the main challenge for the European institutions is to provide the content that attracts some of „the forgotten“: the youth. The entertainment and communication with friends remain the main purpose of social media, rather than learning or interacting with institutions and public officials<sup>3</sup>. The EU must acknowledge that the European youth respects the slogan: „unity in diversity“ and the formal structures stand in the way.

The narrative of the youth as a homogenous group has translated into a solid advocacy block for youth representation at the European level – for example, in the renewed EU Youth Strategy 2019-2027. Traditionally, youth participation and engagement has been viewed through the lens of young people’s engagement in existing formal institutions and processes. It is this aspect that determines the success of their representation. In reality, the way young people mobilise and prefer to work with national and European policy-makers differs significantly from this. While many youths foster a strong ‘European’ identity, young people and youth-led organisations have voiced unease with the European-level institutions and processes, feeling these are unfit for their participation. Here, hierarchical structures, inaccessible processes, lacking transparency and shrinking spaces for civil society collaboration have been noted as key areas of concern.<sup>4</sup>

To engage with youth on social media with the traditional communication styles is not enough.<sup>5</sup>

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<sup>2</sup> E. Gaušis. (2017). European Institutions on Social Media Shaping the Notion of European Citizenship. *Economics and Business*, 30(1), pp. 27-39. <https://doi.org/10.1515/eb-2017-0003> (accessed 12.10.2021).

<sup>3</sup> *Ibidem*, p. 31.

<sup>4</sup> S. Thijssen. (2021). Meaningful youth participation: An urgent call for change in European processes. *ECDPM Great Insights*, Volume 10, Issue 1, <https://ecdpm.org/great-insights/call-change-young-people-africa-europe/meaningful-youth-participation-call-change-european-processes/> (accessed 12.10.2021).

<sup>5</sup> E. Gaušis, *op. cit.*, p. 31.

## The role for the EU social media strategy?

*Social media* and *social networks* are two terms that sound similar. The term social media is superior to the social networks and includes various media that people use for online communication, collaboration or developing social interaction (sociability). Social media includes blogs, wikis, video or photo sharing sites, etc. Creating social networks belongs under the social media (e.g. Facebook, LinkedIn, MySpace). We are talking about making social networks when people create personal profiles and interact with the aim of becoming part of a community of friends and people who have „the same blood type“, that are interested to communicate and exchange information<sup>6</sup>.

The contemporary term of Internet culture is „Web 2.0“. This term is used to refer to web applications which focus on creativity and social networking, sharing of user-generated content (e.g. YouTube, blogs), interactive collaboration and participation in the production of content (e.g. wikis)<sup>7</sup>. Web 2.0 helped all levels of governing institutions to find ways of increasing participation on the part of their citizens.

The term governance and social media became inter-related due to the main actors and shared qualities, like interaction and dialogue. „Governance 2.0“ is therefore a term used to highlight strategies for e-participation and the introduction of various web-based communication strategies (e.g. online community forums, e-voting, online discussion with decision makers, etc.)<sup>8</sup>

In contrast to Web 2.0, this „Governance 2.0“ is not peer-to-peer, but administration-to-people. Koskinen mentions that there may be little active involvement by citizens on institutional sites and actionist forums do not often welcome official contributions<sup>9</sup>. It is not the solution promoted by the EU, considering the efforts to humanize its institutions.

Prior to the rapid spread of Internet networks, the European Union suffered from low-quality and incomplete information flow regarding its activities. Spanier named the situation as an EU communication deficit, defined as „the apparent impossibility for the EU of communicating with its citizens“<sup>10</sup>.

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<sup>6</sup> M. Drahošová and P. Balco. (2017). The analysis of advantages and disadvantages of use of social media in European Union, *Procedia Computer Science*, vol. 109, p. 1006. <https://doi.org/10.1016/j.procs.2017.05.446> (accessed 12.10.2021).

<sup>7</sup> K. Koskinen. (2010). On EU Communication 2.0 Using Social Media to Attain Affective Citizenship, in M. Baker, M. Olohan and M. Calzada Perez (Eds.), *Text and Context. Essays on Translation and Interpreting in Honour of Ian Mason*, St. Jerome, Manchester, p. 3

<sup>8</sup> *Ibidem*.

<sup>9</sup> *Ibidem*, p. 4.

<sup>10</sup> B. Spanier. (2012). Europe, anyone?. Nomos Verlagsgesellschaft mbH & Co. KG., quoted in F. Çömlekçi, S. Güney. (2016). Social Media Strategies of The European Union Bodies: A Comparison With Turkey's Experience. *Gaziantep University Journal of Social Sciences*, 15 (4), p. 1121. <https://doi.org/10.21547/jss.265501> (accessed 12.10.2021).

In 2012, Maroš Šefčovič – EU Commission Vice-president – said that the EU should increase its presence on social media. Time proved that he was right. According to Kurbalija, social media platforms require time: „...we need at least one month to start using them in a reasonably effective way (learn to listen and follow, acquire culture, start developing a voice). Even more time, at least one year, is needed for an institution, such as the EU, to effectively integrate social media into its operations. Directives and orders cannot help. It is difficult to ‘order’ staff to be creative and engaging. The quantitative requirement to have a certain number of blog posts or tweets does not help. Social media is about quality. One insightful post or tweet can be more valuable than hundreds of bland ones. Yet, consistency and regularity in tweeting and blogging are essential for their success“<sup>11</sup>.

With the help of social media, the EU found a way to bypass journalists and conventional media, and approach the public more directly.<sup>12</sup> Today’s EU institutions have hundreds of different sorts of social media presence comprising blogs, platforms and websites.

Social media is a very important component of the European Union’s media and communication strategy. As examples, European Commission has an official YouTube channel which shares „latest EU news and information on what we are doing for the general interest of the EU, which EU laws and policies are being proposed and the work on them, and how we are monitoring their implementation“.<sup>13</sup>

Also, the European Parliament has a social media initiative: *The social network at a glance* which also includes a Facebook account, followed by 2.649.941 Facebook users (October 2021)<sup>14</sup>. You have access to regular live chats with MEPs, updated news about ongoing European issues and feeds about globally important political/social/environmental issues. The most interesting thing is, the EU’s social media team posts mentioned news/updates mostly with entertaining / enjoyable and as well informative videos to attract people’s attention<sup>15</sup>.

The EU’s social media strategy tries to respect concepts like transparency, openness, connectivity. The focus becomes the dialogue with the public, citizens, electorate, customers etc., identifying common needs and interests, and directing individual or mass conversation depending on the interests of

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<sup>11</sup> J. Kurbalija. (2012). How institutions can effectively use social media?, *DiploFoundation*, 23 March 2012, (accessed 10.10.2021).

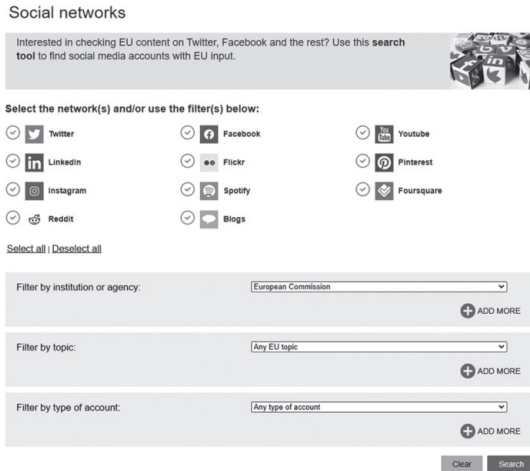
<sup>12</sup> F. Çömlekçi, S. Güney. (2016). Social Media Strategies of The European Union Bodies: A Comparison With Turkey’s Experience. *Gaziantep University Journal of Social Sciences*, 15 (4), p. 1121. <https://doi.org/10.21547/jss.265501> (accessed 12.10.2021).

<sup>13</sup> European Commission, European Commission Youtube Channel, (accessed 10.10.2021).

<sup>14</sup> European Parliament, *The social network at a glance*. (accessed 11.10.2021).

<sup>15</sup> F. Çömlekçi, S. Güney, *op. cit.*, p. 1121.

the broadcaster<sup>16</sup>. Connectivity brings together features like interaction, participation which could encourage social media users to content generation and public reactions.



### 1. EU Social networks

Source: [https://europa.eu/european-union/contact/social-networks\\_en#n:0,1,2,3,4,5,6,7,8,9,10,11,12+i:4+e:+t:+s](https://europa.eu/european-union/contact/social-networks_en#n:0,1,2,3,4,5,6,7,8,9,10,11,12+i:4+e:+t:+s) (accessed 12.10.2021).

Tasente presents a strong vision of social media that empowers the „people“ to manifest themselves and to impose a public agenda, to the detriment of the agendas imposed by the institutional, political and media spectrum<sup>17</sup>. He goes further mentioning that institutional communication should become interpersonal. Still, even though the EU is extremely opened to the online environment, let us not forget that reaching the level of interpersonal communication with a European institution is a long-lasting process which has just started to be developed.

It is clear that the EU tries to accentuate the importance of its public. Humanizing an institution is an affordable solution. Tasente explains the efficiency to manage a unitary image, with better results than to manage the different images of important members (ministers, commissioners, parliamentarians, directors, spokesmen, etc.) who form the overall picture of the institution. The image of the public institution that has become a „person“ can be recreated from the ground, whether the employees of the institution have a negative image or not, and it is much easier to manage the image crises an institution could ever take part in.<sup>18</sup>

<sup>16</sup> T. Tasente. (2019). Social Media Communication in the European Administration. Case study: European Commission. *Acta Universitatis Danubius. Communicatio*, 13(2), p. 119.

<sup>17</sup> *Ibidem*, p. 120

<sup>18</sup> *Ibidem*.

European Union's social media strategies switched from information-oriented communication to interaction-oriented communication. Social media is the cheapest, easiest and most influential way to provide such dialogue between EU and its citizens. A social media strategy doesn't require an astronomical budget but still it allows institutions to reach and interact with millions of people. So, it can be said that social media strategy is the most important part of the EU's communication strategy.

Freedom of speech and expression are vital components of an efficient social media strategy and assurance of a free debate atmosphere. Governments and official organisations have to encourage free use of social media for democratic involvement in politics and the right to express oneself freely. Social media allows discussion between citizens and politicians, encourages youth participation towards politics and includes them to decision-making processes<sup>19</sup>.

### **The future of EU's social media strategy**

The new digital strategy approaches issues like online content moderation and hate speech on digital platforms. „...We want the values we cherish in the offline world to also be respected online. At its most basic, this means that what is illegal offline should be illegal online too. And we want the platforms to be transparent about how their algorithms work. Because we cannot accept that decisions, that have a far-reaching impact on our democracy, are taken by computer programmes alone. [...] Together, we could create a digital economy rulebook that is valid worldwide: It goes from data protection and privacy to the security of critical infrastructure. A body of rules based on our values: Human rights and pluralism, inclusion and the protection of privacy. So Europe stands ready“ (Von der Leyen, President of the EC)<sup>20</sup>.

The COVID-19 and the numerous online disinformation campaigns accentuated the need for laws and platform guidelines. EU citizens and the MEPs called on the EU to step up its efforts to regulate social media, while safeguarding freedom of speech and avoiding censorship. The last debate from February 2021 comes as the EU was working on the Digital Services Act (DSA) and the Digital Markets Act (DMA)<sup>21</sup>. They include rules for platforms as well as solutions for tackling harmful or illegal content online, such as disinformation. The participants to the debate managed to make their voices heard, accentuating that the EU has to protect the free and democratic debate on the social media.

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<sup>19</sup> F. Çömlekçi, S. Güney, *op. cit.*, pp. 1127-1128.

<sup>20</sup> U. von der Leyen. (2021). Special Address by President von der Leyen at the Davos Agenda Week. *European Commission*, Brussels, 26 Jan 2021. [https://ec.europa.eu/commission/presscorner/detail/en/speech\\_21\\_221](https://ec.europa.eu/commission/presscorner/detail/en/speech_21_221) (accessed 12.10.2021)

<sup>21</sup> European Parliament. (2021). Social media and democracy: we need laws, not platform guidelines. *Social media and democracy debate. European Parliament*. 10.02.2021.

## Conclusions

Most of the articles propose the same theory: we should be transforming public institutions into opened transparent communicators, able to be at the disposal of the other involved participants.

„The institution becomes a person“. From this point of view, social media no longer works on the principles of traditional communication channels, where previously communication was unidirectional and the public was passive. Social media has developed a new conversation model, characterized by bi or multi-directionality<sup>22</sup>. But let us not forget that institutions remain institutions, and obtaining a „thank you“ or a „like“ for each comment we make, does not create a real dialogue, openness, transparency or involvement. A real dialogue should be based on shared understandings and common interests. So, in the end, there are the citizens and a person behind a desk, doing his job.

It is this renewed content strategy which the current EU online presence needs. The data obtained from sources such as audience research may and should be taken into account in defining, implementing and evaluating new European communication in order for conditions to change and especially for achieving the unprecedented strong potential of the transnational and supra-national goals of European identity-building. We have to have access to high-quality communication. It is one of the European citizens' rights.<sup>23</sup>

In summary, we can say that the efficient use of social media identified mainly benefits such as: the rapid transmission of information; facilitating a dialogue between institutions and citizens; monitoring different events that are happening and identifying the opinion of leaders; creating communities around a theme; lowering costs in comparison to traditional media channels. Equally important, public institutions are the selection criteria for social media channels and the types of content to be published on them<sup>24</sup>.

So, social networks should be seen as an opportunity to enable free discussion and enhance democratic life.

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<sup>22</sup> T. Tasește, *op. cit.*, p. 119.

<sup>23</sup> P. Toczyski. (2021). Pan-European institutions and new media: pan-European or counter-pan-European media usage?. *Postmodern Openings*, 12(1), p. 238. <https://doi.org/10.18662/po/12.1/256> (accessed 09.10.2021).

<sup>24</sup> M. Rus, T. Tasește & V. Cămară. (2021). Social media communication of public institutions. Case study: Representation of the European Commission in Romania. *Technium Social Sciences Journal*, 17(1), p. 126, <https://doi.org/10.47577/tssj.v17i1.2868> (accessed 12.10.2021).

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# ARE WE MOVING TOWARDS A EU FISCAL UNION?

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## **Abstract:**

*The establishment of a European Recovery Instrument financed by joint EU borrowing (called „Next Generation EU“, or NGEU) is an important step which will probably have long-term implications. This paper discusses what could be the legacy effects of NGEU. It starts with some general reflections about the lessons to be drawn from the US experience and about the meaning of EU fiscal union. It then sketches out four possible scenarios for the future, not necessarily mutually exclusive. These range from the maintenance of the EU covid debt to finance other joint investments to the introduction of reforms to the post 2027 EU budget without further centralisation.*

**Keywords:** European union, fiscal union, Next Generation EU fund

## **Introduction**

The agreement reached in December 2020 to set up a dedicated European Recovery Instrument financed by joint EU borrowing (called „Next Generation EU“, or NGEU) has been unanimously described as an historical breakthrough. Yet will it be a game-changer?

Some say that it may constitute a ‘Hamiltonian moment’, in an allusion to the compromise engineered by the first US Treasury Secretary of the United States, Alexander Hamilton, to federalise the debts of the various US states after the Civil War. This is considered by US historians as one of the decisive steps towards the creation of the US federal government and thus a US fiscal union.

In truth, it is too early to know whether the Next Generation EU will lead to some permanent changes. There are reasons to be sceptical. The EU Recovery Fund is conceived as a one-off instrument. The crisis has not wiped out the almost allergic opposition in some northern EU member states to the idea



of setting up a „EU fiscal capacity“. At the same time, it is difficult to imagine that such a quantum leap in terms of EU economic integration will not have long lasting effects on the EU's economic governance.

To discuss the possible long-term implications of NGEU it is useful to start with some general reflections about the lessons to be drawn from the US experience and about the meaning of EU fiscal union. After that, I will sketch out various possible scenarios for the future.

## **1. Lessons to be drawn from the US experience**

As said above, many have argued that NGEU may constitute a ‘Hamiltonian moment’. It is not the first time that the US experience is taken as a benchmark in debates about Europe’s economic integration. During the 2011-2013 crisis, for instance, references to the US monetary union were frequent to discuss the feasibility and appropriateness of different EMU reform paths. One can contend that a EU-US comparison has limitations, that the nature of the two entities is too different and the historical circumstances too diverse. Yet, as pointed out by many analysts<sup>1</sup>, a look at the real ‘Hamiltonian moment’ may draw some lessons for the EU.

The first one is that the debates in Hamilton’s time were as polarised as the debates taking place in Europe today. The opposition to the federalisation of the national debts was strong, particularly from ‘virtuous’ and richer states which had low debt levels and did not want to take on a part of the debt of poorer states. The process towards the establishment of a strong US federal government was long and difficult. In fact, the first time Hamilton proposed the assumption of national debts to the House of Representatives, the proposal was rejected.

A second lesson is that the proposal to federalise the national debts was not only driven by immediate concerns – to prevent the insolvency of highly indebted states after the Civil War – but was also inspired by a long-term political purpose, to build a strong federal government, endowed with full borrowing and tax powers.

Finally, the federalisation of national debts was not a standalone measure. It was accompanied with the creation of the U.S. Customs Service to collect import duties, the first step to the development of a true federal tax capacity. It also triggered changes at national level. Over time, the creation of a large federal budget responsible for the bulk of public debt was coupled with a de-facto ‘no bailout regime’ for national debts reinforced with budget balance rules in many States.

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<sup>1</sup> See for instance Henning, R. and Kessler, M (2012), Fiscal federalism: US history for architects of Europe’s fiscal union, Bruegel., or the symposium of views published in the summer 2020 issue of the International Economy magazine, „Did Europe Just Experience Its „Hamiltonian Moment“?

## 2. The meaning of ‘EU fiscal union’

Turning now to the concept of ‘EU fiscal union’, what do we mean by that? If we advocate for the establishment of a permanent fiscal capacity built on NGEU, which type of EU fiscal capacity do we have in mind? It seems clear that nobody envisages the development of a US-like fiscal union, compounded with a sizeable EU budget representing 20 or 30% of the EU GDP playing strong allocative, redistributive and stabilisation functions and full tax powers. Yet there are different visions on which type of EU fiscal union do we need.

Before Covid, discussions on the EU fiscal union were part of broader debates on EMU reform. They were very much framed by the narrative of making the euro resilient to shocks. There were many different proposals of EU fiscal capacity circulating<sup>2</sup> but the dominant view was that a common capacity was first and foremost needed to stabilise the euro area economies, not so much to jointly finance EU public goods. There was also consensus on the fact that, to be meaningful from a macro-economic perspective, a fiscal capacity should be sizeable enough – less than 1-2% of EU GDP was considered irrelevant. Since the dominant legal interpretation at that time was that the Commission could not massively issue debt within the framework of the EU budget, and given the difficulties to raise the ceilings of the EU budget, most experts called for the establishment of a fiscal capacity outside the EU budget financed through common debt or national fiscal transfers.

Should we return to the pre-Covid debates on fiscal capacity? I do not think so, for various reasons.

- In terms of governance and design, the NGEU has set a precedent. Now we know that it is possible to build up something sizeable within the framework of the EU budget. There is no need for complex inter-governmental structures, subjected to unanimity rule and weak accountability.
- In terms of coverage, the creation of NGEU and SURE covering the whole EU-27 makes it difficult to imagine the development of future eurozone-centred fiscal mechanisms.
- In terms of purpose, the case for a permanent EU insurance-based stabilisation instrument may be more difficult to sell politically after this crisis. The political narrative before Covid was that „we need to equip the euro with a fiscal stabilisation mechanism in order to protect the economies in the event of another crisis“. But, in fact, the eurozone economies have weathered the storm relatively well without having such an instrument. In a context of low interest rates and with a very active ECB, sovereign debt markets have remained calm and national governments have been able to pursue very expansionary fiscal policies. Part

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<sup>2</sup> An overview of the different proposals can be found in the 2020 annual report of the European Fiscal Board, section 5.2 („completing fiscal governance in the EU: a central fiscal capacity“).

of the reason why the markets have remained calm is the announcement of NGEU and SURE. Yet, this is not noticeable for citizens. Against these circumstances, it will be difficult to convince them about the need to set up a fully-fledged EU unemployment scheme or a rainy-day fund to deal with modest asymmetric shocks. If something, citizens have understood the value of quickly reacting to crises by setting up exceptional, ad hoc and temporary instruments (NGEU, SURE) but not necessarily the need for permanent EU fiscal stabilisation in normal times.

- At the same time, there are new and powerful arguments in favour of a EU fiscal capacity for allocative purposes. There is growing recognition that Europe needs to massively invest in energy and transport in the coming two decades to succeed in the transition towards climate neutrality. Doing so while at the same time reining in national public debts will be a big challenge. As pointed out by Darvas and Wolff (2021)<sup>3</sup>, a possible solution to this trade-off between fiscal consolidation and climate investment needs could be the creation of a centralised EU borrowing mechanism to fund climate investment.

### **3. Different possible scenarios for the future**

Coming back to the initial question, will the NGEU pave the way towards more EU fiscal integration? We can imagine various scenarios, which are not necessarily mutually exclusive.

#### **3.1. EU's Covid debt is rolled over**

To start with, something that is conceived as temporary can unintentionally become permanent. In theory, the repayment of the EU's Covid debt shall conclude by 2058 at the latest. In practice, absent an agreement to create new EU revenue sources, debt repayments will have to be ensured by increasing Member States' national contributions to the next seven-year EU budget or major cuts on future EU spending programmes. EU budgetary negotiations, however, are terribly path dependent. Any proposal to significantly cut EU spending is likely to be blocked by beneficiary Member States. Faced with the perspective of seeing their national contributions increase, EU leaders may end up preferring to roll over the EU covid debt, postponing its repayment by seven additional years. This would not be illogical, if interest rates remain low. In this case, the debt rollover will not have any fiscal costs. It would also have other advantages. The additional EU debt-financing expenditure could be used to finance joint investments with strong EU-added value which are traditionally under-funded by the EU budget. Besides, keeping the EU Covid debt would help Europe to consolidate a common capital market and would strengthen the euro as an international currency.

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<sup>3</sup> Darvas, Z. and G. Wolff (2021) 'A green fiscal pact: climate investment in times of budget consolidation', Policy Contribution 18/2021, Bruegel

### **3.2. A new NGEU-type borrowing mechanism for climate investment**

Another possibility is that Member States and the European Parliament<sup>4</sup> agree to set up a new NGEU-type borrowing mechanism to support climate investment. This could be seriously envisaged as a solution if Member States struggle to reconcile fiscal consolidation efforts with the imperative to address climate investment needs. Financing climate investments by EU debt could be advantageous not only for highly indebted Member states but also for those having very strict national deficit rules (e.g. Germany). It is worth noting, in this respect, that whereas RRF loans will weight on national deficits and debts, Eurostat treats the EU borrowing to finance RRF grants as EU debt which does not record on national debts<sup>5</sup>.

This new „EU climate fund“ could be the result of an agreement to raise new EU debt. It could also be financed by rolling over the Covid debt, as a variant of scenario 1. The new fund could finance climate investment projects through calls prepared at the level of the Commission or provide support to national climate investment plans. In the latter case, it would have the additional advantage of allowing the EU Commission to closely control Member States' climate investment, reducing the risks of 'greenwashing' inherent to a 'golden green rule' applied at national level.

### **3.3. A permanent SURE-type fiscal stabilisation capacity for large crises**

As argued before, the crisis may have weakened the case for a permanent EU financial stabilisation capacity to deal with ordinary asymmetric shocks. There will be attempts to revive old proposals to set up a fully-fledged EU unemployment reinsurance scheme, or an EU rainy-day fund, but these are not likely to succeed. A more realistic scenario is to transform SURE – which is available until December 2022 – into a permanent instrument. This would imply having a 'dormant' instrument that can be quickly activated based on a well-defined clause in the event of another large crisis.

As proposed by Corti and Alcidi (2021)<sup>6</sup>, we could envisage some changes in the design of this permanent SURE to allow a quick activation. At present, SURE is backed by a EU budget guarantee reinforced by national guarantees,

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<sup>4</sup> The Parliament did not have a say in the creation of NGEU, which was based on a Treaty article that does not require Parliament's consent (art 122 TFEU). However, as part of the NGEU-MFF agreement the European Parliament has obtained the right to scrutinise any future setting-up of crisis mechanisms based on Article 122 TFEU. A specific procedure for this purpose is detailed in a joint declaration of 16 December 2020.

<sup>5</sup> Eurostat, Guidance note on the statistical recording of the recovery and resilience facility, Eurostat, Directorate D - Government Finance Statistics (Gfs) September 2021.

<sup>6</sup> Corti, F. and Alcidi, C. (2021) The time is ripe to make SURE a permanent instrument, CEPS policy insights, n. PI2021-10, June 2021.

and to activate it the Commission needs the consent of each and every Member State to provide the national guarantee. An option would be to build SURE 2.0 on a single EU budgetary guarantee, as it is the case for other EU lending programmes such as the Balance-of-Payments mechanism or the European Financial Stabilisation Mechanism (EFSM). Like these other programmes, the activation in this case would only require a qualified majority in the Council.

This permanent SURE would not be as ambitious as a fully-fledged EU unemployment scheme. It would be only activated in case of large crises, and would provide soft loans. At the same time, it would avoid the technical difficulties that entail the set up of a fully-fledged EU unemployment re-insurance scheme, which requires certain harmonisation of unemployment schemes. Politically, the extension of SURE is more realistic than the creation of a grant-based EU unemployment scheme.

### **3.4. Reforms in the EU budget without further centralisation**

Finally, there is also the possibility that NGEU does not lead to further centralisation but triggers some changes in the EU budget. In particular, there may be lessons drawn from the governance of the EU Recovery and Resilience Facility.

In principle, the RRF looks similar to the ‘classic’ EU structural funds. In practice, however, it works very differently. It is the Council, not the Commission, who adopts the national RRF plans. Investment is combined with reforms and closely aligned to country-specific recommendations formulated in the European Semester. The EU Commission’s controls over the use of the RRF funds are lighter and the disbursement of EU funds is based on the attainment of objectives rather than the declaration of costs incurred.

The experience with the RRF will undoubtedly influence the governance of other EU funds, particularly the EU cohesion policy funds. Over the last years, there have been steady efforts to simplify EU cohesion policy rules and procedures, adopt a more performance-oriented approach and strengthen the alignment of cohesion policy funds with the European semester. If the RRF governance proves successful in all these aspects and, above all, ensures a quick implementation of the funds without endangering the quality of investment, there will be pressures to implement a similar performance-based approach for the EU cohesion funds.

## **4. Final remarks**

The establishment of the EU Recovery Fund is an important step which will probably have long-term implications. It can also be seen as part of a deeper change in the EU’s fiscal policy thinking. Everywhere in the world there is a growing recognition that fiscal policy is back and deemed to play a

more relevant role in the coming decades. Europe in particular will need more fiscal activism, not only to support the post-Covid recovery but also to succeed in the transition towards climate neutrality and to sustain the EU's new geopolitical ambitions. This should logically translate into a strengthening of EU's fiscal policy capacity, but also a different philosophy in the coordination of national fiscal policies, both through the EU fiscal rules imposed by the Stability and Growth Pact and the EU state aid rules.

# THE CALL FOR MORE EUROPE IN THE AREA OF MEASURES AGAINST MONEY LAUNDERING

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## *Abstract*

*On 20 July 2021 the European Commission published a new legislative package in the area of measures against money laundering and terrorist financing. The main aim of the package is to respond to the need for more Europe in that area. This need was declared by some European Parliament Resolutions, an Action Plan of the Commission from May 2020 as well as ECOFIN Conclusions in November 2020.*

*The call for more Europe was provoked by some cross-border money laundering cases that affected several EU Member States. The problem is similar to the one that initiated the establishment of the EU Banking Union – EU Internal Market implementation of common rules in the fight against money laundering is currently fragmented by divergent national supervisory authorities and national financial intelligence units.*

*Some of the main amendments in that package in comparison to the current EU legal framework is a clear sign for more Europe. One of them is the proposal for the establishment of a new EU Authority that shall perform tasks and functions in the areas of measures against money laundering and terrorist financing. This Authority is planned to be called AMLA (Anti-Money Laundering Authority). Another important change will be the replacing of the current EU Directive by two legal acts – a new Directive but also a new directly applicable Regulation where many of the current EU provisions will be transferred.*

*However, the current call for more Europe in the area of anti-money laundering will not be easily adopted and implemented – there are many legal, institutional and political factors and challenges in this new EU reform.*

**Keywords:** EU reform, anti-money laundering, financing of terrorism

## 1. Introduction

The development of the EU Internal Market is a continuous and never-ending process.

The new realities and challenges in front of the EU lead to various and deep reforms in many policy areas, including the efforts to overcome the health crisis caused by COVID-19, the digitalisation of the EU economy and its single market, the prospect for the EU green deal, etc. These reforms are constantly changing the Internal Market for the EU-27 plus the other three countries from the European Economic Area Agreement (Norway, Iceland and Lichtenstein).

There is another recent EU reform in the financial services field that is rarely discussed in the news but that will also change significantly the European Union landscape in the future. This is the new reform in the areas of anti-money laundering and countering financing of terrorism.

The EU has started to implement anti-money laundering rules in the Internal Market since 1991. The Council Directive 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering, the so-called First Anti-Money Laundering (AML) Directive, established the first rules in this area for the EU Internal Market.<sup>1</sup> Currently, the 2015 Fourth AML Directive is applied in the EU, substantially amended by the 2018 Fifth AML Directive.<sup>2</sup>

Why there is a call for more Europe and for new EU reforms in the areas of anti-money laundering and countering financing of terrorism (AML/CFT)? Taking into account that the recent rules have only been applicable for the past few years in the EU. There are many reasons why such a call for EU reform and more Europe was spread across the EU and led to the new European Commission AML/CFT legislative package presented in July 2021.

One of them is the fragmented national supervision and national financial intelligence units' efforts to tackle the well-integrated EU-27 financial markets industry. Therefore, there is a call for new supranational and unified supervision, just like in the case of the Single Supervisory Mechanism in the EU Banking

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<sup>1</sup> Council Directive 91/308/EEC of 10 June 1991 on prevention of the use of the financial system for the purpose of money laundering, OJ L 166, 28.6.1991.

<sup>2</sup> *The Fourth AML Directive is:* Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (Text with EEA relevance), OJ L 141, 5.6.2015. *The Fifth AML Directive is:* Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU (Text with EEA relevance), OJ L 156, 19.6.2018.



Union, performed by the European Central Bank. Another reason for the new EU reforms is related to the difficulties experienced by the EU Member States to transpose and apply the EU AML/CFT Directives. Therefore, in the new 2021 legislative package many of the provisions in that area will be transferred to a directly applicable regulation. A third reason is the technological development and the wide-spread of crypto assets that may be also used for money laundering and terrorism financing purposes.

The current paper aims to discuss in more details this EU call for more Europe in the AML/CFT area, to identify what are the new realities and to present the main challenges for the new EU reform.

## **2. New realities – how the new EU reform was born?**

The need for continuous reform in the AML/CFT area was recognised by all EU policy making institutions in the recent years. In late 2018 the Fifth AML Directive, that amended substantially the Fourth one, was already published in the EU Official Journal. However, the Council stressed on the need the EU to take further non-legislative actions. These actions were primarily focused on the common and unified application of the AML/CFT rules across the EU. Therefore, the Council adopted in December 2018 an EU Action Plan on Anti-Money Laundering (Short term actions).<sup>3</sup> The measures of this Action Plan were targeted mainly to the European Commission and the European Supervisory Agencies (EBA, ESMA and EIOPA<sup>4</sup>). In late 2018 the European Commission also published a Communication in the field of AML/CFT, targeted specifically to the financial sector.<sup>5</sup>

All the legislative and non-legislative measures that were undertaken in the period 2015-2018 at EU level achieved some success. However, substantial problems remained. A clear proof for that are the alleged money laundering cases where several EU banks from different EU Member States were involved. These cross-border cases within the EU proved that the fragmented supervision and financial intelligence among EU-27 may not achieve satisfying results in a well-integrated EU Internal Market for financial services. The European Commission published in July 2019 a special report on those alleged bank money laundering cases. It concluded that as a result of those cases „it becomes even more apparent that the application of the [AML] framework is largely

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<sup>3</sup> Council of the EU (2018), „EU Action Plan on Anti-Money Laundering (AML) = Short term actions“, Brussels, 04.12.2018.

<sup>4</sup> For these three EU Supervisory Agencies in the financial services field, see the next section of the current report.

<sup>5</sup> European Commission (2018), „Strengthening the Union framework for prudential and anti-money laundering supervision for financial institutions“, Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the Economic and Social Committee and the Committee of the Regions, COM(2018)645 final, 12.09.2018.

divergent, presenting a structural problem in the Union's capacity to prevent that the financial system is used for illegitimate purposes."<sup>6</sup>

It became obvious that much more horizontal and profound EU reform will be needed in the area of AML/CFT. Therefore, the European Commission published in May 2020 a more detailed Action Plan, called an Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing. This Action Plan was structured in six pillars:

1. Ensuring the effective implementation of the existing EU AML/CFT framework;
2. Establishing an EU single rule book on AML/CFT;
3. Bringing about EU level AML/CFT supervision (this is the proposal for AMLA authority discussed in the next section of this paper);
4. Establishing a support and cooperation mechanism for FIUs;
5. Enforcing Union-level criminal law provisions and information exchange;
6. Strengthening the international dimension of the EU AML/CFT framework.<sup>7</sup>

Out of these six pillars, at least the second, the third and the fourth require legislative action by the EU. The result of this legal action is the Commission AML/CFT legal package that is the main focus of this report.

In November 2020 the Council of the EU in its ECOFIN format of the 27 ministers of finance approved conclusions. The Council's conclusions welcomed in principle the new May 2020 Commission Action Plan and agreed on the need of reform and on the main pillars of this reform.<sup>8</sup>

The European Parliament has also issued a number of Resolutions in the AML/CFT area in the recent years. One of them is again related to the May 2020 Commission Action Plan.<sup>9</sup>

Step by step, a new EU reform in the area of anti-money laundering and countering financing of terrorism was born. This reform is currently driven by the July 2021 AML/CFT Commission draft legislative package, comprising four legislative dossiers:

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<sup>6</sup> European Commission (2019), „Report on the assessment of recent alleged money laundering cases involving EU credit institutions“, Report from the Commission to the European Parliament and the Council, COM(2019) 373 final, Brussels, 24.7.2019.

<sup>7</sup> European Commission (2020), „Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing“, Communication from the Commission, Brussels, 13.05.2020.

<sup>8</sup> Council of the EU (2020), „Council Conclusions on anti-money laundering and countering the financing of terrorism“, Brussels, 05.11.2020.

<sup>9</sup> European Parliament (2020), „Resolution on a comprehensive Union policy on preventing money laundering and terrorist financing - the Commission's Action Plan and other recent developments“, 2020/2686(RSP), Brussels, 10 July 2020.

- Regulation for the establishment of a new AML/CFT Authority (called AMLA);
- New Directive repealing the current Fourth and Fifth AML/CFT Directives;
- A new directly applicable Regulation where many of the current directive provisions will be transferred and amended;
- A revised (recast) Regulation on the information accompanying transfer of funds and certain crypto-assets.

The first legal proposal is discussed in section 3 of this report, the second and third one in section 4 and the fourth one is section 5. All these proposals are related to the call for more Europe in the reformed EU AML/CFT policy.

### **3. AMLA – the new Kid on the Block**

After the global economic and financial crises which started in 2007-2008, the EU responded with establishing many new bodies and agencies in the financial services field. The recent decade has witnessed a number of new agencies, mechanisms and funds at the level of EU financial markets. They are the EU's response to the challenges in the financial services sector. Some of them are:

- the European Banking Authority (EBA), the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA) - the three EU agencies in specific sub-sectors in the financial services field;
- the European Systemic Risk Board (ESRB) was established to oversee the financial system of the EU on macro level;
- the European Central Bank was assigned the supervisory functions over the systemic banks in the Single Supervisory Mechanism within the EU Banking Union;
- the Single Resolution Board was established as a central body within the Single Resolution Mechanism within the EU Banking Union;
- the Single Resolution Fund is also part of the Single Resolution Mechanism;
- the European Stability Mechanism (ESM) is providing financial assistance to the euro area Member States.

The European Commission has also its powers as an independent policy institution, including the right to propose new legislative proposals and to monitor the implementation of the EU law. The ECOFIN Council of the EU and the ECON Committee at the European Parliament also participate in the EU decision making process. At the same time, the national authorities are also actively contributing to the EU financial services landscape – national supervisory authorities, national resolution authorities and funds, national deposit guarantee schemes, depositary institutions, national financial intelli-

gence units in the AML/CFT sector, etc. New EU agencies and mechanisms are also planned such as for example the European Deposit Insurance Scheme (EDIS), the European Monetary Fund that shall eventually replace ESM or a European Minister of Finance but there is still no political will for these three projects.

Who shall be the new kid on the block? The building of too many EU agencies will soon be enlarged with a newcomer: the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA). The need for such an EU authority is explained by the European Commission with the same arguments as for the other EU agencies. The Internal Market of the EU-27 is well integrated for the European financial institutions, companies and business. However, the national supervision of the financial institutions and the tasks of the national financial intelligence units are fragmented and do not correspond to the realities of the EU Internal Market. Furthermore, when it comes to issues such as crime and money laundering, we shall admit that criminals are even much more integrated, cooperative and creative when they establish their cross-border networks and schemes. Recent money laundering cases in the EU, including in cross-border banking, have also demonstrated the integrity and success of some money laundering schemes across the EU Internal Market.

Therefore, one of the main proposals of the new AML/CFT legislative package of the European Commission is the draft Regulation establishing AMLA.<sup>10</sup> In accordance with the legislative proposal of the EC, the Authority for Anti-Money Laundering and Countering the Financing of Terrorism shall have two main areas of activity:

- Supervision of selected entities in the financial services field. As pointed out by the European Commission, AMLA shall become the centre of an integrated system of national AML/CFT supervisory authorities. It shall ensure their mutual support and cooperation. Another aim is supervisory convergence in the AML/CFT field and a common supervisory culture. For the financial sector AMLA shall have powers to directly supervise selected financial sector entities – those that are exposed to the highest AML/CFT risk.<sup>11</sup>
- In relation to the financial intelligence units (FIUs) AMLA shall facilitate the coordination between them, shall establish standards for reporting and information exchange and shall host the central online system FIU.net.

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<sup>10</sup> European Commission (2021), Proposal for a Regulation of the European Parliament and of the Council establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No. 1093/2010, (EU) No. 1094/2010, (EU) No. 1095/2010, COM (2021) 421 final, Brussels, 20.07.2021.

<sup>11</sup> AMLA shall have only a coordination role in the non-financial sector. For further information, see: European Commission (2021), Questions and Answers: Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT), Brussels, 20 July 2021.

It is envisaged at this stage that AMLA shall have around 250 staff members by 2026 when the agency shall be fully operational. Out of these staff members, around 100 shall work on direct supervision of certain obliged entities. This will be done in joint supervisory teams with the participation of the staff of national supervisors responsible for these entities.<sup>12</sup>

National supervisors and national financial intelligence units will continue to exist and to perform their functions. The new EU agency (AMLA) shall not only exercise direct supervision over certain selected entities but it shall be able to enhance the cooperation among national supervisors and FIUs in a single state or in the whole EU Internal Market.

AMLA will have extensive powers and tasks at EU level. The future establishment of this new Agency with substantial EU supervisory and coordinating functions is a clear proof that there is a call for more Europe in the AML/CFT field.

#### **4. Why there is a need for a directly applicable regulation?**

Another call for more Europe in AML/CFT field is the establishment of the Single EU rulebook in that area. The European Commission explains that the Single EU rulebook are all those directly applicable AML/CFT rules and requirements on obliged entities that will no longer need transposition into national law.<sup>13</sup> As already mentioned, all the current main AML/CFT rules are in the form of a Directive that need transposition in Member States legislation. The problems with such an approach are that Member States often delay or transpose incorrectly some directive provisions. This leads to a distortion in the EU Internal Market on AML/CFT and not unified application of those rules.

Therefore, the new July 2021 Legislative package includes for the first time a directly applicable Regulation in the area of AML/CFT.<sup>14</sup> This Regulation shall be approved by the European Parliament and the Council. However, taking into account that in the EU there are 27 different jurisdictions each with its own legal and institutional specificities, some of the future EU AML/CFT rules will continue to be in the form of directives that will need further transposition. This will be the so-called Sixth AML Directive.<sup>15</sup>

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<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> European Commission (2021), Proposal for a Regulation of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing, COM(2021) 420 final, Brussels, 20.07.2021.

<sup>15</sup> European Commission (2021), Proposal for a Directive of the European Parliament and of the Council on the mechanisms to be put in place by the Member States for the prevention of the use of the financial system for the purposes of money laundering and terrorist financing and repealing Directive (EU) 2015/849, COM(2021) 423 final, Brussels, 20.07.2021.

The majority of the new and revised rules will be in the form of a directly applicable regulation. Some of the main rules that are being transferred from the Fourth and Fifth AML Directive to the new AML Regulation are:

- the list of the obliged entities, including credit institutions (banks), financial institutions and many other that shall perform strict AML/CFT rules;
- the majority of the AML/CFT definitions;
- some exemptions on EU level;
- the rules on internal policies, controls and procedures of obliged entities;
- the customer due diligence measures;
- the transparency rules on beneficial ownership (the rules for the beneficial ownership registers remain in the directive);
- the reporting obligations by the obliged entities;
- the data protection and record-retention rules;
- the measures to mitigate risks deriving from anonymous instruments.

The majority of the new EU rules will be in the form of a directly applicable European Parliament and Council Regulation for the first time in the AML/CFT legal history of the EU. The rules in that area will apply an approach that is already used in the EU financial supervision where both a regulation and a directive coexist in order to rule the respective area – for example for credit institutions and investment firms. This new approach in the AML/CFT field will ensure proper and more efficient application of the EU rules, i.e., this is more of a European approach with less maneuver for the national specificities of the Member States.

## **5. Amended rules for Crypto Assets**

The Proposal for a Regulation on information accompanying transfer of funds and certain crypto-assets (recast) is the fourth legal proposal of the European Commission in its July 2021 AML/CFT legislative package.<sup>16</sup> This Regulation shall replace the current Regulation (EU) 2015/847 on information accompanying transfers of funds.<sup>17</sup>

The main amendment to the current EU rules is the enlargement of the scope of the 2015 Regulation. The extension is for the information that accompanies the transfer of crypto assets. Currently, such an information is provided only for wire transfers in relation to the payments executed by payment service

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<sup>16</sup> European Commission (2021), Proposal for a Regulation of the European Parliament and the Council on information accompanying transfer of funds and certain crypto-assets (recast), COM(2021) 422 final, Brussels, 20.07.2021.

<sup>17</sup> Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006 (Text with EEA relevance), OJ L 141, 5.6.2015.

providers. The new proposal takes into account the technology developments and the wider spread of crypto assets in the EU Internal Market. It aims to enhance the measures against money laundering and at the same time to respond to the updated international standards, i.e., the recommendations by the Financial Action Task Force (FATF).

The recast Regulation contains a new chapter that provides transparency requirements and obligations for the crypto-asset service providers. There are requirements for both the crypto-asset service providers of the originators as well as obligations for the crypto-asset service providers of the beneficiaries of the crypto-assets transfers.

The July 2021 AML/CFT proposals are in line with the draft Digital Finance Package where a market for crypto-assets is already being initiated at EU level. All the crypto-asset service providers become obliged entities according to the new AML/CFT package. This is also in line with the international standards that are identified by FATF.

## **6. Conclusions**

There is a call for Europe in the area of measures against money laundering. The July 2021 AML/CFT legal proposals of the European Commission aim to respond to this call. The adoption of the new provisions shall establish a new European Authority in the AML area and shall transfer many current AML provisions to a new directly applicable regulation. They shall respond at the same time to the new technology developments and the amended international standards in the AML/CFT area. In principle, all the EU institutions agree that there is a need for such a reform, including the Member States in the Council of the EU.

However, the call for more Europe in the AML/CFT area is not without some important challenges. It will be difficult to transfer so many and substantial powers to a new EU Agency. There will be some legal impediments for establishing such an authority with direct supervisory powers in the EU Member States.

Another challenge is that the establishment of a new player in the AML/CFT field shall facilitate cross-border coordination for supervisory and financial intelligence purposes. But at the same time, this new EU player shall learn how to effectively perform its tasks with many other EU and national authorities and institutions.

Last but not least, criminals always try to be faster and to overcome new rules even before their adoption and implementation. It will be a challenge the call for more Europe in the AML/CFT field to bring a strong, tangible and sustainable success against those criminals trying to use the financial system for the purposes of money laundering and terrorist financing.



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# THE EUROPEAN SINGLE MARKET IN THE CIRCUMSTANCES OF THE COVID-19 PANDEMIC

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## **Abstract:**

*The aim of the report is to present research done by the author, concerning the development of the European Single Market in the circumstances of the COVID 19's pandemic. The research is based on twenty-seven in-depth interviews with experts in the studied field. Their point of view is compared with the author's thesis and hypotheses. The questionnaire is divided into four main blocks. The first aims at Internal market's role as main factor of the integration process. The second block seeks the experts' opinion about the effects (positive and negative) of the imposed anti-epidemic measures on the four freedoms. In the third block the questions are directed to the COVID 19's pandemic effects on EU Competition policy and EU Regional policy. The last fourth block examines the impact of the considered processes on the Republic of Bulgaria economic development.*

**Keywords:** Single Market, COVID 19's pandemic, integration.

## **Introduction**

The aim of this report is to present a study conducted by the author on the development of the EU Internal Market in the context of the COVID 19 pandemic. It is based on twenty-seven in-depth interviews with experts in the field. The interviews were based on questions identified by the author. By collecting and analysing the opinions of the experts, the aim was to use those as an antithesis or prove the author's point of view. Due to the brevity of this text, the author's perspective on the different aspects of the study is presented in a separate line in the table below as well as in the conclusions.

The questionnaire is divided into four main blocks. The first aims at identifying the importance of the EU internal market for the socio-economic deve-

lopment of the Member States of the Union. It focuses on the integration process and the challenges that accompany it. The second block seeks the views of the experts interviewed on the positive and negative effects of anti-polio measures on the free movement of goods, services, capital and people. In the third block, the questions focus on the impact of the COVID-19 pandemic on several key Union policies - competition policy, regional policy and trade policy. The final fourth block examines the impact of the processes on the economic development of the Republic of Bulgaria.

### **Selection of respondents for the interviews**

In selecting respondents, the author sought to identify experts who were representatives of the public, private or NGO sectors. In addition, many of them are active in teaching, others have been or are part of the country's government (mainly civil servants). In this way, the author has provided an opportunity to explore a wider range of views independent of each other. The profile of each of the experts interviewed is as it follows:

- Expert on EU regional policy and NGO sector representative;
- EU policy expert;
- Expert from a government agency in the field of labour and social policy;
- Expert in the field of EU Economic and Monetary Union;
- Specialist in the field of education;
- Expert in the field of taxation;
- Expert in European policies and projects;
- Expert in European affairs and education;
- Regional policy expert;
- Expert in financial services and consumer protection;
- Expert in European affairs;
- Specialist in tax and financial control;
- Expert from a state agency in the system of labour and social policy;
- Representative of a supervisory institution of financial institutions - BNB;
- Representative of a supervisory institution of financial institutions - BNB;
- Economist and employee of the Customs Agency;
- Macroeconomist and lecturer at the University of National and World Economy;
- Lecturer at the Faculty of International Economics and Politics, University of National and World Economy;
- PhD in European Studies and lecturer at the Department of Political Science, Sofia University;
- PhD in Economics and external expert at the European Commission;

- Master in European Studies and employee in an international company;
- Master in European Studies and Consul of the Republic of Bulgaria in an Asian country;
- Specialist in International Relations and Consul of the Republic of Bulgaria in an Asian country;
- Specialist in education;
- Specialist in administration and management and freelancer;
- Lawyer and expert in a managing authority;
- Lawyer and expert in a managing authority.

### **Analysis of respondents' answers and the author's theses**

The information gathered from the interviews is presented in a processed and synthesised form using a tabular format for each of the question blocks. It should be kept in mind that the above-mentioned individuals participated in the interviews in a personal capacity and the reflections presented on their part does not reflect the views of the institution, university or company at which they work. The order of the respondents' profiles in the above paragraph does not correspond to the numbering in the subsequent tables.

#### **BLOCK 1. The EU internal market - a driver of the socio-economic development of the Member States of the Union**

<b>Res- pon- dent</b>	<b>In your opinion, is the EU internal market still a major factor in the socio-economic development of the EU Member States?</b>	<b>In your opinion, what are the challenges for the integration process within the EU internal market (besides COVID 19) and its effective functioning?</b>
№ 1	Yes. It is a basic structure of the European unification.	A major challenge - the withdrawal of United Kingdom.
№ 2	It has been a major factor in the economic development, but not a key factor in socio-economic area.	A major challenge - the inefficiency and inability of the EU institutions to deepen integration in its positive dimension, as opposed to the other dimension where they are doing more than well.
	It is an increasingly key factor not only in the socio-economics, but also in the strategic development of Member States as players in the field of global politics, both individually and as part of the EU.	A major challenge - the different development level of the individual MS' markets and large differences between the regions.
№ 4	Yes.	Still significant differences in the mentality of the „Eastern“ and „Western“ blocks.

№ 5	Yes, and a strong one.	Lack of clear and user-friendly rules/ regulations; bureaucracy and corruption hinder a lot, and lack of know-how/ knowledge.
№ 6	Absolutely yes. It is the very foundation of the EU.	IM needs continuous improvement. Legislative changes are needed to be more detailed.
№ 7	No doubt. The EU economy, as measured by the EU internal market, is an accumulation of the complementary economies of EU MS, making it a better model than the model of individual national economies (even leading ones).	Member State's „clumsy“ legal frameworks, nationalist attitudes and poor education.
№ 8	It continues to be a key factor in the socio-economic development of the Member States of the Union.	Four main challenges: Brexit, the migrant crisis, digital transformation and the transition to green Europe.
№ 9	Yes.	Overcoming the so-called multi-speed Europe.
№ 10	It continues to be the most important part of the integration as it is the foundation on which the rest of the system has been built.	Challenges have a variety of origins. For example, different national treatment of potential or actual risks.
№ 11	It will always be the main factor of development.	Major challenges - the internal market consists of individual nation states that are not homogeneous; there is no common EU financial policy.
№ 12	Yes.	A major challenge - the macroeconomic performance of the European economy.
№ 13	Yes, together with the common trade policy.	A major challenge - growing protectionism (and populism) among Member States, which in turn has an impact on standardization processes and on EU Trade Policy.
№ 14	Definitely, the internal market continues to be a key factor.	Main challenge - how the rules for the functioning of the internal market are implemented in the economic and social development of the poorer regions of the Union.
№ 15	Yes.	N.A. (no opinion was expressed)
№ 16	Yes.	States' intervention in the market.

№ 17	Yes.	N.A.
№ 18	Yes.	Building a Digital Single Market, overseeing it, promoting digital technologies and achieving EU technological sovereignty.
№ 19	IM and trade policy are the main drivers of the Union's development.	Ensure equal market access for all MS, respectively applying uniform rules and quality standards.
№ 20	It continues to be a key factor.	To find a balance between cheap and lower quality (food) imports and local production. Brain drains from poorer to richer Member States.
№ 21	Yes.	Actions and measures against free movement of labour.
№ 22	Yes.	N.A.
№ 23	The IM is the basic economic „rationale“ for the existence of the EU.	Distribution of production capacity to avoid a „two-speed Europe“.
№ 24	Regulation of the internal market is improving, allowing it to remain a significant factor for socio-economic development.	Brexit and other factors (social, political or economic) that reduce investments in some MS, such as Hungary, Bulgaria, Greece.
№ 25	Yes.	N.A.
№ 26	It continues to be a key factor.	The challenges are faced by the less developed MS and are related to ensuring competition in terms of services' quality and education.
№ 27	Yes.	A major challenge - the synchronization of national legislations.
<b>Au- thor's thesis</b>	The EU's internal market is the main driver of the European economy. For this reason, its effective development (respectively slowing down or reversing this process) reflects on the socio-economic development of the Member States.	There is an unstable internal and external environment for the development of the EU, characterized by a changing geopolitical situation, increasing protectionism on world markets, the emergence of new economic forces, serious disparities in the economic development of Member States, the migrant issue, digital transformation and Brexit.

**BLOCK 2. The COVID 19 pandemic, anti-epidemic measures  
and the four freedoms of movement**

<b>Res-pondent</b>	<b>Do you think that the COVID 19 pandemic and the imposed anti-epidemic measures have slowed down the integration process within the EU internal market?</b>	<b>From your point of view, what are the effects (positive and negative) of the imposed anti-epidemic measures on the free movement of goods?</b>
№ 1	Yes.	They have a strong negative effect.
№ 2	Yes.	There may have been some transport difficulties. However, there is no real impediment to the movement of goods.
№ 3	Not significantly, not for everyone. First, the integration process itself has already reached a certain delay. The measures only intensified this delay effect.	The respondent explains that he has no direct observations, except as a consumer.
№ 4	Yes, but it is not possible to say to what extent.	Positives - shortening supply chains and using possible resources within the EU.
№ 5	The pandemic shows huge holes and fractures in all areas, not just in the internal market.	The negative effect is in the additional and more burdensome bureaucracy.
№ 6	The answer is not one-sided - yes and no.	Everything affects the four freedoms. The pandemic has raised a very important issue - the strategic autonomy of Europe. Strategic autonomy, in turn, directly affects the autonomy of Member States in the fields of defence, economy and energy.
№ 7	In the short term, yes.	In the short term, negative.
№ 8	Yes, it has slowed down the integration process, but in long term is expected to deepen the integration process between member states.	In the short term - a negative effect. The decline in GDP in all Member States and the decline in trade also play a role in this process.
№ 9	Yes.	Positive - wider consumption of national goods.
№ 10	It is not a matter of delay, but rather a temporary interruption of free movement.	Negative - temporary interruption of single market functions.
№ 11	Yes, in any case.	The movement of goods is seriously affected.

№ 12	The EU's „thin“ institutional architecture is unable to respond to the challenges of the EU's political crisis in a context of deepening social and economic inequality.	Those effects are not critical.
№ 13	They have slowed down the whole integration processes.	Negative - reduced and/or hindered movement of goods. Positive - the demonstrated flexibility of the single market and the political calls for further deepening the integration.
№ 14	The integration process only in some IM sectors has been affected.	The free movement of goods from sectors with a slowdown in growth has been negatively affected by the imposed anti-epidemic measures.
№ 15	Yes.	Positive: development of online trade. Negative: problem with transport, respectively with the movement of goods.
№ 16	Yes. The focus of policies has shifted.	Negative - export restrictions. No positives.
№ 17	Even if there is a „delay“ in the integration process, it is not irreversible.	It remains almost untouched.
№ 18	Yes.	Disruption of supply chains - negative effect on the industry sector.
№ 19	The Pandemic causes all processes to slow down.	Negative.
№ 20	They haven't slowed down the integration process. They've pushed the EU to „rethink“.	Negative - delays in deliveries and insufficient availability. No positives.
№ 21	Yes.	Negative effect.
№ 22	No.	There is no pronounced effect.
№ 23	No, the market is well integrated.	The free movement of goods has not suffered.
№ 24	Yes.	Negative - supply delays and the suspension of imports/exports of some products. Positive - tighter sanitary and hygiene controls.
№ 25	The pandemic has slowed down the world economy and the EU economy respectively, so priorities are shifting from integration and enlargement to launch and restart.	Negative in every aspect.



№ 26	Yes, because of the four freedoms restriction.	Negative - delays in supplies from outside the EU and even between MS. Dependence on supplies from outside the EU, which has affected the market, limiting and making the value of the final product higher.
№ 27	Yes, as a result of the economic impact of the pandemic.	Negative - restriction of free movement. Positive - development of new mechanisms of trade and exchange of goods.
<b>Au- thor's thesis</b>	Yes. As a result of the anti-epidemic measures, the functioning of the internal market is under a real threat. In addition, in a crisis situation (at least in its most acute phase), Member States are reluctant to give up competences and are more inclined to close themselves within their national borders.	The author's point of view about the measures' impact on all four freedoms is impressed in the next table, because of the correlation between the four elements.

**BLOCK 2. The COVID 19 pandemic, anti-epidemic measures  
and the four freedoms of movement (continued)**

<b>Res- pon- dent</b>	<b>From your point of view, what are the effects (positive and negative) of the imposed anti-epidemic measures on the free movement of services?</b>	<b>From your point of view, what are the effects (positive and negative) of the imposed anti-epidemic measures on the free movement of capital?</b>	<b>From your point of view, what are the effects (positive and negative) of the imposed anti-epidemic measures on the free movement of people?</b>
№ 1	Strong negative effect. Positive effect - the development of additional options and tools for on-line service delivery.	The free movement of capital is seriously affected. No positive effects.	Negative, until before the possibility of being vaccinated.
№ 2	Difficult or even totally banned movement of people has probably created problems with the provision of certain services, but it has stimulated the digital economy incredibly much.	Indirectly, there may be disinvestment (etc.) because of increased economic uncertainty, but this is a consequence of the epidemic itself, not the imposition of measures.	Positives: medical. Negative: economic, political, social, psychological.
№ 3	Forced digitalization of some administrative processes.	The effects have been mainly positive, in terms of increasingly sophisticated service design and delivery, including ensuring the security of capital and transactions.	Rather positive effect and not only because of the more relaxed physical access now, but also because of the incentive that physical restrictions have given to cultural institutions.

№ 4	It has strengthened one part of the sector - logistics, supply, but has had a very negative impact on another. Positive - the digitalization of the sector.	N.A.	The effects are concentrated in the negative spectrum.
№ 5	The negative effect is in the additional and more burdensome bureaucracy.	Stagnation. This is not necessarily positive or negative.	Entirely negative. States have suddenly shown that they are much more powerful and have a huge set of levers to „break“ the global world and (easy) movement.
№ 6	Everything affects the four freedoms. The pandemic has raised a very important issue - the strategic autonomy of Europe. Strategic autonomy, in turn, directly affects the autonomy of Member States in the fields of defence, economy and energy. Perhaps the most negative consequences are for the free movement of people.		
№ 7	Positive - the supply of services has expanded.	N.A.	Negative effect.
№ 8	For some sectors - strongly negative (tourism, transport). For others (telecommunications, digital services) - positive.	The movement of capital is less affected than the other three freedoms, however there is a Strong decline in Public and private investment.	Of the four freedoms of movement, the free movement of people has suffered the most from the pandemic.
№ 9	N.A.	Positive - preventing capital „flight“ from MS. Negative- reduced inflow of external capital.	Positives- attempt to contain the pandemic, transport emissions lowered. Negative- reduced revenue in international tourism for example.
№ 10	The free movement of transport services is being restructured and passenger transport is permanently affected. Introduction of some mechanism for union subsidisation of medical services.	The pandemic does not directly affect capital movement within the EU, but has an indirect effects through the dynamics of macroeconomic parameters.	De facto suspension of the free movement of persons.
№ 11	Severely affected by the crisis when related to physical movement.	Disincentive role of the imposed measures.	The restriction on free movement - a serious step backwards in European integration.

№ 12	Negative.	No serious effects identified.	Negative.
№ 13	Negative - reduced and/or hindered movement of services. Positive - the focus on a digital single market	The movement of capital is less affected than the other three freedoms.	Negative - reduced movement of people. Positive - the demonstrated flexibility of the single market and the political calls for further deepening.
№ 14	Imposed measures on services, engineering activities, consultancy activities cause neutral effects. Positive - expansion of the ICT sector as well as to the cost optimisation	The movement of capital is less affected than the other three freedoms - neutral effect.	Strongly negative due to a number of restrictions.
№ 15	Positive: development of online services. Negative: many businesses related to the provision of services went bankrupt.	The effects are rather indirect.	Negative effect.
№ 16	Positive - a big push towards innovation and changing the functional environment is forming.	N.A.	There is a reduction in physical movement but an increase in opportunities for workforce transfer in a digital environment.
№ 17	The restrictions of the provision of services, which generates negative economic consequences.	Not affected.	Restrictions on the free movement of people have significantly affected the economies of some MS.
№ 18	Strong negative effects related to the inability to carry out certain groups of economic activities. Positive in sectors related to the creation and dissemination of information and creative products.	The movement of capital is less affected than the other three freedoms - indirect effect.	Dominance of negative effects.
№ 19	Entirely negative is the catastrophic impact on service-providing industries.	Investments are very limited.	EU policy is not consistent, clear, and therefore fair.

№ 20	Negative - losses for businesses, difficult access to specific services by consumers. No positives.	There have been no measures imposed on the freedom of movement of capitals.	Negative - violation of the right to free movement.
№ 21	Negative effect.	N.A.	Negative effect.
№ 22	Negative when tied to the movement of people.	No effect	Negative effect.
№ 23	It has not suffered.	The movement of capital in the age of digital money is not affected by the pandemic.	COVID 19 stops mindless travel that is disguised as various types of tourism and is simply attracting people for consumption purposes.
№ 24	Negative - some services are limited.	Temporary decline.	Negative effect.
№ 25	Negative effect.	We turn money into commodities and commodities into money; when one of these conditions is violated, it inevitably affects that follow - hence the path of capital is violated.	Negative effect.
№ 26	Negative effect.	In the context of a pandemic, there has been a significant increase in the capital of the pharmaceutical companies at the expense mainly of social services, the funds from which have been redirected.	Strongly negative. Serious shocks in the tourism sector.
№ 27	Negative in some sectors related to physical contact. Positive - the developed of e-services.	Negative - decrease in investments.	Negative - limited movement.
<b>Au- thor's thesis</b>	Negatives: The imposed measures in the area of „Borders and Mobility“ obstruct the free movement of goods, before the creation of the so-called „green corridors“ for them. In addition, the provision of a number of services that do not exist in the digital environment is limited. This leads to a real impossibility to guarantee the availability of basic goods and services. There is a decrease in foreign direct investments. Positives: Rapid transformation of a number of sectors such as telecommunications, deliveries, administrative services, education in the direction of digitalization.		

### BLOCK 3. The COVID 19 pandemic and its effects on EU policies

<b>Res-pondent</b>	<b>In your opinion, should anti-epidemic measures change the terms of EU competition policy and in what direction?</b>	<b>Do you support government bailouts for public and private companies because of the COVID 19 pandemic? Under what conditions, what type of state aid, for which sectors of the economy and for how long do you think these measures should last?</b>
№ 1	No.	To some extent, for the most affected sectors.
№ 2	It should not, because this has been the core of the Single Market.	The pandemic has put economic entities in a very different and unexpected environment, which has doomed many businesses. Unnatural selection - the respondent supports.
№ 3	They should not change the terms of competition policy.	In general, the respondent supports the granting of state aid to public and private companies that have been honest taxpayers and belong to the lawful economic sector.
№ 4	It's a specific question - any change in the direction of support risks distorting competition - something the EU has a principled policy on.	Grants to businesses have a positive effect. Cannot give a definitive answer.
№ 5	Does not apply.	The respondent supports state aid for state-owned companies only. He is totally against private companies being assisted.
№ 6	There have already been some changes and there is likely to be a review of competition policy.	In fact, the question of to whom the state aid should be granted is very important. They are admissible only in certain cases.
№ 7	Yes. Better dynamics is needed.	Yes.
№ 8	In a pandemic, the terms of EU competition policy should also change, but this should only be temporary.	Supports the granting of SOEs/ state-owned enterprise/ to both public and private companies. Take a sector-specific approach.
№ 9	It should.	In general, yes, but under clear criteria and on a non-discriminatory basis.
№ 10	Some loosening of anti-subsidy and anti-cartel measures is possible in the short term - it should not become a permanent trend.	Subsidies are harmful and distort market mechanisms, ultimately leading to unfair competition and loss of incentives to innovate.
№ 11	Functioning well, probably minor changes needed in relation to similar crises.	Conditions of support should be carefully considered.

№ 12	N.A.	Yes.
№ 13	Measures should be short-term and have no long-term negative effects on the functioning of the internal market and competition rules.	All measures should be as limited as possible in their temporal scope and intensity.
№ 14	Competitive policy considers not only the shock experienced by the business and investment environment, but also the regional approach to rebuild primarily the poorest regions.	Yes.
№ 15	Yes.	Yes, in case there are restrictions imposed on the exercise of the relevant business.
№ 16	Yes, and they change it.	Yes.
№ 17	They should rather revise them and anticipate various asymmetric threats.	Supports the granting of state aid to public and private companies.
№ 18	N.A.	State aid is needed to speed up recovery from the pandemic. It should be targeted at those sectors that are most affected.
№ 19	Anti-epidemic measures must not be allowed to influence the terms of competition policy in the EU.	Support should be targeted at the sectors and business units that are actually affected.
№ 20	Yes, towards incentives to increase the independence of EU industry from third-country component supplies.	Yes, subject to proof of lasting losses due to the restrictive measures imposed.
№ 21	Increasing liberalization should be pursued.	Does not support.
№ 22	The respondent cannot establish a direct link between the measures and competition policy.	Absolutely. Measures can be both direct aid (payments, credits) and indirect - tax cuts. The duration should be until a sustained positive trend is established, indicating a way out of the crisis.
№ 23	The EU should focus on intensive production.	Does not support.
№ 24	N.A.	Yes.
№ 25	Yes, flexibility is needed, not conservatism.	State aid is necessary and useful if it is properly granted and properly used.
№ 26	Yes.	It is necessary to grant state aid to companies, but this aid should be linked to and depended on the extent of which the sectors they operate in are affected.

№ 27	Yes, they should correspond to maintaining and/or increasing competition in the EU market.	Yes, but to be differentiated and categorised based on clear and specific rules and requirements.
<b>Author's thesis</b>	The safeguards in place in the areas of Economic Measures and Public Health threaten the equality between economic operators, causing distortions of the pure market competition. This can be illustrated by the following example: the introduced temporary rules for easing the state aid regime allows the stronger economic Member States to support their productions (respectively economic operators), such as Germany, France, Austria and others. Despite the relaxed rules, less developed economic countries such as Romania, Bulgaria, Hungary and others, are not able to provide support in similar amounts of their production, so they are not able to respond to competitive pressure within the domestic market.	

### BLOCK 3. The COVID 19 pandemic and its effects on EU policies (continued)

<b>Respondent</b>	<b>Do you think that regional policy is one of the appropriate mechanisms (through the financial instruments, the European Structural and Investment Funds and other funds) for rebuilding the economy of the Union and, respectively, that of the Member States?</b>	<b>Between protectionism and liberalization - which do you think is the right approach for the economic recovery of the EU after the crisis caused by COVID 19? If protectionism is restored, can it also be between individual EU Member States or should it only be applied to third countries?</b>
№ 1	Yes.	The most complex issue is about balance. Protectionism must be towards third countries.
№ 2	Yes, the regional policy is very important.	N.A.
№ 3	Yes, but slightly modified according to the new dynamic circumstances.	Protectionism is acceptable under certain conditions. Liberalization is, by its very nature, the free movement of goods, capital and services, which, at least within the EU, must be maintained to the maximum extent possible in order to ensure the Union's continued socio-economic development.
№ 4	Yes, there are definitely mechanisms for that.	Protectionism is not the best economic approach because it always provokes right-proportional reactions.
№ 5	Yes, but it needs improvements for the effects to be felt.	Protectionism has not gone away - the EU acts protectionist enough as an organization.
№ 6	Yes, regional policy is an appropriate mechanism.	Protectionism has not saved anyone.
№ 7	Yes.	Only the liberalization approach is appropriate for the EU economic recovery.

№ 8	Yes, but applying traditional EU funds alone will not be enough.	Liberalization. The respondent believes that strict protectionist measures can achieve real and effective results in recovering from the pandemic.
№ 9	Yes, if the funds are used purposefully.	Protectionism would not contribute to a more effective recovery but would distort the economic environment.
№ 10	It is appropriate to use it to change the EU economy towards environmental policy objectives.	In the absence of global agreements in line with the EU and US global environmental policy agenda, serious economic and trade frictions and the emergence of protectionism are likely.
№ 11	Manly yes.	Some protectionism towards third countries only.
№ 12	Yes	There is no reason to use protectionist measures.
№ 13	Regional policy can be one of the main drivers of recovery.	Protectionism can have disastrous long-term consequences for intra-European trade and transnational economic relations.
№ 14	Yes, the regional policy method ensures that EU rules on the common market and competition is maintained.	A combination of the two approaches.
№ 15	Yes.	Somewhere in the middle. Protectionism only in relation to third countries, considering the principles of proportionality and subsidiarity.
№ 16	No.	Liberalism.
№ 17	Yes.	N.A.
№ 18	Yes.	Protectionist measures within the EU should be avoided.
№ 19	It is imperative that regional policy over the next 4 years is geared towards returning economies to pre-Pandemic levels.	Do not support either of the approaches; the most effective option would be to have a single policy for the EU's action in all areas affected by the pandemic in order to impose uniform rules and standards.
№ 20	Yes, it is a good recovery mechanism.	As a short-term solution, protectionism (both within the EU and towards third countries) is necessary to ensure the recovery of its own economy.



№ 21	Regional policy cannot solve a global problem.	Liberalism would lead to greater economic growth than protectionism.
№ 22	Yes.	Protectionism is only justified on a reciprocal basis when a third country applies it to the EU.
№ 23	All EU funds create a quasi-market.	There must be protectionism towards third countries.
№ 24	Yes.	N.A.
№ 25	Believes that funds are not being allocated properly.	Neither liberal theory works properly, nor protectionism.
№ 26	No.	Economic recovery from the consequences should be in the direction of liberalization, not protectionism.
№ 27	No.	Economic recovery should take place through policies aimed at a free market-oriented economy, business initiatives managed in conditions of transparency and publicity.
<b>Au- thor's thesis</b>	Regional policy should be one of the main mechanisms for overcoming the consequences of the crisis. It contains the necessary tools to overcome the differences and to give a new strong impetus to the integration process.	The single market is based on several interrelated policies that should provide the conditions for market liberalization, which in turn will have positive effects for producers and consumers. To adapt the internal market to the new global economic realities, it needs to be more efficient, more decentralized and more accessible.

#### Block 4. Impact of anti-epidemic measures on the economic development of Bulgaria

<b>Res- pon- dent</b>	<b>In your opinion, what are the effects of the anti-epidemic measures on Bulgaria's economy? Do they also have an impact on the country's EU integration process?</b>	<b>Do you agree that Bulgaria should use the legal possibilities in EU legislation (restrictions based on public health) to temporarily close its borders? Should such measures apply to all four freedoms and under what conditions?</b>	<b>What do you think will be the potential effects of the implementation of the National Recovery and Resilience Plan on Bulgaria's economy over the next 5 years? Do you think the plan will contribute to overcoming the economic and social consequences of the COVID-19 pandemic?</b>
№ 1	The economy is lagging behind, mostly because there are formal but not real anti-epidemic measures.	I agree about all four freedoms.	N.A.

№ 2	In general, the imposed anti-epidemic measures have a negative effect on the Bulgarian economy, but the respondent does not think they will prove decisive in slowing down our integration.	N.A.	N.A.
№ 3	The slowdown in the economic development of the country (for several reasons) is slowing down the integration process and making the gap between the RB and the most developed member states even deeper.	Yes, under well-defined and justified criteria.	Before the pandemic, there were several socio-economic problems. The effectiveness of the plan depends largely on whether its measures focus on these deficits.
№ 4	Negative - the most uncompetitive economy in the EU would find it difficult to speed up its integration in the absence of maturity to introduce real innovation, etc.	There is potential for many positive effects, but not optimistic.	N.A.
№ 5	The respondent does not have direct observations. Probably chaotic impact on the economy.	Yes, but with clear rules.	N.A.
№ 6	Measures have had a positive effect - for example in the direction of digitalization and service delivery, as well as the transformation of education. The negative effect is the slowing down of some industries and processes. No impact on the integration process.	There should be moderation in the application of this approach.	The question is whether this plan will be implemented - if so, significant investment will lead to growth.
№ 7	Negative for small businesses. The pandemic has a positive global effect on Bulgaria's integration in the EU in both directions - Eurozone and Schengen area.	Only relative to the movement of people and at peak pandemic statistics.	Indicates that he is not familiar with the plan. Expresses the view that the plan alone would not be sufficient.

№ 8	They also have a negative impact on the country's integration process in the EU, as there is no more tangible difference from the effects that are present for the other EU member states.	The measures applied should be proportionate to the effects sought and to the situation at a given time.	It should contribute to addressing the economic and social consequences, but with good planning.
№ 9	The measures have the greatest negative impact on small businesses. They have no impact on the integration process.	Should not apply to all freedoms.	Not optimistic about the implementation of the plan.
№ 10	Negative effects on the economy, but it is difficult to foresee the influence on the integration of the country.	If necessary, yes.	These effects will be like previous cohesion measures. Bulgaria's economic growth rates also depend to a greater extent on the inflow of foreign direct investments, the entry into the Eurozone, the accession to Schengen.
№ 11	Difficult economic situation. Difficult to assess whether it affects integration.	Only by necessity.	N.A.
№ 12	Negative effects on the economy.	Yes, under certain criteria.	N.A.
№ 13	The impact on integration processes is rather not observed. The effects on the economy are negative.	Disagrees that Bulgaria should use such restrictions given the nature of the Bulgarian economy.	It will have a positive result if the plan is effectively implemented.
№ 14	Slowdown in economic development. No opinion on the integration process.	Believes that the vaccination certificate should be used as such a tool.	Yes, with good planning, organisation, management and control of resources.
№ 15	Strong negative effects on the most affected sectors. Affects the integration process.	Bulgaria should follow the common EU policy.	Yes.
№ 16	Negative effects on the economy. No opinion on the integration process.	Yes.	N.A.

№ 17	It is early to say what the effects on the economy are, given the fact of non-implementation of the measures taken by the government. There is no opinion on the integration process.	Restricting only people's freedom of movement was deemed a successful practice.	It is early to make such predictions.
№ 18	The negative effects are pronounced and lead to a substantial reduction in macroeconomic activity. There is no opinion on the integration process.	Their justification is difficult to achieve.	The potential effects translate not only into overcoming the health and economic crisis and accelerating economic recovery, but also to transformational processes in the economy.
№ 19	Negative effects. On the integration process - Euroscepticism.	Would only be adequate at the initial stage of the pandemic.	There can be no objective answer to this question before there is a final version of the plan.
№ 20	The economic effects on the country are extremely negative. They have no impact on integration.	Restrictions should only apply to the freedom of movement of people.	N.A.
№ 21	Negative impact on the country's economy. Integration is naturally slowed down by general EU restrictions.	Yes, but you can't judge whether it's necessary for all four freedoms.	The respondent does not believe that the Plan will be the main factor for the development of the Bulgarian economy and for overcoming the consequences of the pandemic.
№ 22	Strong negative effect. No impact on integration.	Yes, but only temporarily, according to conditions	Positive, but depends on performance.
№ 23	No, the country is integrated within the EU. Negative economic impact.	Yes, the movement of people should be restricted. Of goods, services and capital should not.	No, targeted plans are not effective.
№ 24	A collapse in the economy, which affects integration to some extent, delaying the arrival of some investments, entry into the euro area, etc.	It is not needed.	Yes.

№ 25	Even before the pandemic, the country had integration problems. Economic negative effects.	No, other mechanisms should be found.	The country lacks appropriate conditions for the effective implementation of the plan.
№ 26	Strong negative impact on the economy. No impact on integration.	All four freedoms should be subject to similar measures if real prevention is to be sought.	N.A.
№ 27	Negative effect on the economy. No opinion on the integration process.	Yes, in case they are justified.	Positive, but depends on performance.
<b>Au- thor's thesis</b>	In recent years, the country's economy has been characterized by relative instability. Anti-epidemic measures reinforce this negative trend. Now it is difficult to predict a reflection on the influence of the anti-epidemic measures on the integration process, as it is rather slow.	Those measures should be used only as a last resort, in proportion to the effects to be achieved.	The plan, if it is effectively implemented, should lead to a gradual economic recovery. Together with regional policy, it is a good mechanism for overcoming the consequences of the pandemic.

**As a result of the in-depth interviews,  
the following was established:**

An interesting phenomenon is observed in block 1. The answers of the respondents to the first question almost completely coincide, and those to the second question complement each other and are not mutually exclusive. This confirms the fact that, on the one hand, the EU's internal market is the main driver of the European economy, and it is also the foundation on which the integration process is built. On the other hand, it directly corresponds to the author's point of view that its functioning is a subject to a number of internal and external challenges, the overcoming of which requires common rather than national solutions.

Focusing on the four questions, block 2 questions aim to identify the effects of anti-epidemic measures and their impact on the integration process. The following conclusion can be made as a result of the answers provided by the respondents: the pandemic has mainly a negative effect due to the severe restrictions it imposes on the free movement of goods, people, services and capital. Nevertheless, there are positive trends, namely the acceleration of the process of digitalization and transformation of a number of sectors, including the whole European economy. Due to its direct effect on the internal market,

the pandemic has led to a certain „slowdown“ in the integration process, which should not have negative consequences, on the contrary, it is likely to give it a new impetus.

The first, the second and the fourth questions are inextricably linked because of their thematic – competition policy, protectionism and liberalization, and state aid. It is clear that the change in one of these policies obliges the change in the other ones. Focusing on the first question according to the answers, the EU competition policy needed to be changed, to be more flexible to the „environment“. The second and fourth questions from block 3 are extremely debatable. In practice, the split in responses (one the one hand between first question and the other two ones, and on the other hand inside the last two questions) embodies the bifurcation in decision-making process inside the Member States and the EU itself on issues related to protectionism, liberalization and state aid. Nevertheless, it should not be forgotten that one of the basic principles on which the common commercial policy is based is that of opening up and liberalizing world markets. An expression of this aspiration is the practice of concluding so-called free trade agreements with third countries, which can be reformulated to some extent as a result of the pandemic, but not repealed. Seventy-seven percent of the respondents identified the Regional policy as an appropriate tool for overcoming the consequences of the crisis. This is logical, because this policy aims to improve economic conditions in regions of relative disadvantages in the EU.

For all three questions posed in Block 4, which are directly related to Bulgaria, the respondents give comparable answers. This is a proof of the negative economic effects of the pandemic on the country. It is interesting to note that a large number of respondents distrust the implementation of the National Recovery and Resilience Plan, despite its potential to generate positive economic growth. This is probably due to the dynamic political situation in the country in the last year and the lack of stable executive and legislative power.

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# THE IMPACT OF THE COVID-19 PANDEMIC ON GROSS VALUE ADDED BY ECONOMIC SECTORS IN THE EU COUNTRIES

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## ***Abstract:***

*The paper looks at the impact of the COVID-19 pandemic on gross value added (GVA) by economic sectors in the EU countries. The results obtained indicate the existence of certain specifics in terms of the impact of the pandemic on gross value added in relation to individual sectors of the economy, as well as in relation to individual Member States. In addition, peculiarities are observed in the manifestation of the effects of the pandemic on GVA across different economic sectors over time.*

**Keywords:** COVID-19, gross value added, economic sectors, European Union

## **Introduction**

The COVID-19 pandemic is the source of considerable health and economic problems across countries from all over the world. In order to limit the spread of the virus, unprecedented measures have been implemented that are associated with numerous restrictions affecting various aspects of the social and economic life. These measures have undoubtable negative effects on economic activity and are a source of serious challenges before the states and development of the world economy, including the economy of the EU. In view of the scale of the crisis, both health-related and economic, countries have begun implementing a number of anti-crisis measures aiming at restricting the negative consequences. Initially, these policies of the EU countries may have been better characterized as chaotic, inconsistent and uncoordinated. With some delay, however, the anti-crisis measures in the EU have turned into a more complex coordinated



effort to tackle the crisis.<sup>1</sup> A leading example is the comprehensive Recovery and Resolution Plan for Europe, which is the EU's largest stimulus package thus far, amounting to more than €2 trillion.

The goal of this paper is to study the effects of the COVID-19 pandemic on gross value added (GVA) in the European Union for the period between the first quarter of 2020 and the second quarter of 2021. The analysis focuses on GVA dynamics in individual economic sectors. This way, the similarities and discrepancies with regards to the impact of the crisis on individual economic sectors of the economy are outlined. Moreover, certain specificities relating to the particular GVA dynamics and structure in the different EU Member States are derived.

### Empirical Analysis

In the EU, a decrease in real gross value added was seen in the first quarter of 2020, with an observed decline of about 2.1% compared to the same period in the previous year (Figure 1). This has been the lowest GVA growth rate at that time in the EU for the last 11 years. The first quarter of 2020 was characterized by heterogeneity in the specific values of the GVA rate of change across individual EU countries. This heterogeneity was also associated with the value (positive or negative) of the change. The value of the GVA growth rate was negative in 11 countries (Belgium, Czech Republic, Germany, Greece, Spain, France, Italy, Netherlands, Austria, Portugal and Slovakia), while in the rest of the countries it remained positive.

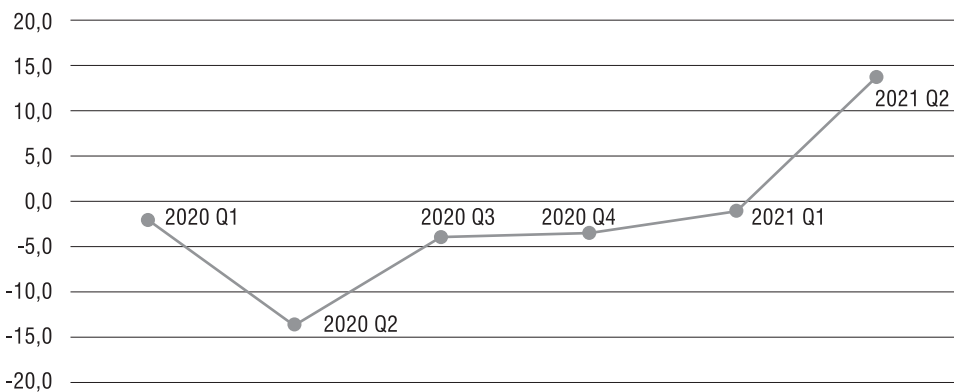


Figure 1. GVA growth rate in the EU (%)

Source: author's calculations based on Eurostat data.

<sup>1</sup> For a more detailed description of the tools and mechanisms in the EU for overcoming the consequences of the COVID-19 crises, see Georgieva, E., Velichkov, N., Stefanova, K. (2021), *European Studies: Current Economic Aspects*, Minerva (in Bulgarian); de Vet, J., et al. (2021), *Impacts of the COVID-19 Pandemic on EU Industries*, Publication for the Committee on Industry, Research and Energy, Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament.

The drop in the EU’s GVA resulted primarily from the reduction in the GVA in the services sector. This is hardly surprising, as the enforcement of the initial lockdowns in the first quarter of 2020 impacted mostly the services sector which had the highest relative weight in GVA (Figure 2). During this quarter, the decrease in the EU’s GVA created in the services sector was by about 1.8% compared to the same period in the previous year (Figure 3). The decline was the strongest in France and Italy, amounting to over 4%. The decline in services accounted for about 61.6% of the overall decline in the real EU’s GVA, with the negative contribution of the services sector to the GVA growth rate amounting to around 1.3 percentage points (Table 1). The other two sectors – industry, and agriculture, forestry, and fishing, also saw a decline in production. The decline in the industry sector was by 3.1%, and in the agriculture, forestry and fishing sector by about 0.8%. The industry’s negative contribution to the GVA rate of change was 0.8 percentage points, which represents about 37.8% of the decline in total GVA. Given the low relative weight of agricultural, forestry and fishing production in the overall EU’s GVA, the decline in this sector accounted for only 0.6% of the total decrease in GVA.

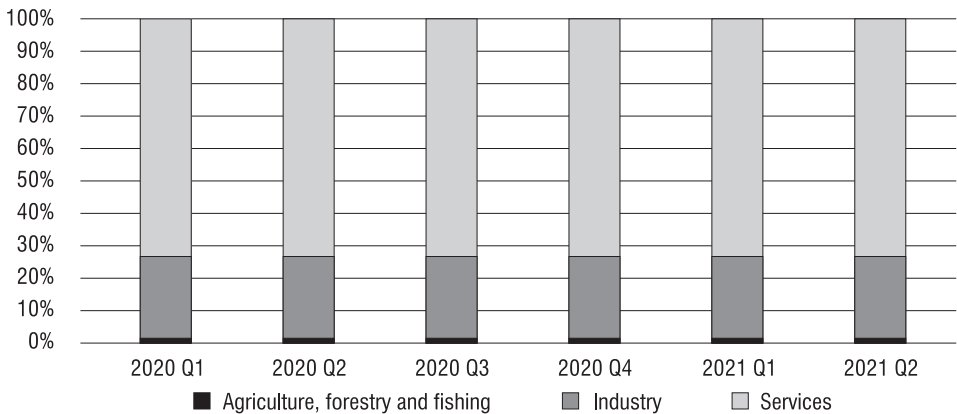


Figure 2. GVA structure by economic sectors in the EU (%)

Source: author’s calculations based on Eurostat data.

In the second quarter of 2020, the decline in EU’s GVA amounted to 13.9% compared to the same period in the previous year. During this quarter, a negative GVA growth rate was typical for all EU countries. Spain saw the largest decline, with GVA dropping by about 21.5%. The decrease in GVA was also relatively substantial in France and Italy, by 18.9% and 18.1% respectively. The absolute value of GVA growth rate was the lowest in Ireland, where the weakest decrease in GVA among all EU countries was reported- about 1.3%. In the EU as a whole, a decline in production in the second quarter was typical for all three main sectors. The decline was the strongest in the industrial sector, where the GVA generated by this sector dropped by 17.1%. Italy and France occupied

leading positions with regards to the decline in production in the industrial sector with a decrease of just over 26%. Manufacturing played a key role in the decline in the industry sector. The decrease in manufacturing for the EU in the second quarter of 2020 was about 19.5%. This decline accounts for about 77.4% of the decline in production in the industrial sector and for 24.4% of the decline in the EU's GVA as a whole.

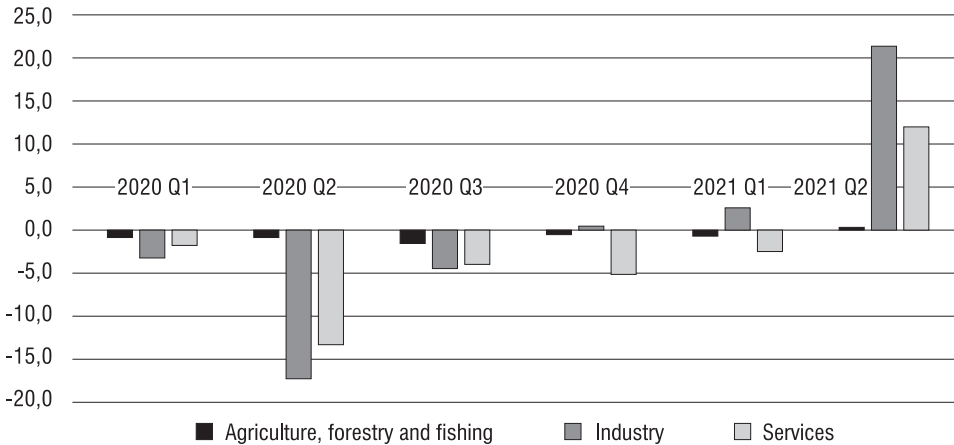


Figure 3. GVA growth rates by economic sectors in the EU (%)

Source: author's calculations based on Eurostat data.

For the second quarter of 2020, a double-digit decline was also observed in real GVA in the services sector. This decrease amounted to about 13.1%. The services sector continued to play a dominant role in the observed negative GVA growth rate in the EU. It can be noted that the negative contribution of the services sector to the GVA dynamics was at the level of 9.5 percentage points. This amounted to just over 68% of GVA decrease for the EU on the whole. The GVA rate of change in the services sector in the second quarter of 2020 had the highest absolute value in Spain. A significant declining in the services sector was observed in the some groups of services, namely wholesale and retail trading, transport, accommodation and food service activities. For these services, the decline in the EU was about 25% compared to the same period in the previous year. The decrease in this group of services formed about 51.1% of the GVA decrease in the services sector and about 34.9% of the total GVA decrease for the EU. The GVA in the group of services related to arts, entertainment and recreation, other service activities and activities dedicated to household and extra-territorial organizations and bodies, also saw a considerable decline of about 28.7%. It was those two service groups that were mostly affected by the lockdown measures. The decline in GVA in the EU was significantly smaller in the second quarter of 2020 in the information technology services and communication sector, financial and insurance activities and real estate activities with a drop of around 3%.

**Table 1. Weight of economic sectors  
in GVA growth rate in the EU**

	Agriculture, forestry and fishing		Industry		Services	
	Percentage points	Percent	Percentage points	Percent	Percentage points	Percent
<b>2020 Q1</b>	-0.01	0.57	-0.79	37.83	-1.29	61.59
<b>2020 Q2</b>	-0.01	0.08	-4.39	31.59	-9.50	68.32
<b>2020 Q3</b>	-0.03	0.76	-1.09	27.92	-2.78	71.32
<b>2020 Q4</b>	-0.01	0.24	0.00	-0.03	-3.63	99.79
<b>2021 Q1</b>	-0.01	0.89	0.65	-60.05	-1.74	159.16
<b>2021 Q2</b>	0.00	0.02	5.27	37.30	8.85	62.67

*Source: author's calculations based on Eurostat data.*

In the third and fourth quarters of 2020, as well as in the first quarter of 2021, the GVA growth rate in the EU continued to be negative, amounting to -3.9%, -3.6%, and -1.1%, respectively. During these three quarters, a decline in real GVA was typical of most EU Member States with a few exceptions (an increase in GVA in the third quarter of 2020 was observed in Ireland and Lithuania; in the fourth quarter of 2020 in Ireland and Luxembourg; and in the first quarter in 2021 in Estonia, Ireland, France, Italy, Lithuania, Luxembourg, Romania, and Slovenia). The strongest GVA drops during these three quarters were seen in Malta, Spain and Austria, respectively.

The GVA dynamics in the EU in the three main economic sectors during these three quarters demonstrate certain specificities. While the services and agriculture, forestry and fishing sectors saw a negative GVA growth rates for all three quarters, in the industry sector the corresponding growth rate was negative in the third quarter of 2020, zero in the fourth quarter of 2020 and positive in the first quarter of 2021. The latter is an indicative of a sustainable reduction of the negative and formation of a positive effect of industry on the GVA dynamics. It can be noted that in the first quarter of 2021, the positive contribution of the EU industry to the real GVA rate of change, amounted to about 0.7 percentage points. A positive contribution of the industry in the first quarter of 2021 was typical for most EU countries, with the only exceptions being Bulgaria, Czech Republic, Germany, Estonia, Spain, Latvia, and Finland. The strongest negative effects on the industry related to the dynamics of real GVA in the first quarter of 2021 was observed in Bulgaria and Estonia. These are the two EU Member States in which the decline in production in the industrial sector was the highest, 3.3% and 2.9% respectively.

The services sector continued to dominate the observed GVA decline in the EU in the last two quarters of 2020 and in the first quarter of 2021. The contributions of the services sector towards the GVA change rate during these three quarters were -2.8, -3.6, and -1.7 percentage points, as their relative weight in the GVA dynamics amounted to 71.3%, 99.8% and 159.2% respectively. The discussed GVA dynamics features in the services and industry sector in these three consecutive quarters lead to a decrease in the relative share of services in GVA at the expense of increasing the relative share of industry and a consistent share of agriculture, forestry and fishing. Moreover, there are specifics in the dynamics of individual groups of activities in the services sector. The group of wholesale and retail trade, transport, accommodation and food service activities, as well as the group of arts, entertainment and recreation, other service activities, activities of household and extra-territorial organizations and bodies, are characterized by the strongest reduction in production. The first group of activities also has the strongest contribution to the reduction of GVA. Its negative effects accounted for 45.5%, 57.1%, and 120.5% of the real GVA decline in the third and fourth quarters of 2020 and the first quarter of 2021, respectively. Reduction of production was also seen in the professional, scientific and technical activities and administrative and support service activities, as well as in real estate activities, with the negative effects of real estate activities on GVA change rate being significantly weaker. Only the activities related to information technology and communications saw positive real GVA growth rates in each of these three quarters. This is hardly surprising given the transition to remote operations and the digitalization of a number of activities and processes. It is the growth of GVA in the information technologies and communication activities that has played the role of the most stimulating factor in the GVA dynamics in the EU among the various groups of activities in the services sector.

In the second quarter of 2021, a positive GVA growth in the EU was seen, amounting to 14.1%. An increase in GVA during this quarter was observed in all EU countries. The strongest growth was observed in Ireland, Spain, Italy, and France. This increase was due to the growth of production, both in the industrial sector and in the services sector. The real GVA in the industry in the second quarter of 2021 increased by about 21.4% compared to the same period the previous year. The observed growth in the services sector amounted to 12.1%. These industry and services growth rates generated positive contributions to the GVA dynamics, amounting to 5.3 and 8.9 percentage points, respectively, which in turn formed about 37.3% and 62.7% of the GVA growth in the EU. The contribution of production in the agriculture, forestry and fishing sector to the GVA growth rate during this quarter was close to zero. Italy occupied a leading position among EU countries in terms of GVA growth in the industry sector, while Spain had a leading position in the services sector. This is far from surprising given the observed sharp decline in these two countries during the same period in the previous year.

It should be emphasized that in the second quarter of 2021 the growth of GVA in the group of activities related to manufacturing was about 25.6%. This had a strong positive effect on the GVA growth rate in the EU, which was estimated to be 4.2 percentage points. This contribution of manufacturing accounted for about 29.5% of the GVA growth in the EU. As far as individual groups of activities in the services sector in the EU's economy are concerned, GVA growth was seen for each group. The highest growth rate was observed in the group of activities that include wholesale and retail trade, transport and logistics, accommodation and food services. This growth was about 21.7% and accounted for about 26.1% of the GVA growth in the EU. The group of activities related to public administration, defence, education, healthcare and social work had a relatively strong stimulating effects, as well as the group of professional, scientific and technical activities and administrative support service activities. The contribution of each of these two groups to the overall GVA was a little over 12%.

## Conclusion

The performed empirical analysis demonstrates that the impact of COVID-19 on GVA dynamics in the EU is strong, showing certain specifics in relation to individual economic sectors, as well as some peculiarities over time. Changes in GVA are determined primarily by the dynamics of the services sector. Its negative effects play a dominant role in the GVA decline in the EU observed in each of the four quarters of 2020 and the first quarter of 2021. The positive impact of the services sector was seen only in the second quarter of 2021, which determined the relatively high GVA growth rate in the EU during this quarter.

The individual groups of activities in the services sector show strong peculiarities, which is primarily due to their different sensitivity to measures related to the social and economic restrictions, as well as to the acceleration of the digitalization processes in association with these restrictions.

The dynamics of production in the industrial sector had a negative impact on GVA in the first three quarters of 2020, zero effect in the fourth quarter of 2020, and a positive effect in the first two quarters of 2021. Given the low relative importance of the agriculture, forestry and fishing sector, its contribution to the GVA dynamics is insignificant.

The changes in production in individual sectors are the basis for the observed decline of the relative share of services in GVA at the expense of increasing the relative share of industry with a constant share of agriculture, forestry and fishing in the last two quarters of 2020 and the first quarter of 2021.

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# EU Enlargement and Neighbourhood Policy





# HAS EUROPE LEARNED ALL THE WRONG LESSONS FROM BREXIT?

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## ***Abstract***

*In June 2016, Britain, a member of the EU since 1973 and one of its largest economies, voted to leave the formal institutions of the European integration process. Notwithstanding the importance of that event, Brexit remains completely absent in current debates regarding the EU's future. This absence reflects both a political desire in Brussels „to move past Brexit“ and a reordering of European priorities given the onset of the Covid-19 pandemic in early 2020. This paper identifies that the EU's approach to British relations since 2016 has been defined by two characteristics. First, a stable and persisting unity on all major issues. Second, a disciplined focus on the technical details of Brexit. However, this approach is not without serious risk. It has caused the EU to overlook how the EU's strategic choices evolved, shaped and influenced Britain's position in Europe since the 1980s. It has also caused Brussels to underestimate the strategic importance of Britain and to undervalue the wider benefits it accrues from its close relationship with the United States. The implications of those „lost“ lessons are relevant to the future development path of the EU. They will also pose a challenge to several Central and Eastern European members of the EU in the years ahead.*

**Keywords:** Britain, European Union, Brexit, Conference on the Future of Europe, European Integration

Remarkably, for such a seismic event, Brexit continues to be noticeable by its absence in the formulation of future European Union (EU) strategy. The ongoing Conference on the Future of Europe (CFE), established to identify the reforms required for a more efficient EU, makes no direct reference to Brexit.<sup>1</sup> Formalised from an original Franco-German proposal published in November 2019, the CFE is organised on the principle of active citizen parti-

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<sup>1</sup> The Conference on the Future of Europe (CFE) is a joint undertaking of the European Commission, European Council and European Parliament. It was officially launched in May 2021.

cipation through events, European citizen panels and Conference plenaries. The subsequent Joint Declaration of the EU institutions officially launching the CFE refers only to the „multiple challenges“ facing the EU and to the Covid-19 pandemic, but not specifically to Britain or Brexit.<sup>2</sup>

Similarly, in Strasbourg at the launch event of the CFE in May 2021, President Macron referred only to „an unprecedented pandemic that has affected us for more than a year worldwide“.<sup>3</sup> Even the European Commission President, Ursula von der Leyen, in her annual State of the Union address delivered in the European Parliament in September 2021 failed to offer a single reference to Britain, Brexit or the future of the Anglo-EU relationship.<sup>4</sup>

Section 1 of this paper discusses how the explicit absence of Brexit in current EU strategic debates reflects a political desire in Brussels „to move past Brexit“. It also highlights how the onset of the pandemic in early 2020 has supplanted Brexit as the key driver of change in the EU’s future strategic development. Section 2 illustrates that the EU’s assessment of Brexit as being solely a British issue risks, minimising its true impact on the European integration process. It also lessens the probability of Brussels fully understanding Brexit’s longer-term causes.

Section 3 concludes by highlighting two important lessons arising from Brexit which have been overlooked by the EU. Firstly, Brexit evolved, was shaped and influenced by the EU’s strategic choices made over several decades. Secondly, the EU continues to underestimate Britain’s strategic importance and understates the strategic risks to Europe of an even mildly successful Britain.

## 1. Brexit. What Brexit?

The absence of Britain, or Brexit, from the founding rationale of the CFE can, in part, be ascribed to the onset of the Coronavirus pandemic in early 2020. It’s subsequent fallout – a level of socio-economic disruption not seen since the Second World War – has resulted in significant economic disruption across Europe and indeed globally. The fiscal supports required to combat the worst effects of the pandemic have significantly increased national debts. The Eurozone’s debt to-GDP ratio exceeded 100% in the first quarter of 2021 (up from 84% in 2019) with debt levels already exceeding 130% of GDP in Greece, Italy and Portugal.<sup>5</sup>

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<sup>2</sup> European Parliament - European Council - European Commission, *Joint Declaration on the Conference on the Future of Europe: Engaging with citizens and democracy - building a more resilient Europe*, 10 March 2021.

<sup>3</sup> Statement by President Macron, launch event of the Conference on the Future of Europe, Strasbourg, 9 May 2021.

<sup>4</sup> President Ursula von der Leyen, Strengthening the Soul of our Union, State of the Union address, Strasbourg, 15 September 2021.

<sup>5</sup> Eurostat, *Euro indicators*, Brussels, 22 July 2021.

The public response to the pandemic – unprecedented fiscal supports to match a very loose monetary policy – has resulted in Europe confronting an almost unprecedented set of economic circumstances. Low interest rates (a remnant of Europe’s sluggish recovery from the Great Recession) have now been paired with tapering fiscal supports, soaring consumer savings, booming assets prices (including housing), increasingly unequal labour markets and rapidly rising public and corporate debt.

In this context, and given the scale of the global economic turmoil evident since early 2020, it is clear that the ongoing pandemic has superseded Brexit as the key rationale underpinning the CFE and EU strategic thinking generally. The scale and potential difficulties arising from the protracted Brexit negotiations since 2016, and the many disagreements between Britain and the EU which remained in 2021, pale in comparison to the fundamental challenges raised by the Coronavirus. For the EU, Brexit has now just become one challenge of many.

The Coronavirus has also fundamentally changed the political landscape in Brussels. The nature of the pandemic – a public health crisis impacting across all member states and social strata – has strengthened the rationale of those seeking a bigger, more confident EU. A Europe with wider competencies enabling it to undertake more European wide policy initiatives. This is addressed in the Joint Declaration on the CFE which specifically sets out that:

*„To address geopolitical challenges in a post Covid-19 environment, Europe needs to be more assertive, taking a leading global role in promoting its values and standards in a world increasingly in turmoil.“<sup>6</sup>*

To this end, it appears that the CFE has been primed to become the vehicle for delivering a post-Covid vision of the EU. A vision that is based on a more assertive, powerful EU. A more coherent EU, better able to respond to challenges, both political and economic, arising from geo-political challenges like Afghanistan, China, tackling climate change and the digitalisation of society.<sup>7</sup>

However, the strategy of attempting to use the CFE as an umbrella response for multiple challenges – in the Joint Declaration this includes everything from social justice to combatting carbon emissions – is problematic. The challenges are so big that the final recommendations risk becoming generalised statements of approach, rather than discernible policy actions. Also, the entire CFE will be compromised if its final recommendations are seen, to just broadly mimicking the existing priorities of the European institutions. Given the prominence allowed to specific issues highlighted in the Joint Declaration this latter possibility should not be discounted.

In this context, the entire Brexit process – including the lessons learnt for the EU – have been subsumed into the much broader questions to be tackled

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<sup>6</sup> *Joint Declaration on the Conference on the Future of Europe.*

<sup>7</sup> State of the Union address, 2021.

by the CFE. This makes it very difficult for the CFE to specifically address how Brexit has (and will continue to) alter the operation of the EU in the years ahead.

There remains no reflection process within the EU dedicated to understanding the longer- term drivers of the Brexit process.

This approach also carries the risk that the EU, in seeking to increase its relevance in the post-Covid environment, will simply regard the aftermath of Brexit as just another challenge in the post-Covid world, rather than giving this issue the detailed analysis it requires. Because trying to understand the voluntary detachment of one of the EU's largest economies after nearly fifty years of membership should be one of key priorities for Brussels in the years ahead.

However, as with the current structure of the CFE, „*moving past Brexit*“ has become the dominant political theme in Brussels. A strategy strengthened by the onset of the pandemic which has allowed the EU to recast itself as an actor on the global stage while simultaneously seeking to deepen the integration process.

## **2. Brexit. It has nothing to do with us!**

Brexit has not been the impetus for reassessing the EU's future development path. Nor has any attention been focussed on the role EU policy played, directly or indirectly, in creating the conditions which facilitated the 2016 referendum result. In fact, such reassessments are more noticeable for their absence. As noted, the pandemic and its consequences, have become the key underpinnings of the EU's forward-looking strategies.

Rather, the EU approach to „*understanding*“ Brexit has focussed exclusively on how British domestic interests (both political and economic) utilised the question of Europe to achieve their own narrow domestic aims. An agenda predicated largely on the concept of „*Global Britain*“. This vision, in the words of the current British Prime Minister Boris Johnson, set Brexit as a choice between a „*dynamic liberal cosmopolitan open global free-trading prosperous Britain, or a Britain where we remain subject to an undemocratic system devised in the 1950s that is now actively responsible for low growth and in some cases economic despair*“<sup>8</sup>

Although it is clear that Brexit was a process overwhelmingly driven by internal British debates, it also displayed a „*revolutionary phenomenon which radicalised as time went on*“.<sup>9</sup> This chaotic, internalised nature of Brexit has been reinforced – in the eyes of the EU – by the subsequent approach of successive British governments to negotiations with Brussels in the period

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<sup>8</sup> Boris Johnson, „The Liberal Cosmopolitan Case to Vote Leave“, *Why Vote Leave*, 9 May 2016.

<sup>9</sup> Ivan Rogers, *9 Lessons in Brexit*, London, Short Books, 2019, 48.

since 2016. An approach which still compromises present Anglo-EU relations, most specifically with regard to the Northern Ireland border.

For many in Continental Europe the entire Brexit process is evidence of Britain's long standing ambivalence about European integration, and the ultimate reminder of Westminster's shallow transactional focus with Europe.<sup>10</sup> This view feeds into the related narrative that Brexit was the inevitable result of British „exceptionalism“ stretching right back to the aftermath of the Napoleonic wars.<sup>11</sup> It also gives credence to the analysis that the „awkward Brits“ were holding back the process of European integration.

In this reading of Brexit, „*the United Kingdom's departure gave it (the European Union) a jolt of creativity dictated by circumstance*“.<sup>12</sup> A shock which has produced „*fertile soil for another attempt at deepening integration*“.<sup>13</sup> In this context, Brexit has simply become the most obvious sign that the EU must become even more integrated to survive. This is the view of President Macron, who in acknowledging the need to learn lessons from Brexit, identifies „*more Europe*“ as the only path forward to compete with China and the United States, and to meet the challenge of combatting climate change in the decades ahead.<sup>14</sup>

What is common across all of these narratives is the explicit assumption that the EU was no more than a bystander in Britain's inexorable slide towards Brexit from at least the late 1980s. However, the widespread acceptance of this conclusion will do little to strengthen the integrity of EU in the years ahead. Rather, attributing Brexit to British related factors only, risks minimising its true impact on the European integration process. It also lessens the probability of the EU engaging in the required assessment of Brexit's much longer-term causes. Causes which evolved during the 47 years of Britain's membership of the EU.

The reality of Brexit is much more complex. However, on a macro level, it is clear that Brexit can be seen as a triumph for a misrepresented and selective view of British imperial history and an unbending belief in the primacy of the nation state. This narrative was combined (quite quickly and unpredictably) with a rise in economic nationalism and populism stimulated by the global economic crisis that commenced in 2007. This combination, in turn, challenged long-established political norms such as Britain's membership of the EU.<sup>15</sup>

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<sup>10</sup> John Darwin, *Unfinished Empire: The Global Expansion of Britain*, London, Penguin Books, 2012, p. 366.

<sup>11</sup> Andrew J. Crozier, „British Exceptionalism: Pride and Prejudice and Brexit,“ *International Economics and Economic Policy*, Vol. 17, 2020, pp. 635-58.

<sup>12</sup> Milica Delivic, Brexit lessons for the EU and its Neighbourhood, European Council on Foreign Relations, 26 January 2021.

<sup>13</sup> Neil Nugent, The Implications of Brexit for the Future of Europe, p. 71 in Benjamin Martill and Uta Staiger (eds.), *Brexit and Beyond: Rethinking the Future of Europe*, London, UCL Press, 2018.

<sup>14</sup> President Emmanuel Macron, Letter to the British people, 1 February 2020.

<sup>15</sup> Eoin Drea, *The Empire Strikes Back: Brexit, History and the Decline of Global Britain*, Wilfried Martens Centre for European Studies, Brussels, 2019.

As previously noted, Brexit, rather than being a stationary objective, was, in fact, a revolutionary process which politically radicalised as it evolved.

Yet, not one factor in isolation drove the Brexit process, but rather a combination of political, economic and socially related issues. It is true that many of the hard Brexiteers policy lines were (and remain) totally contradictory. The „taking back control“ debate for instance witnessed „right wing populists claiming they are avid free traders and simultaneously saying that one of the purposes of taking back control is to be able to rig domestic markets/competitions in favour of British suppliers/producers.“<sup>16</sup> These are the same contradictions which continue to characterise some of Britain’s internal policy debates in 2021.

But, it is not enough to just ascribe Brexit to British uniqueness and reckless politicians. It is clear also that decades of rising insecurity played an important role in allowing economic grievance to express itself as cultural or values driven behaviour.<sup>17</sup> The illiberal sentiments often expressed as a type of hyper-nationalism during the Brexit process are not unique to Britain. The United States and Brazil are just some of the many states experiencing variations of this process in recent years. Values, or the perceived alienation of the main political parties from the beliefs of many people, fed directly into the result of the Brexit referendum.<sup>18</sup>

Although the purpose of this paper is not to provide a review of the reasons Britain chose to leave the EU, it is important to restate the complex and multi-faceted nature of the Brexit revolution. To borrow Professor Kevin O’Rourke’s conclusion, Brexit really is complicated.<sup>19</sup> And it is those complications which the EU should be identifying if it really wishes to pair a strategic response to Britain leaving the European Union with a stronger integration process in the future.

### 3. Swinging small, missing big

Although easy to forget in this pandemic-era environment, the result of the Brexit referendum was considered to pose an existential question for the very survival of the EU. Driven by this threat a defining characteristic of the EU’s response was its coherence and essential unity on all major issues. It is a unity which persists in ongoing discussions with London.

The other defining element of Brussels’ negotiating strategy remains a disciplined approach to focussing on the technical details of Brexit. The chaotic nature of Westminster politics which the referendum results unleashed (up to

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<sup>16</sup> Ivan Rogers, *9 Lessons in Brexit*, London, Short Books, 2019, p. 56.

<sup>17</sup> Martin Sandbu, *The Economics of Belonging: A radical plan to win back the left behind and achieve prosperity for all*, Princeton, Princeton University Press, 2020, pp. 48-9.

<sup>18</sup> Geoffrey Evans and Anand Menon, *Brexit and British Politics*, Cambridge, Polity Press, 2017, p. 73.

<sup>19</sup> Kevin O’Rourke, *A Short History of Brexit: from Brentry to Backstop*, London, Pelican Books, 2018, p. 180.

the British General Election of December 2019) necessitated a strategy which focussed on the practical issues associated with a British exit. Financial obligations, fishing rights, the Northern Irish border and access to (or equivalence with) the Single Market remain the bedrock of the EU's approach.

Politically, it is clear that the EU remains eager to „relegate the EU-UK relationship to a third-order issue, preferably to be dealt with by the Trade and Cooperation Agreement's (TCA) technical committees“.<sup>20</sup> The supply side shocks currently evident (October 2021) in certain segments of the British economy would seem to vindicate the EU's warnings about the high costs of leaving the EU's Single Market.

However, this approach is not without serious risk. By focussing on technical specifics, the EU continues to underestimate the importance of the longer-term drivers of Brexit and their potential to impact on the future development of the European integration process. This ensures that substantive discussion on a more permanent Anglo-EU partnership remains unfulfilled. This „narrow“ strategy also understates the strategic risks to Europe of an even mildly successful Britain. Although, this latter point is already understood by some of the more globalist minded Brexiteers.<sup>21</sup> In effect, the EU is swinging small, but missing big when it comes to understanding the lessons of Brexit.

Two important lessons arising from Brexit have been overlooked by the EU. Firstly, Brexit was never just a British process. Its evolving, was shaped and influenced by the EU's strategic choices made over several decades. This resulted into a development path in Britain which – when overwhelmed by a combination of domestic and political insecurities – rendered Brexit, however implausible, as a viable alternative.

The real lesson is not to become trapped by the easy narratives of semi-detached British exceptionalism, but rather to place Britain's engagement in Europe in the specific context of the European integration process. This was a Britain where intergovernmentalism was viewed as the future of the EU. A plan to use the Single Market, Atlanticism and global trade as the drivers of growth. Since the 1980s, this was an alternative model of European integration which would concentrate power „at the centre of a European conglomerate“.<sup>22</sup> The reshaping of Europe to these goals was a key driver of Britain's entry into the then EEC in 1973.<sup>23</sup>

Ultimately, wider geo-political events – the collapse of the Soviet Union, the reunification of Germany, the Franco-Germany agreement on monetary union – ensured the failure of Britain's looser vision for Europe. Ironically,

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<sup>20</sup> Fabian Zuleeg, Jannike Wachowiak, Could the Brexit domino effect come back to haunt us? European Policy Centre, 23 April 2021.

<sup>21</sup> Roger Bootle, *Making a Success of Brexit and Reforming the EU*, London, Hachette Books, 2017.

<sup>22</sup> Margaret Thatcher, Speech to the College of Europe („The Bruges speech“), Bruges, 20 September 1988.

<sup>23</sup> Stephan Wall, 'Britain and Europe', *The Political Quarterly*, Vol. 83, 2012, p. 327.



Britain's greatest achievement in Europe – the Single Market Act – still remains the bedrock of European prosperity today.<sup>24</sup> Britain's subsequent creeping detachment, amplified by an opt-out from the Euro currency, has been viewed as „*putting a time-bomb under the sustainability of Britain's membership of the EU*“.<sup>25</sup> In other words, Britain was collateral damage to a European integration process which chooses a deeper, more integrated development path.

A second lesson arising from Brexit is that the EU continues to underestimate Britain's strategic importance. Without comprehensive Anglo-EU agreements in place, Britain poses a significant economic and political challenge to Brussels. The EU's focus on the grinding technical details of „*protecting*“ the Single Market (and Westminster's current supply side issues) has resulted in Brussels minimising the risks of Britain as a strategic competitor.

But this risk is real. Particularly if the coming years bring a stabilisation of Britain's internal politics and a refocusing of their economic priorities in areas where they have existing strengths. Finance, education, security and defence, Fintech and A.I. are just some of the areas that could lead to significant economic expansion in the future. This growth will be complemented by Britain's doubling down on her strategic partnerships with the United States and the other English-speaking economies of the „*Anglosphere*“.

Although often derided in the EU, Britain's relationship with the United States remains the underpinning of its post-EU identity. This is a relationship whose strategic importance has been overshadowed by Brussels' perceptions of a weakened post-EU Britain. But for Westminster it is irrelevant whether they are viewed as the most important partner of Washington (their preferred choice) or as a „*vassal*“ of the U.S. (in the words of Clément Beaune, France's Europe minister).

Because for Britain, even subjugation brings the benefits of proximity, relevance and inclusion in Washington's wider geo-political strategies. These are benefits clearly lacking in other EU member states' relationships with the U.S. as evidenced by the recent controversy over Australian submarines. Ironically, these benefits also emphasise the lack of operational coherence in the EU to act collectively in many important areas.

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<sup>24</sup> Hugo Young, *This Blessed Plot: Britain and Europe from Churchill to Blair*, London, MacMillan Books, 1998, p. 337 describes the Single Market Act as „*quite largely a British text*“.

<sup>25</sup> Helen Thompson, 'Inevitability and Contingency: the Political Economy of Brexit', *the British Journal of Politics and International Relations*, Vol. 19, 2017, pp. 434-49.

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# IS THERE ANY FUTURE FOR THE EU ENLARGEMENT IN THE WESTERN BALKANS?

**Aleksandar-Andrija Pejović, PhD**

## ***Abstract:***

*The future of EU enlargement in the Western Balkans is now more unclear than ever. In spite of a couple of new enlargement methodologies presented in the last nine years and the fact that the region is in the process of joining the EU for almost two decades, there are no signs that it would come to a conclusion any time soon. The feeling that there is more form than substance in the process is becoming ever stronger. Disparities among the countries or groups of countries are also becoming more profound. Enlargement actually does not work like it used to – bringing transformation to both the candidates and the Union. The paper offers several scenarios on the possible development of the enlargement process for the next decade or so. These scenarios depend on the Western Balkan countries readiness and ability to commit and perform reforms; but also, on the EU's openness and willingness to overcome the fatigue and anxiety of admitting new Member States. These scenarios have to be seen against the backdrop of permanent crisis environment that can affect the process both negatively and positively. Third actors' activities and influence need also to be factored in. This paper, finally, tries to inform on the repercussions of no-enlargement for the wider region of South-East Europe and the EU.*

**Keywords:** EU, Western Balkans, Enlargement scenarios, Third Actors, regional cooperation

## **1. Introduction**

The Brdo Summit of the EU and the Western Balkans for some was meant to mark a new phase of the relationship between the region and the Union, while for others it was just another in a row of summits and meetings that produce nothing especially new in the EU agenda. The leaders met, the vows of reconfirmed commitment to a shared European future were exchanged,

while a declaration remained as a legacy for the enlargement process to continue entrenched in the new methodology that the European Union adopted in 2020.

In reality, in spite of all that has been said, reiterated and promised, the enlargement road ahead is very uncertain and nobody can precisely predict when any of the Western Balkans countries could join the Union. This uncertainty is, however, having a multifold effect on the overall situation in the region. The Balkan decision makers now, more than ever, wonder if they need to stay fully devoted to painful reforms if there is no guarantee that they are worth paying for. On the other hand, other, non-Western actors have become a part of the reality in the Western Balkans - their capital, know-how, cultural and historic ties as well as political and security influence penetrate the porous region. It demonstrates how unstable, volatile and changeable the situation is, and how it can develop into various directions.

Perhaps the most important thing is that the transformative power of the enlargement has lost both its charm and strength. It is just not doing „the miracles“ that it was thought to be producing in the previous waves of the European integration. Today, even some Member States that have passed through this enlargement transformation show that reversibility of certain aspects, out of which the concept and the implementation of the value of the rule of law is the most prominent, can become a reality.

So, how can a region cope with such a huge burden of complexities and variables that make any effort highly uncertain? What is the real situation in the Western Balkans and what are the possible scenarios for its European integration? This article tries to answer these and some related questions, or at least go give some food for thought on how to understand better the region's European fate.

## **2. The new enlargement methodological framework**

When on 5 February 2020, just a month before the full outbreak of the Covid-19 pandemic in Europe, the European Commission unveiled its new Communication on enlargement, there were divergent hopes and views of what this new tool would mean. The methodology that was presented came as a result of a stream of events that spiralled out of the usual way the European institutions are coming up with new approaches to their policies. It did not come after careful considerations and lessons learnt, like it was done in 2012 with the new approach that put the rule of law at the heart of accession talks.

This time it was France that insisted that the Commission altered the way it conducted its integration process with candidate countries. During her visit to Belgrade in February 2019, the French Minister for Europe at the time stated very clearly and directly that „the current state of the EU does not allow new associations in satisfactory conditions - both for the European Union itself

and for new countries that would like to join it.<sup>1</sup> The French would later on state that the Balkans were not ready at all for the EU Membership<sup>2</sup> and practically implemented this approach in October 2019 i. e. the deadline for the European promise of opening accession talks with Albania and North Macedonia from June 2019 Council.<sup>3</sup> French President Macron expressed his view that the enlargement was not the only form of cooperation with the neighbouring countries. He also found the enlargement to be too bureaucratic and not adapted to the actual moment, therefore asking for its redefinition that would make it more political and clearly reversible.<sup>4</sup> President of the European Council Donald Tusk had to put the question at the Summit's agenda as there could be no decision on how to proceed on the promised deadline.<sup>5</sup> The European Commission also kept its view that the two countries had to open the talks as they had done everything that was asked from them. The majority of the EU Member States supported the opening of talks, too. However, the consensus could not be reached and the European Council could only agree to postpone the decision until the Zagreb Western Balkans Summit in May 2020.<sup>6</sup>

The French delivered a Non-Paper<sup>7</sup> presented their views on the enlargement, which created a lot of stir as it offered elements that the new approach of the EU should be in the enlargement field. Consequently, Paris asked the European Commission to produce a proposal for the enhancement of the negotiation process into a more coherent and concrete tool by January 2020.<sup>8</sup> The French insisted that the new methodology rested on four principles – stringent conditions, gradual association, tangible benefits and reversibility

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<sup>1</sup> Драган Вукотић, Интервју: Натали Лоазо, Министарка за европске послове у Влади Француске, *Садашње стање ЕУ не омогућава пријем нових чланица*, Политика, 25. 2. 2019, <http://www.politika.rs/scc/clanak/423503/Sadasnje-stanje-EU-ne-omogucava-prijem-novih-clanica>, last accessed 10 October 2021

<sup>2</sup> N1 HR, *French MEP: Balkans not ready at all to join EU*, France Inter radio, 16. 7. 2019. <http://hr.n1info.com/English/NEWS/a419574/French-MEP-Balkans-not-ready-at-all-to-join-EU.html>, last accessed 10 October 2021

<sup>3</sup> Council of the European Union, *Outcome of the Council Meeting President 3702nd General Affairs Council*, 10396/19, Luxembourg, 18 June 2019.

<sup>4</sup> Élysée, *Conférence de presse à l'issue du Conseil européen des 17 et 18 octobre 2019*, 18. 10. 2019. <https://www.elysee.fr/emmanuel-macron/2019/10/18/conference-de-presse-a-l-issue-du-conseil-europeen-des-17-et-18-octobre-2019>, last accessed 10 October 2021

<sup>5</sup> Council of the European Union, *Remarks by President Donald Tusk after the European Council meeting on 17 and 18 October 2019*

<sup>6</sup> Council of the European Union, *Presidency conclusions*, European Council in Brussels, 17 -18 October 2019

<sup>7</sup> Government of France, *Non-Paper Reforming the European Union accession process*, Paris, 2019

<sup>8</sup> Vie publique, *Déclaration de Mme Amélie de Montchalin, secrétaire d'État aux affaires européennes, sur l'élargissement de l'Union européenne aux pays des Balkans, à Bruxelles le 19 novembre 2019. Prononcé le 19 novembre 2019* <https://www.vie-publique.fr/discours/271973-amelie-de-montchalin-19112019-ue-balkans>, last accessed 10 October 2021

of the process. The Commission then started with the work on the proposal along these criteria and the new methodology was indeed presented in the beginning of 2020, only to be swiftly adopted on 5 February 2020 in the form of a Communication<sup>9</sup> together with a special report on the progress of Albania and North Macedonia. France accepted this new methodological framework (although it deviated to a certain extent, it was clearly mostly based on the very French Non-Paper) and announced its support to the opening of accession talks with Tirana and Skopje.<sup>10</sup>

The new methodology brought up a different approach to negotiation procedures. The Commission emphasised the need to boost the process with tools to address structural weaknesses, especially in the field of fundamentals i.e. the rule of law, public administration reform, political and economic criteria. Key principles to guide the EU on the overall progress within accession talks with candidates are more commitment, tangible and sustainable results, as well as credibility within the reforms in the fundamentals cluster. Key innovations in the methodology are the strengthening of the role of the rule of law chapters, introduction of a system of clustering of chapters, strengthened conditionality and elaboration of the reversibility principle, inclusion of reversed qualified majority voting (RQMV), introduction of the possibility to scale down the scope and intensity of pre-accession assistance, as well as cross-checking of all relevant chapters of the *acquis* against anti-corruption policies.

Finally, after the methodology was adopted, on March 25, 2020, the General Affairs Council adopted the Conclusions<sup>11</sup> in which it was decided to open negotiations with Albania and North Macedonia and for the EC to prepare a negotiating framework to prepare the first intergovernmental conference with the two countries. However, as of today, there is no decision on the adoption of the draft negotiation frameworks for the two countries, which were presented to the Council in July 2020. In the meantime, Montenegro joined the new methodology in May 2020,<sup>12</sup> while Serbia did the same in July of the same year.<sup>13</sup> That paved the way for holding of the first inter-governmental conferences under the revised

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<sup>9</sup> European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Enhancing the accession process - *A credible EU perspective for the Western Balkans*, COM(2020) 57 final, Brussels, 5 February 2020

<sup>10</sup> European Western Balkans, *Macron: Negotiations will be opened once there is confidence that the process works*, 15.02.2020, <https://europeanwesternbalkans.com/2020/02/15/macron-negotiations-will-be-opened-once-there-is-confidence-that-the-process-works/>, last accessed 10 October 2021.

<sup>11</sup> Council of the European Union, *Outcome of the Council Meeting President General Affairs Council, Enlargement and Stabilisation and Association Process - the Republic of North Macedonia and the Republic of Albania Council conclusions*, Brussels, 7002/20, 25 March 2020

<sup>12</sup> Vlada Crne Gore, *Crna Gora prihvatila novu metodologiju, dobra platforma za intenziviranje reformi*, 15. May 2020, <http://www.gov.me/vijesti/224479/Crna-Gora-prihvatila-novu-metodologiju-dobra-platforma-za-intenziviranje-reformi.html>, last accessed 10 October 2021

<sup>13</sup> Radio Slobodna Evropa, *Vučić: Srbija odlučila da prihvati novu metodologiju u pristupnim pregovorima s EU*, 10 July 2020, <https://www.slobodnaevropa.org/a/30717769.html>, last accessed 10 October 2021

enlargement methodology (the thirteenth meeting of the Accession Conference with Montenegro<sup>14</sup> and the twelfth meeting with Serbia<sup>15</sup>) Luxembourg in June 2021. These meetings, however, did not deliver any practical progress within the accession process, with only the EU taking stock of the actual situation and the expression of need of the both candidates to make more progress in the area of the rule of law. At the same time, Montenegro opened its last chapter in June 2020, while Serbia has not managed to open any chapter since December 2019.

## **2.1. Did the Balkans need a new enlargement methodology?**

Covid-19 brought not only the whole world to a standstill for the past year and a half, but it would be safe to state that this was also a period without any real progress in the field of EU accession. Methodologies were drafted, new approaches introduced, structures set up, but nothing really happened in practice. In line with the new methodology that it joined last year, Montenegro is now officially and legally unable to initiate the closure of any chapter as it has first to fulfil 83 interim benchmarks it received for the rule of law chapters 23 and 24. The President of the Commission during her visit in late September 2021 to Podgorica underlined that Montenegro was the most advanced candidate country, but in her speech, which was very much about Covid-19 and economy, she also made clear the need for Montenegro to „make progress on the rule of law, interim benchmarks and to move forward on the EU path. This also means making sure that there is no backtracking on earlier achievements.“<sup>16</sup> Years may pass before Montenegro, thus, makes enough progress and provide a credible track record on the rule of law paving the way towards the first closure of chapters. This means that other chapters have to wait in line leaving Montenegrin decision makers public and its administration wonder why they should invest even more effort in finalising the work in transport, food safety or customs chapters now when no chapter can be closed no matter how hard one works on the closing benchmarks.

Serbia, on the other hand, has been unable to open clusters 3 and 4 in June 2021 as the lack of progress in the rule of law, and more specifically within the reform of the judiciary, is hindering the possibility that the Council approaches

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<sup>14</sup> European Commission, *Press release of the Thirteenth meeting of the Accession Conference with Montenegro at Ministerial level*, 22 June 2021, <https://www.consilium.europa.eu/en/press/press-releases/2021/06/22/thirteenth-meeting-of-the-accession-conference-with-montenegro-at-ministerial-level/>, last accessed 10 October 2021

<sup>15</sup> European Commission, *Press Release of the Twelfth meeting of the Accession Conference with Serbia at Ministerial level*, 22 June 2021, <https://www.consilium.europa.eu/en/press/press-releases/2021/06/22/twelfth-meeting-of-the-accession-conference-with-serbia-at-ministerial-level/>, last accessed 10 October 2021

<sup>16</sup> European Commission, *Statement by President von der Leyen on the occasion of her official visit to Montenegro, 29 September 2021*, [https://ec.europa.eu/commission/presscorner/detail/da/statement\\_21\\_4942](https://ec.europa.eu/commission/presscorner/detail/da/statement_21_4942), last accessed 10 October 2021



the finalisation of the procedures. The EU in its May 2021 Rule of Law Non-paper clearly indicated that Serbia needed to further accelerate reforms in the key areas of the judiciary and notably judicial independence, the fight against corruption and organised crime, media freedom, and handling of war crimes.<sup>17</sup> Serbian Minister of European integration, on the other hand, found the lack of political will and lack of readiness of the EU to apply the new methodology as key factors in not allowing that candidate country to open any further chapters.<sup>18</sup> As these tangible improvements require a sustained and intensive level of engagement and progress in reforms, it is obvious that there is a long way of opening the first next cluster. Chancellor Merkel summed it saying that the EU and the region „have achieved a whole range of results, although Serbia and the countries of the region still have a lot to do on the ways to membership in the European Union.“<sup>19</sup>

At the same time, North Macedonia and Albania have experienced a very long ride towards the opening of accession talks. Ever since the decision was made in March 2020, the adoption of the negotiation framework has been regularly postponed in the Council blocking the procedure of convening the first intergovernmental conference. Bulgaria has had a key role in the postponement of the decision to open accession talks. Sofia sent a memorandum to the other 26 countries insisting that EU documents need to acknowledge that „the official language used in today’s Republic of North Macedonia can be only considered as a written regional norm of the Bulgarian language“, as well as that the „Enlargement process must not legitimize the ethnic and linguistic engineering that has taken place under former authoritarian regimes.“<sup>20</sup> The memorandum also stated explicitly that Skopje must strictly adhere to the principles and the values of the EU and the good neighbour agreement signed between Bulgaria and North Macedonia in 2017.<sup>21</sup> In late September 2021, Prime Minister of North Macedonia Zoran Zaev announced that in the spirit of European good neighbourly relations, they will „intensify talks with Bulgaria with a sincere will to take steps closer to a solution to our bilateral issues“.<sup>22</sup> However, it is unlikely to expect any breakthroughs on this matter any time in the most immediate future. Albania has been a part of this

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<sup>17</sup> European Commission, Rule of Law non-paper regarding chapters 23 and 24 for Serbia, May 2021, p. 2

<sup>18</sup> European Western Balkans, *RTS: Bez saglasnosti unutar EU za otvaranje novih poglavlja sa Srbijom u junu, 14 June 2021*, <https://europeanwesternbalkans.rs/rts-bez-saglasnosti-unutar-eu-za-otvaranje-novih-poglavlja-sa-srbijom-u-junu/>, last accessed 10 October 2021

<sup>19</sup> Aleksandar Miladinović, *Angela Merkel u Beogradu: Mnogo rezultata, ali dug put do Evropske unije*, BBC News, 13 September 2021, <https://www.bbc.com/serbian/lat/srbija-58551805>, last accessed 10 October 2021

<sup>20</sup> Una Hajdari, *Tongue-tied: Bulgaria’s language gripe blocks North Macedonia’s EU path*, Politico, 8 December 2020, <https://www.politico.eu/article/bulgaria-north-macedonia-eu-accession-talks-language-dispute/>

<sup>21</sup> BNR, *Bulgaria sends memorandum to the Council on North Macedonia*, 17 September 2020; <https://bnr.bg/en/post/101342245/bulgaria-sends-memorandum-to-the-council-on-north-macedonia>, last accessed 10 October 2021

<sup>22</sup> Фросина Димеска, *Посетите на Лајен и Вархеји вовед во постизборни преговори за отворање на патот кон ЕУ*, Radio Slobodna Evropa, 30 September 2021, <https://www.slobodnaevropa.mk/a/лејен-и-вархеји-вовед-во-пост-изборните-переговори-за-почеток-на-переговорите-со-еу/31485698.html>, last accessed 10 October 2021



postponement. While formally there is no EU Member State opposing the opening of accession talks with Tirana, ever since Albania and North Macedonia have started with their bid to open negotiations, they have been treated jointly.<sup>23</sup> Therefore, one can expect that the opening, if and when it happens, will be based on the adoption of both negotiation frameworks for Albania and for North Macedonia at once.

Hence, what has the new methodology brought in terms of an enhanced and more efficient approach on accession negotiations as promised in the EC's Communication on new enlargement methodology? First of all, Commission's intention has been to offer concrete proposals for strengthening the whole accession process. These concrete tools have, however, remain unused in the last year and half, as none of the candidate countries could make any progress on the basis of the new methodology. As stated above, the two negotiating countries are wedged in the procedures and legal clauses of conditioned progress, while the other two have not been able to use the new mechanisms, as they have been prevented from opening the talks in concrete terms. Furthermore, the Communication states that the overall aim of these proposals „is to enhance credibility and trust on both sides and yield better results on the ground“.<sup>24</sup> Whether this is a case, it can be argued from many sides as it can be seen that trust and credibility have been very much eroded by the lack of delivery on the promises and the feeling that the EU is not ready to go on with the enlargement, while at the same time there is a feeling that the Western Balkans will not be prepared for the membership for many years to come. The real value of the new methodology and its tool, therefore, can only be seen once they are put in motion and the candidate countries use it to progress it along the set lines and criteria. The truth is that the new mechanism brings about more credibility with the rule-of-law-conditioning as it does not let any candidate come too close to the membership without showing that its rule of law is strong, reliable and sustainable. The issue of what the rule of law actually represents is yet another problem. Extensive literature<sup>25</sup> on the concept of the rule of law offer many

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<sup>23</sup> Brussels has consistently preferred to deal with accession states in packages or pairs whenever possible. We are now talking about the two frontrunners (Montenegro and Serbia), Spain and Portugal were lumped together during their talks, while the Commission liked to observe Cyprus and Malta as a pair, no matter how different they were during the negotiation process.

<sup>24</sup> COM(2020) 57, *Ibid*, p. 1

<sup>25</sup> Paul Craig, *Formal and Substantive Conceptions of the Rule of Law: An Analytical Framework*, Public Law, 1997; Lon L. Fuller, *The Morality of Law*, revised edition, Yale University Press, New Haven, 1969. Flora A. N. Goudappel, J. & M. H. Hirsch Ballin, Ernst, *Democracy and Rule of Law in the European Union*, Asser Press, Rotterdam, 2016; Herbert L. A. Hart, *Law, Liberty and Morality*, Oxford University Press, Oxford, 1982; Neil MacCormick, *Rhetoric and the Rule of Law: A Theory of Legal Reasoning*, Oxford University Press. Oxford, 2010; Gianluigi Palombella, *The Rule of Law and Its Core*, Relocating the Rule of Law, Gianluigi Palombella, Neil Walker, eds., Hart Publishers, 2009; Joseph Raz, *The Rule of Law and Its Virtue*, in J. Raz, *The Authority of Law: Essays on Law and Morality*, Clarendon Press, Oxford, 1979; Judith N. Shklar, *Political Theory and the Rule of Law*, in Allan C Hutchinson and Patrick Monahan (eds), *The Rule of Law: Ideal or Ideology?*, Carswell, Toronto, 1987; Brian Z Tamanaha, - *On the Rule of Law History, Politics, Theory*, Cambridge University Press, Cambridge, 2004; Diane P. Wood, *The Rule of Law in Times of Stress*, 70 University of Chicago Law School, Chicago, 2003, etc.

possible definitions and solutions on how one can look at this exquisite idea that perplexes both thinkers and scientist, as well as politicians and bureaucrats. The problem with the understanding of the concept becomes even more acute when it has to be applied to different legal systems and has to be based on a very fragile structure of the EU *acquis* for the rule of law that should bind together all the EU Member States. In this regard, the challenges that the EU is experiencing with Hungary and Poland are just a part of the bigger picture of finding proper approach to the rule of law controversy. Austria, Greece, Romania and also other Member States can all be the cases in point to a varying degree of the problems the EU is experiencing with the rule of law.<sup>26</sup> The common values on which the EU is based, according to its TEU Article 2, put the rule of law as one of the most important tenets; one of the *raison d'être* of the Union, for which, paradoxically, the EU lacks an enforcement mechanism to ensure the respect of it.<sup>27</sup> The vulnerability of the EU in the domain of values, with the rule of law as the most prominent, is in the words of Kochenov „caused by a far-reaching systemic problem of the European Union’s design and also by the modalities of its day-to-day functioning, both falling short of upholding the much-restated rule of law ideal for the Union.“<sup>28</sup>

Considering the problems the EU is experiencing, it is no wonder that the centrepiece of the Union’s conditionality in the new methodology for the enlargement is extremely difficult to be quantifiably measured in the accession countries. The countries of the Western Balkans need to invest considerable efforts to fight corruption and organised crime, to strengthen and improve their feeble rule of law institutions, build reputable track record and show the overall progress before they can address other chapters/areas of *acquis*. This is coupled with sometimes very slow political and economic reforms in Western Balkan countries, where the ever-slower pace of integration is in direct connection with the shrinking commitment and focus of the Balkan politicians to reforms. Enlargement has stopped being a magic wand that can transform the countries that go through it. On top of that, there is no assurance that even those candidates that became members of the EU have finalised their own transformation up to the expectations of the old Member States.

On the other hand, the EU itself increasingly pays lip service to the idea of enlargement, while at the same time new hurdles and delays tend to be greeted with relief in several key member states.<sup>29</sup> The causality expressed in the

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<sup>26</sup> Carlos Closa and Dimitry Kochenov, *Reinforcement of the Rule of Law Oversight in the European Union: Key Options*, Cambridge University Press, Cambridge, 2016, p. 1

<sup>27</sup> Petra Bárd, *Scrutiny over the rule of law in the European Union*, XXXVI Polish Yearbook of International Law, Scholar, Warsaw, 2016, p. 193

<sup>28</sup> Dimitry Kochenov, *The EU and the Rule of Law - Naïvetem or a Grand Design?*, University of Groningen Faculty of Law Research Paper Series No. 5/2018, 2018 p. 3

<sup>29</sup> Carl Bildt, *The Dangerous Balkan Standstill*, *Project Syndicate*, <https://www.project-syndicate.org/commentary/balkan-eu-accession-standstill-has-dangerous-implications-by-carl-bildt-2021-08>, last accessed 10 October 2021

sanctioning mechanisms of the new enlargement methodology rest on the very difficult foundations that cannot be addressed easily or fast enough to allow for the roll out of the enlargement process as we have seen in the past EU integration waves.<sup>30</sup> Therefore, the road ahead looks less obvious than ever before and there is no assurance that any new methodology could do miracles and bring back the dynamism of the process.

### **3. Are the Western Balkans integrating with the EU or with themselves?**

The long-awaited EU - Western Balkans summit which happened on 6 October came with certain expectations that the things might move forward. Hopes were especially rising when the presiding EU Member State, Slovenia, floated the idea that the EU should expand to include the entire western Balkans by 2030. This proposal from the holder of the bloc's presidency stunned fellow member states ahead of the summit.<sup>31</sup> The reactions were diverse, with many depicting the proposal as totally unrealistic. Indeed, in the end, the proposed Declaration for the Summit offered a lukewarm language on the enlargement, reconfirming the EU's commitment to the enlargement process and its decisions taken thereon, and immediately conditioning it „upon credible reforms by partners, fair and rigorous conditionality and the principle of own merits“.<sup>32</sup> The candidates and potential candidates, which are not mentioned once in the Declaration (the term that has been replaced by „partners“ in the EU's declarations recently), have been offered a lot of conditionality, anti-Covid-19 measures, European Investment Plan money, as well as political and security cooperation, but no clear commitment to either opening of accession talks for Albania or North Macedonia, not to mention any notion of a deadline for joining of the EU for any accession country.

The Summit's tepid Declaration remained the same as proposed in spite of the discussions that took place during the meeting and certain Member States asking for a date. The overall mood was, however, that there should be no real commitment by the EU on the next enlargement. Chancellor Merkel summed it up after the summit: „I don't really believe in setting dates, I believe

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<sup>30</sup> More on this topic in: Aleksandar Andrija Pejović, *Rule of Law Through the Mirror Glass - Is the New 2020 Enlargement Methodology a Pre-Accession TEU Article 7 Mechanism?*, Anali Pravnog fakulteta u Beogradu, Belgrade, 2021; and Aleksandar Andrija Pejović, *Would Money Make A Difference?": How Effective Can the Rule of Law Based Protection of Financial Interests in the EU Structural and Enlargement Policy Be*, EU And Comparative Law Issues And Challenges Series (Eclis 5) International Scientific Conference - EU 2021 - The future of the EU in and after the pandemic, Osijek, 2021.

<sup>31</sup> Sam Fleming & Henry Foy, *Slovenia urges EU to admit western Balkan states by 2030*, Financial Times, 1 October 2021, <https://www.ft.com/content/39750a50-faf3-4d25-afdd-f18ef9071e00>, last accessed 10 October 2021

<sup>32</sup> Brdo Declaration, 6 October 2021, p. 1.

in making good on our promises: Once the conditions are met the accession can take place.<sup>33</sup>

### 3.1. Open Balkans

Parallel to that, Open Balkans came as a new initiative to replace what had previously been colloquially called Mini-Schengen. The leaders of three countries Albania, North Macedonia, and Serbia met in Skopje in June 2021<sup>34</sup> to reveal a new name for their plans of further regional cooperation and association. The main goal of the three countries is to achieve a Schengen-like free movement area, i. e. a very ambitious intention to abolish border controls for citizens and commerce between their countries by 1 January 2023, as well as a common work permit for the participating members. Whether this can be achieved so fast and its entirety remains to be seen. The creation of a common borderless area calls for many other activities and areas to be synchronised: visa requirements need to be unified and a common software and information sharing system have to be set up. Maybe the most untenable and unrealistic issue are customs. If the Open Balkan members want a common borderless market for goods that are imported, then they need to set up common regional external tariffs, which in turn would demand the creation of common regional institutions to deal with the revenues. Emulating the EU's success with common borders, which took decades and immense efforts, is not at all easy and therefore, one needs to wait and see what the three Balkan countries will be able to perform in the years to come.

Additionally, the fact that there is an already existing Common Regional Market (CRM) initiative raises the question of the need for a new format of cooperation, which in this case does not include all the members of the Western Balkan region. The Open Balkan initiative aims at completely removing border controls and setting up one work permit for all the members unlike the gradual and less ambitious approach to the aims of the CRM. While many wonder if the extremely ambitious goals of the Open Balkans can be reached in the remaining fifteen months, many others fear that this initiative could present a return to Yugoslav days, divert attention and efforts that instead need to be invested in the European integration process, or actually be a replacement for an EU membership. That is why Pristina, Sarajevo and Podgorica declined the offer to take part in the endeavour. While Montenegro saw the new initiative as drifting away from the Juncker's 2025 deadline for the EU entry and

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<sup>33</sup> Reuters, EU should not set date for enlargement on Western Balkans, Merkel says, 6 October 2021, <https://www.reuters.com/world/europe/eu-should-not-set-date-enlargement-western-balkans-merkel-says-2021-10-06/>, last accessed 10 October 2021

<sup>34</sup> European Western Balkans, *Mini Schengen renamed „Open Balkan“*; Vučić, Rama and Zaev sign three documents, 29 July 2021, <https://europeanwesternbalkans.com/2021/07/29/mini-schengen-renamed-open-balkan-vucic-rama-and-zaev-sign-three-documents/>, last accessed 10 October 2021

underlined the need to retain the European perspective,<sup>35</sup> in which some, at least in the Western Balkans, still believe as a tangible date; and while Kosovo saw it as spreading of Serbian influence preferring to stick to the existing regional mechanisms (CEFTA, CRM etc),<sup>36</sup> Bosnia and Herzegovina is torn internally on the issue, and as often in these matters, not able to take any side.<sup>37</sup>

At best, in the current circumstances, if the three candidate countries manage to implement the promised goals, this initiative shall remain limited, i. e. without those that would probably apply the wait-and-see strategy. Therefore, one will have to wait to see if the Open Balkans will grow into something worth considering either as a replacement for the EU (for the pessimists) or as a functional tool that would accelerate the EU integration and early reaching of the CRM objectives. Either way, the Western Balkans are moving slowly and without any clear date of integrating into the Union.

### 3.2. Porous Balkans

The new enlargement methodology indicated the expectation that the candidate countries would show commitment to the strategic goal of joining the Union and that, in this context, the influence of third parties would be prevented. This political framework is now very much emphasised in the methodology, because the perception of the influence of Russia, China, Turkey, as well as the Arab states on the Western Balkans has been felt more and more in previous years. Raising awareness in the region about the opportunities closer integration and reforms entail, as well as tackling malign third country influence are very much underlined by the Communication.<sup>38</sup> The EU has also been analysing disinformation and other hybrid threats, originating in particular from third-state actors seeking to undermine the region's European perspective. This is further confirmed by the Brdo Declaration that accentuated that the EU and the Western Balkans share a number of security challenges and that a coordinated action is badly needed.<sup>39</sup>

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<sup>35</sup> Biljana Matijašević, *Crna Gora trenutno nije zainteresovana za Otvoreni Balkan: Prioritet zajedničko tržište pod okriljem EU*, Vijesti, 15 August 2021, <https://www.vijesti.me/vijesti/politika/562428/crna-gora-trenutno-nije-zainteresovana-za-otvoreni-balkan-prioritet-zajednicko-trziste-pod-okriljem-eu>, last accessed 10 October 2021

<sup>36</sup> Prime Minister of Kosovo Mr Albin Kurti on mini-Schengen initiative: „I do not see why we need mini-Schengen when we have the Berlin Process, which has now been including, since the Sofia Summit, the Common Regional Market“, Nikola Burazer, EWB Interview, Kurti: *Kosovo is becoming a success story, we can live without Serbia's recognition*, 13 July 2021, <https://europeanwesternbalkans.com/2021/07/13/ewb-interview-kurti-kosovo-is-becoming-a-success-story-we-can-live-without-serbias-recognition/>, last accessed 10 October 2021.

<sup>37</sup> E. Halimić, *Mini Šengen“ kreće bez BiH*, Dnevni avaz, 28 July 2021, <https://avaz.ba/vijesti/bih/669664/mini-sengen-krece-bez-bih>, last accessed 10 October 2021.

<sup>38</sup> Ibid, COM(2020) 57, p. 2

<sup>39</sup> Ibid (Brdo Declaration), p. 7

The EU, therefore, wants to reinforce cooperation on resilience-building, enlarge its engagement in fields such as space and military mobility to ease access of civil-military assistance to the region in the event of pandemics and natural disasters. Finally, it aims to enhance collective cyber security and cyber diplomacy together with an increase of the impact of the common EU-Western Balkans strategic communication.

The EU has been attempting to achieve two priorities: democracy and security - building with its main instrument - political conditionality<sup>40</sup> through the Stabilisation and Association Process. However, the Western Balkans have been experiencing a decrease of Western (EU and US) presence, influence and interest in the region. The balance of power of international actors has changed with the emergence of non-Western actors that have started to influence the region on cultural, economic and political level. The broader the gap between the proclaimed goals of the EU's enlargement in the region and the practical level of engagement, the wider the door for third actors' influence has been opening. The reasons for this are manifold; crisis shaking the EU, American withdrawal from the European and Balkan affairs, the ongoing identity crisis<sup>41</sup> as well as a growing lack of progress and commitment to reforms by the Western Balkan countries. That is why the latest Declaration of the October 2021 Brdo Summit put so much emphasis on counter strategies for the third actors' influence, i. e. preventing the EU's „immediate neighbourhood being shaped by others“.<sup>42</sup>

The three most prominent non-Western actors are China, Russia and Turkey. They all affect and influence the Western Balkan countries and fill the void left by the withdrawal of Europe and America from the region. At the same time, Western Balkan countries show their readiness to be open to new alternatives - though with reservations often dictated by the transatlantic geopolitics.<sup>43</sup> The causality of this relationship can be clearly seen on many levels. Where there is less European eagerness to invest, there is enough money coming from China for infrastructure. Turkish reconstructions of Ottoman heritage stand much more visible than EU funds spent on public administration. Russians have a special place in the general perception of the most of Slavic nations in the Balkans as brothers and benefactors unlike their Western cousins.

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<sup>40</sup> Solveig Richter, *Two at one blow? The EU and its quest for security and democracy by political conditionality in the Western Balkans*, Democratization volume 19, issue 3, 2017, p.509.

<sup>41</sup> The question if the union is a supranational state, just a single market, a federation, or something other, in: Martin Sokolov, *The role of international actors in the Balkans*, Journal Diplomacy, MFA Diplomatic Institute, 18/2016, p. 193

<sup>42</sup> European Commission, Jean-Claude Juncker, President of the European Commission, *State of the Union 2018, The Hour of European Sovereignty, Authorised version of the State of the Union Address*, 2018, p. 4.

<sup>43</sup> Roland Lami, Blendi Lami, *Influence of Non-Western Actors in the Balkans*, Assessing the EU's Actorness in the Eastern Neighbourhood, EURINT, Iași, 2021, p. 116



China has built its reputation as one of the most, if not the most important investors in the region. It has established a platform for direct cooperation with the countries of the Western Balkans through its Belt and Road Initiative.<sup>44</sup> Its low-interest loans with long maturity periods for infrastructure projects have become a prime example of the might of Chinese affluence and influence. Chinese investments in Serbia are well-diversified in metal and energy industry to technology and they go hand in hand with diverse network of government and non-government actors (Confucius institutes and cultural cooperation or student exchanges).<sup>45</sup> The construction of the Bar - Boljare Motorway connecting Montenegro with Serbia became a case study of the Stanford University<sup>46</sup> and made Fukuyama conclude rightly that neither the EU nor the U.S. had been able to offer much of an alternative in countering the Belt and Road Initiative, while at the same time Montenegro represented a relatively small investment to win back a strategically important country.<sup>47</sup> What started as Chinese buying of the Greek port of Piraeus, became a much larger regional strategy of internal connectivity in order to facilitate the transport of Chinese manufactured products from to Europe through the Balkans.

Russia, on the other hand, has been focusing its efforts and influence along the old cultural, religious and ethnic lines - meaning Serbia, Republika Srpska (B&H), Montenegro and North Macedonia. Its political support to Serbia in the UN Security Council opposing the recognition of Kosovo's independence has been upgraded in the last years through an enlarged political presence that provides support for the political aims of Republika Srpska. This political support from Russia comes together with energy investments of Gazprom and oil refineries and petrol stations, especially in Serbia, Srpska and North Macedonia, while Russian investment in Montenegrin real estate made it the dominant actor in this market. Montenegro also witnessed a long court saga over the case of Russian involvement in the general election of 2016, which has seen its ups and downs on the verdict for an attempted coup.<sup>48</sup> Additionally, Russian influence cannot be fully examined without its expanded media presence through Serbian language operated Sputnik and RT. Ritsa Panagiotou finds that perhaps the

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<sup>44</sup> This does not hold true only of Kosovo that China refuses to recognise.

<sup>45</sup> Barbora Chrzová, Anja Grabovac, Martin Hála, Jan Lalić (Eds.), *Western Balkans at the Crossroads: Assessing Influences of Non-Western External Actors*, The Prague Security Studies Institute, Prague, 2019, p. 2

<sup>46</sup> Emily Gray, *The European Silk Road: Montenegro's Decision to Build a New Highway Case Studies*, 2021, <https://cddrl.fsi.stanford.edu/publication/european-silk-road-montenegros-decision-build-new-highway>, <https://cddrl.fsi.stanford.edu/publication/european-silk-road-montenegros-decision-build-new-highway>

<sup>47</sup> Francis Fukuyama, *A Highway in Montenegro and the Struggle with China*, American Purpose, <https://www.americanpurpose.com/blog/fukuyama/a-highway-in-montenegro-and-struggle-with-china/>, 26 April 2021, last accessed 10 October 2021

<sup>48</sup> Associated Press, *Montenegro overturns coup verdict for 2 Russians, 11 others*, 5 February 2021, <https://apnews.com/article/montenegro-serbia-russia-laws-99f6088f797f46fefac4866931083d5f>, last accessed 10 October 2021.

most crucial indication of the geopolitical shift caused by the EU looking inwards and focusing on its serious domestic challenges has been the resurgence of Russian policy, influence and involvement in the region.<sup>49</sup>

Turkey's presence in the region has been growing exponentially as the space and possibilities for its European integration diminished. On the basis of a resilient multacentennial presence and its civilisational influence, Turkish policy today mainly centres on social, cultural, religious and economic issues. On the other hand, Western Balkan governments aspire to maintain good relations with Turkey considering their own economic shortcomings, unemployment, and the risk of irregular immigration.<sup>50</sup> The revival of neo-Ottoman heritage has, thus, played strongly in the relationship of Turkey with its Balkan neighbours. Networks of Turkish religious and cultural institutions have steadily grown in many parts of the Western Balkans, while educational institutions sprang up, only to revive and strengthen demographic and cultural linkages.<sup>51</sup> Turkey has also actively worked on its trade and investment relations with the Balkans through various chambers of commerce and investment boards such as the Foreign Economic Relationship Council.<sup>52</sup>

As one can witness, the porousness of the Balkan region makes it an ideal field for various interests and influences of non-Western factors. If the ultimate goal of the Western Balkans is, as it is regularly confirmed, full membership in the European Union, then there should be no space for an increase of any of the third actors' roles in the region. This notion and conditionality have to be perfectly clear both to the EU and the Western Balkans. However, as specified earlier, the EU has not been experiencing the best period of its life.

#### 4. Factoring in the role of crises

Crisis has become one of the words most associated with the EU in recent years. Whether we talk about the economic and financial crisis, migration, pandemic or the crisis of the functioning of the Union, this has turned to be a constant in the media coverage and the overall discourse about the future of the Union. In these circumstances, the EU has to find a way to bring back its enlargement policy to its former significance. Hence, when one talks about the future of the Western Balkans in the European Union, one ought to factor in the impact of the past, current and potentially future crisis events.

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<sup>49</sup> Ritsa Panagiotou, *The Western Balkans and the EU-Russia Tug of War*, Essays, Politics & Foreign Affairs, Society, Impakter, <https://impakter.com/the-western-balkans-and-the-eu-russia-tug-of-war/>, 15 August 2019, last accessed 10 October 2021

<sup>50</sup> Mehmet Uğur Ekinci, Turkey and *the Western Balkans: Stable Relations and Deepening Cooperation*, in Sasha Toperic and Aylin Ünver Noi (eds.), *Turkey and Transatlantic Relations*, Washington DC, Center for Transatlantic Relations, 2017, pp. 167

<sup>51</sup> Alida Vračić, *Turkey's Role in the Western Balkans*, SWP Papers, Berlin, 2016, p. 6

<sup>52</sup> Asli Aydıntaşbaş, *From Myth to Reality: How to Understand Turkey's Role in the Western Balkans*, ECFR Essays, 2019. P. 217.



The EU has enjoyed a very long period of economic, social and integration progress. Almost unimpededly, ever since its creation, the Union has acquired more wealth, more members and more prestige. It seemed that the process of the integration of the whole European continent is irreversible. The Big Bang Enlargement had finished with the remaining two new Member States set to join in 2007, the proposal of the European Constitution was tabled, while economy was booming. Then came a row of problems that hit the European project. First came the rejection of the Constitution in the French and Dutch referenda, followed by the preparation of a less ambitious Lisbon Treaty. Then came the first major economic and financial exam for the Union.

The economic crisis of 2008 led to a full-fledged debt crisis in Member States which were particularly exposed to structural problems caused by global market disruptions and could no longer pay their due obligations. Greece, Spain, Italy, Portugal and Ireland were forced to seek financial assistance from their European colleagues to be able to overcome the thrust of the debt crisis. This provoked many to deliberate and speculate about the end of the euro, euro area or the EU as such. The distress was both visible in the northern brethren, who could not hide their disappointment of the lax policies of the rest of the Union, and the southern relatives, who felt left out by their richer neighbours. Forgotten borders and prejudices started to spring up across the EU undermining the principle of the unity and mutual assistance. All this led to a change in the perception of the European Union, that is, to less and less trust in the Union and its possibilities, and even in its legitimacy itself. Former Commission's President Barroso named this as „the greatest challenge in the history of the Union - a crisis of confidence in our leaders, in Europe itself, and in our capacity to find solutions.<sup>53</sup>

The Union managed to survive and to strengthen its own mechanism of financial and banking control as well as pour in badly needed money to those that needed it. This happened at the time when Croatia was finalising its accession process in 2011 and joined in 2013. At the same time the first of the remaining Balkan countries - Montenegro - opened accession negotiations in mid 2012. The new approach with the focus on the rule of law was specifically designed for Montenegro and any other newcomer to the accession talks in order to deal with this important issue, but also to set up new rules of game that would consequently alter the length and content of the talks. The EC President of the time Jean-Claude Juncker summed it up in 2014 upon taking the office when he pointed out that EU enlargement had proven to be an historic success, but that the EU needed a break to find a way to absorb thirteen new member states in the last 10 years and to consolidate what had been done, practically announcing that no enlargement would happen in the next five years.<sup>54</sup>

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<sup>53</sup> European Parliament, President of the European Commission José Manuel Durão Barroso, European renewal - State of the Union Address 2011, SPEECH/11/607, Strasbourg, 28 September 2011

<sup>54</sup> European Commission, Jean-Claude Juncker, *My Priorities*, 2014

And then, there was another crisis in coming. The Union was about to be left by one of its most populous and richest members - the United Kingdom. The 2016 referendum marked the return of the reversibility of the process of unification of the continent. When TEU Article 50 was initiated after that, the UK entered a long period of exit from the Union that ended on 31 January 2020. Brexit became a buzzword and replaced any notion of enlargement happening during the time of the British lengthy exit. The credibility and strength of the Union had been not only shaken in the eyes of external spectators, but the loss of such a Member State had a profound impact on internal functioning of the Union. First of all, a delicate balance of power among the Member States in the Council has been lost, and the UK has been one of the greatest proponents of enlargement, not only to the Western Balkans, but to Turkey, too. Now, Italy remained the only one of the great four that really had interest and will to push for enlarging the Union to its direct neighbourhood. French reluctance gradually transitioned into open opposition to any new Member State in near future, the results of which are at present enjoyed by North Macedonia and Albania. Germany, although in principle, and in political sense, supportive of the enlargement, has not been so prominently advocating the entry of any candidate country the way it had done with the previous waves of Central European enlargements and Croatia. Finally, the EU administration has been so much focused on Brexit, that there was not enough space to have enlargement policy placed high on any agenda or develop better mechanisms or measures to deal with the challenges in the Western Balkans.

The British referendum negotiations and the media frenzy over it were very much guided by the issue of renegotiation of the freedom of movement, labour and immigration package. This coincided with the migration crisis, which at the time stroke at the unity of the EU in the field of justice, freedom and security. Actually, the crisis with the migrants from Syria was the tip of iceberg of problems with the functioning of external borders security, Schengen zone, the inefficiency of the asylum system, and finally terrorist attacks in a number of European capitals. A feeling of insecurity spread across the Union and started to affect the policy-makers in their approach on dealing with the issue of asylum, border security and terrorism. The issue of migrants from the Middle East cannot be easily separated from the issue of terrorism as the public perception prevalently saw millions of Syrian and other refugees in 2015-2016 as a threat for the „European way of life“. When in April 2015, the European Commission proposed a Ten-Point Plan<sup>55</sup> for overcoming the crisis, the proposal of relocation of 120,000 migrants was jointly rejected by Visegrad Group (Poland, the Czech Republic, Slovakia and Hungary) stating that they would not agree to binding long-term reallocation quotas. When the Visegrad Group countries were outvoted in the Council by QMV,<sup>56</sup> a crack in the unity

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<sup>55</sup> Council of the EU, Press release, *Joint Foreign and Home Affairs Council: Ten-point action plan on migration*, 20 April 2015, Luxembourg

<sup>56</sup> More on contentiousness of QMV usage in migration matters in: Florian Trauner, *Asylum policy: the EU's 'crises' and the looming policy regime failure*, *Journal of European Integration* 38.3 (2016): 311-325

became wider showing very divergent views among Member States on how many migrants the European Union should accept and how responsibilities will be shared among Member States with regard to providing migrants with access to health care and education. Only when the EU concluded an agreement<sup>57</sup> with Turkey managed to put aside the divisions in the Council as it stopped the influx of migrants entering the Schengen area from Turkish territory first through Greece, and then again from the Western Balkans into the Central European Schengen Members.

The Western Balkans played their part of the role in this crisis as they were an instrumental element of the so-called „Balkan-route“. This brought the region back to the limelight of the EU, though in somewhat different light than what was hoped for in the context of enlargement policy. No matter what the geostrategic security and political position of the Western Balkans came to be in these specific circumstances, the feeling of importance was quickly replaced with the feeling of being an ante-chamber for migrants along the established route. The crisis, therefore, has not helped the Balkans to move closer to the membership.

One of the consequences of migrant crisis, along with the overall negative environment for the European unity, was an increase in support for extreme political parties in certain EU member states, such as Sweden, Finland, Poland, Germany or France, as well as its impact on the UK's referendum. Within this frame of increased political extremism, the EU has started to experience a crisis of the rule of law. It has been a different crisis, less visible and present in public discourse. The situation with Poland and Hungary has been the most acute example of how much the EU is divided along the fundamental values lines. Just take the most recent ruling of the Polish Constitutional Tribunal that put into question some of the key articles in the EU treaty for their possible inconsistency with the Polish constitution.<sup>58</sup> It seems that the Union has never managed to create sufficiently efficient mechanisms to deal with possible breaches of the rule of law. And above all, the rule of law crisis has had the most profound effect on the enlargement methodology, i. e. any problem or challenge the EU has experienced with it in the past years has had an impact on more and more stringent criteria for membership.

Finally, the pandemic of Covid-19 has had its share of impact on the enlargement policy. The decision to open accession talks with Albania and North Macedonia happened right at the beginning of long Covid-19 lockdowns and certainly did not help these two countries move further along the path

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<sup>57</sup> Factsheet on the EU-Turkey Statement, [https://ec.europa.eu/commission/presscorner/detail/en/MEMO\\_16\\_963](https://ec.europa.eu/commission/presscorner/detail/en/MEMO_16_963), 19 March 2016, last accessed 10 October 2021

<sup>58</sup> Polish Constitutional Tribunal, Assessment of the conformity to the Polish Constitution of selected provisions of the Treaty on European Union, K3/21, 7 October 2021, <https://trybunal.gov.pl/en/hearings/judgments/art/11662-ocena-zgodnosci-z-konstytucja-rp-wybranych-przepisow-traktatu-o-unii-europejskiej>, last accessed 10 October 2021

towards convening the first intergovernmental conference. It has rather added to a long list of things that turned the attention of the Union away from the Balkans.

To sum it up, the debt, Brexit, migrant, rule of law and pandemic crises - have all further undermined the enlargement policy producing a delaying effect, i. e. prevented institutions and EU Member States from dealing with the queue of members in waiting.

## **5. Possible scenarios for the future of enlargement in the Western Balkans**

The Western Balkans is at the crossroads again. Its road towards the European family is today more uncertain than it was for recent decades. As one could see, while the Zagreb 2000 Declaration offered „the prospect of accession“<sup>59</sup> and Thessaloniki Agenda of 2003 reiterated the „unequivocal support to the European perspective“<sup>60</sup> of the Western Balkans to the acceding and candidate states; the Brdo Declaration repeated the usual phrase of „unequivocal support for the European perspective“<sup>61</sup> of the „partners“ in the Western Balkans. Candidates or acceding countries have long disappeared from the new generation of declarative documents (the same one as in the Sofia 2018<sup>62</sup> or Zagreb 2020 Declaration<sup>63</sup>). These small changes and the fact that after two decades still only a perspective is offered to the remaining Balkans can make many disillusioned with the prospects for the future. This paper offers three different scenarios, which the author finds as the most tangible and sustainable to happen: a group approach that would take long years; an option of letting in individual countries to placate and raise hopes; and an additional scenario where the European inactivity gets interrupted by a possible conflict in the region.

### **5.1. A long march home**

When Chancellor Merkel warned that „we should always keep as our goal that in the end it is about the six countries“<sup>64</sup> she synthesised the German enlargement policy for the last decade – a policy of caution and regional approach rather than the one where any individual country could repeat the feat of Greece in 1981 and Croatia in 2013. If one carefully monitors the language of the European Union in the last decade, the „regatta principle“ has never been really officially abandoned, although the „convoy principle“

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<sup>59</sup> Zagreb Summit 24 November 2000 Final Declaration, p. 2

<sup>60</sup> EU-Western Balkans Summit Declaration, 21 June 2003, p. 1

<sup>61</sup> Ibid (Brdo Declaration), p. 1

<sup>62</sup> Sofia Declaration, 17 May 2018

<sup>63</sup> Zagreb Declaration, 6 May 2020

<sup>64</sup> Dušan Telesković, *AufWiedereshen, Angela - Šta je kancelarka ostavila, a šta odnela Zapadnom Balkanu*, Nedeljnik, 16 September 2021, p. 6

has been mentioned and discussed at multiple occasions. When Montenegro officially opened accession talks in 2012, it was the only Balkan country to start negotiating. At the time, Turkey was still conducting accession talks and opening a chapter here and there, while Iceland was uninterrupted yet by the political decision to suspend the EU negotiations. Until Serbia opened accession talks in January 2014, it was Montenegro which really progressed towards membership and chances were high as it managed to open as many as seven and provisionally close two chapters by the end of 2013.

In the following years, the situation has much changed. Iceland dropped from the race altogether, Turkey managed to open its last chapter in 2016<sup>65</sup> and Montenegro and Serbia started to create an initial track record of opened and provisionally closed chapters. In 2017 Juncker started to use a new phrase „frontrunners“ and changed the approach of no enlargement under his commission to a more tangible deadline of 2025<sup>66</sup> for the two frontrunners of Montenegro and Serbia. At the time, it seemed that there would be no group joining involving Albania and North Macedonia as Montenegro and Serbia were too far ahead to be joined by any other candidate country.

The „Western Balkan partners“ are at the point where Podgorica is currently unable to provisionally close any chapter while Belgrade needs to do much more on its rule of law European agenda to continue opening chapters through clusters. Tirana and Skopje are in a vacuum of a long-awaited decision to convene their first intergovernmental accession conference. At the same time, a decision of granting candidate status or opening accession talks for Sarajevo and Pristina are not even within sight. The outlook, therefore, does not seem to be any brighter than it has been for the last couple of years as not much has changed.

In these circumstances, and considering the recent declarative language, it is highly unlikely that there would be any breakthrough for the enlargement to happen for some time ahead. It would probably continue with a low-key rhythm and in a group format. This would mean that the „frontrunners“ will wait for Albania and North Macedonia to start the chapters screening and open the first clusters. Once these two newcomers open the Fundamentals' Cluster and focus on the rest of cluster-opening, the differences shall not be so unsurpassable. This would give ground to the feeling that there should be a date for the four Western Balkan countries to enter the EU sometime in the thirties and with the understanding that they fulfil all the set conditions and criteria. This would also involve an understanding that the EU of the thirties would remain ready and interested in enlarging itself, which would heavily depend on multitude of factors (crisis and non-crisis ones).

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<sup>65</sup> Chapter 33 Financial and Budgetary Provisions was opened on 30 June 2016.

<sup>66</sup> European Commission, *State of the Union Letter of Intent to Antonio Tajani and to Prime Minister Juri Ratas, by President of the European Commission Jean-Claude Juncker*, 2018, p. 10

In any case, a group entry would still not solve the issue of potential candidates - Bosnia and Herzegovina and Kosovo. Recent calls for a group format of enlargement of the Union onto all the six Western Balkan countries are, therefore, putting political and geostrategic thinking ahead of technical readiness requirements. A joint entry of the WB six would delay even further the prospects of the WB four as they would have to wait for the latecomers. This would lead one to think in terms of the forties rather than thirties for the conclusion of the accession process. In both sub-scenarios, the remaining part of South East Europe has a long way to go until it can finalise its European goal. The politicians and other decision makers would, thus, start questioning the costs and benefits of the marathonic process, which would be an introduction into a state of mind as we witness it today in Ankara.

## **5.2. It's a tune for one**

A possibility to have one country acceding the Union has never been dismissed. Historic occasions in 1981 and 2013 support this theory, while the EU has always reiterated its commitment to the individual-merit-based approach. However, this scenario is less likely now to occur than the previous one involving a long-term group enlargement. Why is that?

Take Montenegro - one of the „frontrunners“. It has opened all the 33 chapters that are negotiated for this country, and it managed to provisionally close three of them - therefore, not just the „easy ones“ dealing with Education and Culture (25) and Science and Research (26), but also Chapter 30 that deals with external economic relations of the EU with other countries. Montenegro, thus, has shown capacity to fulfil closing benchmarks and close chapters, so the question is why it has not closed anything since 2017. The New approach of 2012 introduced a conditionality mechanism that put the rule of law chapters (23 and 24) as the litmus test to any other progress. A lack of progress of Montenegro in fulfilling as many as 83 interim benchmarks for chapters 23 & 24 prevented the country's bid to close any further chapter. This unofficial „brake system“ was then „legalised“ into an official condition with the new enlargement methodology of 2020 that prescribes that a candidate country cannot close chapters before it fulfils rule of law interim benchmarks and receives the closing benchmarks for the two key chapters.

If Montenegro manages to break from this magic circle of reinvigorated conditionality and indeed receives chapters 23 & 24 closing benchmarks in the near future (two to three years), then it would be possible to think about the country creating progress in closing chapter by chapter, thus leading to a possible finalisation of the accession talk within this decade. Montenegro could, therefore, be successful on the condition that it really manages to produce a reputable track record in the area of fight against organised crime and corruption and convince the EU Member States that the achieved would be enough for a positive decision on entering a new phase of its work on the rule of law issues. Even in this overtly positive scenario, the country would be



negotiating close to two decades – a period which, aside from Turkey, the EU has never experienced before.

A similar scenario could also be envisaged for Serbia as this country has already a good stock of eighteen opened chapters, but Belgrade would need to produce more concrete results in the area of judiciary, freedom of expression, fundamental rights and security if it wants to really come to a phase where all the clusters become open and, again, interim benchmarks for chapters 23 & 24 are fulfilled. Serbia, however, would have an additional endeavour to take on. Its Chapter 35 is about relationship between Belgrade and Pristina, and even once the country fulfils interim benchmarks and gets closing benchmarks for this chapter, it would still remain to be seen how the Council / Member States would receive a country whose borders and sovereignty issues are not fully reconciled, i. e. the Cypriot scenario would not be easily an option in the next years.

Ultimately, in the case the individual entry scenario really comes to life, the real hard question would be if the Member States are ready to undergo the pains of the process of legal and structural changes of the Union just because of letting in one new Member State, be it Serbia, or even more because of such a small country as Montenegro is. This issue has been vocally articulated in French positions of „the Union needs first to resolve its own issues“ and then enlarge, that Mr Macron<sup>67</sup> did not hesitate to mention each time the enlargement came into the focus. Ideally, for one country to enter, the best would be the first year of the successive financial perspectives, i. e. 2028 or 2036. But even those entries would call for extensive legal preparations and reconfiguration of numbers and data that the EU is much less eager to undergo than it was in its last golden years around the adoption of the Lisbon Treaty.

### 5.3. A conflict could change everything

A scenario that could actually change everything is, unfortunately, a scenario based on a possible conflict erupting in the region. From time to time, we hear of the possibilities of having another conflict happening if nothing is done in the Western Balkans. Sometimes, these voices are discarded as not realistic, but sometimes due interest and focus is given to them by those who carefully study the possibilities of conflict in „cleft countries“.<sup>68</sup> If really the

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<sup>67</sup> „I am more than skeptical toward those who say that the future of Europe lies in further enlargement, when we can't find agreement between 28 nations,“ Macron said as he left fruitless all-night negotiations in Brussels on Monday. „And I am insistent on the fact that I will refuse all forms of enlargement before deep reform to the way we function institutionally.“ - Richard Lough, *Size matters: France deflates EU enlargement aspirations*, Reuters, 2 July 2019, <https://www.reuters.com/article/us-eu-enlargement-idUSKCN1TX2AA>, last accessed 10 October 2021

<sup>68</sup> Huntington's Clash of Civilizations presents the thesis of cleft countries as those where „identity issues are, of course, particularly intense in cleft countries that have sizable groups of people from different civilizations.“ Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order*, Simon & Schuster Paperbacks, NYC, 2011, p. 307.

Western Balkans is „a cleft region“,<sup>69</sup> then there are good chances a conflict can emerge at any point of time, especially when there are no safety breaks i. e. when prevention mechanisms are left without proper maintenance. At this point of time, the feeling in the Western Balkans about the lack of shared European destiny with their EU brethren has been the strongest. As we have argued in this article, third actors are gaining ground caused by a lack of the Western World's presence, which had been in turn caused by permanent state of crisis and, to add, a lack of real economic and political interest in the region. Balkan politicians now have an increasingly unclear agenda, the clarity of which is necessary to bind them to reforms; while the burden of EU standards is becoming less and less attractive for them. This creates a spiral of new political and geostrategic alliances that involve non-EU actors that might not regard the current set-up of the region as the only realistic one thus favouring change.

In turn, any change of the fragile geopolitical and geo-security architecture of the Balkans can open up the region to a possible conflict. The difficulty is that this conflict can erupt anywhere in the Western Balkans and the domino effect, as all the countries are fully interconnected, can flare up the whole area. A conflict between Pristina and Belgrade can lead to the involvement of Albania and influence the delicate structure of relations in North Macedonia. A conflict occurring in Bosnia and Herzegovina might be a call for the involvement of its neighbours and would affect the relationship and balance of powers on the axis of Serbia-Kosovo-Albania. A disturbance of the ethnically most diverse country in the region (and the EU frontrunner) - Montenegro - would mean not only a defeat of the European policy in the Balkans, but would send the waves of tremor across the peninsula.

The list of feasible conflicts can go further, but the real paradox lays not in their acute possibility. Rather it is the fact that any more serious conflictual situation in the Western Balkans would inevitably lead to an interruption of the current policy of the EU (and America, to that end) towards the region. For good or for bad, Brussels, as well as Washington, would then need to fully change their approach and find a better mechanism to deal with the issue of the remaining piece of the continent that is neither inside, nor outside of the Union. This means that the EU would either need to find a way that would not leave the Western Balkans just floating by its side - with the danger that that could be two very different scenarios.

The first scenario could be that Brussels would finally try to set up a target date for the entry of the Western Balkans and establish a very clear and understandable list of criteria that the Balkan candidates need to fulfil. This optimistic scenario would build on the need to find a new approach to prevent any further conflict by finally getting the region into the Union before years of European investment and effort, be it pre-accession assistance or the huge

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<sup>69</sup> Or a „region of cleft countries“.



political capital spent on finding sustainable solutions, evaporate leaving no chances for the European future of the region. The EU would need to present serious and rigorous criteria that would need to be fully respected according to an agreed timetable, but also to respect its own commitments and deliver on them. Concomitantly, the Western Balkan leaders would need to approach their integration agenda with full responsibility and honesty, discipline their public administration and focus on real reforms that bring change. Only a serious and committed approach by both sides could produce real and tangible results.

The second, pessimistic, scenario would mean the EU would look at any new conflict in the Western Balkans as a final reminder that the region has no potential for stabilisation and subsequent accession. This would prove right those that claim that the Western Balkans cannot and will never be ready for the Union. A conflict would dissolve any hopes for the region to join the Union for some decades to come. Western allies would have to find a way of keeping in peace and stability their Western Balkan island, surrounded by their Schengen and non-Schengen borders alike. However, this option would not include any enlargement of the Union onto the region, and we would witness a birth of a new policy towards the Balkans which would be more of a neighbourhood policy with an additional focus on stabilisation and measures for preventing an enlarged third actors' influence. Therefore, more security and politics, and less of technicalities, i. e. the termination of enlargement as such.

## **6. Conclusions**

The Western Balkans are at a special moment in their European integration timeline. Twenty-one years after the opening of the European perspective for the remaining part of the Balkan Peninsula, the future is more uncertain than ever. Paradoxically, the feeling of certainty and hope in a foreseeable EU entry for the Western Balkans has been diminishing as the number of declarative documents on the „European future of the Western Balkans“ in the region's neighbourhood (Sofia, Zagreb, Brdo) was growing. At the same time, the disorientation of the candidates and potential candidates on the European prospects has gone hand in hand with a multitude of criteria and conditions in new methodologies. Finally, more of non-Western actors has replaced less of the EU and American presence filling the void in economic, political, security and cultural matters.

Within these specific circumstances, it is indeed very difficult to predict when the next, seventh, enlargement is going to happen. This paper has tried to offer three scenarios through which one can observe the enlargement developments in the next few decades; a group scenario with a package solution for the whole region; a separate entry of one or two countries, and finally a conflict scenario that can have a negative, but also a positive impact on the Balkan enlargement policy.

The first two options, both the team and the individual entry into the EU, could take a greater part of the next thirty years of integration. Montenegro is next year entering its second decade of accession talks, Serbia will also follow soon in 2024. The outlook for the rest remains bleak – Albania and North Macedonia have a long way to go even after they manage to officially start the bilateral screening. At the same time, Bosnia & Herzegovina and Kosovo need first to achieve their candidate status to be able to look for the negotiation process to start. However diverse, none of the Western Balkan „partners“ can easily get out of the complexity of enlargement conditions. The conditionality has grown more stringent, complicated, demanding leaving the candidates and potential candidates in a quagmire of public administration’s inability to produce results, lack of will of politicians to undertake real reforms as well as too high and sometimes unreachable moving targets set by Brussels. Therefore, years will need to pass before the region scores an entry in the Union.

A potential for conflicts has never left the region. It is very possible to have a scenario where any, even a minor, conflict could ignite the whole region and thrust it backwards for decades. The third scenario might look as the most unrealistic one, but if it happens at some point, it would have a huge impact on both the region and the EU. As explained in the article, it could be a catalyst for an enlarged and this time more effective focus of the Union in the Balkans, but it can also come as a termination of the European dreams in the region.

The current situation, recent developments and possible future scenarios all denote the complexity of the situation in the Western Balkans. This calls for a very serious contemplation and subsequent action in order to find the suitable solution for the only remaining part of the European continent that wants to join the Union.

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# GEOPOLITICS AND EU ENLARGEMENT IN THE WESTERN BALKANS

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## ***Abstract:***

*EU enlargement to the Western Balkans (WB) has reached a stalemate as a result of both the democratic regression witnessed in the region and the changing EU approaches. In this context, there is an urgent need for the EU to clarify between its transformative ambitions in the region and a more geopolitical approach to the region. Failing to do so may create a vacuum in which other external powers may take advantage to strengthen their influence in the WB.*

**Keywords:** EU Enlargement; Transformative Power; Geopolitics; Western Balkans

## **Introduction**

This paper argues that the EU ought to clarify the relationship between its approach based on the objective of transforming the Western Balkans (WB) through EU membership and another one emphasising more geopolitical considerations as a justification for EU membership. Failing to do so may further undermine the influence of the EU in the region while strengthening the influence of the other external powers.

To discuss these points, this article is divided into three parts. The first deals with the concepts of backsliding and competitive authoritarianism that characterised the recent changes in terms of domestic politics in the WB and the changes made to EU enlargement policy. The second part gives an overview of the geopolitical rivalries in the WB. The third part discusses the tensions between the EU transformative approach in the WB and a more geopolitical approach.

### **1. Backsliding and Elusive EU Membership**

Since 2015, most of the WB have all experienced a regression in terms of democratic and human rights, not to mention corruption. In this respect, one



should notice that the Covid-19 crisis did not cause such negative evolution but made it even more visible.

The use of the concept of democratic is contested (Cianetti & Dawson, & Hanley, 2018). Some authors refer instead to resort to the concept of competitive authoritarianism to define the nature of the political systems that emerged in the WB since 2015. Such systems are characterised by the weakness of the democratic institutions and the utilisation of that weakness by authoritarian political actors to attain and retain power (Bieber, 2018, p. 338). Those changes became all too visible already in 2019 when mass protests took place in Albania, Kosovo and Serbia denouncing the increased suppression of democratic rights, of corruption and the muzzling of the media amid unfavourable economic conditions (Balkan Insight, 2019).

In all the WB, the Covid-19 crisis led the local governments, such as in other countries as well, to take to restrain individual freedoms. In Serbia, the Serbian President Alexander Vučić, in power since 2014, went much beyond these measures by imposing, in 2020, a state of emergency that led to the silencing the opposition by closing the Parliament and further restricting the freedom of the press. In Montenegro, while allowing pro-government protests, the police banned the ones organised by the opposition parties on sanitary grounds (Wunsch, 2020).

Regression or at least lack of progress is also being reflected in the resolution of conflicts in the region. The conflict between Serbia and Kosovo has shown little signs of a possible resolution despite some positive steps undertaken such as the decision taken in June 2020 by Kosovo to remove all barriers on goods produced in Serbia. In Bosnia, the country has experienced major political turmoil in the aftermath of the 2018 elections that left the country without properly functioning governing institutions, not to mention the repeated attempts taken by Milorad Dodik, the leader of the Republika Srpska, to undermine the Bosnian complex system of government (Edwards, 2020).

Such developments seem to be pushing the WB countries further away from EU membership and puts in question the EU enlargement methodology based on the fulfilment of the Copenhagen Criteria of 1993, emphasising the importance of the rule of law and good governance for joining the EU. In addition, the successive internal crises that the EU have faced since 2008 (Euro crisis, migration crisis, Brexit...) contributed to decrease further any remaining appetite within the EU for the inclusion of new member states, leading to some extent to an „enlargement resistance“ (Economides, 2020).

In this context, attempts were made to put the issue of EU enlargement back on the EU front burner. In 2018, the Bulgarian Presidency of the Council of the EU convened an EU-WB summit without producing any concrete results. Again in 2018, the European Commission issued its new Enlargement Strategy for EU accession aimed at the Western Balkans that included for the first time an indicative date of 2025 as a possible horizon for EU accession of



the most advanced candidate countries such as Montenegro and Serbia (European Commission, 2018, p.3). But in 2019, the EU enlargement issue suffered from a new setback. In October, the French, Dutch and Danish EU member states opposed starting the accession negotiations with both North Macedonia and Albania. The French opposition was based on two arguments. The first and main argument, was that the EU needed to reform itself internally before engaging itself in a new wave of membership. The second was that these two countries had not accomplished enough progress in terms of domestic reforms despite some notable attempts at reforming the country by his new Prime Minister, Zoran Zaev, in office since 2017.<sup>1</sup>

This last argument led the French to issue, one month later, a Non-Paper proposing a new methodology for the accession process. The new methodology is based on four key principles, which were gradual accession; stringent conditions; tangible benefits and reversibility (Non Paper, 2019).

These developments led the EU Commission, in February 2020, to submit its own new EU enlargement methodology, largely inspired by the French Non-Paper. The new methodology that builds on the 2018 New Enlargement Strategy emphasises four key aspects such as credibility, predictability, dynamism and more political steer on the part of the Council and the member states (European Commission, 2020). It provides for a more flexible process along six policy clusters that would allow speeding up the conclusion of the accession discussions and for greater political scrutiny on the part of the Council and member states that will play a more central role in steering the enlargement process (Stanicek, 2020, p. 2-3).

Following their agreement of the Commission's new methodology, the EU member states agreed to start formal accession negotiations with Albania and North Macedonia. That being said, such negotiations got stalled, in June 2021, following the Bulgarian demand for North Macedonia to address its bilateral linguistic and cultural dispute first (Rettman, 2021). As for the other candidate countries, progress in their accession negotiations has been slow.

Montenegro was seen as the most promising candidate for EU accession. Montenegro applied for EU membership in 2008 and was granted candidate status in 2012. To date, 33 negotiation chapters have been opened and three were closed. That being said, the 2020 Commission Country Report on the country's progress to EU membership highlighted a number of problematic issues, especially with regard to human rights, freedom of the press, not to mention that there is still no elucidation of the shooting attack of a local journalist, and corruption (The Guardian, 2018). In May 2021, Montenegro opted into the new EU enlargement methodology in the hope of speeding up its accession process (Crowcroft, 2021).

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<sup>1</sup> Even though being labelled as a 'hybrid' regime by the Freedom House, the new government elected in 2017 started a process of reforms with mixed results (Freedom House, 2020).

As far as Serbia is concerned, the path to EU membership has not been any easier since the country was granted, in 2012, candidate status. In the last 2,5 years, the discussions reached a stalemate with little if no progress being made. In its last 2020 Country Report, the Commission highlighted its growing concerns regarding the deterioration of Serbia's human rights situation and rule of law, not mentioning the deadlock in the country's peace talks with Kosovo. To complicate matters more, Serbia concluded, in 25 October 2019, a free trade agreement with the Russian-led Eurasian Economic Union (EEU), likely to be incompatible with any future EU accession. This move appeared to have been more about foreign policy than about trade and showed the extent to which Serbia is playing off the EU against the other powers in the region (Vuksanovic, 2019). In May 2021, Serbia also decided to opt into the new enlargement method (Euractiv.com, 2021).

The two other countries in the WB, namely Bosnia Herzegovina and Kosovo are yet to be granted the status of candidate countries. Bosnia Herzegovina applied for EU membership in 2016. In 2019, the Commission delivered its opinion indicating 14 key priorities to be addressed by the country in order to expect granting it EU candidacy. As far as Kosovo is concerned, the lack of consensus on the recognition of the country's independence by some EU member states prevent any formal discussions on EU membership even if the EU has managed to develop bilateral links with this non-fully recognized entity (Rettman, 2021).

The lack of progress in the EU accession process for the WB countries has recently led to some strong reactions from both key EU political figures and think-tankers. In June 2021, the German, Portuguese and Slovenian Foreign Affairs ministers reasserted the strategic importance for the EU to extend its membership to the WB countries while lamenting the stalemate in the accession negotiations with Albania and North Macedonia (Federal Foreign Office, 2021). In July 2021, on the eve of the start of the Slovenian EU Presidency, a network of think tanks from both the EU and the candidate countries called for revisiting the EU enlargement methodology by emphasizing the need for greater differentiation between the candidate countries and stronger monitoring of their progress towards accession (Emerson & Lazarev, 2021). The last EU-WB summit held under the Slovenian EU Presidency on 6<sup>th</sup> October 2021 did not lead to any significant breakthroughs by falling short of mentioning the word of „accession“ as far as the candidate countries are concerned and just „reconfirming its [EU] commitment to the enlargement process“ (Brzozowski and Makszimov, 2021).

The combination of democratic backsliding in most of the WB countries and of the changing EU approaches has led EU enlargement to reach a new stalemate. Such a development may lead to a decreasing influence of the EU in the WB while increasing the one of the other powers such as Russia, China and Turkey.

## 2. Geopolitical Rivalries

The EU is, without contest, the primary external political and economic actor in the WB. For all the countries in the region, EU membership remains their main policy objective. Economically, the EU is by far the largest trading partner of all the WB countries accounting for more than 67% of their import and more than 73% of their export, well ahead of Russia, China, Turkey and the other countries that barely reach double-digit figures (Panagiotou, 2020, pp 4-6). Financially, the EU is the largest donor and the largest investor in the region as well, dwarfing the other external powers to a very large degree by providing from 60% to 80% of the FDIs to the different countries in the region. Despite such data, the EU is still suffering from a perception deficit in the region. For example, in a poll conducted in 2017, 24% of respondents were convinced that Russia is at least at par with the EU when it comes to its development aid. In reality, Russia accounts for less than 0,5% of development aid to Serbia and the EU for more than 60% (Panagiotou, 2020, pp 6-9).

That does not mean however that local responses to EU policies and decisions have not reflected deep concerns, and at times sharp criticisms in the WB, especially in relation to the Covid-19 crisis. In spring 2020, the EU decided on an export ban on medical supplies that excluded the WB from accessing vital tools such as personal protective equipment (PPE) and masks and a year later, the EU refused to share their vaccine rollout with the region. It does not mean, however, that the EU remained inactive. In May 2021, the EU announced a financial support to address the health and economic impact of the Covid 19 epidemics of up to 3,3bn Euros, consisting of a mix of loans, guarantees and other financial instruments. In terms of vaccines, the roll out of vaccines used in the EU and in the USA is taking place thanks to the COVAX mechanism set up by the World Health Organization and heavily supported by the EU. More recently, in April 2021, the EU committed to supply more than 651,000 doses to the region. However, there is no doubt that the EU lost a large chunk of credibility among the local populations in the region because of its vaccine diplomacy (Schmidt & Dzihic 2021). A recent survey completed in July 2021 in Serbia showed that the majority of people now sees Russia and China as the key allies and supporters of their country, well ahead of the EU (Hosa & Tcherneva, 2021).

The other countries that have increasingly invested both political and economic capital in the WB are three main external powers, by order of importance: Russia, China, Turkey.

For Russia, the Balkans have been part of their strategic backyard since the 19<sup>th</sup> century. Russia is the main energy supplier to all the countries in the region and plays the card of their religious and cultural proximity skilfully. It has also been supporting a number of local political forces with the aim of preventing the resolution of conflicts in the WB whether between Serbia and Kosovo or in Bosnia, not mentioning their heavy involvement in disinformation

campaigns in the region. During the first months of the Covid-19 crisis in the WB, the Russians displayed their support by supplying countries such as Serbia with protective masks and by setting up a production facility scheduled to operate in autumn 2021 in Serbia (Schmidt. & Dzihic, 2021).

That being said, if Russian policy in the WB can be considered as a source of nuisance from the EU's point of view, its impact should perhaps not be exaggerated. Firstly, Russia has mostly approached the WB as part of its relations with the other great powers. Secondly, and with the exception of the field of energy, the economic importance of Russia for the WB is rather limited (Panagiotou, 2020, p. 9-12).

In some respects, China is a newcomer in the WB. Its involvement in the region derives from a larger policy also called the Belt and Road Initiative (BRI) aimed at setting up bilateral links with the countries of Central and Eastern Europe. These bilateral links were formalised in 2012 with the launch of the 17+ 1 format.<sup>2</sup> The last two summits of this format took place in 2018 in Sofia (Bulgaria) and in 2019 in Dubrovnik (Croatia). In the WB, China has become a new source for funding for a series of infrastructure projects, some being controversial at the local level (Markovic Khaze & Wang, 2020, p. 12-13). As elsewhere in the world, the Chinese involvement in the WB is much less politically motivated than financial and economical. It nevertheless contributed to fuel corruption and bad governance amid frustrations expressed in some Central and Eastern European countries with respect to their access to Chinese markets and lack of trade opportunities (Lilkov, 2021). During the Covid-19 crisis, China was also keen on showing its support for the Western Balkans by providing a high number of masks and protective clothing as well as vaccines including the establishment of the first production unit in Serbia (Schmidt & Dzihic, 2021).

Turkey's involvement in the WB has long been centred on its religious and cultural diplomacy that consisted of funding preachers, mosques and Islamic schools while cultivating close relations with local leaders. Such support proved useful in the repression against the so-called Gulenists by obtaining the extradition of some of their members taking refuge in the region such as in Albania and in Kosovo, often in disregard to their national and international commitments in terms of human rights (Koppa, 2020, p. 5).

The geopolitical configuration of great powers influence in the WB places the EU as a central actor in the region. That being said, with influence comes the issue of strategy. In this field, there is a risk for the EU to overplay the importance of geopolitics over its transformative objectives in the region.

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<sup>2</sup> Originally established the 16+ 1 initiative included: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia and Slovenia. In 2019, Greece joined the initiative. Recently, in March 2021, Lithuania decided to leave the 17+1 initiative.

### 3. Transformative EU vs. Geopolitical EU in the WB

When taking office in 2019, the new President of the EU Commission Ursula Von der Leyen announced her willingness to have a geopolitical Commission. This announcement did confirm a new emphasis on geopolitics in EU external policies. That new emphasis became already visible in the aftermath of the EU-Russia crisis of 2014 that reminded the EU of the resurgence of power politics in Europe. If anything, the Covid 19 crisis in the WB highlighted the extent to which the region has once again become a space for renewed competition between the great powers.

In its involvement in the WB, the EU has portrayed itself as a major transformative force or as some scholars referred to, as a transformative power (Grabbe, 2006). This was clearly reflected in the 2015 EU Commission enlargement strategy when emphasising that: „EU membership has a powerful transformative effect on the countries concerned, embedding positive democratic, political, economic and societal change“ (European Commission, 2015, p.2). In this light, EU policies are aimed at guiding the reform process in the candidate countries through setting accession conditions referred to as accession conditionality and Europeanization, a process by which adaptation to the EU becomes deeply intertwined with domestic policy making and providing them substantial financial support. These principles make much of the transformative approach that reject both a geopolitical approach and concept of interests (Grabbe, 2006, p.3).

Since 2016-2017, the EU seems to have gradually shifted to a new geopolitical approach in its involvement with the WB. This shift is being translated in some key documents related to EU foreign policy such as the new 2016 EU Global Strategy with a stronger emphasis on EU interests, stability, resilience and the need to develop defence capabilities (Lehne, 2020). Related more specifically to EU enlargement, the 2018 Commission's Enlargement Strategy, while not giving up on its transformative dimensions, uses new words and concepts alluding to the WB as being part of the EU's sphere of interests: „EU membership for the WB is in the Union's very own political, security and economic interest“ (European Commission, 2018, p.1).

If the 2018 new EU Enlargement strategy emphasised the need for reforms in the fields of human rights and good governance, the 2020 Enlargement methodology gives more say within the member states in assessing the situation in the countries concerned. This greater political steer may well go both ways: either in the direction of a tougher approach or a more lenient approach according to the foreign policy preferences of the member states concerned. In any case, the use of unanimity in these decisions may well lead to other deadlocks as member states can always use enlargement decisions as a way to settle political scores with the candidate countries (Cvijic 2019) as reflected in the recent Bulgarian veto that stopped the accession negotiations with North Macedonia and Albania.

There is, therefore, a risk for the EU to gradually shift to a new approach, from the one of transformation to the one emphasising more geopolitical considerations. Such an approach may well lead to two kinds of developments. The first one would be to devalue the transformative ambitions of the EU involvement in the WB to other sets of objectives aimed at stabilizing the different countries in the region. The second one would be to show greater tolerance of democratic backsliding in order to counter the influence of external powers but with the risk of the EU renegeing on the very values on which it is founded. The net result of such an approach would lead to granting EU membership to the WB while disregarding the state of their democratic institutions.

To some extent, EU member states are still divided between a number of them keeping insisting on the need for the EU to continue being a transformative power in the WB. Among those countries, one could certainly include France, the Netherlands and the Scandinavian EU member states. Other member states favour a geopolitical approach. Among these countries, one could include Austria, Italy, Bulgaria, Hungary and Slovakia as the main ones (Petrovic & Tzifakis 2021,p.161-162).

## Conclusion

A more EU geopolitical approach to the WB, if confirmed, may be based on an exaggerated reading of great power competition in the region. As the figures mentioned in this paper show, none of the great powers active in the Balkans can pretend to replace the EU as the main political and economic partner for each of these countries. In addition, some of these external powers such as China and Turkey or even Russia do not have any interest in seeing a complete collapse of the EU enlargement to the WB as these countries could be used as spearheads to take advantage of the EU single market. A weakening of the EU influence in the WB may also produce a vacuum that could fuel further instability in the region by exacerbating great powers rivalries.

Lastly, a too strong emphasis on geopolitics in the EU approach towards the WB also presents the risk of overlooking the new challenges the region is facing at the beginning of the 21<sup>st</sup> century. For example, one can mention the poor record in the region in terms of protection of the environment. From the highest levels of air pollution recorded in Europe to the destruction of natural habitats and decreasing biodiversity as well as increasing temperatures, each of the WB countries is facing major challenges in these fields (Lesoska, 2020).

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# EU ENLARGEMENT IN THE WESTERN BALKANS: FABRICATING REFORMS IN PUBLIC ADMINISTRATION

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## **Abstract:**

*There are many reasons for an enhanced the EU engagement with the countries of the Western Balkans, such as geostrategic investment and greater stability in Europe, a strong and united Europe, enhanced prosperity and social well-being, and so on. Therefore, an extremely ambitious perspective is for a part of the Western Balkan countries, namely Montenegro and Serbia, to become members of the European Union by 2025. This optimistic view in order to be achieved will need strong political will, involvement and the implementation of well sustained reforms in both countries. These countries must, above all, give utmost priority to the rule of law, justice and fundamental rights, and conduct EU-oriented reforms and projects. Unfortunately, the country reports emphasise the practices of fabricating reforms instead of implementing them, poor performance on specific indicators and deep problems of corruption and maladministration. Thus, this article aims to highlight practices that impair the enlargement objectives, the shortcomings faced in the public administration reform, and answer questions such as: „How should these countries cope with challenges?; How could they steer the reform design and implementation?“*

**Keywords:** Western Balkans, enlargement, reform, corruption, maladministration

## **The EU's official position regarding the Western Balkans**

The countries of the Western Balkans (Albania, Bosnia and Herzegovina, North Macedonia, Montenegro, Kosovo and Serbia), also called „enlargement countries“ due to their prospect of joining the European Union, must resort to implement structural reforms, rebuilding strong and democratic societies, delivering real solutions and completing their transformation in order to bind their future to the European Union. To support the European perspective of the Western Balkans, the EU is actively engaged in the whole process through recommen-

dations, financial support and participation in certain Union policies and programmes. Thus, as a matter of fact very recently on September 15 2021, the European Parliament adopted the new Instrument for Pre-accession Assistance for 2021-2027, through which the EU will provide over €14 billion to support candidate and potential candidate countries (previous budgets for the six Western Balkan countries amounted to €5.3 billion, IPA I, and €6.9 billion, IPA II 2014-2020)<sup>1</sup>. Moreover, the supportive position of European leaders on the Western Balkans is evident in their official speeches or in the official written documents. Thus, in July 2019, among the political guidelines for the European Commission 2019-2024, the candidate for President of the European Commission at that time, Ursula von der Leyen, underlined the following: „I want to reaffirm the European perspective of the Western Balkans and I see the important role in the continued reform process across the region. We share the same continent, the same history, the same culture and the same challenges. We will build a common future together. I fully support and stand behind the European Commission’s proposal to open negotiations with North Macedonia and Albania. The accession process offers a unique opportunity to promote and share our core values and interests.“<sup>2</sup> On May 10, 2021, Josep Borell, the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the Commission, chaired the Foreign Affairs Council in Brussels and mentioned that „the Western Balkans are a region of key geostrategic role for the European Union. Our commitment to the Western Balkans needs to be very visible and we should leave no doubt in this respect. [...] there was a wide agreement on the need for the Western Balkans to accelerate European Union-related reforms and reinforce positive and constructive narratives. We need to advance on the accession process of Albania and North Macedonia. [...] EU integration with Serbia and Montenegro needs to be taken forward. We need progress on visa liberalisation for Kosovo [...]. We recalled continued and strong support for Bosnia and Herzegovina’s territorial integrity and sovereignty [...]“<sup>3</sup>, while, in June 2021, David Sassoli, the European Parliament President, called the enlargement a „positive project for peace and prosperity“ and „a hope for all sides“<sup>4</sup>, a project that can bring large benefits both to the region and to Europe.

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<sup>1</sup> European Commission, *Enlargement region: European Commission welcomes final adoption of EU’s new €14 billion pre-accession assistance budget for 2021-2027*, September 15, 2021, <https://ec.europa.eu/neighbourhood-enlargement/news/>, accessed on October 8, 2021

<sup>2</sup> Ursula von der Leyen, *A Union that strives for more. My agenda for Europe*, [https://ec.europa.eu/info/sites/default/files/political-guidelines-next-commission\\_en\\_0.pdf](https://ec.europa.eu/info/sites/default/files/political-guidelines-next-commission_en_0.pdf), 16.07.2019, p. 18, accessed on September 14, 2021

<sup>3</sup> Foreign Affairs Council, *Press conference by Josep Borrell Fontelles, High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission*, <https://audiovisual.ec.europa.eu/en/video/I-205389>, Brussels, May 10, 2021, accessed on October 1, 2021

<sup>4</sup> *Sassoli: Enlargement is a positive project for peace and prosperity*, Brussels, 07.06.2021, <https://europeanwesternbalkans.com/2021/06/07/sassoli-enlargement-is-a-positive-project-for-peace-and-prosperity/>; *Sassoli: Parliaments are key drivers of the enlargement process*, Brussels, 28.06.2021, <https://europeanwesternbalkans.com/2021/06/28/sassoli-parliaments-are-key-drivers-of-the-enlargement-process/>, accessed on September 27, 2021

Thus, the European Union and its Member States have expressed their support for the prospect of full EU membership of the Western Balkans, a membership that is conditioned to various factors, the convergence of these states in terms of socioeconomic and political development being at the centre. In addition to the rules defined at the Copenhagen European Council in 1993 which govern the enlargement rounds, stricter conditionality at all stages of the negotiations and the demand to address administrative and judicial reform as a matter of priority in the accession process for the Western Balkans will be endorsed.

## Current state of affairs

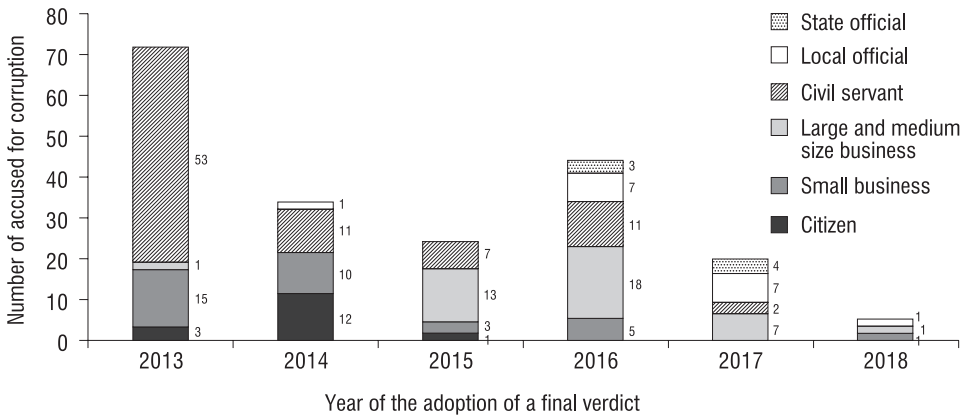
Previous research done in the field of Public Administration Reform in Western Balkan countries showed us that these countries „find themselves at different stages of implementing the European legislation“, an essential achievement being registered in the field of legislative package development, „but much remains to be done in the field of coordination, implementation, and monitoring“<sup>5</sup>. The main areas of concern are the rule of law, public administration reform, state capture and high-level of corruption. Taking these findings into consideration, we will focus on two countries, namely Montenegro and Serbia, Montenegro being the most advanced in its negotiation process, having opened all 33 screening chapters of the EU *acquis* and provisionally closed negotiations on three, while for Serbia 18 out of 35 chapters have been opened, two of them being provisionally closed. Moreover, the underlined problems in implementation directed our analysis on key shortcomings closely linked with the implementation process.

Thus, *State Capture Montenegro National Report*, issued on March 2021, analysed different typologies of laws and policies and emphasized deep problems with procedures regarding the preparation, adoption, and implementation of such laws in this country. The report underlines problems in all stages of the public policy cycle. Since the inception of the policy, public consultation is not conducted properly, while during the adoption phase a non-comprehensive parliamentary scrutiny frequently is in place, the time frame in which laws are discussed and adopted being shortened or not long enough to ensure a qualitative process. The implementation is characterized by informal practices, nepotism and corruption. The main findings of the report are the following: „courts tend to give milder penalties for high-level corruption than for administrative corruption“; courts „have a more lenient attitude toward high-level corruption in the public sector, which causes multi-million-euro losses in the state budget, than to corruption in the private sector, where damages are less harmful to state finances“; „high-level public officials receive more favourable treatment before the courts“; „the courts assess the same circumstances differently, depending

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<sup>5</sup> See for details Reianu Diana-Gabriela, *A comparative analysis of key public service areas in Western Balkans: where do we stand?*, Research and Science Today, No. 1(21)/2021, p. 24, doi:10.38173/RST.2021.21.1.2:15-26

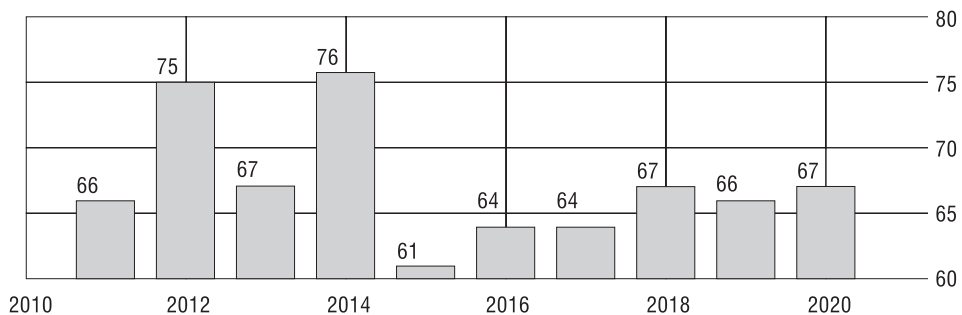
on the accused“; „political networks of patronage, nepotism and clientelism are spread across all branches of power“; „lack of transparency and free access to information, a weak and non-functional liability system, and the overwhelming political influence of the ruling elite“<sup>6</sup>. Moreover, the report shows that during 2013-2018 the proceedings referred mostly to cases of administrative corruption, and the number of persons convicted for corruption was decreasing, with a lot of „no final judgments“ for many criminal offenses with elements of corruption and rarely convicted public officials.



*Graph 1. Identity of those accused of corruption*

Source: NGO MANS, State Capture. Montenegro National Report, Podgorica, March 2021, [http://www.mans.co.me/en/wp-content/uploads/2021/06/eng-state-captu\\_53661842.pdf](http://www.mans.co.me/en/wp-content/uploads/2021/06/eng-state-captu_53661842.pdf), p. 8

According to *Transparency International*, corruption rank in Montenegro increased to 67 in 2020 from 66 registered in 2019, and signifies how corrupt the public sector is perceived to be.



*Graph 2. Montenegro Corruption Rank 2010-2020*

Source: Trading Economics, Montenegro Corruption Rank, <https://tradingeconomics.com/montenegro/corruption-rank>, accessed on October 2, 2021

<sup>6</sup> NGO MANS, *State Capture. Montenegro National Report*, Podgorica, March 2021, pp. 4-5, [http://www.mans.co.me/en/wp-content/uploads/2021/06/eng-state-captu\\_53661842.pdf](http://www.mans.co.me/en/wp-content/uploads/2021/06/eng-state-captu_53661842.pdf), accessed on September 22, 2021

Despite its high score, Montenegro ranks the lowest among the other Western Balkan countries (the score of Serbia is 94, Albania 104, while North Macedonia scores 111<sup>7</sup>).

Similar evidence includes the *Montenegro 2020 Human Rights Report*. Political pressure, corruption and nepotism are mentioned as factors that influence prosecutors and judges, while the appointment of judges and prosecutors is a highly politicised process, although the law provides differently<sup>8</sup>. Furthermore, the report of the Council of Europe reiterates that Montenegro did not implement its recommendation regarding „developing the disciplinary framework for judges with a view of strengthening its objectivity, proportionality and effectiveness“<sup>9</sup>, and the authorities did not even give consideration to develop such a framework.

Moreover, the European Commission country report, issued on October 2020, categorised Montenegro as being „moderately prepared on the reform of its public administration“ and „moderately prepared to apply the EU *acquis* and the European standards in the area of the judiciary“<sup>10</sup>. In regard to the independence, professionalism, efficiency and accountability of the judiciary, serious negative trends were observed and the European Commission’s recommendations were partially addressed, thus the challenges still remain.

As concerns Serbia, public administration reform is high among the priorities of the Government, as it is declared on the official website of the Ministry of Public Administration and Local Self-Government<sup>11</sup>, being a well-known fact that only with adequate administrative capacity the country can provide the implementation of all necessary reforms. Still, despite some progress was achieved in elaborating the legislative framework, there are many shortcomings related to the implementation of merit-based procedures, performance indicators, and a transparent system for capital investment. In the field of rule of law and fundamental rights, the European Commission report acknowledges that „Serbia has some level of preparation to apply the EU *acquis* and the

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<sup>7</sup> Transparency International, *Corruption Perceptions Index*, <https://www.transparency.org/en/cpi/2020/index/nzl>, accessed on October 1, 2021

<sup>8</sup> United States Department of State, *Country Reports on Human Rights Practices for 2020*, pp. 10-11, <https://www.state.gov/wp-content/uploads/2021/03/MONTENEGRO-2020-HUMAN-RIGHTS-REPORT.pdf>, accessed on September 22, 2021

<sup>9</sup> Council of Europe, Group of States against Corruption, *Fourth evaluation round. Corruption prevention in respect of members of parliament, judges and prosecutors. Second compliance report. Montenegro*, Strasbourg, 2-6 December 2019, p. 5, <https://rm.coe.int/fourth-evaluation-round-corruption-prevention-in-respect-of-members-of/16809a5bdd>, accessed on September 7, 2021

<sup>10</sup> European Commission, *2020 Communication on EU Enlargement Policy. Montenegro 2020 Report*, Brussels, 6 October 2020, [https://ec.europa.eu/neighbourhood-enlargement/system/files/2020-10/montenegro\\_report\\_2020.pdf](https://ec.europa.eu/neighbourhood-enlargement/system/files/2020-10/montenegro_report_2020.pdf), p. 5, accessed on October 2, 2021

<sup>11</sup> Republic of Serbia, Ministry of Public Administration and Local Self-Government, <http://mduls.gov.rs/en/announcements/the-first-session-of-the-public-administration-reform-council-held/>, accessed on September 12, 2021

European standards<sup>12</sup>, but there is an overall limited progress mainly due to inconsistent implementation. Corruption remains an important obstacle in implementing reforms, with scores as poor as in previous years. The anti-corruption law enforcement bodies are an indicator that assesses the activity of specialised anti-corruption law enforcement bodies, by taking into consideration their administrative capacity regarding staff, expertise, funds, professional training and their independence. Serbia, along with Montenegro and North Macedonia, has the legal framework for prevention of corruption. Thus, the Law on Corruption Prevention provides a comprehensive framework on conflict of interests, the Law on Civil Servants establishes the limits of the authorities and their jurisdiction, while the Law on Whistle-blower Protection contains provisions to protect whistle-blower. Moreover, Serbia has improved its capacity of law enforcement, but has serious problems with the assessment (monitoring and evaluation) of such measures, a systematic analysis being necessary for the effective repression of corruption.

**Table 1. Investigation and prosecution scores**

Sub-dimension	Qualitative indicator	ALB	BIH	KOS	MKD	MNE	SRB	WB6 average
Sub-dimension 16.5: Investigation and prosecution	Anti-corruption law enforcement bodies	2.5	2.0	2.5	3.0	3.5	3.0	2.8
<b>Sub-dimension average score</b>		2.5	2.0	2.5	3.0	3.5	3.0	2.8

*Source: OECD, Competitiveness in South East Europe 2021: A Policy Outlook, Competitiveness and Private Sector Development, OECD Publishing, Paris, 2021, p. 605*

Besides corruption, another major issue that affects the whole development of the Western Balkan countries and impede its economic, social and political progress would be the prevalence of informality and the existence of large informal sectors. Informality refers to the practice of working without contracts, employing people without contracts and under-reporting income and wages. Although it is difficult to assess the extent of informal practices and undeclared work, recent reports indicate that informal employment is widespread in Western Balkan countries. Serbia decreased informality by 5% in the last 5 years, mainly because of the implementation of the National Programme for Countering the Grey Economy adopted in 2015 with the main aims of reducing administrative burden and raising public awareness. Nevertheless, while informality averages 15-20% of GDP in EU member states, all six Western Balkan states have large informal sectors, and informality averages 25-35% of GDP<sup>13</sup>.

<sup>12</sup> European Commission, *2020 Communication on EU Enlargement Policy. Serbia 2020 Report*, Brussels, 6 October 2020, p. 18, [https://ec.europa.eu/neighbourhood-enlargement/system/files/2020-10/serbia\\_report\\_2020.pdf](https://ec.europa.eu/neighbourhood-enlargement/system/files/2020-10/serbia_report_2020.pdf), accessed on September 18, 2021

<sup>13</sup> World Bank Group, *Western Balkans Regular Economic Report*, No. 19, Spring 2021, p. 37



**Table 2. Informality in the Western Balkans**

Country	Informal employment as percent of total employment	Informal sector contribution to GDP
Kosovo	>35	30-35
Albania	30-35	30-35
Bosna and Herzegovina	30-35	30-35
Montenegro	30-35	30-35
Serbia	20	25-30
North Macedonia	<20	20-40

Source: World Bank Group, *Western Balkans Regular Economic Report, No. 19, Spring 2021, p. 37*

Hence, the current status quo in the Western Balkans does not look good, and as things are standing currently, it is unlikely that these countries will progress substantially in the nearest future. Thus, a new initiative proposed by Think for Europe Network (TEN) and Centre for European Policy Studies (CEPS) is to strip the whole process of accession into simply institutional elements permitting gradual integration into EU policies and programmes, under rigorous monitoring and conditionality<sup>14</sup>.

### **Fabricating reforms in public administration**

Overall, the Western Balkan's level of preparedness shows that countries are placed low particularly in areas related to the rule of law, trust in institutions, informality, corruption and state capture, issues discussed in the previous section. The main shortcomings mentioned in almost all the reports is the low level of implementation of the legislative framework, reduced monitoring and evaluation. The discussions are centred around the need for those states to redouble their efforts in assuring the expression and protection of fundamental values, such as human dignity, freedom, democracy, equality, the rule of law and the protection of human rights, not only through formal resolutions but through a proper implementation and monitoring of the current legislative framework, practices that assure everyone the fair judicial treatment and access to transparent and competent administrative processes.

Obviously, there is a strong need for the institutionalisation of EU laws and regulations, a break up with corruption practices, informality and superficiality. Apparently, Western Balkan countries stressed themselves to adopt legislative reforms for the purpose of compliance with the *acquis communautaire* and these

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<sup>14</sup> Euractiv, *Avant-garde proposal for EU enlargement to the Western Balkans*, July 15, 2021, <https://www.euractiv.com/section/enlargement/opinion/avant-garde-proposal-for-eu-enlargement-to-the-western-balkans/>, accessed on September 22, 2021



efforts were mentioned in each country's report. The problem is, as underlined by some specialists, that these efforts resulted in „a gap between formal and informal practices, which appears to be growing as states hurry to generate legal and regulatory frameworks that do not respond to actual conditions“<sup>15</sup>. Moreover, studies emphasized that „there are large portions of the system by which political power and influence operate that are not represented by the official structures of formal power and not described by law“<sup>16</sup>, people taking advantage by using them in their own interest. Thus, the problems lie, most probably, within a superficial way of assessing what is needed and what is done, and in a rush of adopting surface level reforms, complementary to a lack of accountability of the political elites, a tradition of informality, and a low capacity of stakeholders to adopt and apply required practices and rules.

Therefore, this section will provide a snapshot of where countries in the Western Balkan region, especially Serbia and Montenegro, stand with respect to the public administration reform and the implementation of good administration at governmental level, the state of regulatory and institutional frameworks, and the application of performance management in administration. Data shows good scores regarding the external audit and public procurement, while areas such as performance management and online access to primary and secondary legislation suffer badly.

**Table 3. Performance in public administration areas**

	Strategic framework for PAR	Policy making	Public service and HRM	Accountability	Service Delivery	Public Financial Management	Budget management	Public Procurement	External audit
<b>ALB</b>	2.5	2.4*	3.4	2.6	3.3	2.8	2.6	2.8	3.5
<b>BIH</b>	1	1.3	1.6	1.8	1	1.7	1.2	2.2	2.5
<b>XKV</b>	2.5	2.8	3	2.6	3*	2.9	2.7	3	3.5
<b>MNE</b>	2.3	3.1	2.6	3.4	3*	2.6	2.4	2.6*	3.5
<b>MKD</b>	0.8	1.8	2.8*	2.6	3	2.8	2.4	3.4*	3
<b>SRB</b>	1.8	2.7	3*	2.6	3*	2.9	2.3	3.6	3.5
<b>Western Balkans</b>	<b>1.8</b>	<b>2.4</b>	<b>2.7</b>	<b>2.6</b>	<b>2.7</b>	<b>2.6</b>	<b>2.3</b>	<b>2.9</b>	<b>3.3</b>

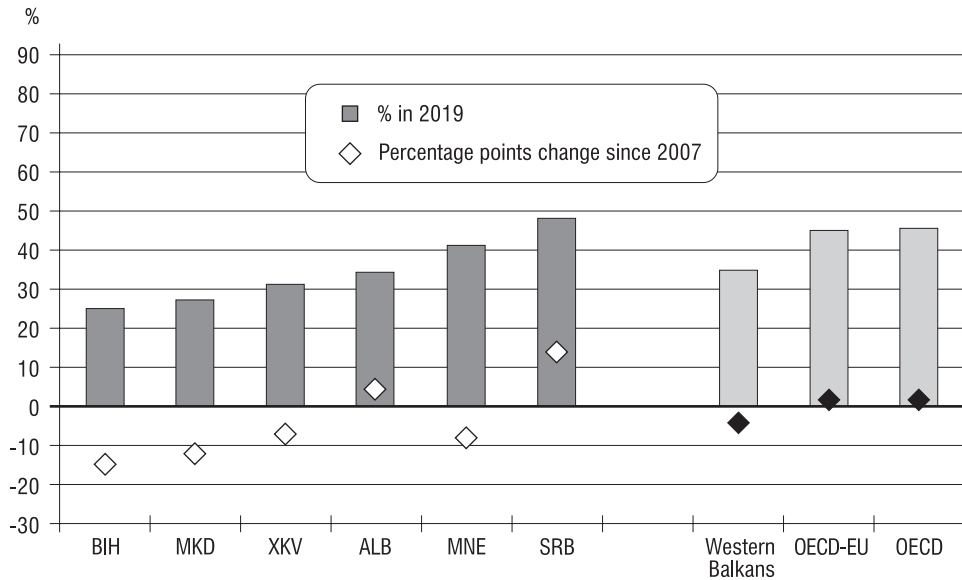
Source: OECD, *Government at a glance: Western Balkans*, OECD Publishing, Paris, 2020, p. 31

<sup>15</sup> Eric Gordon, Adnan Efendic, „Engaging Policy to Address Gaps Between Formality and Informality in the Western Balkans“, in Eric Gordy, Adnan Efendic (eds.), *Meaningful reform in the Western Balkans. Between Formal Institutions and Informal Practices*, Peter Lang, Bern, 2019, p. 10

<sup>16</sup> *Ibidem*

In both countries, Serbia and Montenegro, even in those areas where the law sets out clear rules, the drawback is in the system’s implementation and monitoring, along with a lack of public consultation. For instance, in the public service and human resource management area, the implementation of the civil service legislation faces challenges to ensure merit-based recruitment and transparent selection. Similar situation is perceived in the field of public service delivery, the policy framework being in place, but implementation being very modest, with excessive bureaucracy and time-consuming procedures. In both countries, in the area of public financial management, the government’s investment planning and management capacity needs to be improved. Hence, the authorities have to fully apply the methodology to all investments and to ensure that administrative procedures are in place. Moreover, public consultations in the legislative and policy-making process lack inclusion of all stakeholders and access to all public policy documents.

All these shortcomings, related to public administration reform, are intertwined with a low degree of trust in public institutions among citizens in the Western Balkans, in comparison with citizens from OECD-EU countries. In 2019, „52% of citizens were satisfied with the health system, 57% with the education system and 33% with the justice system compared to OECD-EU averages of 68%, 68% and 56%“<sup>17</sup>.



*Graph 3. Trust in national governments in Western Balkans*

*Source: OECD, Government at a glance: Western Balkans, OECD Publishing, Paris, 2020, p. 29*

<sup>17</sup> OECD, *Government at a glance: Western Balkans*, OECD Publishing, Paris, 2020, p. 13

It is in the interest of both, citizens and governments, to ensure effective and efficient public services, good administration and proper coordination between the legal framework and its implementation, because if they are done in a poor manner, the results that could occur based on them will in turn be poor.

## Conclusions

The area of rule of law, fundamental rights and good governance are the most pressing issues for the Western Balkans and require a fundamental improvement, being the key benchmark against which the future of these countries as part of the European Union will be judged. Fundamental values such as human dignity, freedom, democracy, equality, the rule of law and the protection of human rights must be embraced by all Member States, so that, as candidate and potential candidate countries, the Western Balkans should take all necessary measures to ensure their wellbeing, should multiply their efforts, should involve all levels of administration and society, trying to complement the technical process of elaborating reforms and legislation with the practical implementation, monitoring and evaluation.

Unfortunately, the latest studies and reports show a backsliding in terms of democracy and the rule of law throughout the region, clear elements of state capture and corruption at all levels of government and administration, and a development gap. Despite the fact that we have chosen to focus mostly on two countries, namely Montenegro and Serbia, given their advanced status regarding negotiations among Western Balkan countries, the results show that these countries are far from being the leader in the region in what concerns the public administration reform. The question would be if the solutions, already enclosed in the legislative framework, will become a reality for the citizens and the economy, and if the countries will find the resources to continue this reform. The whole process of accession is a merit-based process, dependent on the achievement of established objectives, and all stakeholders should be aware of that.

Therefore, the European Union officials urge Western Balkan countries to move over the technical process, to „redouble their efforts, address vital reforms and complete their political, economic and social transformation, bringing all stakeholders on board from across the political spectrum and from civil society“, being in their „historic window of opportunity to firmly and unequivocally bind their future to the European Union“<sup>18</sup>.

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<sup>18</sup> European Commission, *A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*, Belgium, 2018, p. 3

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# LABOUR PRODUCTIVITY IN NORTH MACEDONIA IN THE CONTEXT OF THE EU INTEGRATION

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## **Abstract:**

*The aim of the article is to outline the tendencies in labour productivity in North Macedonia in the period 2000 - 2018 in the three main sectors of the economy and for the economy as a whole. In the context of the European integration, it is crucial for the country to make progress in this area in order to converge with the EU-27, as this could be a facilitating factor for real income convergence and is an indicator of similarities in the technological principles used. The analysis shows that labour productivity in North Macedonia increased by 18.4% between 2000 and 2018, but the value is far from the EU-27 average and is also below the values of the Member States with the lowest values of the indicator. As far as sectoral labour productivity is concerned, only the industry sector shows an increase and a narrowing of the gaps with the EU-27 in the area. These processes are influenced by the quality of the labour force, the efficiency of the education system, the level of expenditure on research and development, etc.*

**Keywords:** North Macedonia, Labour productivity, Sectoral labour productivity, Convergence, European Union.

## **Introduction**

Labour productivity is an important indicator of the achieved level of economic development and competitiveness of the economy. The indicator encompasses productivity resulting from the use of labour and also reflects the contribution of other factors of production and the technologies used. According to neoclassical and endogenous growth theory, labour productivity plays a key role in achieving economic growth and improving living standards in the long run. In this context and in view of the process of European in-

tegration of North Macedonia, the achievement of convergence of labour productivity with the EU is important, as it is a facilitating factor for real income convergence and an indicator of a similarity of the technological principles used. North Macedonia's progress in this area is crucial for increasing the productivity of enterprises and their competitiveness in trade relations with the EU, which is the country's main trading partner.

There are various dynamics and magnitudes of labour productivity in different sectors of the economy. This is due to their different characteristics, such as the combination and quantity of factors of production used, the technological principles applied, their share in the economy, the differences in investment in human and physical capital, etc. Changes in labour productivity at a sectoral level, as well as changes in the sectoral structure of production, can affect the dynamics of labour productivity in the economy as a whole. In this respect, identifying the trends in labour productivity of the economic sectors shows what the driving forces are for the dynamics of labour productivity of the economy as a whole.

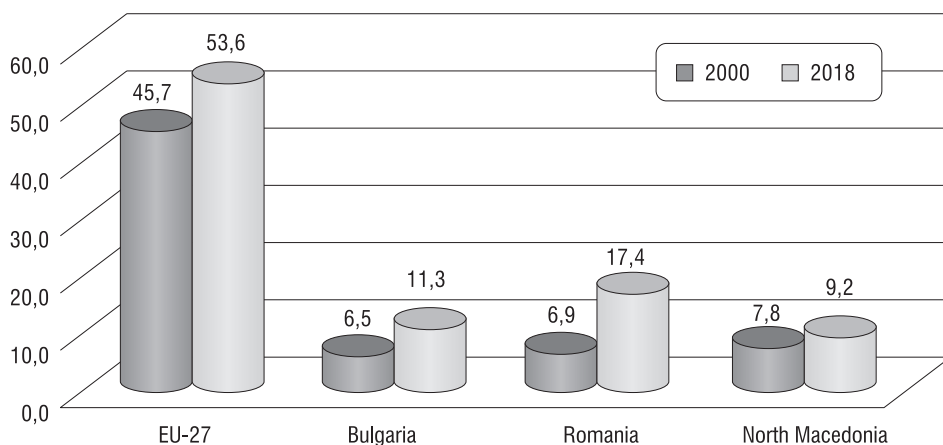
The purpose of this paper is to identify the trends in labour productivity in North Macedonia in the period 2000 - 2018 in the three main sectors and for the economy as a whole, to compare them with the average level of the European Union and to outline whether there is a process of sigma convergence between North Macedonia and the EU-27 in this area. Furthermore, the paper aims to compare the labour productivity trends between North Macedonia and the two countries with the least favourable labour productivity development among the EU Member States (Bulgaria and Romania).

For the purpose of the analysis, real labour productivity is calculated as a ratio between gross value added (GVA) at constant prices (chain linked volumes 2010, million euro) and employment (number of persons employed). Labour productivity is calculated for each economic sector and for the economy as a whole for each year of the reference period. The classification NACE Rev.2 is used to distinguish the three main sectors of the economy. According to this classification (2008 revision) 21 economic activities are distinguished (from A to U). The agriculture, forestry and fishing sector are defined by activity A, industry (including construction) by activities C to F and services by activities G to U. The data source is Eurostat as the single statistical organisation responsible for the methodological and operational measures to produce high quality data for the EU.

## **Empirical analysis**

Labour productivity in North Macedonia has increased between 2000 and 2018. However, in 2018 the value of the indicator remains far below the EU-27 average, but also below the levels of the countries with the lowest values in the EU - Bulgaria and Romania (see Figure 1). The observed differences

between North Macedonia and the EU-27 average, Bulgaria and Romania indicate differences in the technological principles applied. Low labour productivity is a serious problem for North Macedonia, as it affects the overall productivity of enterprises. The Commission's Overview and Country Assessments on 2021 Economic Reform Programmes of Albania, Montenegro, North Macedonia, Serbia, Turkey, Bosnia and Herzegovina and Kosovo states that one of the challenges for North Macedonia is that „companies suffer from low levels of productivity. Productivity growth is also very slow. This hinders companies' competitiveness and integration in the global economy“<sup>1</sup>.



*Figure 1. Labour productivity*

In 2000, labour productivity in North Macedonia was higher than in Bulgaria and Romania. However, in 2018, an opposite trend can be observed. This is because labour productivity rates of change in Bulgaria and Romania are several times higher than in North Macedonia, indicating that these countries have made greater progress in this area. The rates of change in the two EU Member States are also several times higher than the EU-27 average (see Figure 2). This suggests that a catching-up process to the EU-27 average has taken place in Bulgaria and Romania as a result of European integration. In Bulgaria and especially in Romania, labour productivity has moved significantly closer to the EU-27 average. Romania doubled its labour productivity as a percentage of the EU-27 average between 2000 and 2018 (see Figure 3). Nevertheless, the country remains in penultimate place (ahead of Bulgaria) in terms of the value of labour productivity among European Union countries in 2018.

<sup>1</sup> European Commission, (2021), Commission's Overview and Country Assessments on 2021 Economic Reform Programmes of Albania, Montenegro, North Macedonia, Serbia, Turkey, Bosnia and Herzegovina and Kosovo, Brussels, p.104.



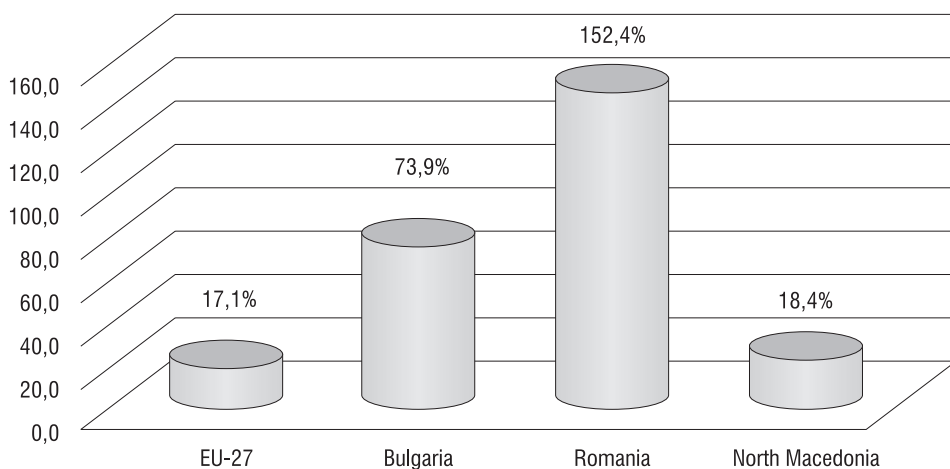


Figure 2. Rate of change of labour productivity 2000-2018 (%)

Despite the low starting position of North Macedonia, a high rate of change was not registered in the period 2000 - 2018. It is only 1.3 percentage points higher than in the EU-27, which does not indicate a real catching-up process with the EU-27 in this area (see Figure 2). The data in Figure 3 show that the level of labour productivity in North Macedonia as a percentage of the EU-27 average remains almost at the same level in 2000 and 2018. Even in 2018, this indicator decreased compared to 2007. However, it is important to point out that in 2018 North Macedonia reached a higher value of labour productivity than Bulgaria and Romania in 2000 (when their EU accession negotiations officially started) and a higher value of the indicator than in Bulgaria in 2007 (when the country joined the EU).

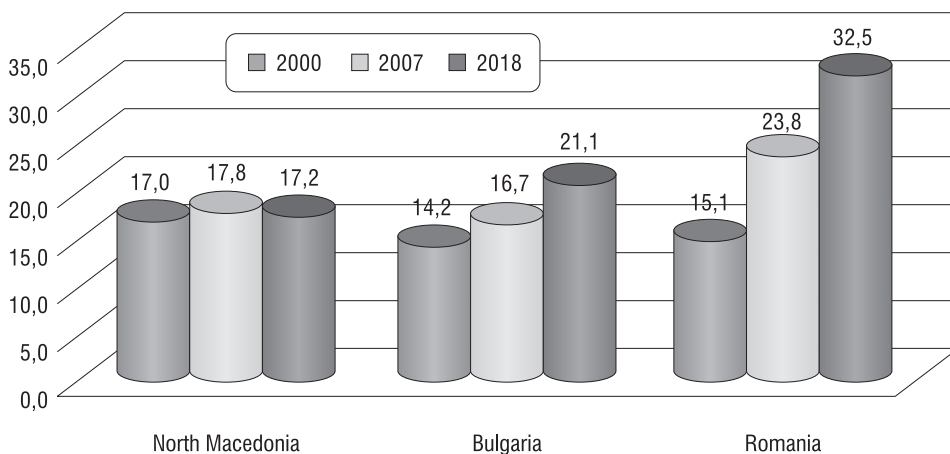


Figure 3. Labour productivity in Bulgaria, Romania and North Macedonia (% of EU-27 average)

Throughout the period under observation, labour productivity in North Macedonia is the highest in the services sector, followed by industry sector. The lowest labour productivity is recorded in the agriculture, forestry and fishing sectors, as it is also typical for the EU-27 on an average. Labour productivity for the economy as a whole fluctuates around that in the industry sector.

In two sectors of the economy - services and agriculture, forestry and fishing labour productivity fell in 2018 compared to 2000, which is a very unfavourable development for the country. While in agriculture, forestry and fishing sector the decline is not so significant (5.8% in 2018 compared to 2000), the services sector is characterised by a sharp reduction after 2007. During the global economic crisis, the unfavourable trend worsens, after which labour productivity in the services sector remains lower and does not return to pre-crisis levels. The reported decline in 2018 compared to 2000 was 15.6%. Only the industry sector reported an increase in labour productivity in 2018 compared to 2000.

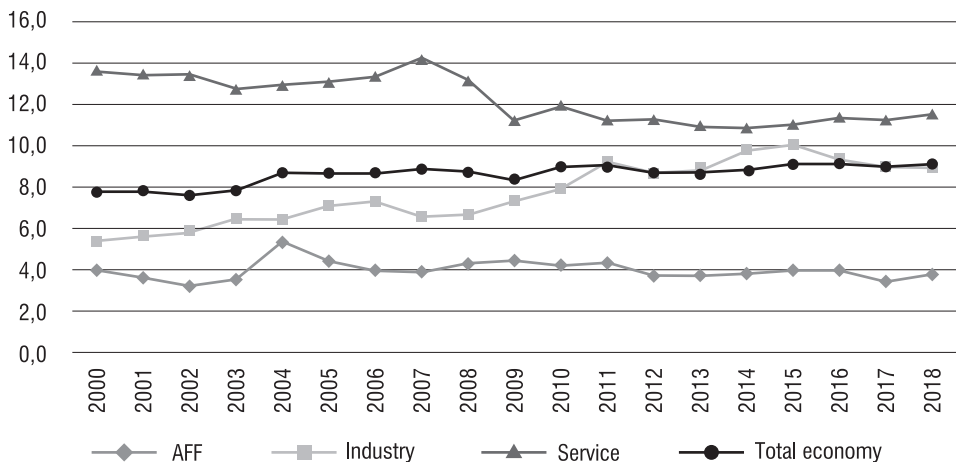


Figure 4. Sectoral labour productivity in North Macedonia

The derived trends in labour productivity of the economic sectors show that restraining influence on labour productivity growth in the economy of North Macedonia during the period under review had mainly labour productivity in the services sector. This is due, on the one hand, to the significant decline in labour productivity in this sector and, on the other hand, to the highest share of the services sector in the country's GVA (63.8% in 2018). Labour productivity in the agriculture, forestry and fishing sector also has a restraining effect on overall labour productivity, but to a much lesser extent than the services sector. One of the reasons for this is that, in line with the EU trend, the agriculture, forestry and fishing sector accounts for the smallest share of the country's GVA. It is also traditionally characterised by lower labour productivity because of the characteristics of the production process

and the more limited possibilities to introduce new technological innovations. This is confirmed in the Commission's Overview and Country Assessments on 2021 Economic Reform Programmes of Albania, Montenegro, North Macedonia, Serbia, Turkey, Bosnia and Herzegovina, and Kosovo. The document states that agriculture, forestry, and fishing sector in North Macedonia is characterised „by insufficient use of modern technologies“<sup>2</sup>. Only the industry sector contributes to the increase in overall labour productivity, as the growth of the indicator in this sector over the period 2000 - 2018 is significant (66.5%). However, the share of the sector in GVA is more than twice smaller than that of the services sector, so the labour productivity in the economy as a whole cannot increase significantly during the period under consideration.

In the services sector, the smallest differences between North Macedonia and the EU-27 in labour productivity in 2018 are observed, but at the same time, in line with the downward trend in the value of the indicator, there is a sigma divergence of the country with the EU-27 in 2018 compared to 2000. The reason for this conclusion is the increased differences with the EU-27, measured by the coefficient of variation. An identical trend of sigma divergence is observed in the agriculture, forestry and fishing sector.

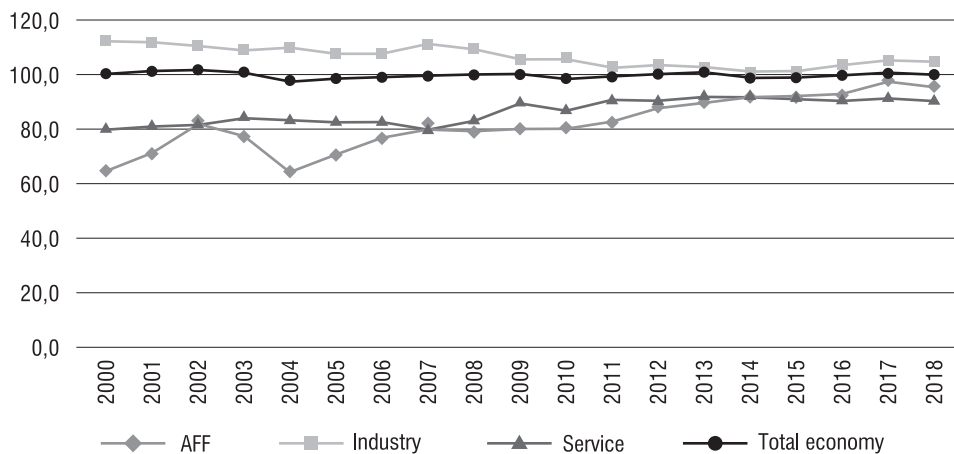


Figure 5. Coefficient of variation between North Macedonia and the EU-27 average of labour productivity

The industry sector had the highest differences with the EU-27 throughout the period, but it is the only sector where the distance with the EU-27 in terms of labour productivity has decreased in 2018 compared to 2000 (see Figure 5). This is also implied by the strong increase in labour productivity in this sector in 2018 compared to 2000.

<sup>2</sup> European Commission, (2021), Commission's Overview and Country Assessments on 2021 Economic Reform Programmes of Albania, Montenegro, North Macedonia, Serbia, Turkey, Bosnia and Herzegovina and Kosovo, Brussels, p. 136.

Although the period under study is almost twenty years, the differences between North Macedonia and the EU-27 average in labour productivity in the economy as a whole, as measured by the coefficient of variation, are almost the same in 2000 and 2018. The variation does not show significant dynamics in all years of the period considered (see Figure 5). The formal criterion for the existence of sigma convergence between North Macedonia and the EU-27 is fulfilled (the coefficient of variation is lower in 2018 (99.9%) than in 2000 - (100.3%)), but it cannot be unambiguously stated that convergence exists. On the contrary, it can be concluded that the position of North Macedonia on the EU-27 in terms of labour productivity in the economy as a whole is relatively constant in the period 2000 - 2018.

## Conclusion

The analysis carried out in North Macedonia does not clearly indicate the existence of catching up process with the EU-27 in terms of labour productivity in the period 2000 - 2018. The level of the indicator is low and in the sector that contributes most to GVA it is declining. Together with the gradual increase in wages, this leads to a significant deterioration in the competitiveness of enterprises. One of the reasons for the reported unfavourable trends is the insufficiently qualified labour force and the system of higher education, which does not contribute to overcome this problem. The North Macedonia 2020 Report defines „skills shortages, reflecting shortcomings in the education system and the outflow of skilled workers, as well as infrastructure investment gaps“<sup>3</sup> as factors that worsen labour productivity and the competitiveness of the economy.

Labour productivity is positively influenced by the quality of education and investment in human capital. In quantitative terms, Eurostat data on the population by educational attainment level (tertiary education) show that the share of the population with tertiary education in North Macedonia is growing and exceeds the value of labour productivity in Romania and Italy in 2018, 2019 and 2020. At the same time, however, the OECD's International Student Assessment Programme (PISA) shows that the country has performed rather poorly in recent years. It occupies one of the last places in 2018 among the assessed countries and lags far behind all EU Member States<sup>4</sup>. In this context, Commission's Overview and Country Assessments on 2021 Economic Reform Programmes of Albania, Montenegro, North Macedonia, Serbia, Turkey, Bosnia and Herzegovina and Kosovo identifies as the number one key challenge for North Macedonia „improving the quality and relevance of the education system to increase employment and mitigate skills mismatches“<sup>5</sup>. In this regard, the country needs a reform of the education system in order to

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<sup>3</sup> European Commission, (2020), North Macedonia 2020 Report, Brussels, p. 7

<sup>4</sup> OECD, (2019), PISA 2018 Results. Combined Executive Summaries Volume I, II & III, p. 17-18.

<sup>5</sup> European Commission, (2021), Commission's Overview and Country Assessments on 2021 Economic Reform Programmes of Albania, Montenegro, North Macedonia, Serbia, Turkey, Bosnia and Herzegovina and Kosovo, Brussels, p. 114.

prepare the necessary labour force according to the demand in the labour market. This will translate into higher labour productivity.

The low expenditure on R&D as a % of GDP also adversely affects labour productivity in North Macedonia. The values (0.36% in 2018 and 0.37% in 2019) are significantly below the EU-27 average as well as below the level in Romania, which is the country with the lowest levels of the indicator in 2018 and 2019. This influences the quality of physical capital and technologies used in the production process, which in turn affects labour productivity and competitiveness.

In conclusion, the unfavourable trends in labour productivity observed in North Macedonia are a problem that the country needs to overcome. Progress in this area is important for the economic development of North Macedonia and the implementation of the European integration process, as it will support the real income convergence with the EU and competitiveness of the country in European markets. The trends of very low labour productivity growth in the economy as a whole and the decline of the indicator in the services sector reflect other major problems for the economy of North Macedonia. They are related to the quality of human capital and the capacity of the education system to train the necessary skills of the labour force to meet the demands of the labour market.

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European  
**Identity, Education  
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# THE HOLISTIC APPROACH TO TEACHING AND LEARNING ABOUT EUROPE AT SCHOOLS - THE 21-st CENTURY APPROACH

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*„We must make great efforts to educate free humans,  
who can determine the direction and purpose of their lives.“*

*Rudolf Steiner*

## ***Abstract***

*The report focuses on a holistic approach, while presenting its essence and main characteristics. It indicates why this approach, which roots can be found in ancient philosophers, now is particularly relevant and has clearer recognition. Emphasis is placed on its characteristic features, by establishing its intersections with education in the 21-st century, which in order to meet the new needs and challenges, and the skills required for the 21-st century, goes beyond formal education. Its necessity and applicability in teaching and learning about Europe at school is defended, as Europe must be understood as something more than just a geographical and economic concept. It is European spirit, culture, European values, behaviour, belonging, self-confidence. They cannot be taught and learned within the standards of the classroom.*

**Keywords:** holistic approach, 21-st century skills, learning, European Union, modern school.

Holistic education lives up to its name because it focuses on the overall growth of students, not just some of the characteristic human activities. In its essence, it is an education that considers the universe as an indivisible whole and believes that each person has a precise place in the world and everything is interconnected and should not be considered in particular, but as a whole. The person educated with the holistic approach undergoes development not



only in terms of acquiring new knowledge, but also internally, thus creating an atmosphere of good cooperation, mutual respect between all participants in the educational process.

Holistic education contributes to the fullest intellectual development of the learner and contributes to progress in all areas of his life. It deals with the development of children's cognitive, social, aesthetic, spiritual, physical and emotional potential [10]. /Figure 1/



Figure 1. The six elements of holistic education

The idea and the tasks of holistic education are to provoke the interest of adolescents and motivate them to learn, expanding their worldview and beliefs. The main goal of the teacher is to arouse their interest in life. In holistic education, in addition to the importance of students preparing for school subjects, this method also clarifies and shows how students should be taught, how to learn to learn and master what is taught.

**The concept of holism** comes from the Greek notion of holon<sup>1</sup>, which views the universe as composed of integrated elements that cannot be reduced to parts. The Greeks advocated a holistic approach to learning. Socrates can be seen as a holistic educator because he encouraged everyone to explore their own lives: „know yourself.“

Rousseau, though humanistic rather than holistic in his approach to education, provides some of the foundations of holistic education. He sees the child as a fundamental good and believes that the child's soul must be allowed to unfold according to its own natural pattern. This view of the child as good is a fundamental position for holistic education, which rejects the fundamentalist view that children are born in initial sin.

Pestalozzi<sup>2</sup>, who believes that the misfortunes of every nation are due to the ignorance of the humans, so through proper education of the younger

<sup>1</sup> The Greek word  $\text{ὅλον}$  / holo / means „whole, everything“

<sup>2</sup> Johann Heinrich Pestalozzi is a Swiss humanist, pedagogue, reformist, philosopher, creator of the first system of primary education.

generation the universal prosperity can be achieved, belief which has been influenced by Rousseau, hence Pestalozzi applies his ideas for education in practice. He sets the classroom as a place for creative activity and encourages teachers to use their intuition.

In the last century, two of the most important holistic educators were **Rudolf Steiner**<sup>3</sup> and **Maria Montessori**<sup>4</sup>. Steiner is the founder of Waldorf pedagogy. He places at the centre of upbringing and training the man as a whole, with his physical, mental and spiritual essence, or as psychology calls them, with his body, psyche and self. Based on his in-depth knowledge of the child's development and its needs, Steiner created a teaching methodology in which he worked holistically not only for the child's intellectual development, but also for his volitional and emotional growth. By shaping at the same time the will, feelings and thoughts of the child, Waldorf's education helps to build balanced, confident, motivated and creative personalities that are the basis of a healthy society. The Waldorf pedagogy offers a holistic approach to education and upbringing, in which children willingly go to school and develop long-term motivation to learn and discover the world.

**Montessori**, at the heart of his teaching method, puts the postulate that every child is an individual and should be approached in this way [9]. This is the reason why there is no uniform programme or method to raise all children. Therefore, the materials used in this method are diverse: for practical and sensory skills, for language, for mathematics, etc., as everything in them is related to the world around them. For her, education cannot be effective if it does not help the child to open up to life.

Holistic education became a visible field of education in the 1980s, when "The Holistic Review of Education" was first published in 1988, with its founder Ron Miller, PhD<sup>5</sup>. He helped to create an international movement for this emerging educational paradigm. Numerous publications by a various authors followed. John Mueller's *Holistic Curriculum* is well known one [8].

For the holistic movement an event of importance was the meeting in Chicago in 1990, at which a statement was developed outlining some of its basic principles. It states: „Holism<sup>6</sup> is the challenge aimed at creating a sustainable, fair and peaceful society in harmony with the Earth and its life. It includes environmental sensitivity - a deep respect for both local and contemporary cultures, as well as for the diversity of life forms on the planet.“

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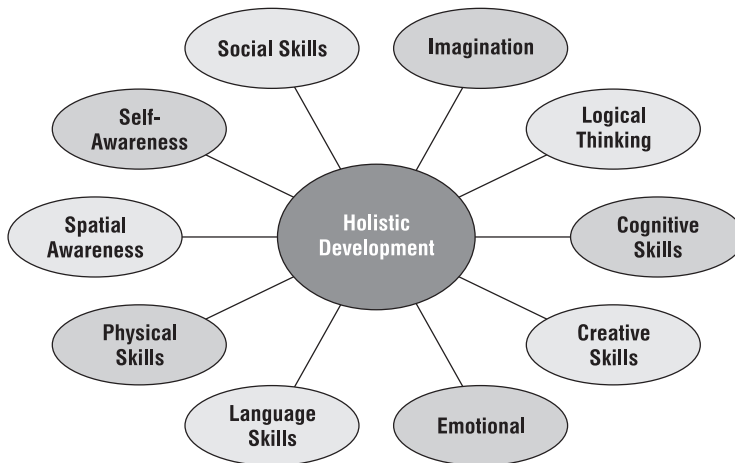
<sup>3</sup> Rudolf Steiner (1861 - 1925) is an Austrian scientist and philosopher

<sup>4</sup> Maria Montessori, 1870-1952 is an Italian doctor and world-famous pedagogue.

<sup>5</sup> Ron Miller, PhD, Montessori method teacher. His research focuses on the cultural and historical foundations of education.

<sup>6</sup> The term „holism“ was coined by Ian Smuts in his book *Holism and Evolution*, 1926. Holism is a concept that refers not so much to static systemic wholes as to those that change over time, to processes.

Holistic development is a holistic approach to learning that aims to develop many aspects or abilities of the human brain. Conventional education and training systems aim only at the development of intellectual abilities. Holistic development refers to expanding the way we look at ourselves and our relationship with the world, taking into account everyone's innate human potentials - intuitive, cognitive, emotional, physical, imaginative and creative, rational, logical and verbal [6]. Authors also add language skills, and self- and spatial awareness [1] /Figure 2/.



*Figure 2. Holistic Development – at a glance*

The cognitive development is related to the knowledge and development of mental activity, i.e., the intelligence of the child. It involves reasoning, problem solving and understanding of concepts and is one of the vital elements for overall development. Daniel Gollman adds to emotional intelligence, the main key components of self-awareness, self-management, empathy, motivation and social skills. They are necessary for the existence and development of any successful person and should be nurtured in children from an early age [5].

## **Why a holistic approach to teaching and learning about the European Union at school?**

### **• Preconditions**

Our current educational system is focused mainly on the intellectual development of adolescents and the acquisition of a minimum of knowledge in particular subjects. Undoubtedly, this knowledge is important and significant for the development of students after school, but why then most of them, even those who are materially satisfied do not feel the fullness and value of their existence? Most of them don't care what they do. For them, the world is

grey, boring and monotonous, and the European Union is incomprehensible and distant, even though they are part of it.

Too often, adolescents believe that others are unaware, unwilling, and unable to understand their potential and true abilities. Lost in the way of a correct understanding of life, they do not know how to distinguish between good and evil, right and wrong. At the same time, they need the positive evaluation of others and without it they feel desperate. When they receive it, they are still dissatisfied and thus find themselves unable to touch the true feeling of pleasure and satisfaction.

That is why what Maria Montessori says at the beginning of the last century that every child is unique with its unique personality traits, interests, preferences, values, attitudes, strengths and weaknesses, is more relevant today in the 21-st century, as academic achievement alone can no longer guarantee success and happiness in your personal life and work life. Holistic development through early childhood education has become more important today than in the last century. Holistic development, which essentially means the development of intellectual, mental, physical, emotional and social abilities in adolescents, helps young people to cope with the demands and challenges of everyday life. These abilities are vital to succeed in professional fields of work. The school programme should be able to help each student find their unique place in the world, in accordance with the uniqueness they have. To achieve this, the overall development of the child is extremely important.

Our education must be in line with our reality and develop accordingly to the development of our lives. Our daily lives are increasingly linked to the policies of the European Union, to the decisions of its institutions, but they remain unclear to young people. The school should provide students with the necessary knowledge about the work and functioning of the EU, its role in our daily lives and the opportunities it provides to its citizens, knowledge to guide them about life within the Union, in which the country is a member of and participates in decisions making process. The report finds that knowledge of the European Union is either lacking or too little in our school curricula [12]. The lack of awareness of the origin of the European Union, the reasons for its creation and its main functions in adolescents, is a prerequisite for the formation of false idea of the policies and specific actions the Union takes.

The school education system in Bulgaria shows no educative process, which is inextricably linked with the education of students and the formation of their sense of European spirit, belonging to the European community, for the manifestation an active civil attitude. In the context of the spread of Euroscepticism, the rise of nationalism and extreme populist movements, aggression, violence and xenophobia, exacerbation of social problems arising from the economic and financial crisis and the consequences of COVID-19, the study of European Union issues at school and educating young people in the spirit of European values, becomes a necessary condition for the preparation of European citizens with active positions and ready for participation in the

European socio-political life. The point is that they should not only be simply informed, but also active citizens. Growing up as conscious citizens of their own country and of the European Union, young people would be able to participate fully in European events, in debates about the future of the continent and of their own country. Awareness that they are citizens of a united Europe will broaden their horizons and open up new opportunities for study and work.

So far, relatively little has been said about the social skills of students acquired in school. But the new, rapidly changing society, the opportunities which Europe offers without borders requires adolescents to develop skills and the ability to make contacts, behave in society, skills related to the degree of responsibility, the ability to cooperate with others, to understand and accept foreign cultures, to work in a team, to be creative, to strive for quality, to be communicative. When taught to understand themselves and others, young people can skilfully manage their feelings, communicate successfully with others, and have the will to develop.

#### ● **Education in the 21-st century**

Education in the 21-st century goes beyond formal education, breaks the traditional closed educational model and becomes a determining factor for social development. Oftentimes, we do not talk about the acquisition of certain amount of knowledge and obtaining a qualification, but about „development, building skills that facilitate the search and acquisition of new knowledge, attitudes and metacognitive qualities“ [14]. The aim is to support adolescents in the management of self-improvement and lifelong learning in the whole process of mastering new knowledge. The tendency is that schooling is not subordinated to the needs of the imaginary student with average opportunities, but in search of educational solutions for the development of the individuality of each or minority groups of students, taking into account the learning environment, the local community, the global world. New educational approaches are needed to help students acquire the competence to construct their own world and to participate in the construction of the world around them together with others, competencies to participate in creating a social environment in which there is fusion between individual and group interests. It follows that the individual has increasing control over his life and his environment. Self-assessment and evaluation of achievements are carried out against the background of the comparison of the individual with the socially significant.

#### ● **21-st century skills**

21-st century skills refer to a wide range of applicable knowledge, skills and competences that are necessary for personal and professional realisation, and social adaptability to the rapid changes that characterise the 21-st century. They are work habits and behaviours that are particularly important for success in today's world and give an advantage to those who have them in their adaptability to today's highly competitive world and allows them to take advan-

tage of the opportunities offered by the international environment. These skills focused on the following abilities:

- **Ability to study in order to know** - how to live in this risky world;
- **Ability to learn in order to be able to do something** - building the world around me and my relationships with other people on a harmonious basis;
- **Ability to study in order to live together** - to be able to achieve harmony with myself and the world only together with other people;
- **Ability to study in order to be** - in order to discover myself, in order to establish myself in my world and in the world with others, in order to be myself in my relations with people and with nature. [7]

The new educational paradigm is personality-oriented and respects the rights of the individual, in particular the student. In the didactic aspect it is oriented to key competencies in which transversal skills and metacognition have a dominant role, in the psychological aspect it develops thinking and its qualities.

In the information society, called by P. Drucker the knowledge society, individuals occupy a central place [13]. Unlike money, knowledge is personalised. It is not housed in a book, database, or computer programme. Those contain only information, while knowledge is always embodied in a specific person who carries it within himself, creates it, increases it or enriches it. The educated person, according to him, is looking for opportunities through which the knowledge he possesses is useful today, for him, for the society.

### • **The school of the 21-st century**

A joint report on education and training in the EU related to the implementation of the Lisbon Strategy, published by the Council and the European Commission, highlighted „The school has a key role to play in enabling everyone to be informed and to understand the meaning of the European integration. All education systems must ensure that, by the end of their secondary education, their students acquire the knowledge and competencies they need to prepare for their role as future citizens of Europe“ [2].

Building a knowledge society as an educational goal of the European Union is a constant educational-educative process and the school is the institution that has a leading role in laying its foundations. It remains an irreplaceable place and a means for the development of the personality, for the acquisition of qualities that allow it to take control of the future and the ability to actively integrate into society. The rediscovery of the Bulgarian school as an environment for the development of new relationship between school and society, cultural affairs, school and the surrounding world, school and Europe is the challenge we must still meet.

The Recommendation of the Council of the EU of 22 May 2018 on the promotion of common values, inclusive education and the European dimension of teaching, states that training should aim to help learners to feel their

European identity in all its diversity and to strengthen a positive and inclusive sense of European belonging, complementing local, regional and national identities and traditions. It is recommended to raise awareness in school and improve the understanding of the European Union. It should be implemented through direct interaction with young people by teaching them how to understanding the origins, values and functioning of the Union, as well as understanding the European context and the common heritage and values, and without forgetting to educate on raising awareness of the social, cultural and historical unity and diversity of the Union and the Member States [3].

On the basis of a report on the study of the European Union at school [11], a European Parliament resolution [3] was adopted, calling on the Member States to review and update their education system and the content of the European Union in curricula, to address special attention to the training of teachers to develop their abilities and skills on how to educate about the European Union, using modern interactive methods.

**The modern Bulgarian school** must build the foundations of European self-consciousness and European affiliation, to affirm European values. Values related to human dignity and communication behaviour are developed and deepened when young people have the opportunity to take responsibility, to realise and accept the different and clear ideas of the creative force of tolerance and kindness to the other - the challenge of European spirit. Its task is to provide adolescents with knowledge, practical skills and education that will allow them to orient and positively adapt to the new civil society, to understand the nature of the processes, to think and analyse, to freely express their opinions and positions, including the ability to established personal views. This can protect them from manipulation and deception. Knowledgeable and capable young people can easily orientate, situate and critically understand the things, phenomena and information that reaches them from various information sources. The feeling of learning as a duty is decreasing more and more. Learners should have the freedom to become active drivers of their own learning process in a non-threatening, less hierarchical environment. They must feel motivated from their own free will to invest their time in education, without pressure from social norms. Learning is not seen as a simple transfer of knowledge, but rather a multifaceted process leading to personal growth. This process of teaching and learning, of the interrelated activity of teacher and student, in the 21-st century goes beyond the notion that teaching is the teacher's activity and learning is the student's activity. The roles are not always strictly differentiated. The teacher, in the process of learning, could discover new knowledge together with the students, and the students - could teach their peers or to self-teach. Today's teachers must not only be able to use modern tools and technologies in their work, but they must also keep up with new teaching practices and use them in their lessons. If it is expected from teachers to prepare students to learn throughout their lives, then they themselves must be prepared to develop throughout their entire career.



- **The advantages of a holistic approach in teaching and learning about the European Union at school**

Instead of focusing on teaching EU topics in a separate subject on school curricula, using a holistic approach to European Union learning outside the classroom will enable students to use their academic learning as a support and basis for their emotional and social development. This will develop cognitive, language, communication, emotional and physical skills, which are essential for the positive overall development of students with formed attitudes. These skills are essential to navigate successfully and survive in this ever-changing world.

The holistic approach meets the requirements and expectations in teaching for the European Union at school. It is oriented both to the mental development and to the psycho-social and emotional development of the students. It allows teaching and learning to achieve the multifaceted development of individuals who can live in harmony both with themselves and with the world of other cultures around them. In the process of acquiring knowledge about the European Union, the activities contribute to the overall growth of students, to the development of their intellectual, social, physical, artistic, creative and spiritual potential. Going beyond the classroom, an environment is created in which adolescents experiment, explore, and discover. Involved in activities that provide personal, emotional and social development, students learn in a more attractive and interesting way a topic that at first glance seems dull and boring. Thus, learning gives them a sense of pleasure. This is achieved by:

- The activities in which students participate are accepted by them as a personal choice. Significance is an important factor in the learning process. Students learn better when what they have learned is important to them. When the semantic structures of each student are being respected. A student can know or understand a topic by breaking it down through his worldview, what matters to him, not what others think should matter to them.
- The knowledge and information they receive is understandable and relevant to everyday life.
- Students get actively involved in the activities by developing creative and innovative abilities, as a result of which they acquire knowledge and skills that give them greater confidence in their strengths and abilities to cope with tasks. In interactive games /simulations/, debates, case solving, theatre, competitions, etc., students can quickly and effectively acquire broad, dynamic and interconnected skills.
- Interactivity, creativity and different forms of activities lead to the feeling that they are doing something different, something new and they are involved in this non-standard school.
- Expression is an important moment in which students discover themselves, discover their opportunities, and at the same time feel the attention, they feel important, which is crucial for their self-esteem.



- In trainings definite opinion or view are not necessitated. The education is based on accurate facts and critical attitude. It is allowed to freely share different opinions and political views about the EU of each student, and the formation of personal attitudes is based on true knowledge and critical thinking.
- And in this connected process of activity, emotions, experience, a sense of usefulness from participation arises.

The holistic approach helps the overall development of students, helps them to learn more about the EU and to develop all their skills, to build their strengths. By applying **active learning methods**<sup>7</sup>, students get actively involved in a dynamic process of acquiring knowledge through activities, creativity, experiences, including personal experience, sharing, discussion, expression, application. corresponding to the environment, this training forms an attitude in pupils that Europe is not just money and markets, it is spirit, culture, values, feeling, self-confidence. It encourages students to think, to reflect, to transfer knowledge, to make connections between their subject knowledge and knowledge of the European Union - for example, using their knowledge of geography, history, civic education for public administration and the functions of institutions in our country, and comparing them with information on the functioning of the EU which makes it easier for them to learn and absorb new knowledge.

At its nature, holistic education is inclusive. It rejects the labelling and separation of students, ignores educational paradigms that rely on „average“ measurements and standardisation. It supports the use of a wide range of teaching and learning methods to reach different groups that are actively involved and knowledge is seen and obtained as less fixed. This way, knowledge about the EU can reach maximum number of students who can build their own meanings and understandings, and the EU can reach closer to its citizens.

It is also transformative. The student's inner world is acknowledged and education is seen as a process in which the student can transform. Holistic development takes place over time. It is a movement towards new levels of value sustainability, a continuous sequence of steps in value change.

## Conclusion

The dynamics of the European processes imposes the need to ensure a continuous undertaking of preparation and dissemination of knowledge about the EU - current, interesting, entertaining, interactive, in the form of a game, etc. Information should be presented in an accessible and understandable manner for students by applying new pedagogical solutions. One of them is the

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<sup>7</sup> Active learning is also called „learning through action (doing)“, „learning through participation“, „learning through experience“, „learner-oriented learning“ and others. Widely used since the beginning of the 21-st century, it proves the achievement of very good and lasting educational results.

holistic approach, in which knowledge is built in the context of the world in which adolescents live. It involves change in the reference frame that a person may have - points of view, habits, worldviews. Connected with the surrounding and the acceptance that the world exists in its entirety and people must develop not one-sidedly, but in many different directions, a holistic approach contributes to the overall development of adolescents. It forms an attitude in them that the EU is not just money and markets, it is spirit, culture, values, feeling, self-confidence. The more the Union is known and experienced, the more will then everyone be able to make connections between themselves and the community, to create associations between subjects, to use their creative skills to solve a social problem or practical situation, to apply knowledge to real situations, or to offer solutions for the Europe he wants.

In the application of the holistic approach teachers play a vital role . However, the real teachers „are not the ones who have studied pedagogy as a study for simply working with children, but real teachers are those in whom pedagogy has awakened through the understanding of human nature“ /Rudolf Steiner/.

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# EUROPEANISATION IN HIGHER EDUCATION AND (INTER)CULTURAL SENSITIVITY

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## ***Abstract***

*This paper argues for intercultural competence as an indispensable feature in the process of Europeanisation in higher education. It uses the perspective of eminent interculturalists to offer a theoretical understanding of the essence of intercultural competence and situate potential manifestations of cultural differences in transnational educational partnerships.*

**Keywords:** intercultural competence, Europeanisation, higher education

## **Europeanisation in higher education**

The European Union recognises higher education as a critically important facet of its social and economic development and seeks to foster cooperation among member states by helping to build a European Education Area<sup>1</sup>. The idea of a European Education Area was first endorsed at the 2017 Social Summit for Fair Growth and Jobs in Gothenburg<sup>2</sup> and further supported by proposals for specific measures at the December 2017 European Council meeting<sup>3</sup>. The aim of the European Education Area was set as development of „a holistic approach to EU action in education and training“ and creation of „a genuine European space of learning“ for the benefit of all stakeholders<sup>4</sup>. European Heads of State and the European Commission agreed to step up higher education mobility and exchanges through Erasmus+ and strengthen

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<sup>1</sup> [https://ec.europa.eu/education/education-in-the-eu/about-education-and-training-in-the-eu\\_en](https://ec.europa.eu/education/education-in-the-eu/about-education-and-training-in-the-eu_en)

<sup>2</sup> [https://ec.europa.eu/info/sites/default/files/concluding-report-social-summit\\_en.pdf](https://ec.europa.eu/info/sites/default/files/concluding-report-social-summit_en.pdf)

<sup>3</sup> <https://www.consilium.europa.eu/media/32204/14-final-conclusions-rev1-en.pdf>

<sup>4</sup> [https://ec.europa.eu/education/education-in-the-eu/european-education-area\\_en](https://ec.europa.eu/education/education-in-the-eu/european-education-area_en)

strategic partnerships between higher education institutions by creating networks of European Universities with integrated study programs and curricula that enable students to obtain a degree by combining studies in several EU countries.

In its Communication on achieving the European Education Area by 2025<sup>5</sup>, the European Commission outlined an ambitious and reinforced approach to attain the EEA's objectives and make it a reality by 2025, together with Member States and education stakeholders. While the Commission acknowledges the driving role of the Bologna process for internationalisation and the value of student and staff mobility in opening higher education and strengthening cooperation, it identifies obstacles to the process of Europeanisation in higher education, such as financial constraints or recognition of studies abroad. The Commission, therefore, pledges to support deeper cooperation by engaging in the full roll-out of the European higher education alliances, which aim at joint curricula and common courses, and can thus make transition between education systems easier, bringing about „a pan-European talent pool“<sup>6</sup>. The Commission plans to reinforce the Erasmus+ program by updating the mobility framework and thereby „ensuring opportunities for a much wider variety of participants“ as well as „green and digital mobility, including by blending online and physical exchanges“.

This particular focus on trans-European partnerships and exchanges in the EU measures for enhanced integration in higher education makes the topic of the intercultural competence of the stakeholders involved in these processes ever more prominent since these joint activities mean an intensified intercultural contact. Interculturalists<sup>7</sup> argue that difficulties inevitably arise where there is extensive intercultural interaction because people are socialised within their own cultures to accept as „proper and good“ relatively narrow ranges of behaviour. When such behaviours, labelled as desirable, are not forthcoming during intercultural interaction, common responses of people to this confrontation of past learning and present experiences may include dislike of culturally different others that may lead to prejudice and negative stereotypes<sup>8</sup>. As culture functions at a subconscious level, we often cannot identify our own cultural backgrounds and assumptions until we encounter assumptions that differ from our own<sup>9</sup>.

Communication entails the exchange of messages and the creation of meaning<sup>10</sup>. Unlike messages, meanings cannot be transmitted, that is, when we send a message, we attach a certain meaning to that message, and choose the symbols and channels of communication accordingly, taking into consideration the

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<sup>5</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0625>

<sup>6</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0625>

<sup>7</sup> Cushner and Brislin 1996, p.12

<sup>8</sup> Ibid.

<sup>9</sup> Martin and Nakayama 2004, p. 11

<sup>10</sup> Gudykunst 2004, p. 9

environment in which the message is transmitted, the people involved and the relationship between them<sup>11</sup>. Likewise, when we interpret messages, we rely on our perceptions and our interpretation of a stranger's behaviour, the channels they use to transmit their message, the context. When people communicate across cultures, their cultural values affect what and how they say or do things, and certain ways of interaction can be misperceived as intentional, and in such intercultural encounters, the culturally unaware interlocuters face the temptation to conclude that the others have bad intentions, rather than realise that their behaviour is governed by different rules<sup>12</sup>. Consequently, conflicts often arise when people try to function within their own familiar value systems while working across cultures<sup>13</sup>.

Effective intercultural communication requires that one understands the value orientations prevalent in a society and the differences in communication patterns and behaviours that they cause<sup>14</sup>. The „essence of effective cross-cultural communication has more to do with releasing the right responses than with sending the right messages“<sup>15</sup>. Intercultural competence, therefore, is a prerequisite for success in transnational activities of cooperation and mobility in higher education because scholars and students move from one socio-cultural context into another. They need to function in their host context accordingly, and to do that well, they should be aware that social contexts espouse differing values and that these values shape perceptions and behaviours.

### **What is intercultural competence?**

Darla Deardorff, a scholar renowned for her work on intercultural competence and internationalisation in higher education, conducted a research study with the purpose of revealing what intercultural communication researchers from a variety of disciplines mean by intercultural competence<sup>16</sup>. She documented consensus among leading interculturalists about the elements of intercultural competence and grouped them into the categories of attitudes, knowledge, skills and internal/ external outcomes, and broadly defined intercultural competence as „effective and appropriate behaviour and communication in intercultural situations“<sup>17</sup>.

Deardorff synthesised the data from her research study into a pyramid model of intercultural competence in which the lower levels are viewed as enhancing the higher levels.

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<sup>11</sup> Ibid.

<sup>12</sup> Hofstede, Pedersen and Hofstede 2002, p. 42

<sup>13</sup> Cushner and Brislin 1996, p.12

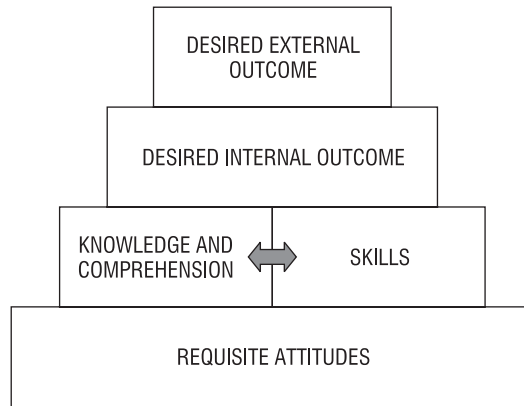
<sup>14</sup> Hall, 1966

<sup>15</sup> Hall and Hall 1990, p.4

<sup>16</sup> Deardorff 2006

<sup>17</sup> Deardorff 2012, p. 10

**Table 1. Deardorff's model of intercultural competence**



Deardorff sees the *REQUISITE ATTITUDES* as foundational to the further development of knowledge and skills and places them at the base of the pyramid. The key attitudes emerge to be those of respect, openness, curiosity and discovery<sup>18</sup>. Openness and curiosity imply a willingness to risk and to move beyond one's comfort zone, set a foundation for more creative ways to turn differences into opportunities and allow the possibility of seeing from more than one perspective. In communicating respect to others, it is important to demonstrate that others are valued by showing interest in them, while being aware that respect itself manifests differently in cultural contexts.

The second level of the model is reserved for *KNOWLEDGE* and *SKILLS*. Knowledge here is viewed in the sense of: cultural self-awareness (the ways in which one's culture has influenced one's identity and worldview), culture-specific knowledge, deep cultural knowledge, including understanding other world views, and sociolinguistic awareness<sup>19</sup>. There is a big emphasis on the importance of understanding the world from the perspective of others. The skills needed for intercultural competence are ones that address the acquisition and processing of knowledge: observing, listening, evaluating, analysing, interpreting, and relating. Knowledge is not static and, considering the exponential change in the past decades, it is critical for individuals to develop skills of making meaning of their knowledge and then applying that knowledge in concrete ways.

Knowledge and skills translate into *INTERNAL OUTCOMES*. As a result of the acquired attitudes, knowledge and skills, individuals reach a level, where they are able to demonstrate flexibility, adaptability, an ethnorelative perspective, and empathy in their intercultural interaction<sup>20</sup>. Individuals reach these

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<sup>18</sup> Deardorff 2012, p. 10

<sup>19</sup> Ibid., p. 11

<sup>20</sup> Deardorff 2012, p. 11

internal outcomes in varying degrees of success depending on the attitudes, skills and knowledge acquired.

The attitudes, knowledge and skills, and the internal outcomes, are demonstrated through the behaviour and communication of the individual<sup>21</sup>. One's behaviour and communication become the visible *EXTERNAL OUTCOMES* of intercultural competence. It is on this basis that intercultural competence is the effective and appropriate behaviour and communication in intercultural situations. Deardorff underscores that it is also important to understand the implications of „effective“ and „appropriate“ behaviour and communication: effectiveness can be determined by the interlocutor while the appropriateness can only be determined by the other person - with appropriateness being directly related to cultural sensitivity and adherence to cultural norms<sup>22</sup>.

Deardorff emphasises that the development of intercultural competence is a lifelong process and that there is no point at which one becomes fully intercultural competent. This process of development becomes crucial through „self-reflection and mindfulness“<sup>23</sup>. The requisite attitudes of openness, curiosity and respect, combined with cultural self-awareness, cultural humility and interpersonal sensitivity, are foundational to this process.

### **How do we start our journey of becoming intercultural competent?**

The intensive intercultural interaction in cross-border educational exchanges and cooperation underscores the need for academics and students to acquire intercultural competence before they engage in transnational activities. As Deardorff maintains, achieving one's goals in intercultural interaction is contingent on several factors: a choice to intentionally explore the unknown, a process of continual learning, of being curious about the unknown, of going beyond one's own voice and situating one's identity within a broader context<sup>24</sup>.

Milton Bennett, a prominent interculturalist, asserts that key to acquiring intercultural competence is using a set of culture-general frameworks, or as he calls it, „intercultural skillset“<sup>25</sup>. These frameworks provide a general set of cultural contrasts that apply to a wide range of cultures. It is by identifying where one's own and a particular other culture lie on the continua of contrasts, that individuals can create a broad picture of the other culture and how it differs from their own, can analyse and avoid potential misunderstandings and thus move more quickly towards learning relevant culture-specific knowledge<sup>26</sup>.

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<sup>21</sup> Deardorff 2012, p. 12

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Deardorff 2012, p. 8

<sup>25</sup> Bennett 2016, p. 4

<sup>26</sup> Bennett 2016, p.5



Culture-general frameworks have been criticised for their generalisation and their validity has been questioned. Still, we believe that the social context of our upbringing is a very strong formative force. Its influences cannot and should not be discounted. Geert Hofstede<sup>27</sup>, for example, explicitly points out that classifications of cultures provide general orientations to desirable outcomes in a certain cultural context. That is, comparative frameworks indicate what reactions are likely given one's cultural background but do not predetermine personalities and individuals' reactions. The understanding of another eminent scholar in the field, Michael Byram, is that the knowledge of how one's socialisation context has formed one's social identities as well as how it affects perceptions and attitudes, provides a basis for a successful interaction, and makes one a competent intercultural speaker<sup>28</sup>.

### **Culture in the education setting**

The interculturalists cited here place a strong emphasis on being aware of one's own cultural frame of reference when one starts on the journey of developing intercultural competence. For the purpose of exemplifying how the cultural context where we are socialised can affect our expectations and behaviour in an education setting, we have decided to use Hofstede's classification of cultures. Hofstede asserts that a person carries within him or herself patterns of thinking, feeling and potential acting that were learned throughout the person's lifetime<sup>29</sup>. He calls these patterns of thinking, feeling, and acting *mental programs* or the *software of the mind*<sup>30</sup>. Hofstede, however, explicitly notes that a person's behaviour is only partially predetermined by mental programs and one can deviate from them.

Hofstede's classification is based on comprehensive studies of national values. The studies indicated systematic differences in national cultures on six primary dimensions. These dimensions represent preferences for one state of affairs over another. Hofstede underscores that the dimensions describe national averages which apply to the population in its entirety, that is, they are generalisations and serve only as guidelines for a better understanding of national cultures. This clarification is very important to make as we live in a globalised world where multicultural membership is ever more widespread. In this paper, we have selected the dimensions in Hofstede's model where culture was found to have a pronounced influence in an education setting, that is, the dimensions *Small/large power distance*, *Individualism/Collectivism*, *Masculinity/Femininity*. The following part provides a glimpse on how the dominant cultural characteristics of a society can translate in behaviour and manifest in an education setting.

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<sup>27</sup> Hofstede 2010

<sup>28</sup> Byram 1997, p. 35

<sup>29</sup> Hofstede 2010, p. 4

<sup>30</sup> *Ibid.*, p. 5

Hofstede defines *Power distance* as „the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally“<sup>31</sup>. In small-power-distance societies, teachers are supposed to treat students as basic equals and expect to be treated as equals by the students, education is student-driven and student initiative holds a high premium, students are expected to find their own intellectual paths, make uninvited interventions in class - ask questions when they do not understand something, argue with teachers, express disagreement and criticisms in front of the teachers, the quality of learning depends on the two way communication and the excellence of students<sup>32</sup>. In large-power-distance societies, the educational process is teacher centered where teachers outline the intellectual paths to be followed, initiate all communication, students in class speak up only when invited to, teachers are never publicly contradicted or criticised, the quality of learning depends on the excellence of the teacher<sup>33</sup>.

The dimension of *Individualism/Collectivism* has to do with whether people´s self-image is defined in terms of „I“ or „We“. „*Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after him- or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onward are integrated into strong, cohesive in-groups.*“<sup>34</sup> In collectivist cultures communication (feedback) is always indirect. Maintaining harmony and saving face reign supreme, direct confrontations and conflict are avoided. In individualist societies speaking one´s mind in class holds high esteem, students learn to think in terms of „I“ and are encouraged to develop an independent self, learn to cope with new, unknown, unforeseen situations, have a positive attitude toward what is new, and the purpose of education is to know how to learn<sup>35</sup>. In collectivist societies the word „I“ is avoided, students learn to think in terms of „we“, the purpose of education is learning how to adapt to the skills and virtues necessary to be an acceptable group member, the purpose of education is learning how to do, a diploma is an honor to the holder (and his or her in-group)<sup>36</sup>.

The dimension of *Masculinity/Femininity* in Hofstede´s classification goes as follows. A „*society is called masculine when emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success, whereas women are supposed to be more modest, tender, and concerned with the quality of life. A society is called feminine when emotional gender roles overlap: both men and women are supposed to be modest, tender, and concerned with*

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<sup>31</sup> Hofstede, Hofstede and Minkov 2010, p. 61

<sup>32</sup> Ibid., p.70

<sup>33</sup> Ibid.

<sup>34</sup> Ibid., p. 92

<sup>35</sup> Hofstede, Hofstede and Minkov 2010, p. 124

<sup>36</sup> Ibid.

*the quality of life.*“<sup>37</sup> In masculine societies the best student is the norm, excellent students are praised, there is competition in class, everybody tries to excel, competitive sports are part of the curriculum, students overrate their own performance: ego-boosting, brilliance in teachers is admired. In feminine societies the average student is the norm, praise is given to weak students, there is jealousy of those who try to excel, students underrate their own performance and display a greater tendency to ego-effacement<sup>38</sup>.

The differences in societies portrayed in Hofstede’s dimensions, and their projection in education settings, make the case for a conscious effort to investigate one’s own and one’s destination country culture when one engages in trans-European teaching or learning mobility. This suggestion is salient in regard to university partnerships as well. Culture-specific knowledge, the ability to contrast and analyse behaviour, in a non-judgemental way, the ability to make adjustments in communication, willingness to acknowledge and accept differing opinions and perspectives, will be a requisite in the effort to deploy activities in the European Universities networks and thereby attain the goals set by the EU.

### **Concluding remark**

This paper dwelled on the perspective of eminent interculturalists to offer a theoretical understanding of the essence of intercultural competence and situate potential manifestations of culture-specific frames of reference in an education setting. This provided ground to argue that the intercultural competence of the stakeholders is an indispensable feature in the effort to enhance Europeanisation in higher education and call for measures to sensitise partners about how it can affect the working process and its outcomes.

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<sup>37</sup> Hofstede, Hofstede and Minkov 2010, p. 140

<sup>38</sup> *Ibid.*, p. 160

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# EU EDUCATION SYSTEMS AFTER THE COVID-19 PANDEMIC.

## AN ANALYSIS ON THE ROMANIA'S RECOVERY AND RESILIENCE PLAN AND ITS MEASURES ON SUSTAINABLE EDUCATION

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### ***Abstract:***

*The COVID-19 pandemic brought out many changes in all subsystems of social life and highlighted the need for resilience of both individuals and communities. For sure, all over Europe, the educational systems were severely affected since March 2020. In these circumstances, investing in education become an important goal for every European society, being very important for its growth and competitiveness. The Recovery and Resilience Facility, recently adopted at EU level, represent a key instrument that will provide new opportunities for member states to invest in education to address existing educational challenges and to ensure more resilient systems. This communication is focusing on an analysis of the Romania's Recovery and Resilience Plan, in order to see how the goals that were set in this Plan will be achieved and will diminish the actual challenges of the educational system.*

**Keywords:** Recovery and Resilience; challenges in education; EU regulations; growth; COVID-19 pandemic

## 1. Background - the impact of the COVID-19 pandemic on European education systems. The need for resilience in a pandemic context

Since March 2020, the COVID-19 crisis has led education and training institutions in Europe to close their doors and move quickly to distance (on-line) teaching. In a few weeks, the educational landscape in Europe and around the world has changed fundamentally<sup>1</sup>. Thus, the educational institutions worked ceaselessly to ensure continuity of the teaching-learning process despite the deadlock<sup>2</sup>.

The global health crisis triggered at the start of 2020 by the coronavirus pandemic and the containment measures that it brought about have created an unprecedented education crisis. Almost overnight, 190 countries were closing their educational institutions, depriving 91% of the global students of face-to-face education. Moreover, this necessitated educational institutions to shutdown thus affecting 1.57 billion students globally<sup>3</sup>.

While the closure of educational establishments inaugurated the general shift from traditional education to distance education provided through various means of communication (Moodle platform, G Suite for Education, Microsoft Teams, Zoom, Skype, WhatsApp etc.), companies have once again become fully aware of the central role of public education, in a world that was in the process of rapid changing<sup>4</sup>.

Education systems in developed countries saw the current situation not only as a challenge<sup>5</sup>, but also as an opportunity to place a stronger emphasis on reducing existing educational gaps, including before the pandemic, by implementing initiatives to promote equality and inclusion. What in some states, such as Romania, was only a risk, in the sense of accentuating inequalities, in other states the risk was turned into an opportunity. Thus, the COVID-19 pandemic represented a crisis for the whole world, but also a challenge for the education system<sup>6</sup>.

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<sup>1</sup> UNESCO (2020a), *COVID-19 Educational Disruption and Response* [online]. available at: <https://en.unesco.org/covid19/educationresponse>.

<sup>2</sup> Babbar, M., Gupta, T. (2021), Response of educational institutions to COVID-19 pandemic: An inter-country comparison. *Policy Futures in Education*, June 4, DOI: <https://doi.org/10.1177/14782103211021937>

<sup>3</sup> UNESCO (2020b), *COVID-19 and higher education: Today and tomorrow* [online]. available at: <http://www.iesalc.unesco.org/en/wp-content/uploads/2020/04/COVID-19-EN-090420-2.pdf>

<sup>4</sup> Doucet, A., Netolicky, D., Timmers, K., Tuscano, F. J. (2020), *Thinking about pedagogy in an unfolding pandemic* (An Independent Report on Approaches to Distance Learning during COVID-19 School Closure). Work of Education International and UNESCO [online], available at: [https://issuu.com/educationinternational/docs/2020\\_research\\_covid-19\\_eng](https://issuu.com/educationinternational/docs/2020_research_covid-19_eng)

<sup>5</sup> Amemado, D. (2020), COVID-19: An unexpected and unusual driver to online education. *International Higher Education* 102: 12-14.

<sup>6</sup> Edelhauser E, Lupu-Dima L. (2020), Is Romania Prepared for eLearning during the COVID-19 Pandemic?. *Sustainability*. 12(13): 5438. DOI: <https://doi.org/10.3390/su12135438>

In Romania, the COVID-19 pandemic has led to awareness of significant gaps and deficiencies in digital skills, connectivity, and the use of technology in education. In addition, according to the latest Digital Economy and Society Index (DESI), 42% of Europeans do not have basic digital skills and the European labour market faces a significant shortage of digital experts<sup>7</sup>. Moreover, the COVID-19 crisis has drawn attention both to the opportunities and risks of online life and to the need for a better and safer digital environment for all, especially for young people under 18.

At the beginning of the Covid-19 pandemic, the Romanian Ministry of National Education conducted a rapid survey in primary and secondary schools. This helped to identify the students who lacked electronic devices and internet connection, especially in rural areas. The Ministry of National Education took the initiative to support online learning and invited sponsors, mobile and internet providers<sup>8</sup>, various private companies and NGOs to get involved. The survey revealed that 250,000 pupils (9% of the total population of pupils in state pre-university education) did not have devices and internet connection to implement e-learning at national level. While the Euro 200 programme provides financial support (200 EUR) for pupils to buy a computer, only those from very poor families were able to benefit, the eligibility criteria being particularly restrictive. During the lockdown months, when education was conducted exclusively online, students' access to technology was neither uniform nor universal, which contradicts the universal nature of the right to education.

Based on these sudden and brutal changes, the European Agenda for 2020 included numerous public policy documents (focused on the health, social, educational component, etc.) that aimed to advance integrated measures and intervention tools so it could help the European communities become more and more resilient. From an educational point of view, the European Commission has launched numerous programmes and action plans, such as the *Digital Education Action Plan*, called „Resetting education and training for the digital age (2021-2027)“<sup>9</sup>. Also, on 30 September 2020, the European Commission launched the *Communication on Achieving the European Education Area by 2025*, an initiative aimed at strengthening education and training systems following the coronavirus crisis, along with the EU's recovery efforts, based on the transition to a green and digital Europe.

In this essence, the creation of the European Education Area falls within the scope of the objectives set by the new *European Skills Agenda for sustainable competitiveness, social fairness and resilience*, and complements the panorama

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<sup>7</sup> For more informations, see *Digital Economy and Society Index 2020 - Key Findings*. [online] available at: <https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2020>

<sup>8</sup> In fact, some mobile phone companies (such as, for example, Orange Romania), have had piloted since 2016 support programs (*Digitaliada*) for rural pupils, through which they made available tablets with access to open-source applications, which could be used for educational purposes.

<sup>9</sup> European Commission (2020), *The Digital Education Action Plan (2021-2027)*. [online] available at: [https://ec.europa.eu/education/education-in-the-eu/digital-education-action-plan\\_en](https://ec.europa.eu/education/education-in-the-eu/digital-education-action-plan_en)

of actions following the strategic priorities of the new *Digital Education Action Plan*: training of fundamental (including digital core) and transversal skills, gender inclusion and equality, teacher training, higher education, strengthening international cooperation in education and training, including by unlocking the potential for cooperation in vocational and technical education.

## **2. The challenges of the Romanian education system at the beginning of the pandemic context (March-June 2020)**

The forced transition to exclusively digital education, under the imperative of the pandemic, has only amplified pre-existing inequalities, especially when it comes to vulnerable students. In this context, the quality of education, not only in Romania, was negatively affected by the closure of schools and the relocation of online activities. Educational institutions and their actors (teachers, students, research staff, administrative staff, management structures), have felt the negative impact of this crisis, through significant alterations at all levels of operation<sup>10</sup>.

In addition to the fact that access to distance education is limited for some students, the pandemic has accentuated, through its consequences, issues of equality and equity in education. The neglect of students is doubled by other problems that many families faced during this period - prolonged quarantine, job loss, reduced income, etc. In this context, the family becomes an institution incapable of fulfilling its functions, just like the educational institution<sup>11</sup>.

The context in which this pandemic occurred was not one for which the education system was prepared. The students did not benefit from technology media education programmes in the school, and many of the teachers did not take introductory courses in new technologies, nor did anyone prepare them to use the necessary tools during a pandemic period<sup>12</sup>.

The November 2020 edition of the *Education and Training Monitor*, as well as the country report for Romania, presented a well-known reality. The early school leaving rate in Romania decreased to 15.3% in 2019, from 19.1% in 2015. Although it represents the largest decrease (-3.8%) of this indicator, registered at the level of the 27 European Union countries, over the last 5 years, the indicator remains high, above the 10% target that had been set at European level for the 2020 horizon<sup>13</sup>. According to Eurostat data, in 2019 no

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<sup>10</sup> Popescu, A.M., Motoi, G. (2021), Educational communication during the COVID-19 pandemic. Results of an empirical study among university students. *Revista Universitară de Sociologie*. XVII (2), p. 123.

<sup>11</sup> Mustafa, N. (2020), Impact of the 2019 - 20 coronavirus pandemic on education. *International Journal of Health Preference Research*. pp. 1-36.

<sup>12</sup> Popescu, A.M., Motoi, G. (2021), Educational communication during the COVID-19 pandemic. Results of an empirical study among university students. *Revista Universitară de Sociologie*. XVII (2), p.126

<sup>13</sup> European Commission (2021), *The Education and Training Monitor 2020*. [online] available at: <https://op.europa.eu/webpub/eac/education-and-training-monitor-2020/en/>



less than 43% of Romanians aged 16-74 had reduced digital skills, ranking Romania first in the European Union in this regard, Bulgaria (38%) being second. In terms of people with superior digital skills, the data show that only 10% of the population masters such skills, Romania being this time on the last place in the European Union, Bulgaria having 11% to this indicator.

The response of European countries in the context of the SARS-CoV-2 pandemic was almost unanimous in closing schools, in an attempt to stop the spread of the disease, with work continuing in most cases exclusively online. But, as some authors are saying, what is most important is that this period of time was and will be „the starting point of scientific debates about the future of the educational systems and their real effectiveness“<sup>14</sup>. The main strategy used globally to slow down and, in the long run, stop the spread of SARS - CoV - 2, was to impose measures on social distancing, isolation and, in cases of endemic Community spread, the introduction of a strict quarantine in the affected communities<sup>15</sup>.

Pre-existing economic and social problems, accentuated by the reduction of the activity of economic entities and public institutions, by the reorganisation of the activity of health services, social assistance and, especially, education, have directly led to the increase of vulnerability in children, families and communities, such as limited access to social services, healthcare, inequalities in access to education and poverty<sup>16</sup>.

In addition, the period of confinement brought to light a problem already known in the Romanian education system: inequalities in access to education for pupils from disadvantaged backgrounds. In this sense, in March-June 2020 we encountered two situations: on the one hand, for children from families with a normal socio-economic level, the school moved online, and they continued to learn; On the other hand, for children from vulnerable backgrounds this period represented a total disruption of the school community. Also, for all these children, the interruption of school also meant the removal of access to minimum nutrition programmes, conducted in schools (such as, for example, programmes that offered a hot meal at school). Unfortunately, school food was for many of these children their main meal for the day, and so the closure of schools also had an impact on the quality of their lives, relative to their nutrition.

The situation was, therefore, more difficult for pupils from very poor rural areas or disadvantaged communities: they have poor living conditions, lacking

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<sup>14</sup> Kaleynska, M. (2020), *Online educational activities proposed during the social period of the COVID-19 pandemic*. Conference. Annual University Scientific Conference 2020 Vasil Levski National Military University. At Veliko Tarnovo: Vasil Levski National Military University Ed. P.309

<sup>15</sup> Salceanu, C. (2020), Higher education challenges during Covid-19 pandemic. A case study. *Revista Universitară de Sociologie XVI* (1): 104-114.

<sup>16</sup> Zamfir, C., Zamfir, E. (2020), *Calitatea vieții în timpul pandemiei: probleme s&ș i politici de răspuns. Un punct de vedere sintetic*. Bucharest.[online] available at: <https://acad.ro/SARS-CoV-2/doc/d01-CalitateaVietii.pdf>

minimum hygiene terms, as well as sufficient space for each of the members who make up the family (housing being overcrowded). They had one or both parents deprived of the possibility of daily work (the first did not affect the loss of employment were people from rural areas), therefore, the economic power of the family, which was still small, fell further. Thirdly, they previously have had no access to technology: phone, tablet or computer connected to the Internet, and if they had it, access to the necessary and age-appropriate information was non-existent, in the absence of a minimum guidance or support.

### **3. Case study: National Recovery and Resilience Plan (NRRP)**

Before analysing the measures provided by the National Recovery and Resilience Plan, it is necessary to mention one of the important initiatives chosen at national level in order to generate a faster process of adapting the system from education to the new health context. In addition, this initiative comes to answer many of the problems of the Romanian education system, which stood out, more than ever, during the COVID-19 pandemic.

On October 26, 2020, the Ministry of Education and Research launched the process of developing the Strategy on digitization of the education in Romania 2021 - 2027, called SMART.Edu - concept focused on the following key concepts: Modern, Accessible School, based on Digital Resources and Technologies<sup>17</sup>.

In line with the European agenda on adapting education and training systems to the COVID 19 crisis, respectively on ensuring sustainable competitiveness, social equity and resilience (according to the above-mentioned initiatives), this is a call for action for closer cooperation. stakeholders at national level, starting from the following priorities:

- *Accessibility*: providing digital infrastructure and emerging technologies for access to inclusive and quality education. 62% of rural households did not have internet connection (2018) and 58% of rural households did not have a computer or laptop. Moreover, 12% of children in Romania do not have strong enough internet connection to be able to support online courses<sup>18</sup>;
- *Connectivity*: developing digital skills for the digital transition to a competitive society, focused on sustainable development, social equity and resilience; digital literacy and combating misinformation; use of

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<sup>17</sup> The strategy can be consulted at the following adress: <https://www.edu.ro/sites/default/files/SMART.Edu%20-%20document%20consultare.pdf>

<sup>18</sup> IRES (2020), *Școala în Stare de Urgență*. Bucharest. [online] available at: [https://ires.ro/uploads/articole/ires\\_scoala-din-romania-in-stare-de-urgenta\\_sondaj-de-opinie\\_aprilie-2020.pdf](https://ires.ro/uploads/articole/ires_scoala-din-romania-in-stare-de-urgenta_sondaj-de-opinie_aprilie-2020.pdf)

open educational resources. Only 52% of young people aged 16 to 19 have basic digital skills or above this level<sup>19</sup>;

- *Innovation*: use of all digital / emerging resources and technologies, stimulating creativity and entrepreneurship. With a score of 42 out of 100, Romania ranks 55-th out of 141 states on the innovation capacity indicator, according to the Global Competitiveness Report 2019, conducted by the World Economic Forum.
- *Sustainability*: ensuring medium and long-term predictability, through cross-sectoral cooperation, for quality education and a green and digital economy.

Facing the new challenges, European states have tried to find answers and adopt resilience plans, starting from the idea that resilience helps bridge global education security and education system strengthening<sup>20</sup>.

At European level, at the end of July 2020, the European Council published the budget proposal for both the future Multiannual Financial Framework 2021-2027 and the *Next Generation EU* recovery instrument (NGEU). Part of the *NGEU* is also the *Recovery and Resilience Facility*, which has an allocation of 672.5 billion euros (of which loans are: 360 billion euros, and grants are: 312.5 billion euros). It will support Member States' reforms and investments to mitigate the economic and social impact of the COVID-19 pandemic and increase the sustainability and resilience of EU economies, as well as to better prepare them for the challenges posed by the green and digital transition.

This instrument will help Member States address the challenges identified in the European Semester in areas such as competitiveness, productivity, environmental sustainability, education and skills, health, employment, and economic, social and territorial cohesion. Also, it will ensure that these investments and reforms are properly focused on the green and digital transition, in order to contribute to job creation and sustainable growth, and to make the EU more and more resilient.

Romania's National Recovery and Resilience Plan (NRRP)<sup>21</sup> is a strategic document, which provides for investments and reforms, structured on 12 priority areas. The priority areas cover six pillars and are divided into grants and loans. These total 171 measures (64 reforms and 107 investments) and are based on 507 benchmarks and objectives. Of the total, 14.24 billion euros represent grants, and 14.94 billion euros represent loans. The six pillars are: the green transition; digital transformation; smart, sustainable, and inclusive

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<sup>19</sup> Matoi, G, Bourgatte M. (2020), (coord.) *Les politiques d'éducation au numérique en Europe. Former des citoyens connectés*, Paris, L'Harmattan.

<sup>20</sup> Zhu, X., Jing L. (2020), Education in and after Covid-19: Immediate responses and long-term visions. *Postdigital Science and Education* 2.3: 695-699.

<sup>21</sup> Approved with a total allocation of 29.2 billion EUR, on September 25, 2021

growth; social and territorial cohesion; health, economic, social and institutional resilience; policies for the new generation.

In terms of resilience, here the main segments are: education and skills (in-depth restructuring of the education system through the project „*Educated Romania*“, early education, infrastructure improvements); health (construction and refurbishment of public hospitals, outpatient services, especially in rural areas); labour market and social policies (pension and wage reform, implementation of an average income of social inclusion); administration (modernization of public administration - investments in digitalization; stronger fiscal administration).

The NRRP proposed by Romania addresses through component 15 - *Educated Romania* - these challenges through 6 reforms and 18 investments, with a total budget proposition of 3.6 billion euros.

Proposed reforms include the following:

- Development of a system of early education services for children from birth to 6 years, which is unitary, inclusive and qualitative, as well as based on an effective mechanism of inter-institutional cooperation and intersectoral coordination, which will ensure beneficiaries high access rates and participation;
- Reforming the compulsory education system by increasing the autonomy of educational units in order to identify and implement specific measures to prevent and reduce school dropout;
- Establishing a complete professional route, facilitated by a reformed baccalaureate, which would offer students the opportunity of an open route, with access to higher education institutions with a technical profile;
- Adopting the legislative framework for the digitalization of education;
- Modification and efficiency of the normative framework for ensuring safety and quality standards, environmentally friendly, in pre-university and university education units
- Reforming the governance of the pre-university education system and professionalizing the management in the conditions of an increased autonomy of the schools.

The education dimension of the NRRP aims at measures to combat school dropout (Romania has one of the highest dropout rates in Europe), the emphasis being on reducing inequality of opportunity between students (especially concerning rural students, who have limited chances to access higher education, for example), as well as on the inclusive nature of the education and training system, including measures to increase labour market integration through the development of basic and / or advanced skills, including digital, and by stimulating vocational training in a dual system. Also, the reforms on early education, as they are specified in the NRRP are cording to

the policy documents of the European Union, especially those from 2011-2014, which are focusing on „early childhood education and care of high quality, fighting against segregation in education“<sup>22</sup>.

Also, the education dimension of the NRRP involves reforms and investments in order to increase the resilience of the education system by modernizing the educational infrastructure and related endowments, in conjunction with the current and future needs of the labour market, to ensure participation in an educational process quality, modern and inclusive. Thus, investments are considered for the creation / modernization of existing infrastructure and its endowment, ensuring the legal framework for the digitization of educational services, taking into account the situation of the sector following the COVID - 19 crisis. Investments in infrastructure and endowments are combined with software reforms prevention and reduction of school dropout, for the creation of adequate digital skills for teachers and pupils, for the adaptation of the curriculum to the needs of the market and for the involvement of the private environment in sustainable partnerships to stimulate dual education, etc.

### **Conclusions:**

The chronic underfunding of education system affects all levels, with a domino effect on the level of pay and, implicitly, on the motivation of teachers, on the level of funding per pupil/student, and, implicitly, on the accessibility of quality educational services, on infrastructure and materials. and last but not least, impacts the quality of the educational act, etc. Moreover, the underfunding of the system ultimately reflects the status that education has at the level of a society. Far from being a priority for the authorities, as shown by the constant level of underfunding, it has affected the way in which public opinion values and relates to education, as well as to the status of the teacher or the educational act itself. We can conclude that the Plan addresses a significant part of the older structural challenges that remained unresolved, as identified in the relevant specific recommendations addressed to Romania by the Council of Europe in 2019 and 2020.

The plan's emphasis on addressing education challenges and promoting green and digital skills will enhance Romania's long-term growth potential and stimulate inclusive growth by reducing disparities, with potential spill-over effects on the labour market.

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<sup>22</sup> Kaleynska, T. (2014), Children and inclusion - European Standards and Community Implementation. In *Challenges in Building Child Friendly Communities. Proceedings of International Conference Zadar, Croatia*, Europe House Slavonski Brod, p. 126

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# WHAT IS NEW IN THE NEW EU PACT ON MIGRATION AND ASYLUM

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## ***Abstract***

*Following an extended period of preparation and numerous postponements, the European Commission finally presented on 23 September 2020 the New Pact on Migration and Asylum. What is new, however, and is there actually anything new in this massive document that integrates all aspects of EU's migration policies? Have the lessons of the „migratory“ crisis of recent years been learned and why is it that it has met with a series of criticisms from governments, policymakers, academics, and civil society organisations?*

**Keywords:** migration; asylum; CEAS; European migration policy; European Union

Following an extended period of preparation and numerous postponements, the European Commission finally presented on 23 September 2020 the New Pact on Migration and Asylum.

On this occasion, the EU Commission President Ursula von der Leyen declared that the old system is no longer working and the Commission's Package on Migration and Asylum offers a fresh start<sup>1</sup>. In her words, the pact offers „predictable and reliable migration management system“, which is expected to bring together all aspects of migration: border management and screening, asylum, and integration, return and relations with external partners<sup>2</sup>. What is new, however, and is there actually anything new in this massive document which integrates all aspects of EU's migration policies? Have the lessons of the „migration“ crisis of recent years been learned and why is it that the document

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<sup>1</sup> European Commission 2020

<sup>2</sup> Ibid



has met with a series of criticisms from governments, policymakers, academics, and civil society organisations? The present text aims to analyse the proposals which come as part of the package, by highlighting the trends in the development of European migration policy and in the relevant debate on its future.

Although the 2015 wave of asylum seekers in the aftermath of the war in Syria and the ensuing humanitarian situation were the largest since the 1990s, statistics show that the number of arrivals by far should not be such a great burden to the European Union. This has given to many, among them the Director-General of the International Organization for Migration, the reason to point out that the issue at hand is not so much about a refugee and/or migrant crisis, as about „emergency“ situation requiring swift political action<sup>3</sup>. It would not be an overstatement to describe the situation also as a crisis of solidarity – on the one hand between member states, and on the other as a manifestation of growing xenophobic tendencies among some of the citizens of the European Union, especially in the Eastern-European states, which are being successfully instrumentalised politically.

Migration has always been among the most affective policies<sup>4</sup>, difficult to compare with others due to its peculiar specifics. Balzack and Carrera also add that policies in this field are „probably the most dynamic, sensitive and hotly contested“. Representing an important part of national sovereignty, „these areas are fraught with national fears, rival ideologies and competing political sensitivities“<sup>5</sup>. Paradoxically, it is precisely due to this fact that migration is becoming a key element of European policy both in terms of policies, and in terms of politics.

In May 2015, the European Commission presented a European Agenda on Migration, with the aim of formulating adequate and harmonised policy responses at EU level. This set the course for EU action in the area of migration and asylum between 2015 and 2020<sup>6</sup>. In 2016, the European Commission has launched an overall reform of the general European asylum-granting system with the purpose of the further harmonisation of the EU asylum acquis (ibid). Two packages of proposals were presented within the framework of this reform. The European commission proposed an overhaul of the existing instruments of the Common European Asylum System, to turn Frontex into a European Coast and Border Guard and EASO into a full-fledged EU Agency for Asylum, and to introduce a Resettlement and Humanitarian Admission Framework<sup>7</sup>.

However, Member States failed to reach an agreement on key regulations, such as the reform of the Dublin system and the Asylum Procedures Regula-

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<sup>3</sup> Swing 2018

<sup>4</sup> Krasteva 2014

<sup>5</sup> Ibid

<sup>6</sup> European Parliamentary Research Service 2021

<sup>7</sup> Markard 2020

tion. An analysis, compiled on commission from the European Parliament, highlights that „human rights situation for migrants and refugees continues to be alarming“ and that the New Pact on Migration is being presented with the objective of addressing the identified structural shortcomings within the context of national reception, asylum and return systems of EU Member States<sup>8</sup>.

The New pact is composed of five legal instruments, three recommendations and one guidance document, namely: a new screening regulation; an amended proposal revising the Asylum Procedures Regulation; an amended proposal revising the Eurodac Regulation; a new asylum and migration management regulation; a new crisis and force majeure regulation; a new migration preparedness and crisis blueprint; a new recommendation on resettlement and complementary pathways; a new recommendation on search and rescue operations by private vessels; a new guidance on the Facilitators Directive<sup>9</sup>.

I shall attempt to analyse the numerous legislative proposals along four axes:

- revision of the Dublin Regulation, but retaining the „first state“ principle;
- mandatory, but flexible solidarity;
- security and returning;
- externalisation by way of strengthening partnerships.

The revision of the Dublin system is perhaps one of the most awaited reforms in CEAS. Criticisms have accompanied the Regulation (originally a convention) even from its inception, but the situation from 2015/6 has demonstrated not only how unjust it was, but also how ineffective in practice it is: in view of the fact that the majority of asylum-seekers arrive by land or by boats and that the Member State of the first arrival is responsible for their applications, the Dublin criteria may lead to structural overload of the countries along the external borders of the EU. Bearing the load of the states along the external borders is not only to the detriment of asylum seekers themselves, as well as of the states who will have to deal with the situation, but it also endangers the very existence of common policy in the area. Shared responsibility has remained unattainable, not in the last place because of the opposition of the countries from the Visegrad Quartet to all sorts of relocation mechanisms. The Commission’s original proposals – initially, for a mandatory crisis relocation mechanism to be added to ‘Dublin III’ and then a corrective allocation mechanism as part of ‘Dublin IV’, have failed<sup>10</sup>. In view of the difficulties encountered so far in finding a compromise, it is hardly a surprise that the Pact has retained the existing criteria and primarily the one of the first entry

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<sup>8</sup> European Parliamentary Research Service 2021

<sup>9</sup> Ibid

<sup>10</sup> Markard 2020

state. There are proposals for changes in the hierarchy of distribution criteria and greater flexibility<sup>11</sup>.

Undoubtedly, solidarity was among the most discussed, but also the most controversial principles after the sudden change in the migration situation in Europe of 2015. It is no coincidence that many have described the crisis not as migration one, but as a crisis of solidarity, as was already mentioned. As written by Eva van de Rakt: „Already in 2015, we were dealing not with a „refugee crisis“, but with a crisis of European refugee policy“<sup>12</sup>. The intense process of politicization of migration at national level and its instrumentalization by populist political actors and non-liberal governments has rendered impossible the implementation of the introduced mechanisms. A demonstrative example of this is the quota mechanism introduced in the summer of 2015, which not only failed to resolve the situation, but also aggravated the problems between individual Member States.

Therefore, it is not a surprise that the pact failed to raise the question of solidarity - an underlying principle of the European Treaties, introducing the notion of flexibility. What is the meaning of this in practice? Stripped of mandatory redistribution programmes, the new mechanism shall be available to all member-state facing intense migratory pressures. The mechanism shall be activated by the commission if a particular state makes a request and based on assessment of the situation. A plan for allocation between the member-states shall be proposed on the basis of this assessment - a number of migrants, market and labour needs etc., in proportion to their economy (GDP). The states which have refused to participate shall be given other opportunities to demonstrate solidarity, for example - by „sponsoring“ the returning of migrants to their countries of origin, i.e. certain member states could assume the responsibility for the return of an individual who has no right to stay, on behalf of another member state. This mechanism, of course, has become target for criticism not only because of the complexity of its realization but because of valid arguments for contradictions with the international law due to absence of common European list of „safe countries“. Another possibility available to member states refusing to accept asylum seekers would be to assist the frontline states with expertise or practical help. What happens in case of refusal from participation in these forms of flexible solidarity remains to be determined<sup>13</sup>. The tendency of securitization is not recent in European migration policy. It has evolved over the years by the introduction of various measures and institutions such as the Schengen Information System (SIS), Eurodac, the Integrated System of External Vigilance, Frontex, etc. Actually, the control of the external borders, which apparently is given exceptional significance in the Pact, is understood as shared responsibility. According to Margaritis Schinas, Vice-President of the European Commission in charge for coordinating the

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<sup>11</sup> Robert Schuman Foundation 2020

<sup>12</sup> Rakt van de 2021

work on the Pact, quoted by Christopher Hein, this must be considered as a common, shared responsibility, for it would be unfair to delegate such a critical task to five or six countries of first entry<sup>14</sup>. An important role in this process is given precisely to Frontex, the European Border and Coast Guard Agency. This brings us back again to the burden borne by the frontline states, and to solidarity. As seen from the new mechanisms for flexible solidarity, there is a particular emphasis placed on repatriation. Externalization is no new tendency in European migration policy, either. The tendency can be traced back to the Conclusions of the Extraordinary European Council in Tampere (1999), and then is developed further in a series of documents such as The Hague Programme of 2004, the Stockholm Programme of 2009 and the EU Agenda of Migration of 2015, etc<sup>15</sup>. Externalization actually means placing migration management at the heart of the EU's external relations: „The examples include the EU-Turkey Statement or third country readmission arrangements with African countries such as Ethiopia, Ghana, Niger or Nigeria. They often come along with crisis-led funding instruments (EU trust funds), and give clear priority to expulsions, border management, countering human smuggling, and the facilitation of readmissions and returns“<sup>16</sup>.

So far, it is evident that what is really new in the Pact is at the most the reheating and intensifying of old tendencies or the seeking of euphemistic emendations which do not resolve the essential problems but cover them with the veil of new terminology.

The new beginning for the European migration policy was also promised among the priorities in the Political Guidelines for the Next European Commission (2019-2024). Some researchers even see the very idea to lay down this new beginning in a document designated as „pact“ as an attempt to overcome variance of opinion and the difficult dialogue between member states. In fact, neither is this a novel approach - thus, for example, in 2008 the European Council adopted a European Pact on Immigration and Asylum. According to some assessments, over a decade following the adoption of the Lisbon Treaty, the use of the terminology of a ‘Pact’ in the field of migration and asylum reintroduces intergovernmental logic in a policy field that is supposed to be ‘normalised’<sup>17</sup>. Many rallied around the opinion that almost one year after its publication it can be concluded that the Pact is in fact not a Pact at all.<sup>18</sup>. And researchers such as Sergio Carrera have concluded that „The Pact does not pursue a genuine Migration and Asylum Union. It runs the risk of pursuing intergovernmentalism, of establishing a European asylum

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<sup>13</sup> Ibid

<sup>14</sup> Hein 2021

<sup>15</sup> Ibid

<sup>16</sup> Carrera 2020

<sup>17</sup> Brouwer et al. 2021

<sup>18</sup> Ibid.

system of asymmetric interstate solidarity and legitimising member states' policies focused on speed, localisation, and externalisation. EU member states should be held accountable to their legal responsibilities, including current CEAS and Schengen Borders Code standards. Solidarity towards individuals and the upholding of everyone's rights needs to be placed at the heart of EU policies"<sup>19</sup>.

In the years of development of the European Union, migration has always been a particularly sensitive topic. Differences in historical experience, in the social and economic context hinder the construction of a common European policy. Member states, however, are reluctant to surrender their sovereignty regarding the policies of crossing their territorial borders, but also concerning crossing of the nation's imaginary borders. Transference of prerogatives in relation to the policies in the field has been tentative. Even with respect to value-oriented fundamental issues, such as the right to asylum, there has been no progress in the building of a truly unified system. The crisis of 2015 has brought the issue back to the spotlight. It is no coincidence that the debates on the Pact continue and there is still no substantial progress within several presidencies. The most significant step forward is associated with the transformation of the European Asylum Support Office (EASO) into a European Union Agency of Asylum (EUAA), on which the European Parliament and the Council have agreed after ministers from Mediterranean countries pledged support to a temporary agreement. An analysis in the prestigious European publication *Politico* reminds that „the original proposal to reform EASO [appeared] in May 2016. It [came] in the wake of the migration crisis of 2015-2016 when the Commission put forward proposals with the [objective] of establishing what EASO's executive director Nina Gregori described on Tuesday as the 'only multinational asylum system in the world.' But it didn't take long to become clear that the task was Herculean. Last September, the Commission put forward a new proposal, the 'Migration pact,' after the negotiations hit a wall"<sup>20</sup>.

Although a cause for joy, the breakthrough was not complete - Mediterranean countries agreed to accept the new mandate only partially. The inclusion of the so called „sunrise clause“ meant that the new measure would be fully implemented only after an agreement on the rest of the migration package is reached. According to sources of *Politico*, however, so far there has been no forthcoming agreements on other proposals, including the one for reform of Eurodac - the database for registration of fingerprints and other biometrical data from asylum seekers<sup>21</sup>.

A year after the pact was presented, on 29 September 2021, the European Commission presented a Report on Migration and Asylum, while simulta-

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<sup>19</sup> Carrera 2020

<sup>20</sup> Barigazzi 2021

<sup>21</sup> *Ibid*

neously adopting a renewed EU action plan against migrant smuggling and a Communication on the application of the Employers Sanctions Directive. The communication of the commission states: „As part of the comprehensive approach to migration under the New Pact on Migration and Asylum, these initiatives aim to prevent organised exploitation of migrants and reduce irregular migration, in coherence with the New Pact’s aim to promote sustainable and orderly management of migration. The initiatives will address both persistent challenges in dismantling organised criminal groups, as well as the need to adapt to new challenges including state-sponsored migrant smuggling, in response to the situation at the EU’s external borders with Belarus“<sup>22</sup>.

Although, as asserted by the commission, „the EU has taken many actions to improve its capacity to live up to the evolving challenges of migration management“<sup>23</sup> ultimately the EU is once again unprepared for the new situation and the potential increase of the number of asylum seekers after the restoration of the Taliban regime in Afghanistan, and also in view of the new dynamics in Belarus, will again become object of ad hoc actions and not of a stable and effective common European system.

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<sup>23</sup> Ibid

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# THE VALUES DEFICIT IN THE EUROPEAN UNION AND THE COVID-19 CRISIS AS ITS CONSEQUENCE

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## ***Abstract:***

*When we deliberate about the EU's deficits some common problems come in mind – deficit of democracy, deficit of legitimacy, deficit of accountability, deficit of leadership, etc. The ongoing Covid-19 crisis, however, revealed the harsh truth that there is another crucial problem the EU citizens are facing – the deficit of values.*

*The aim of the paper is to focus upon the non-material values of the Union. Despite being the milestone of the EU at the very beginning, nowadays we, the EU citizens, tend to forget this important fact. What can be done in order to overcome this dangerous tendency? The author cannot offer a single solution, but believes that this is a question that shall be continuously discussed and highlighted.*

**Keywords:** European Union, deficit, values, Covid-19, democracy

*„Strive not to be a success, but rather to be of value.“*

*Albert Einstein*

The outbreak of COVID-19 over the last year and a half has brought immense suffering and death to millions of people around the world. It has impacted profoundly the functioning of the countries, the balance in their democratic institutions and legal systems, shaking up the foundations of civil society. It is understandable that the majority of governments have and are continuing to stick to exceptional measures in seeking to get control over the spread of the virus.



These exceptional measures inevitably restrict the fundamental rights of citizens in ways that can be justified only in these extraordinary circumstances. It is in the greatest interest of society that the measures against the spread of COVID-19 are imposed within the framework of the key democratic principles, the international legal order and the rule of law.

There can be no doubt that this global hardship changed the EU and probably all of its citizens. But COVID-19 turned out to be much more than that, for all of us. It upraised many delicate questions – such as:

What happened to the real European values? Are they safe? How do we „read“ and understand them? Did we manage to keep them in this period of difficulty, that has not ended yet? Is the COVID-19 the reason for the crisis of values in the EU or it is actually vice versa – its consequence?

## I. The European Values – the definitions

According to the Cambridge dictionary the word „value“ stands for:

- the amount of money that can be received for something;
- the importance or worth of something for someone;
- how useful or important something is;
- the beliefs people have, especially about what is right and wrong and what is most important in life, that control their behaviour.<sup>1</sup>

Sticking to the last definition, we must remember that the real and the most important values of the European Union, since the very beginning, are the non-material ones.

The EU values are common to the EU countries in a society in which inclusion, tolerance, justice, solidarity and non-discrimination are a must. These values are an integral part of our European way of life.

The European Charter of Human Rights, integrated in the Lisbon Treaty, defines clearly the main values and goal of United Europe:

- **Human dignity.** It is inviolable. It must be respected, protected and constitutes the real basis of fundamental rights.
- **Freedom.** Freedom of movement gives citizens the right to move and reside freely within the Union. Individual freedoms such as respect for private life, freedom of thought, religion, assembly, expression and information are protected by the EU Charter of Fundamental Rights.
- **Democracy.** The functioning of the EU is founded on representative democracy. Being a European citizen also means having political rights, similar to these on national level – to elect and to get elected. Every adult EU citizen has the right to stand as a candidate and to vote in

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<sup>1</sup> Cambridge Online Dictionary - <https://dictionary.cambridge.org/dictionary/english/value>.

elections to the European Parliament. EU citizens have the right to stand as candidate and to vote in their country of residence, or in their country of origin.

- **Equality.** It is about equal rights for all citizens before the law. The principle of equality between women and men underpins all European policies and is the basis for European integration.
- **Rule of Law.** The EU is based on the rule of law. Everything the EU does is founded on treaties, voluntarily and democratically agreed by its EU member states. Law and justice are upheld by an independent judiciary. The EU countries gave final jurisdiction to the European Court of Justice which judgements have to be respected by all.
- **Human rights.** They are protected by the EU Charter of Fundamental Rights. These cover the right to be free from discrimination on the basis of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, the right to the protection of your personal data and the right to get access to justice.<sup>2</sup>

## II. European citizens - divided by the pandemic

As we see, the legal framework concerning European values is quite a clear set. But what really matters is how people understand and translate these words in their minds and everyday life. This becomes quite evident, especially in times of crisis.

There is no surprise that COVID-19 divided Europe. Indeed, every previous major crisis in the near past has done so, but never that dramatically. For example, the euro crisis split Europeans north and south, marking the debtors and creditors of the continent. The refugee crisis created a different dividing mark, this time between the east and the west.

The pandemic, however, in its early stages, seemed to bring Europeans together. Although it started as a search for national solutions when the EU governments closed their borders overnight – but it quickly turned into an attempt to find common European solutions, when EU member states agreed to „fight together“, by approving together vaccines, ending up in the decisive step of the Next Generation EU recovery plan.

Yet, the management of the crisis at European level was rather chaotic and belated. This has left the people of Europe exhausted and in deepening distrust. From messing up the delivery of masks to the slow vaccination campaign, European leaders are facing a deep crisis of democratic legitimacy and deficit of trust. COVID-19 was a harsh test for one fundamental EU values - *solidarity*. Meanwhile Eurosceptic, anti-vaxxers, populists and so on destructive forces „bloomed“ in the growing distrust of European institutions.

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<sup>2</sup> Lisbon Treaty, 2009. European Charter of Human Rights

Some countries, such as Hungary, or, more recently, Poland, have long made the erosion of the EU's founding principles an essential part of their political agenda. The pandemic has just fastened this process - disrupting the balance of powers, not respecting the independent civil society.

European citizens are divided over what they believe to be governments' motivations behind restrictions. First, we have the trustful ones - who have faith in governments. Then we see the suspicious - they are convinced that governors just try to cover up failings. Last but not least, the accusers think governments are lying, so as to impose their control over people.

According to a survey, made by the European Council on Foreign Relations in September 2021, three key dividing lines have been emerging. All of them are the result of the different meaning of what the phrase „EU values“ stands for.

The first is the *generation gap*. When COVID-19 first emerged, it seemed more likely to harm the oldest members in our societies. But young people feel like they have been the actual victims of the pandemic, because the pandemic was a threat to their *way of life*. And most say they have suffered a lot because of all the restrictions. There is a belief in many young people that their future has been sacrificed for the sake of their parents and their grandparents.

Worst of that, another consequence is the upcoming cynicism among young people about „*the real*“ governments' intentions. For example, younger people are less likely to believe that the main motivation of governments in introducing pandemic restrictions is to limit the spread of the virus. Again, according to the European Council on Foreign Relations research among respondents aged under 30, 43 per cent are sceptical of their governments' motives: 23 per cent think that their government mainly wishes to create the appearance of control, while a further 20 per cent say that governments are using the pandemic as an excuse to increase their control of the public.<sup>3</sup>

The second dividing line is between the two conceptions - is the COVID-19 a public health crisis or an economic catastrophe. Citizens who have been affected by the illness (42%) and those who feel they have not been economically affected (64%), trust that lockdowns were mainly meant to help limit the spread of the virus<sup>4</sup>.

However, it is to change every day ahead - because the economic consequences are yet to come all over Europe and the world and it is very naive to reckon that anyone will stay unaffected to a certain extent.

Third comes the division, based on the idea of freedom. Across Europe, 22 per cent of respondents say they feel free in their everyday life, compared

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<sup>3</sup> European Council on Foreign Relations. 2021. Europe's Invisible Divides. How COVID-19 is polarizing European Politics. September 2021.

<sup>4</sup> Ibid.

to 64 per cent who say they felt free two years ago, before the pandemic struck. The share of people who do not feel free now is 27 per cent, compared to 7 per cent who did not feel free two years ago. The biggest share of people who currently feel free can be found in Hungary (41 per cent) and Spain (38 per cent). Interestingly, we find by far the largest share of people who do not feel free in Germany (49 per cent) – which did not have a complete lockdown in the way that many other countries did – and in Austria (42 per cent).<sup>5</sup>

European citizens are also strongly divided over *whom to blame* for the COVID-19 crisis. Older European citizens, aged over 60, are more likely to blame individuals, rather than institutions and governments. Younger Europeans, aged under 30, are more tend to blame governments and other institutions, rather than individuals. Surprisingly, very few tend to seek how their personal attitude and everyday life affects the spread of the pandemic. In other words, just like in so many other cases, the blame stays somewhere far from ourselves.

For the EU, the crisis is really existential, coming soon after other challenges to the Union. Fighting the pandemic was the EU's chance to prove to citizens that it could act quickly and decisively in their best interests. It was an opportunity for the EU to present itself as a strong, global actor, capable of guiding the international response.<sup>6</sup>

Unfortunately, the EU missed this opportunity to speak with a single voice, to present a credible narrative of strong European leadership. In addition, the slow and chaotic start of the vaccine process at the beginning of 2021 raised big questions about the EU's capacity to steer its member states through the crisis. The disappointment with EU institutions became mainstream.

Meanwhile the political turbulence emerging around different perceptions of freedom are influencing in different ways the EU member states. For example, Poland, Germany and France could be considered as new kinds of pandemic politics.

In Poland, the pandemic is spreading in a „polarised democracy“. The crisis has reinforced divisions between previously existing ideological groups in the society. Most of the citizens are distrustful of the government, they neglect COVID-19 restrictions and see the government actions as a big threat to their freedom. A large share of people think that the government is using pandemic-related restrictions to create the illusion of control or as an excuse to control the public.<sup>7</sup> Most Poles think that the biggest threat to their freedom comes from the top – they blame their government and other major institutions for the pandemic's impact on their lives.

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<sup>5</sup> Ibid.

<sup>6</sup> European Council on Foreign Relations. 2021. Crisis of confidence. How Europeans see their place in the world. June 2021

<sup>7</sup> Ibid.

In Germany there is no strong public opposition to the level of restrictions or the motivations for introducing them. However, this superficial consensus hides very high levels of discontent. Germany is the country where the biggest share of the population feels unfree (49 per cent, as noted above) – which is a significant change compared to how respondents say they felt two years ago, with only 9 per cent saying they did not feel free then.<sup>8</sup>

In France, the COVID-19 crisis has driven the liberal supporters of Emmanuel Macron’s centrist political platform to support interventionist state action, believing that the restrictions were either right or not strict enough. Meanwhile, among the current supporters of Marine Le Pen, whose party has often claimed for a more authoritarian state, almost one-third (33 per cent) of those who expressed their opinion think that the restrictions were too strict and hence want their party to pose as a tribune of freedom against the repressive power of the pandemic state<sup>9</sup>.

In Bulgaria there is also little trust in advice from government institutions. Too many people are suspicious of the vaccines because they are new; some think the virus does not exist, and that measures against the pandemic are a worldwide conspiracy. The COVID-19 crisis mixed with serious political turbulence over the last 6 months. Two rounds of elections this year have failed to produce a government. COVID-sceptical doctors are regularly invited on talk shows in the TV. Some of them advise people with medical conditions (that place them in priority vaccination groups) against getting vaccinated. This perplexed situation is raising many questions and concerns of how to fight with the virus and the overall distrust.

### III. Fake news and fake values

As Stephen Hawking brilliantly put it – „*The greatest enemy of knowledge is not ignorance, it is the illusion of knowledge*“. The ongoing COVID-19 crisis revealed how dangerous fake news can be and to what extent Europeans are tempted to analyse medical issues and specifics they know nothing about.

Among the themes observed, we can notice similar trends for the European countries:

- health fears;
- conspiracy theories;
- lockdown fears;
- false cures;
- identity, societal and political polarisation.<sup>10</sup>

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<sup>8</sup> Ibid.

<sup>9</sup> International Federation for Human Rights. COVID-19 and democracy: what does the future hold for the post-pandemic Europe. Brussels. May, 2021.

<sup>10</sup> EU Disinfo Lab. COVID-19 Disinformation: Narratives, Trends and Strategies in Europe. May 2021.

Conspiracy theories are literally „blooming“ over the last year. We can observe a phenomenon that concerns disinformation that knows no borders, which eventually makes its way to several countries in various forms. What is interesting is that, in some cases, conspiracy theories underwent a process of localisation to match the cultural context. Disinformation inflamed the divisions in European countries.

These theories are combined with a strong anti-vaccination movement. There have been concerns about the anti-vaccination even before the pandemic. But how could we imagine misinformation arsenal that appeared in the COVID-19 context. It turns out that too many of the Europeans live in the false reality of social media, where the expert advice and opinion of doctors is being neglected, argued, even mocked. The result is becoming something of a culture war on social media, with too many online commentators, tackling too many sensitive topics. But psychologists argue that the choice to get a vaccine or not is often the result of many complicating factors, that need to be addressed carefully and sensitively.

In my opinion the problem is deeply rooted in the deficit of real values and on how we understand them, apart from the legal framework, wishful thinking and kind talking. We probably need to rethink the values we believe we know.

- **Right to life.** This is actually the leading principle in the European Convention on Human Right. One of the biggest problems of our societies is the selfishness. We constantly talk about our personal choices, our right to choose, to decide and so on. But we tend to forget that our freedom ends where harm to others begin.
- **Empathy.** People who are anti „vaccine-choice“ are convinced that their decision whether or not to vaccinate affect them alone. Nothing could be far from the truth. The reality is that our vaccine choices totally affects people around us. If we remain unvaccinated and get sick, we can bring dangerous illness to others. If our child gets sick and exposes others at school, those exposed children will have to quarantine and their social and academic development suffers. The list of consequences is long.
- **Trust in science and experts.** Disinformation is nothing new but with the expanse of social media platforms, it has become easier and faster for it to spread. It can affect public opinion, create deep divisions in society and undermine trust in public institutions.

Fake news, information overload and the illusion of knowledge have put us in the absurd situation of not taking into account the advice and recommendations of doctors and medical experts - the only adequate and reliable source. Actually, the only people that could help us in this situation are an object of mistrust and disrespect. This is a serious deficit we need to realize and overcome.

- **Responsibility for the future.** On how we deal with this crisis depends what European Union will our children live in. The President of the European Commission, Ursula von der Leyen, wisely stated: *This crisis exposed our fragility. The fragility of our health. The fragility of our livelihoods. But today, we emerge from this fragility with a new found purpose. We are reshaping our continent for decades ahead. Because while fighting this pandemic, our Union has started to do something it has never done before on this scale.*<sup>11</sup>

We, the United Europeans, have a lot to learn from the current situation. This crisis can help to better understand one of the causes of our troubles. It's about the crisis of meanings. We all know that junk food makes us physically ill. But there is enough evidence that junk values make us mentally ill. For thousands of years, philosophers have argued that if you attach too much importance to material values you will inevitably be unhappy.

As a society we are often driven by junk values throughout our lives. We have replaced meaningful values with external materialistic purposes. Junk values attract us, they are part of us, but they teach us to seek happiness in the wrong places. One of the positive things about this crisis is that it gives us a chance to rethink our values.

## Conclusion

The COVID-19 crisis is a big test for the EU and for each of its citizens as an individual - from healthcare systems to social safety nets. At this stage we didn't fail this last test, but we didn't exactly make the honour roll of it.

How we act in these situations is important, far beyond COVID-19. Our actions demonstrate our ability to place the greater good ahead of personal desires. Without that capacity, we'll never tackle other global problems.

A lack of lived experience in a pandemic situation doesn't relieve us of responsibility; it means we need to work harder at empathy. We need to work harder to understand how we might be connected to someone else's pain and to act accordingly.

The virus is testing our willingness to make small sacrifices, to prioritize the safety of others before our own comfort. COVID-19 assessed our ability to think about others before ourselves. We still have the opportunity to learn to live together, which is the essence of the United Europe.

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<sup>11</sup> Speech by President von der Leyen at the State of the Union conference of the European University Institute.

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