

## Juncker's White Paper Has the Answers - and That is the Great Tragedy

Mar 21, 2017 by [James Bartholomeusz](#)

From today's perspective, the fate of the European Union bears all the traits of a classical tragedy. A great ideal, born out of the fires of war, fades under an accumulation of individual misjudgements and the strain of its internal contradictions. The enemies are at the walls. As the light dims, a good-hearted but weak king raises his head and glimpses the impending destruction of his kingdom. The drama turns on his struggle against what seems to be the inevitable conclusion of this cycle.

There was indeed a sense of finality on 1 March when the President of the European Commission, Jean-Claude Juncker, published his [White Paper on the Future of Europe](#). On 25 March, representatives of the EU institutions and Member States will gather in the Italian capital to commemorate the sixty years of the Rome Treaty. Although preceded by other building-blocks of the post-war order – the founding of the Council of Europe in 1949, the 1950 Schuman Declaration that led to the creation of the European Coal and Steel Community – the Rome Treaty remains the cornerstone of what today is the EU. As we all know, there is nothing quite like a significant anniversary to focus the mind on the balance of success and failure. As delegates assemble from across Europe later this month, there is little doubt that the latter will be weighing much more heavily on them than the former.

It is now almost three years since the Juncker Commission took office stating that this was the 'last chance' to make the EU work. The intervening period has seen an unabated chain of crises: a proxy war in Ukraine; terrorist attacks in France and Belgium, supposedly facilitated by borderless free movement across the Schengen Area; eurozone deflation and the return of scares over Greek sovereign debt; mass refugee flows from the Middle East and North Africa; the rise of far-Right movements within grasping distance of power in several Member States; and the referendum decision by the United Kingdom to leave the Union altogether. With the EU locked in a perpetually reactive mode, Juncker has decided to outline clearly and simply the courses of action now available. For that, at least, he should be praised.

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The White Paper describes **five scenarios** for Europe in 2025 resulting from five different decisions that could now be taken on EU governance. In reality, these amount to **three different views** on the purpose of the European project as a whole: confederal continuity, national separation and federal integration.

**Confederal continuity** would broadly preserve the current *modus operandi*, with sovereignty and competencies shared between the EU institutions and Member States. For Juncker, this could come into two possible forms: 'carrying on' as we are or 'doing less more efficiently', which would sharpen the distinction between the two levels of government and reshuffle some powers between them to achieve a more logical equilibrium. For instance, given the scale of the global challenges we now face, the White Paper makes a strong argument for consolidating a single EU foreign policy on the supranational level. Conversely, there is no particular reason for the agricultural policy of 28 countries to be centralised in Brussels; indeed, it could be much more socially and environmentally beneficial for Member States to pursue their own policies within an agreed framework.

Meanwhile, **national separation** would result from a scenario in which the EU becomes 'nothing but the single market'. The political element of the European project would be withdrawn, leaving an institution somewhere between today's European Economic Area

(EEA) and European Free Trade Association (EFTA). The function of the EU institutions would be to maintain the four freedoms insofar as this does not impact on Member State sovereignty, and different states would be able to opt in and out of different measures. As the White Paper acknowledges, this would in effect privilege the movement of capital and goods – more easily reconciled with national policymaking – over that of services and labour.

Thirdly, **federal integration** would mean a concerted drive towards a deeper and closer union. The key elements commonly thought to constitute national sovereignty – control of fiscal, monetary, foreign and security policy – would be consolidated at the supranational level. The White Paper outlines two scenarios in which this could occur. On the one hand, all Member States sign up to ‘doing much more together’ – in plain terms, full federalisation of 27 participating countries. On the other, the much-debated concept of a two-speed Europe reaches a consensus and ‘those who want more do more’, creating an inner federation buttressed by an outer confederation that continues to resemble the present-day EU. In either scenario, even if full integration is still a work in progress by 2025, the states involved would be agreed on the eventual conclusion.

Through its five scenarios, the Commission has provided the full menu of options available to the 27 Member States that intend on remaining within the Union. However, it is clear from the tone of the White Paper where the institution’s sympathies lie. In these matters, Juncker and his team are absolutely right: only federal integration can create a sustainable future for Europe. Why are the other options not serious possibilities? Because they will both, sooner or later, lead to the collapse of the EU itself.

Firstly, **confederal continuity** is an illusion – the EU’s present trend is not towards stability, it is towards dissolution. Only the most deluded of onlookers could now believe that the Union will survive the next few years without fundamental reform. A key reason for this is the contradictory structures of governance that, already problematic in more stable circumstances, have paralysed the EU and its Member States to act in times of trouble. To take one example, our inability to get a grip on the refugee crisis stems from a transnational borderless travel area coexisting with two dozen independent interior ministries, each with its own agenda and accountable to only a small subset of the total European population. Under such circumstances, proposals for ‘cooperation in the management of external borders [to be] stepped up gradually’ and to make ‘progress towards a common asylum system’ are far too vulnerable to shipwreck by the sort of intergovernmental wrangling we have seen at every recent EU Council meeting. A similar argument could be made about monetary union. As Member States, the EU institutions and the International Monetary Fund have belatedly recognised, agreeing on fiscal ‘rules’ and hoping that national governments will observe them is not enough to guarantee the stability of a transnational currency.

If the Eurosceptics have one thing right it is that the EU in its present form is unsustainable, and that piecemeal reform will neither solve the root problems nor convince voters that the European project is worth pursuing any further. So, if confederal continuity is not an option, what about national separation?

Granted, there is the possibility that the nations of Europe could reach a state of equilibrium based largely or solely on trade relations; this argument is often heard from moderate Eurosceptics who believe the EU has reached too far in its political ambitions and should be scaled back to a more conventional forum of intergovernmental cooperation. (A favourite claim of Leave campaigners in the UK referendum was that Member States originally only signed up to a trade bloc whose purpose has since been perverted.) This, unfortunately, relies on a serious misreading of our history. The European project has always been an essentially political one, first and foremost conceived to end centuries of war and promote peace and reconciliation between rival nations. In that regard, it remains astoundingly successful. **Anyone who hopes to challenge that success must explain what has so**

**fundamentally changed in the sixty years since the Rome Treaty that another intra-European war is now impossible.**

Even if this challenge can be met, there remains the question of whether the single market can function properly without a fairly high level of political integration. The free movement of goods and services relies on commonly agreed and enforceable product standards, the free movement of people on a baseline of human rights and labour law. Perhaps most importantly of all, given the persistent stagnation in the eurozone, the free movement of capital must be closely regulated to maintain macroeconomic stability. As the Commission argues, without the weight of bureaucracy pinning the single market together some states will engage in a 'race to the bottom [on] consumer, social and environmental standards', while others will – justifiably – erect trade barriers to protect themselves against contagion. An attempt to reduce the EU to merely a liberal trade regime may in fact have quite the opposite effect.

Thus, once we have eliminated the options of confederal continuity and national separation, the only remaining possibility is federal integration. Only an effort to 'complete' the European project can now save the EU.

The White Paper cites a number of **important benefits of *de facto* federalisation** (even if it shies away from using the word itself): a scenario in which the EU 'lead[s] the global fight against climate change', creates 'several European 'Silicon Valleys' to drive research and innovation, and 'fully integrate[s] capital markets [to] help mobilise finance for SMEs and major infrastructure projects'. However, federalisation also has the potential to swiftly resolve many of the EU's current crises. Fiscal union would enact a one-off mutualisation of all Member State sovereign debt, ending the eurozone crisis by aligning monetary policy with a centralised treasury function. A shared border force would relieve the strain on Mediterranean countries and ensure that refugees are resettled equitably across the Union. A supranational framework for social policy would help deliver a decent standard of living for all European citizens while mitigating the negative aspects of free movement. And a single foreign policy and defence capability would provide stronger resistance to encroachments by both Islamic terrorism and the new Russian Empire.

As the Commission recognises, the appetite for this level of integration may not exist equally in all Member States. This opens the possibility of a two-speed Europe in which an inner federation (most likely based on the current membership of the eurozone) coexists and cooperates with an outer confederation, with the latter countries able to join the former as and when they see fit. Depending on how the Brexit negotiations unfold, this is even an arrangement that could include the UK and settle long-held anxieties in London about the implications of an 'ever closer union'.

Federal integration is the only possibility. At a critical moment in the EU's history, the closest thing we have to a European president has shown that he understands the problems at hand and has correctly identified the solution. Any rationalist theory of government would tell us this is all that is required. So what is the problem?

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This is perhaps the most tragic element of the entire drama: **the Cassandra-like fate of the right message coming from the wrong place at the wrong time**. We are all well aware that trust in political elites is at a historic low across the developed world, but even by these standards the European Commission is uniquely unsuited to spearhead the deep reforms needed for the EU to survive and prosper. Originally conceived as a central administrative body for the European Communities, the Commission now wields the power of an executive branch of government with no direct accountability to the polity it serves. The introduction of

the *Spitzenkandidat* process for electing its president has been a small, recent step in the right direction, but one hampered by the lack of a mature pan-European public sphere to help voters make an informed decision. By contrast, the bouts of austerity inflicted on Mediterranean countries by unelected bureaucrats in Brussels and Frankfurt have reached a much wider audience and dented the faith of even the most ardent Europhiles.

Scepticism of the Commission points to a deeper flaw in the EU, possibly the most fundamental one of all: there is no mass movement for the European ideal. There is a majority in all 27 Member States that supports international cooperation, and even one that recognises the nation-state is incapable of surmounting the challenges of our era. However, this is some distance from people taking to the streets to clamour for the United States of Europe. Sixty years after the Rome Treaty, seventy-two years after the end of the Second World War, federalism in Europe remains the preserve of intellectuals and EU officials. The former are too easily disregarded as airy idealists, the latter as power-hungry mandarins.

Why was this allowed to happen? The causes are varied, from the EU's struggle to define its purpose to the difficulty in organising a transnational political movement, but chief among them must be the reticence of successive leaders to take ownership of the European project. The moral hazard created by the dominance of intergovernmental decision-making – where national politicians can take credit for any popular outcomes while offloading discontent at unpopular ones on 'Brussels' – goes back at least as far as the Maastricht Treaty negotiations in the early 1990s. The deal that ultimately created both the EU and European citizenship was a fudge, with no sustainable consensus reached between Member State governments on the direction of the new Union. This would return to haunt the EU a decade later when plans for a supranational constitution were halted by referenda in France and the Netherlands. Yet rather than taking stock of rising Euroscepticism and moving to combat it, Europe's leaders repackaged the constitution as the Lisbon Treaty and pressed ahead. On the eve of the EU's decade of crises, the gap between the elite and the people widened further still.

There are doubtless many politicians and civil servants across Europe who now quietly acknowledge that there is only one solution to the EU's problems. However, they fear the populist backlash of saying so publicly – and they may well be right to do so.

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If 2016 reminded us of anything, it is that **truth and public opinion can diverge in the most destructive of ways**. The truth was and remains that only a federal Europe can resolve the contradictions of the EU and equip it to face the challenges of the 21st Century. Whatever its faults, the Commission understands this and should be credited for including the option prominently in the White Paper – albeit with a degree of euphemism. Public opinion, on the other hand, has never been more hostile to European integration and the spectre of an EU super state administered from the Belgian capital.

The great question now is whether it is too late to turn back the populist tide. It may be that we have passed the point of no return and that the EU is doomed to an agonising and ignoble end. It may also be that there is still a chance to save the European ideal. One thing is clear: if Europe is to have any saviours, they will not come from the ranks of the political elite. They will be ordinary European citizens who – in the spirit of the Spanish republicans, and the dissidents of the Prague Spring and those who climbed the Berlin Wall one fateful night in November 1989 – are ready to take history into their own hands.

To return to the tragic analogy we, the people of Europe, have thus far played the role of the chorus. We have largely been passive witnesses to the deeds and downfalls of great men. As we approach the sixtieth anniversary of the treaty that put the European ideal into



practice it is clear that this passivity is no longer enough. It is time for us to step up and take control of our future. The only way to break this tragic cycle is to save Europe ourselves.