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Editors: Sławomir Dębski • Bartosz Wiśniewski • Wojciech Lorenz
Jolanta Szymańska • Anna Maria Dyner • Sebastian Płóciennik
Patrycja Sasnal • Justyna Szczudlik • Marcin Terlikowski • Tomasz Żornaczuk

Future of Europe: No Common Vision on the Horizon

Marta Makowska, Melchior Szczepanik, Jolanta Szymańska

The debate about the future of Europe, reinvigorated by Brexit, has revealed important divergences between the Member States. France has largely set the agenda of the debate but failed to mobilise decisive support for most of its proposals. Despite some joint Franco-German initiatives, there is also clearly significant disagreement within the tandem. It will be difficult to find compromise on the most controversial reforms, such as those related to the eurozone and migration policy. Muddling through will probably remain the dominant feature of the integration process.

Brexit has heightened the debate about the future of the European Union. In March 2017, the European Commission (EC) presented scenarios for further EU development, starting from a continuation scenario, through the “multi-speed” concept, to the idea of stronger integration in all policy areas in an EU-wide format.

In recent months and in a range of different formats (such as special summits and in a series of high-profile debates in the European Parliament), Member State leaders and officials from EU institutions participated in the discussion about the future of Europe. Thanks to far-reaching consultations initiated by French President Emmanuel Macron, a significant number of European citizens also were able to contribute to the debate to help the politicians set out the priorities for EU reform in the coming years.

Different Visions of Further Integration

Macron has been one of the most active participants in the debate about the future of Europe, having devoted several speeches to the issue. France was relatively passive during his predecessor's tenure and Macron clearly believed that greater activism was a prerequisite for more effective European policy. He [advocated closer integration in a number of policy areas](#) (eurozone, migration, and defence in particular). It was an offer directed towards all EU members but Macron also declared France's readiness to proceed within a smaller group of the most-determined states that would chart the path for others. Many of Macron's ideas were supported by Spanish Prime Minister Pedro Sanchez, who assumed office in May 2018, while the most comprehensive alternative vision was put forward by Dutch Prime Minister Mark Rutte. While he agrees with Macron that closer European cooperation is needed in several domains (including climate, migration, defence), he opts for leaving matters such as taxation and social policy in the hands of the Member States. The clash between the two visions is most clearly visible in their concepts of the future of the euro area (see below).

Other countries also have responded to the French proposals. The Visegrad Group (V4)¹ emphasises that the EU should take full advantage of its achievements—especially completing the single market—before embarking on new projects. Germany has embraced some of Macron’s ideas in general but has sought—and succeeded—in modifying them in a way that makes them acceptable to a larger group of Member States. German leaders remain wary of creating a political avant-garde in the EU, fearing that it could exacerbate divisions along East-West lines in particular.

Institutional Reform Proposals

The majority of European leaders are clearly concerned about retaining control over the integration process, fearing closer cooperation will entail further Union encroachment on their sovereignty. The V4 states are resolute in emphasising the desire to consolidate the primacy of Member States within the institutional system. They are not alone, as a similar conviction was featured in Rutte’s reflections and in a manifesto authored by the new leader of the German Christian Democrats, Annegret Kramp-Karrenbauer, who stressed that “[a] new Europe cannot be founded without nation-states: they provide democratic legitimacy and identification.”² Somewhat surprisingly, the most concrete plea for strengthening supranational institutions came from the prime minister of Italy, Giuseppe Conte, commonly seen as a Eurosceptic, who called for granting legislative initiative to the European Parliament (EP).

Heads of state and government’s fear of losing influence is clearly visible in the debate around the election of the EC president. The vast majority of the leaders (with the exception of Spanish and Irish prime ministers) reject the idea that this position should be awarded to the leading candidate (*Spitzenkandidat*) of the European political party that wins the elections (provided this candidate also wins the backing of an absolute majority in the EP). They claim that the Treaty on the EU leaves the European Council the freedom to select a candidate. The driving force behind the *Spitzenkandidaten* process are the two largest political groups in the EP—the Christian and Social Democrats—backed by the Greens and an alliance of left-wing parties. The proponents of the process are also its biggest beneficiaries, as it significantly enhances their impact on this crucial selection, but they argue that the mechanism also offers EU citizens greater influence over the procedure. In 2014, the EPP’s leading candidate was reluctantly accepted by the European Council but today the opposition seems stronger. The fear is that another *Spitzenkandidat* selection would transform the process into established political practice, making it virtually impossible to overturn in the future.

Macron, a fervent opponent of the *Spitzenkandidaten* process, argues that the EP election could be made “more European” and attractive for citizens through the introduction of transnational lists. This would enable the election of a group of MEPs by all EU citizens. This idea was likely to benefit the French president—not allied with any of the established European political parties—as he could use transnational lists to promote his sympathisers across Europe. Germany and several southern European states³ backed the plan, but it did not muster the necessary unanimous support. In the EP, it was rejected by the opposition of the majority of Christian Democrats, who were unwilling to create an electoral instrument that could work primarily to Macron’s advantage.

Macron has had to accept the failure of another of his institutional proposals: the idea to reduce the size of the EC. The Treaty provides for a smaller EC, but Member States decided to delay the implementation of this provision. Despite winning German support, Macron has not managed to rally many other leaders behind his proposal. The majority of the Member States, smaller ones in particular, clearly want to retain the “one state, one commissioner” rule. Having a commissioner is perceived as an important instrument in the policymaking process and a symbolic token of a Member State’s influence.

The V4 called for strengthening the role of national parliaments in EU decision-making as a remedy for a perceived democratic deficit. Giving national parliaments the right to initiate EU legislation or block EC

¹ Czech Republic, Hungary, Poland, Slovakia.

² A. Kramp-Karrenbauer, “Getting Europe right,” <https://www.cdu.de/artikel/getting-europe-right> [accessed: 16.04.2019].

³ Cyprus, Greece, Italy, Malta, Portugal, and Spain.

proposals was mentioned in this respect. However, no European leader decided to actively promote these changes, which anyway were very unlikely to win unanimous agreement. Rutte, for instance, emphasised the crucial role played by national parliaments but stopped short of calling for granting them additional competences.

Migration and Internal Security

A large part of the Union's reform proposals address the issue of migration from outside the EU. There are clear discrepancies on this issue between the leaders of Southern-Western and Central European Member States. The main differences are related to the issue of the management of asylum-seekers in the EU. Southern countries would like to reform the Dublin Regulation, which defines which state has the obligation to evaluate the asylum claims in a "spirit of solidarity," by introducing a relocation mechanism. The idea is also strongly promoted by Chancellor Angela Merkel. In the Meseberg Declaration, Macron supported the proposal calling for reform of the Dublin Regulation and the creation of a European asylum office that would be responsible for the harmonisation of procedures and the processing of asylum applications submitted at the EU's external borders. Rutte echoed the Franco-German position by calling for reform of the asylum system that would introduce the relocation mechanism. The prime ministers of the V4 countries have rejected these proposals, indicating that instead of spending time on disputes over the redistribution of migrants, the EU should concentrate on strengthening the external borders, supporting refugees outside Europe, and increasing the effectiveness of EU return policy. Kramp-Karrenbauer has referred to the V4 countries' concept of "flexible solidarity," a system that would enable Member States to decide in which areas of migration—such as dealing with the causes of a crisis, protection of the borders, or accepting refugees—they want to engage in more and less.

Since the peak of the migration crisis in 2015, the EU has intensified its efforts to reinforce the control of the Union's external borders. Although all the Member States support such an idea in general, politicians from West Europe seem to be interested in more ambitious reforms than those from Central and Eastern Europe. The clear example is Frontex reform. Both Macron and Merkel support the idea of the transformation of the agency into European border police, a move which would "ensure rigorous management of borders across Europe and the return of those who cannot stay."⁴ In their opinion, the functioning of this European formation could reduce the mutual distrust among the states regarding border protection, which led to the restoration of controls within the Schengen area (since 2015, border controls have been maintained by France, Austria, Germany, Denmark, Sweden, and Norway). However, the European border police concept has failed to arouse enthusiasm from many countries. Both Spain and V4 argue that the measure is very costly (as proposed by the European Commission, Frontex is to be strengthened by an additional 10,000 officers by 2020). Fearing that an extension of the agency's competences might affect Member State sovereignty, they argue instead the need to preserve Frontex's supporting role in relation to the national border authorities.

There is less controversy about the importance of EU development aid in alleviating EU migration problems. In his speech at the Sorbonne in Paris, Macron proposed the introduction of a tax on financial transactions in the Union to obtain funds for development policy. Polish Prime Minister Mateusz Morawiecki, in turn, proposed the creation of a new "Marshall Plan" for Africa,⁵ declaring that Poland would participate in it to a greater degree than its proportional GDP. In her speech at the EP, Merkel supported the plan by the head of the EC presented in his State of the Union address. Its aim is to establish a long-lasting partnership with Africa that would go beyond development aid to generating investments in Africa worth €44 billion.

⁴ "Sorbonne speech by Emmanuel Macron," <http://international.blogs.ouest-france.fr/archive/2017/09/29/macron-sorbonne-verbatim-europe-18583.html> [accessed: 21.03.2019].

⁵ "Future of Europe debates—Mateusz Morawiecki," www.futureofeuropedebates.eu/#target [accessed: 21.03.2019].

Foreign Policy and Defence

The different national interests have been on full display in foreign and defence policy. The Franco-German Meseberg Declaration included a proposal to extend majority voting to the Common Foreign and Security Policy (CFSP). In September 2018, the Commission presented a Communication that envisages the introduction of qualified majority voting for authorizing civilian missions, applying sanctions, as well as decisions about issues related to the protection of human rights internationally. This proposal divides the Member States and has not received the approval of smaller states afraid of losing influence on EU foreign policy.

The differences are also visible in the Member States' approach to the concept of "European strategic autonomy" and formation of a European army to provide autonomous EU capability in crisis-management operations. France had hoped that the Permanent Structured Cooperation (PESCO) mechanism would stimulate ambitious capability development among the most determined states. Disappointed with the agreed projects, in June 2018, Macron inaugurated the European Intervention Initiative (EII), which was joined by the United Kingdom, Germany, the Netherlands, Belgium, Spain, Portugal, Denmark, and Estonia. In November 2018, Finland became the group's 10th member. EII is to enable European countries to respond quickly to security crises in its neighbourhood (especially in Africa). However, its ultimate goal is to facilitate the creation of a "real European army" through a gradual build-up of a common strategic culture, doctrines, operational plans, etc.

The concept of a European army recently received rhetorical support from Merkel. But the French and the Germans have significantly different interpretations of this idea. The French vision extends beyond having an EU capability for autonomous crisis-management operations. Paris perceives strategic autonomy as an insurance policy should the U.S. withdraw from Europe and NATO lose its relevance. In that case, the EU Member States would have to be able to rely on their own potential, both for crisis management and defence of the Union's territory. The German government has traditionally presented a much less ambitious approach. It has considered the concept of a European army as a useful political tool to stimulate the development of military capabilities but was determined not to undermine the credibility of NATO and the U.S. security guarantees for Europe. For the same reasons, the French vision was not followed by the Netherlands or the V4 countries.

Future of the Eurozone

Discussions about the future of the eurozone have revealed two competing approaches to strengthening it and making it more resistant to possible future crises. Macron, like his predecessor François Hollande some years ago, has urged his counterparts to create a euro-area budget. Its purpose would be not only to establish an additional source of investment facilitating economic convergence between the Member States but also to create a stabilisation fund that could be used in a crisis. The budget would be spent under the political guidance of a eurozone minister of finance.

These proposals gained support from the Southern Member States (Spain and Portugal in particular) but were contested by a group nicknamed the "Hanseatic alliance." The Baltic States, Denmark, Finland, Ireland, the Netherlands, and Sweden have argued against creating a separate budget for the eurozone. They are wary that it would open the door to substantial financial transfers to the benefit of Member States struggling with public debt and thus become a disincentive to reform. Re-establishing sound public finances is, in the eyes of the Hanseatic alliance, a prerequisite for closer eurozone integration. In the meantime, needed investments can be boosted with funds from the main EU budget. The V4 also have opposed the idea of a separate eurozone budget, reluctant to see a permanent transfer mechanism, on the one hand, but most of all for fear that it would contribute to deepening the divide between members of the common currency area and those that remain outside it.

[Germany has tried to steer a middle course between these two approaches.](#) While the German government clearly shares similar apprehensions as the Hanseatic alliance, Chancellor Merkel decided to take some of

the French proposals on board, for example, the Meseberg Declaration called for the creation of a eurozone budget. Yet, the decisions from the Euro Summit in December 2018 diverge in many respects from the French proposals. The budgetary instrument for the eurozone is to remain part of the EU budget and its resources will be used to promote convergence and competitiveness but not as an emergency fund to support countries hit by financial problems. Finally, its size has not been decided but will most probably be close to the €25 billion allocated to eurozone reforms in the draft Multiannual Financial Framework (MFF) presented by the EC. Macron had been hoping for a much more significant sum.

The Single Market

The single market is also part of the debate about the future of Europe. Among the most important aspects of this fundamental pillar of EU integration are the Digital Single Market (DSM), the Capital Markets Union and the Banking Union, the free flow of services (digital and non-digital), taxes, and the model of social convergence between the states.

High on the agenda is the DSM strategy adopted by the Council in 2015. According to the EC, finalising DSM could boost jobs, growth, and competition, increasing the value of the EU's digital economy to €740 billion by 2020, representing 4% of the Union's overall GDP.⁶ Poland, together with the Netherlands and Hungary, are the frontrunners in promoting the free flow of digital services among the Member States. Some leaders call for European engagement in Artificial Intelligence (AI) research and implementation (Morawiecki, Macron), which they find imperative, especially given the growing dominance of U.S. companies in the digital sector (sometimes called "GAFA"—Google, Apple, Facebook, Amazon). This led to the idea of a European digital service tax, lobbied for mainly by Macron but supported by Germany, Poland, and several other Member States. However, several other states, mainly Ireland, the Netherlands, Denmark, and Sweden, have a direct interest in preventing such rules from materialising (i.e., preferential tax systems attracting major international companies to locate headquarters in those countries). They are blocking this initiative on the EU level and seeking a longer-term solution in a more international format (OECD).

A highly controversial topic in the debate is the harmonisation of certain types of national taxation. Macron advocates an EU-level financial transactions tax. However, the project has been on the table since 2013 and stands little chance of introduction in the foreseeable future. On the broader taxation challenge, Polish Prime Minister Morawiecki has focused on the need to fight tax havens and tax avoidance in VAT collection (part of the problem stems from the differences in rates between the Member States). No specific solutions, however, have been proposed so far.

Another issue pointed out by Morawiecki is related to the 2006 Services Directive.⁷ The single market of services is far from complete. He argues that not only should the regulations be updated to cover technological advancements but also that the full implementation of existing law is unsatisfactory. This latter problem in particular was also brought up in a letter from February 2019 by 17 Member States (including the Hanseatic alliance and Poland, but not France and Germany) to the president of the European Council, arguing for full implementation of the Services Directive, mutual recognition of professional qualifications, and reducing barriers at the national level to restricting services.⁸ This voice of a majority of EU states suggests limited appetite for new major reforms until existing laws are fully respected.

The heated debate surrounding labour market reform, especially its social aspects, has been provoked by France. In his Sorbonne speech, Macron called for preventing "social dumping" which, in his opinion, is harming European unity and contributing to unfair practices on the European labour market. Successfully

⁶ European Commission, "Building a European Data Economy," <https://ec.europa.eu/digital-single-market/en/policies/building-european-data-economy> [accessed: 13.11.2018].

⁷ *Ibidem*.

⁸ "Leaders' joint letter on the future of the Single Market," 27.02.2019, <https://www.permanentrepresentations.nl/permanent-representations/pr-eu-brussels/documents/publications/2019/02/27/leaders-joint-letter-march-euco-single-market> [accessed: 16.04.2019].

pushing for an amendment to the Directive on the posting of workers in 2017, he delivered on one of his campaign promises but also upset leaders from Central and Eastern Europe. Macron developed his narrative on the issue of convergence in social policy standards in his “renewing Europe” pre-European elections speech.⁹ However, his plea for “same wages for the same work” in the EU and a European minimum wage (different for each country, but collectively negotiated) is hard for the Member States from Central and Eastern Europe to accept given their competitive advantages. Germany’s stance on this issue is also one of scepticism. Kramp-Karrenbauer has explicitly said that harmonisation of social standards, as well as wages, is the wrong approach. The Netherlands seem to be on the same page as Germany, arguing for market-based rules. Rutte, however, underlines that equal pay should be matched to equal earnings, which does not necessarily mean support for a pan-European minimum wage. He is endorsing projects such as the revision of Directive on the posting of workers or a Mobility Package (legislative procedure ongoing), which prevents certain states from using low wages as a competitive advantage.

Stimulating Innovation

One of the least controversial topics is European innovation policy, including in AI. In his Sorbonne speech,¹⁰ Macron noted the solidarity in EU economic policy aimed at increasing innovation. He proposed the establishment of a European agency for “disruptive” innovation, referring to the U.S. agency for the development of advanced military technologies—DARPA—as inspiration for this idea. A new body for this, orchestrated by France and Germany, has been already launched under the tech-friendly name JEDI (Joint European Disruptive Initiative). Morawiecki also supports pan-European activity in the field of innovation, but instead of the new agency, he proposes strengthening existing support programs, especially ones for small and medium-sized enterprises, such as the Investment Plan for Europe (the so-called Juncker Plan).

Several European leaders have brought up AI as an area of pan-European cooperation that can create added value in a field that so far has been dominated by the U.S. and China, competing in a technological race. France, Finland, and Germany have already approved national strategies on the topic, and Poland is expected to do so this year. Simultaneously, the EC has created a pan-European High-Level Group on AI to outline guidelines for the ethical development of AI.

International Trade

The EU is the biggest trading power in the world and there is broad pan-European consensus on the need to conclude trade deals with more partners for the sake of keeping up the pace of economic growth. Currently, one of the biggest challenges is European and U.S./China interdependence, since the latter two are currently in a trade war. The EU is trying to avoid the negative effects of U.S. protectionism by continuing bilateral talks on trade liberalisation of industrial goods. However, certain Member States have expressed concerns about such deals: President Macron announced that no trade deal should be signed with countries that are not part of the Paris Agreement, clearly having the U.S. in mind.¹¹ His strong views were recently confirmed during an EU Council vote on negotiating directives for the future EU-U.S. trade talks where France was the only country to vote against the mandate.¹² Also, the Italian government, with its agenda of engagement in the Chinese Belt and Road Initiative, could be a potential troublemaker in the

⁹ E. Macron, “For European renewal,” 4 March 2019, <https://www.elysee.fr/emmanuel-macron/2019/03/04/for-european-renewal.en> [accessed: 17.04.2019].

¹⁰ Sorbonne speech by Emmanuel Macron, *op. cit.*

¹¹ “Macron Says No Trade Deals Without Climate Treaty Compliance,” *Bloomberg* <https://www.bloomberg.com/news/articles/2018-09-25/macron-says-no-trade-deals-without-complying-with-climate-treaty> [accessed: 08.11.2018]

¹² Council of the European Union, “Trade with the United States: Council authorises negotiations on elimination of tariffs for industrial goods and on conformity assessment,” https://www.consilium.europa.eu/en/press-releases/2019/04/15/trade-with-the-united-states-council-authorises-negotiations-on-elimination-of-tariffs-for-industrial-goods-and-on-conformity-assessment/?utm_source=dsms-auto&utm_medium=email&utm_campaign=Trade+with+the+United+States%3a+Council+authorises+negotiations+on+elimination+of+tariffs+for+industrial+goods+and+on+conformity+assessment [accessed: 16.04.2019].

future EU-U.S. talks. The upcoming EP election might limit the scope of future EU bilateral trade deals if Eurosceptics (both from the far left and far right) make gains.

Climate Change Challenge

Managing climate change is the epitome of a transborder problem in which the need to cooperate is commonly accepted. Scandinavian leaders in particular have stressed this issue, but they were not alone. Rutte has advocated a significant increase in the EU greenhouse-gas emissions reduction target for 2030 from 40% to 55%. Macron has emphasised that an adequate emissions price of more than €25–30 per tonne is a prerequisite for effective climate policy. He also backs the introduction of a “carbon tax at the EU borders”¹³ that would punish companies maintaining production in countries that do not abide by high climate-protection standards. When talking about more long-term goals, Macron has pleaded for achieving carbon neutrality by 2050, an idea that has attracted support from a coalition uniting Northern and Southern Europe.¹⁴

Climate change is considered less of a pressing issue by the leaders from Central and Eastern Europe. The V4’s common statement on the future of Europe in 2018 did not mention climate policy at all.¹⁵ The CEE countries prefer other ways of promoting climate-friendly policies than binding targets, especially related to emissions reductions, fearing that the latter could adversely affect their economies. Morawiecki has called for larger EU funds for research and development of clean technologies (including creating a Clean Tech Fund). Germany, which struggles to meet its own emissions reduction targets, has also highlighted the need to reconcile ambitious climate policy with constraints related to socio-economic conditions. Kramp-Karrenbauer in her European policy manifesto argued that “ambitious European targets and thresholds have not yet achieved anything” and added that “taking economic and social aspects into account in such a way that employment and economic strength are preserved, and new development opportunities are created” is the only way to guarantee successful climate policy. Less than two weeks after the publication of that document, a coalition of Germany, Poland, Hungary, and the Czech Republic allegedly blocked a reference to carbon neutrality with a particular target date (2050) in the European Council conclusions.

Next MFF

The future of Europe debate is strongly connected to the negotiation process of the next MFF. In May, the EC published a draft proposal for this project. The size of the proposed budget is close to the current one (€1.135 billion in 2018 prices), but the EC foresees a change in the MFF’s structure. An increase in expenditures for new priorities is planned for border protection, migration management, research and development, the digital sector, and cooperation between arms industries. This would mean a reduction of spending on the two biggest and oldest policies—the Common Agricultural Policy (CAP) and cohesion policy—which is in line with the agenda of several wealthy Member States that advocate for a smaller budget after Brexit, namely Austria, Denmark, Sweden, and the Netherlands. Countries that are the main recipients of EU funds (both cohesion and CAP) generally argue for a bigger budget, meaning higher contributions from the Member States. Such calls have come from the V4 countries, the Baltic states, as well as from France and Germany. Another line of potential conflict is in reshaping the balance of traditional policies with new challenges emerging from globalisation, security threats, and new technology. In this issue, France, despite being the biggest recipient under CAP policy, is pushing for a strong redirection of funds to the new challenges.

¹³ An idea of introducing a tax based on the price of carbon in existing carbon markets, such as the EU emissions trading system, levied on goods and services from countries that do not put an equivalent price on carbon. Such a tax would protect European producers from the negative consequences (high costs of production, etc.) of European climate policy.

¹⁴ A letter containing this plea to the EU Climate and Energy Commissioner was signed not only by ministers from Denmark, Finland, the Netherlands, and Sweden but also representatives of France, Italy, Portugal, Slovenia and Spain.

¹⁵ “Stronger Together,” V4 Joint Statement, 21 June 2018.

The reduction in the scale and reform of cohesion policy proposed by the Commission will result in re-directing part of the funds to the south of the EU, viewed politically as a response to the severe socio-economic crises that have haunted the region in the past decade. Nonetheless, the group “friends of cohesion” is likely to remain united, expecting difficult negotiations on the overall size of the budget. The negotiations will most likely last until the second half of 2020 and will be concluded under the German presidency. The most possible compromise will involve rather symbolic changes to what has been proposed by the Commission.

Conclusions and Outlook

European leaders agree that Brexit marks a critical juncture in the history of EU integration. No one in the bloc questions the need for EU reforms. However, both the direction of the reforms and the way to conduct them are still controversial.

French proposals on the future of Europe have encountered significant opposition. Most of them have had to be modified to garner majority support. Despite the French attempts to mobilise German backing for the reforms, Merkel’s government has maintained a cautious approach focused on inclusive solutions. France and Germany have managed to speak and act in concert on several occasions but there are clear and significant differences in their positions. At the same time, fears of the domination of the Franco-German tandem have mobilised long-standing alliances (such as the V4) and given rise to new coalitions (Hanseatic alliance). They are trying to make their voices heard in Brussels, presenting their own ideas for EU reform. The Franco-German discord—likely to increase should Kramp-Karrenbauer take over as chancellor—creates suitable conditions for the other Member States to influence decisions.

The divergences between the Member States on institutional issues make any changes in this realm, which demand unanimity, virtually impossible in the near future. The V4 is a major proponent of a decisively intergovernmental Union. But statements emphasising the role of Member States have also come from Dutch and German leaders.

Despite many efforts, important issues remain unresolved. The eurozone members are divided about the future of the common currency but the Northern European thinking focused on austerity and internal reforms has maintained the upper hand. The shape of the single market is still the subject of dispute mainly on two fronts, one being the level of acceptable protectionist measures taken on the national and European levels and the other on the scope of harmonisation of labour and social standards across the EU. Negotiations on the internal dimension of migration policy (reform of the Dublin Regulation) have reached a stalemate. While there is a consensus about the need to ensure more effective border protection, the Member States differ regarding the powers they want to grant to the EU border protection agency. General support for an increase in funding for development aid and cooperation with third countries may be challenged in the next budget negotiations as EU countries see also the need to fund other priorities. The varying levels of Member State ambitions and priorities may be seen in the field of security and defence, especially in relation to the issue of European strategic autonomy where relations to NATO and the U.S. mark the dividing lines.

The differences between the Member States’ positions on the future of Europe has resulted in the abandonment of far-reaching visions to the benefit of a small-steps approach, which is considered less controversial, thus limiting the risk of disintegration. Settling for a “muddling through” approach makes the EU particularly vulnerable to economic downturns and changes in the security environment. Further crises and a lack of consensus on broad reform at the EU level may encourage deeper cooperation involving narrower groupings of Member States. Such undertakings could have a positive impact because they would provide an opportunity to test certain policy instruments, allow for differentiation of the integration process, and, consequently, alleviate some tension between the Member States. Yet in some policy areas, they could lead to EU disintegration.