Sixteen months have gone by since the last election to the European Parliament; twelve months since the new European Commission, the new EU High Representative for Foreign Affairs and Security and the new European Council President took up their duties. So far it has been a bumpy ride for the new parliamentarians and leaders of Europe. The eurozone crisis has developed into an ongoing thriller whose likely ending, a Grexit, keeps being postponed by breath-taking and unexpected plot developments; the conflict in Ukraine in the eastern neighbourhood of the European Union keeps deteriorating and the migration and refugee crisis originating in the EU’s southern neighbourhood has reached dramatic proportions. The European Union hasn’t looked very good in its attempts to solve any of these major crises to put it mildly: its actions either came too late or nothing happened at all; they didn’t go far enough or went in the wrong direction. In short, Europe demonstrated a worrying lack of insight, solidarity and leadership. In the meantime Euroscepticism, right-wing populism and extremism have profited from the general inertness and lack of leadership: In the European Parliament where Marine Le Pen managed in adding a second extreme right-wing group to the fragmented political spectrum; in recent national elections and opinion polls where right-wing parties did shockingly well (e.g. in Denmark, Sweden, Italy and France); in the streets where they have mobilised against migrants and Roma (e.g. in Germany and Hungary) and even on government level (e.g. Hungary and Slovakia). Europe is in dire need of leadership, ambition and more cooperation, but instead its leaders seem to turn against each other in a desperate attempt to gain domestic popularity. Is there a chance that EU leaders refocus on the values the Union was built on and take urgent action before the European project disintegrates into complete chaos?

The European Union finds itself in a state of deep crisis and will have to develop responses in order to ensure its functioning in the future. Besides the usual disconnect between the Brussels Bubble and the ‘real world’, recent developments in many areas have exposed the incapability of the current EU institutional arrangement to cope with these new crises. While EU governments are struggling to solve these highly complicated issues, populists, especially from the political right have succeeded in exploiting this development and gain electoral support with simple answers and anti-establishment rhetoric.

An existential crisis?
For the EU, it has become necessary to find its own place in the world, now that the political world order has changed. Intended as a peace project in the post-World War II order, the first decades of European integration were under the influence of a spirit of pulling together and an optimistic prospect for a prosperous and peaceful Europe. As the European Community delivered on those promises in its early years, Europeans found themselves in the neat position

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1 The event took place on 23 September 2015. Guest speakers were: Judy Dempsey, nonresident senior associate at Carnegie Europe and editor in chief of the Strategic Europe blog, Janis Emmanouilidis, Director of Studies and Head of Programme at the European Policy Centre (EPC), Brussels, and Reinhard Bütikofer, Member of the European Parliament (Greens-EFA). The event was moderated by the director of the Heinrich-Böll-Stiftung European Union, Klaus Linsenmeier. The opinions expressed do not necessarily represent the opinions of the Heinrich-Böll-Stiftung.
of enjoying stability and economic growth over a long time. At the latest after the fall of the Iron Curtain, even the common threat of the Soviet Union disappeared and it seemed to have become only a matter of time before the entire European continent would be united in peaceful coexistence.

With the economic crisis in 2008 and the following crises, however, this success story came to an abrupt end. With the continuing problems in the eurozone, the Russia-Ukraine conflict and eventually the refugee crisis, the comfort zone Europeans had previously found themselves in was being invaded. Suddenly the EU was required to take unpopular measures, like imposing austerity, coping with hundreds of thousands of people seeking refuge or formulating common responses to an aggressive Russian foreign policy. Consequently the recent crises have the potential to endanger the progress that has been made in the past decades.

One central problem for the EU is the fact that a growing number of people have become more and more detached from the current arrangements and feel alienated from Europe. Given that the EU has been in a state of permanent crisis during the last years, an entire generation of youth has now grown up who remember the EU as the source of political turmoil rather than peace and prosperity. The EU has failed to deliver on some of its most central promises: economies have diverged, no common narrative for problems can be found and EU politics is still made from different national perspectives. This has lead to an increasing mistrust between the people and entire national societies and is only being exacerbated by the current refugee crisis.

If we add to that the complexity of current EU politics and the failure to bring any crisis that has risen thus far to an end, it takes little imagination to understand why at present so many are disenchanted with the EU. The promises made throughout the decades of European integration seem empty, which has lead to a rise of populist movements and parties employing increasingly eurosceptic and xenophobic slogans. However, this rise of populism is also due to the incapability of established mainstream parties to acknowledge societal developments in the 21st century. In these times of uncertainty about the future, fear of unemployment or, in some countries at least, the disruption of social structures by the influx of immigrants, their response of ‘more of the old’ does not appear to offer a credible solution anymore. Another threat to the ideal of deliberative democracy is constituted by the technocratic tendencies of the EU itself, which also fan the flames of populist movements.

**‘EU is failing better than expected’**

Still, after all, one might contend that the EU has managed the challenges that have come its way better than what pundits have predicted. Even though EU leaders held strongly divergent views on Russia, they eventually agreed on sanctions over the Ukraine crisis; notwithstanding repeated head-on clashes between finance ministers Mr Schäuble of Germany and Mr Varoufakis of Greece, the euro project has not been derailed and Grexit has been averted; and so far also the refugee crisis has been dealt with better than some have feared.

From a political perspective, the use of Qualified Majority Voting (QMV) in the Council of the EU on as sensitive an issue as asylum policy, which was used to overrule four adamant eastern European countries, shows that it is possible to solve arising problems within the scope of the treaties. It showed that institutional capacities have not been exhausted yet. Likewise, programmes such as the European Semester could be used more extensively in order to ensure a better coordination of national policies. Over the course of the past years, the
European Commission has developed its own positions to several policy issues left untouched before and is acting more proactively on issues of strategic importance. In addition to this, recent developments have shown that civil society and grass-root movements might play a more important role in the future of European politics. Ranging from local initiatives that act where states are delivering public services insufficiently, hundreds of thousands of volunteers and donators that help arriving refugees, to a well-organised anti-TTIP campaign that has effectuated a new Commission proposal on investor protection, there are numerous examples of people taking public matters into their own hands. This citizen involvement has lead to politicians being forced to go along on those issues. Thanks to the European character of the crises, national media coverage has tried to capture sentiments in other EU Member States, which has lead to people being better informed about politics abroad. On some issues a common European public has been formed or national publics are increasingly paying attention to each other. One final trend that could have a stabilising effect on EU politics is Germany slowly finding a balance between its long-expected leading role and its reluctance to be perceived as a European hegemon. Still, none of those tendencies means that the future of the EU will be determined by any greater plan nor is it by any means predictable. Since there is no blueprint for European integration and never has been, the future course will be the result of a process of ‘muddling through’, of politicians quarrelling about influence and their own benefit. It should therefore be hardly surprising if the current challenges to the comfort zone lead to people asking the ever-present question of ‘Quo vadis EU?’ Progress, if made, is therefore unlikely to happen in great leaps, making compromises between 28 countries will make bold responses impossible. This means that we can expect future times to be tense, but an extreme outcome like the failure of the European Union is not going to come about soon. And, disappointing as this may seem, this trajectory is the best we can hope for and European leaders should be frank about it in order to prevent future disenchantment with the EU among their voters.

What about Germany?

‘Muddling through’, of course, does have its shortcomings: policies tend to be short-sighted and important questions are postponed. It has lead to the EU collaborating with dictators in the Middle East and responding timidly to issues such as the euro crisis. The current institutional arrangements, under which the QMV on refugee quotas has set the precedent and been an exception to the practice of deciding important questions in the European Council, under unanimity rule. This focus on the Member States as key actors in EU policy making actually runs counter to the intentions formulated in the Lisbon Treaty, which aimed to bring more responsibilities to the European level and to empower the European Parliament. Any real progress in that direction could only be possible if a new agreement was struck in an intergovernmental conference where EU states acknowledge the need to move ahead and delegate powers to European institutions. Given that decisions that will determine the course of important Member States’ politics lie ahead, such as the British referendum, and German and French elections, however, Realpolitik dictates that any such conference is highly unlikely to take place before 2017.

One of the most crucial problems of this current reliance on intergovernmentalism is the decisive role Germany got to play. Having been called the reluctant hegemon, Germany has
been pushed into the position of a leader, which it never intended, since no other country could match its economic and political clout to counterbalance it. Considering the unease with which Berlin is currently following this development, it might well be that Germany considers it in its own interest to weaken its own role so that the EU can keep functioning. Germany has nevertheless taken up its role as a leader by approaching the Visegrád countries in an effort to broker a compromise on the refugee issue that did not require a vote.

At the same time, though, it has also made less popular unilateral moves such as the U-turn on refugees when it re-imposed border controls, or the Energiewende, where it decided to abandon nuclear energy without coordinating with its neighbours. Whereas in the case of the Energiewende, Merkel’s decision meant that she went diametrically against the party line, which had forced her to abandon the previous nuclear exit strategy just a year before; during the refugee crisis, her decision to open the doors to refugees went against her party and its ensuing roll back showed that it was a decision devoid of tactical or strategic considerations. And it should not be forgotten that her predecessor Gerhard Schröder made a bold unilateral move when he decided to abandon the Stability and Growth Pact in order to enact his labour market reforms. Whether unilateral action by one country, especially Germany, is a sign of hubris and stems from national considerations or a sign of true European leadership is eventually difficult to determine. In any case it shows that in today’s EU very much depends on Germany.

**Conclusions**

All in all, it can be noted that despite its woes, the EU is not failing as badly as some have feared. Huge challenges lie ahead, if the EU wants to overcome all crises that it is facing at the moment, but thus far, none has proved serious enough to endanger the European project. Against the populist movements that are gaining traction in several EU Member States stands a broad public that is getting more involved with EU politics and takes a more active role in civic life. Since it is unclear where Europe is headed, progress is going to be only piecemeal and no big steps should be expected in the near future. Still all of this indicates that, although the future of the EU will not be a walk in the park, European countries will somehow manage and Germany is likely to take a leading role in that process.