

ASIA PACIFIC MODEL EUROPEAN UNION 2017

(PREPARATION MATERIALS FOR FINAL CONFERENCE)

I. Introduction

The European project has sometimes given the impression of being in perpetual crisis. Indeed, its spiritual father, Jean Monnet, saw this as the best way to advance to his preferred goal of “ever closer union”, arguing that “Europe will be forged in crises, and will be the sum of the solutions adopted for those crises.” Yet as the union prepares to celebrate 60 years since its founding treaty was signed in Rome on March 25th 1957, it is in deeper trouble than ever.

A big reason for this is the politics in EU member countries. Crucial elections loom in many this year, and populist parties opposed to the European project and in favour of referendums on membership of the euro, the EU or both are likely to do well. In the Netherlands, Geert Wilders’s anti-European Freedom Party gained seats in an election on March 15th, though fewer than many had feared. In France Marine Le Pen of the National Front is expected to win a place in the second, run-off round of the presidential election in early May, just as her father did in 2002. Although, like him, she will probably lose, she will come closer to winning than he did. And if she loses, it may be to Emmanuel Macron, who is running as an outsider with an untried political party.

Then in September Germany will go to the polls, and the anti-euro Alternative for Germany party is likely to win its first seats in the Bundestag. Although Angela Merkel may yet remain chancellor, her new Social Democratic challenger, Martin Schulz, is running close behind her in the polls. Were he to replace Mrs Merkel, the shock to a European project that she has largely led for 12 years would be profound. Italy must also hold an election by early 2018; two of its leading parties have at different times called for a referendum on the country’s euro membership.

The EU’s unpopularity with both national governments and their voters. Following last June’s referendum, in which the British voted to leave by 52% to 48%, their prime minister, Theresa May, is about to trigger the two-year process for Brexit under Article 50 of the EU treaty. Brexit may be more painful for Britain than for its 27 partners, but it is still a threat to the future

of a union that has previously only ever expanded. Some politicians in other countries have openly said that they want to follow Britain's example. The EU's popularity ratings in other member countries received a slight boost from the Brexit decision, but they remain strikingly low by past standards.

European leaders celebrating in Rome are well aware of these problems. Their responses to similar troubles in the past have fallen into two categories, neither of which seems adequate this time. One is to follow Monnet's advice and take a further bold leap towards ever closer union. Since the Brexit decision there has been much talk of a new Franco-German initiative to relaunch the project. True believers like Guy Verhofstadt, a former Belgian prime minister who is now leader of the Liberal group in the European Parliament and has just written a book, "Europe's Last Chance", argue that, since the union's troubles are created mainly at national level, more Europe and a leap towards ever closer union must be the answer.

Yet the evidence is that people in most member countries simply do not agree. Brexit was a warning of what can happen when the EU loses touch with voters. And many governments also strongly disagree with Mr Verhofstadt. Political leaders in France and Germany now treat the union as essentially an inter-governmental organisation and openly disparage the European Commission and European Parliament. During the euro crisis, Mrs Merkel tellingly began talking of a "union method" based on national capitals and parliaments instead of the classic Monnet method built around the EU institutions. Even in Italy, Matteo Renzi, a passionate pro-European, spent much of his recent premiership attacking Brussels for excessive rigidity in enforcing the euro's rules.

That leaves the second type of response, which is to muddle through. After all, the euro and migration crises seem to be past their worst. Excessive austerity may have done great harm, but outside Greece it is largely over. The single market, perhaps the union's greatest achievement, has survived the financial crisis and can surely weather Brexit. Domestic security co-operation on terrorism and crime is closer than ever. In foreign policy, EU countries have displayed commendable unity over sanctions on Russia, and have been vital in striking a nuclear deal with Iran. As economies improve and this year's tricky elections are negotiated, the union will somehow manage to keep going.

This is indeed the most likely course of events, yet it carries serious risks of its own. An unfinished euro may not be sustainable in the long run. If another financial crisis were to hit, as at some point it surely will, the currency could crumple. Worse, both it and the broader EU remain vulnerable to a political accident at any time. Possibilities include a renewed Greek crisis, the arrival of openly anti-EU leaders in France or Italy, or a firmer entrenchment in one or more east European countries of what they call “illiberal democracy”. Given the challenges facing the union, muddling through may no longer be the safest option. Brexit could yet be copied by another member, leading to the slow collapse of the union. As Sigmar Gabriel, now Germany’s foreign minister, told the German weekly *Der Spiegel* in January, “it is no longer unthinkable for [the EU] to break apart.”

What is really needed is a creative rethink of the entire European project. The most obvious idea is to drop the rigid one-size-fits-all model and adopt the greater flexibility of a network. This rests on three simple observations. The first is that few of the 27 EU member countries that will remain after Brexit favour much deeper political and economic integration. Second, these 27 are integrated into the EU in many different ways: all are in the single market, 26 in the banking union, 21 in Schengen, a different 21 in NATO and 19 in the euro, to list just five examples. And third, the European continent is home not just to the 28 EU members but 48 countries in all. Those outside the EU aspire to special relations with the club, and some belong to bits of it already.

The EU treaties were later amended to allow “**enhanced co-operation**” of subgroups. In 2000 Joschka Fischer, then German foreign minister, proposed an “avant-garde” of countries ready to build a federal Europe. Jacques Chirac, France’s president, talked of “pioneer groups”. The British preferred the term “variable geometry”. In 2012 Jean-Claude Piris, a former chief legal adviser to the Council of Ministers, wrote a book advocating a two-speed Europe.

The idea of enhanced co-operation has recently picked up renewed interest. At an EU summit in Malta last month, Mrs Merkel suggested her fellow leaders should commit themselves to a union of “**different speeds**”. The European Commission’s recent white paper on the future of Europe suggested five options, one of which was to move explicitly to a multi-speed Europe.

The French, German, Italian and Spanish leaders promptly supported the principle of this option, as did Joseph Muscat, prime minister of Malta, which holds the rotating council presidency.

See more at: <http://www.economist.com/news/special-report/21719188-it-marks-its-60th-birthday-european-union-poor-shape-it-needs-more>

II. Major developments - chronology

Following the results of the UK referendum, the heads of state or government of the 27 met in Bratislava on 16 September 2016 to begin a political reflection on the future of the EU with 27 member countries. In the Bratislava declaration the leaders set out the general principles for action:

- focusing on citizens' expectations and serving better their needs
- improving communication and cooperation between member states
- delivering on promises and making the EU 27 a success

Leaders agreed on the Bratislava Roadmap, which guided EU action over the following months. 27 leaders met again in Malta on 3 February 2017 and concluded the reflection process in Rome on 25 March 2017, on the occasion of the 60th anniversary of the Rome Treaties. The formal European Council meetings in October 2016, December 2016 and March 2017 allowed for concrete follow up on the objectives agreed in Bratislava.

Bratislava Declaration and Roadmap - <http://www.consilium.europa.eu/en/policies/future-eu/bratislava-declaration-and-roadmap/>

31 January 2017

Letter on the future of Europe

"United we stand, divided we fall", said Donald Tusk ahead of the Malta summit.

In his letter sent to the 27 heads of state or government, President of the European Council identified three main threats, which threaten the stability of Europe. These include: new

geopolitical situation: an increasingly assertive China, Russia's aggressive policy towards Ukraine and its neighbours, wars, terror and anarchy in the Middle East and in Africa (with radical Islam playing a major role) and "worrying declarations" by the new American administration all make our future highly unpredictable internal situation: a rise of the nationalist, increasingly xenophobic sentiment in the EU itself state of mind of the pro-European elites: decline of faith in political integration, submission to populist arguments and doubt in the fundamental values of liberal democracy In the letter, President Donald Tusk called on the leaders to stay united.

"United we stand, divided we fall": letter by President Donald Tusk to the 27 EU leaders on the future of the EU - <http://www.consilium.europa.eu/en/press/press-releases/2017/01/31-tusk-letter-future-europe/>

3 February 2017

Informal summit of EU heads of state or government in Malta

The informal summit, hosted by the Maltese Prime Minister Joseph Muscat and chaired by European Council President Donald Tusk, was an occasion for the 27 leaders to prepare for the upcoming 60th anniversary of the Rome Treaties on 25 March 2017.

The discussions built upon the political reflection on the future of the EU with 27 member states, launched immediately after the UK voted to leave the European Union on 23 June 2016 and continued in Bratislava on 16 September 2016.

Informal meeting of EU heads of state or government in Malta, 3 February 2017 - <http://www.consilium.europa.eu/en/meetings/european-council/2017/02/03-informal-meeting/>

1 March 2017

The White Paper on the future of Europe

The document was published by the European Commission ahead of the 60th anniversary of the Treaties of Rome. It sets out five scenarios, each offering a glimpse into the potential state of the Union by 2025 depending on the choices Europe will make.

The scenarios look at how Europe will change in the next decade, from the impact of new technologies on society and jobs, to doubts about globalisation, security concerns and the rise of populism.

[White Paper on the future of Europe - https://ec.europa.eu/commission/sites/beta-political/files/white_paper_on_the_future_of_europe_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/white_paper_on_the_future_of_europe_en.pdf) and <http://www.politico.eu/article/breaking-politico-obtains-white-paper-on-eu-future/>

2 March 2017

Visegrád on Juncker's White Paper: No to a multi-speed Europe

The V4 do not want federalisation, nor a return to only the single market. The emergence of multi-speed Europe is particularly undesirable for them.

Juncker's White Paper comes at the right time. Europe stands at a crossroads and it is important to realize that there are various directions that can be followed. The text of the Commission offers five scenarios: carrying on; nothing but the single market, those who want more do more; doing less more efficiently and doing much more together. These alternatives clearly show that there are more options than federalisation or the end of the EU on the table, contrary to what many expected amidst the hysteria after the British referendum.

Visegrád came with its response (more likely by coincidence than intentionally) the very next day. It is apparent from the joint declaration that Poland, the Czech Republic, Slovakia and Hungary do not want federalisation, nor a return to only the single market, and that the emergence of the multi-speed Europe is particularly undesirable for them. However, this is where the Visegrád consensus ends.

<https://www.euractiv.com/section/future-eu/opinion/visegrad-on-junckers-white-paper-no-to-a-multi-speed-europe/>

6 March 2017

'Big four' call for new European dynamic, multi-speed EU

In the Palace of Versailles on Monday (6 March), Angela Merkel, François Hollande, Mariano Rajoy and Paolo Gentiloni sought to answer the big questions surrounding the future of Europe and which path it should follow. “We should have the courage to allow some countries to move ahead, to advance more quickly than others. Cooperation can be kept open to those that have fallen behind,” Merkel said. “We need a stronger, more coherent Europe,” the German chancellor added. Her priorities for the Rome summit – like Hollande’s – are defence, the economy, security and immigration. She made a point of stressing that “development in Africa has been insufficient in recent years”.

<http://www.euractiv.com/section/future-eu/news/big-four-call-for-new-european-dynamic-multi-speed-eu/>

10 March 2017

Informal meeting of the heads of state or government

On Friday 10 March the 27 leaders met informally to prepare for the 60th anniversary of the Rome Treaties and discussed the main elements of the Rome Declaration. The debate focused on the EU future, including the idea of a multi-speed Europe.

"Some expect systemic changes that would loosen intra-EU ties and strengthen the role of nations in relation to the community. Others, quite the opposite, are looking for new, deeper dimensions of integration," said President Tusk, summing up the discussions.

He highlighted that, considering the interests of the community of 27 countries in the context of the upcoming Brexit negotiations and the long-term strategic interests of the EU, he would be urging everyone to strive towards maintaining political unity among the 27.

"When discussing the various scenarios for Europe, our main objective should be to strengthen mutual trust and unity among 27. And after today's debate I can openly say that all 27 leaders agree with this objective," he said.

<http://www.consilium.europa.eu/en/meetings/european-council/2017/03/09-10/>

25 March 2017

60th anniversary of the Rome Treaties

EU heads of state or government met in Rome, Italy, on 25 March 2017, to celebrate the 60th anniversary of the Rome Treaties. This was an occasion to reflect on the state of the European Union and look at the future of the integration process. At the end of the celebrations the leaders adopted and signed the Rome Declaration setting out a joint vision for the years to come. "We have united for the better. Europe is our common future," they said in the Declaration.

Leaders declared that, aware of the concerns of the EU citizens, they commit to the Rome Agenda, and pledged to work towards:

- a safe and secure Europe
- a prosperous and sustainable Europe
- a social Europe
- a stronger Europe on the global scene

The Rome Declaration - <http://www.consilium.europa.eu/en/press/press-releases/2017/03/25-rome-declaration/>

III. Political reflection on the future of the European Union

Following the results of the UK referendum, the heads of state or government of the 27 met in Bratislava on 16 September 2016 to begin a political reflection on the future of the EU with 27 member countries.

<http://www.consilium.europa.eu/en/policies/eu-future-reflection/>

IV. EU reaction

Commission pushes for stronger defence, trade and border powers after Brexit - <http://www.euractiv.com/section/future-eu/news/commission-pushes-for-stronger-defence-trade-and-border-powers-after-brexit/>

'Juncker's real scenario' is multi-speed Europe - <http://www.euractiv.com/section/future-eu/news/junckers-real-scenario-is-multi-speed-europe/>

Juncker will fight for 'more Europe' in post-Brexit EU -

<http://www.euractiv.com/section/future-eu/news/juncker-will-fight-for-more-europe-in-post-brexit-eu/>

Additional reference

Political reflection on the future of the European Union - <http://www.consilium.europa.eu/en/policies/eu-future-reflection/>

The Visegrad Group - <http://www.visegradgroup.eu/documents/official-statements>
<http://www.consilium.europa.eu/en/policies/eu-future-reflection/>

The Rome Declaration - <http://www.consilium.europa.eu/en/press/press-releases/2017/03/25-rome-declaration/>

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