

# The future of the EU: a retrospective

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#### Theme<sup>1</sup>

Looking back at the EU's recent history since the 1990s can help us think about its future.

### **Summary**

Reflections on the future of the EU's integration process tend to follow a familiar pattern. This short analysis breaks the mould by looking backwards rather than forwards, arguing that the future of the EU is likely to be heavily shaped by the trends of the past 30 years. The text revisits the 'democratic deficit' debate, EU enlargement, security and defence policy and the project of closer economic integration. It examines how the hopes and ambitions of an earlier era have given way to a more sober and limited form of regional integration.

## **Analysis**

#### Introduction

Reflections on the future of the EU often contain a great deal of speculation. This seems inevitable enough. They also end with a long list of what the EU should be doing in the future, followed by the caveat that perhaps the EU does not have the political will to achieve most of what is on the list. Then the reflection wraps up with a hopeful quote from one of the EU's founding fathers —usually Jean Monnet, occasionally Robert Schuman—. This sort of reflection crops up so often that one feels as if stuck in a Groundhog-Day-style time loop. The long list of challenges followed by the bold call to arms. The EU is at a crossroads, we are told, and it must choose greater unity if it wants to face the demands of an interdependent world.

The inspiration behind this particular retrospective on the EU's future is to avoid the typical mixture of speculation and subjective will-to-power. This short essay looks backwards rather than forwards. It studies the present-day EU from the perspective of the last three decades of European integration. In history we have of course witnessed moments of dramatic caesura where the past served as a poor predictor of future trends. But more often than not, having a sense of where we have come from gives us a good grasp of what may lie ahead. This is the intellectual rational to thinking about the EU's future through a reflection on its recent past. Some may of course see in this approach

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<sup>&</sup>lt;sup>1</sup> This analysis originated as a talk given for the Elcano Royal Institute in Madrid on 23 September 2021. The author would like to thank Ignacio Molina for his invitation to Madrid and for his encouragement to publish the talk as an Elcano Analysis. He would also like to thank Hans Kundnani for comments on an earlier draft of this paper.

a sign of age, an indulgent look back at the period during which the author has himself studied the changing nature of the EU. Both are probably true.

## (1) The rise and fall of the EU's democratic deficit

Twenty years ago, the EU's 'democratic deficit' was perhaps the number one political and intellectual debate about the EU. Did this 'deficit' exist? If so, how might it be 'plugged', solved or reduced? Andrew Moravcsik's article of 2002 set the proverbial cat amongst the pigeons.<sup>2</sup> From his vantage point in Harvard, he observed that there was no democratic deficit at all. The EU was democratically legitimate via its member states Anyway, he argued, to hold the EU up to the standard of some ideal democracy was to miss the fact that many of its member states fell below this standard in the first place.

Many of the big hitters in EU studies invested time and energy in the debate. Giandomenico Majone, Simon Hix, Kalypso Nicolaidis, Joseph Weiler and many others had constructed the intellectual *paysage* that was the 'democratic deficit debate'.<sup>3</sup> Time and energy was also spent by the EU institutions and the member states. This was the subject of the EU's *White Paper on European Governance*, written in the wake of Ireland's rejection of the Nice Treaty (7 June 2001).<sup>4</sup> In December that year the European Council published the Laeken Declaration, which set up the Convention on the Future of Europe.<sup>5</sup>

Where did this interest in the EU's 'democratic deficit' come from? And why the sense of urgency? The 1990s were marked by a growing awareness that as integration progressed, citizens were being left behind. Most importantly, it was imperative to win the affection of citizens and have them identify positively with the EU. Some of the true believers in the EU's technocratic vocation shrugged off this need for citizen involvement. They warned against introducing into the European project the unknowable effects of 'politicisation' and rejoiced in the way integration had moved forward 'by stealth' via decisions taken by its Court of Justice. But for many observers and practitioners, the worrying prospect of a European government without a European people loomed large. Rapid progress had been made in EU policy-making after the resolution of many of the sticking points of the 1970s. Budgetary agreements between Margaret Thatcher and François Mitterrand, and the leadership of Jacques Delors as President of the European

<sup>&</sup>lt;sup>2</sup> Andrew Moravcsik (2002), 'In defence of the 'democratic deficit': reassessing legitimacy in the European Union', *Journal of Common Market Studies*, vol. 40, nr 4, p. 603-624.

<sup>&</sup>lt;sup>3</sup> Giandomenico Majone (1998), 'Europe's 'democratic deficit': the question of standards', *European Law Journal*, vol. 4, nr 1, p. 5-28; Andreas Follesdal & Simon Hix (2006), 'Why there is a democratic deficit in the EU: a response to Majone and Moravcsik', *Journal of Common Market Studies*, vol. 44, nr 3, p. 533-62; Kalypso Nicolaïdis & Robert Howse (Eds.) (2001), *The Federal Vision: Legitimacy and Levels of Governance in the United States and the European Union*, Oxford University Press, Oxford; and J.H.H. Weiler & Marlene Wind (Eds.) (2001), *European Constitutionalism Beyond the State*, Cambridge University Press, Cambridge. This is only a tiny selection from a vast body of literature on the EU's 'democratic deficit'.

<sup>&</sup>lt;sup>4</sup> European Commission (2001), European Governance – A White Paper, COM (2001) 428 final, 25/VII/2001, http://aei.pitt.edu/1188/.

<sup>&</sup>lt;sup>5</sup> 'Laeken declaration on the future of the European Union', 15/XII/2001, https://www.cvce.eu/content/publication/2002/9/26/a76801d5-4bf0-4483-9000-e6df94b07a55/publishable en.pdf.

Commission, laid the basis for the Single European Act and the signing in 1992 of the Maastricht Treaty. The result was to concentrate decision-making power in government executives who met —ministers and civil servants alike— on a very regular basis in the corridors and committee rooms of the European quarter in Brussels. Missing was any real popular involvement in the project of 'ever closer union'.

The French had voted for the Maastricht Treaty in a referendum in 1992 but by only the slimmest of margins (the French called it *le petit oui*). The Danish had rejected it. John Major's government expended much of its dwindling political capital in pushing the treaty through the Westminster parliament. The German constitutional court in Karlsruhe worried publicly about the democratic implications of the Maastricht Treaty. High-brow discussions about the presence or absence of a European demos, pitting the philosopher Jürgen Habermas against the jurist Dieter Grimm, animated European intellectual debate. In 2005 Vivien Schmidt coined the term 'policy without politics' to describe the EU and 'politics without policy' to describe member states. A gulf had opened up between national populations and the decision-making by national governments who came together in EU institutions.

A solution was found with the Convention on the Future of Europe, an initiative originating in the Laeken Declaration of 2001. This initiative had a relatively constrained impact upon Europe's domestic publics but there was a great deal of support from civil society and a very high degree of support across Europe's intellectual circles. Though hindsight has tended to make us forget it, this was a moment of enthusiasm. There existed a sense that something was beginning to happen. This was the moment of the European Constitution. Around this time, French President Jacques Chirac visited Oxford University. When asked whether we were dealing with a treaty or a constitution, Chirac answered that legally it was an intergovernmental treaty, but politically it was a constitution for Europe. The glint in his eye suggested that he thought the EU had found a solution to the concerns about its democratic credentials.

What followed was the shock of the French and Dutch rejections of the Constitutional Treaty in May and June 2005. In Spain, the constitutional treaty was supported by three out of four voters, though on a turnout of only 43%. Attempts to solve the 'democratic deficit' never recovered from the 2005 votes. Henceforth, national governments treated referendums on European matters with enormous caution. Those warning against a more direct involvement of citizens in EU affairs felt vindicated. Germany was determined to avoid them at all costs and Angela Merkel became a vocal defender of meeting challenges to the EU without resorting to treaty change. Problems arose again in June 2008 when Ireland rejected the Lisbon Treaty and the Czech Republic –ruled by a Eurosceptic President, Václav Klaus– held out on ratifying the treaty. EU member states

<sup>&</sup>lt;sup>6</sup> On the budgetary debates, see Stephen Wall (2008), *Stranger in Europe: Britain and the EU from Thatcher to Blair*, Oxford University Press, Oxford, chapter 2.

<sup>&</sup>lt;sup>7</sup> Dieter Grimm (1995), 'Does Europe need a Constitution?', *European Law Journal*, vol. 1, nr 3, p. 282-302; Jürgen Habermas (1995), 'Remarks on Dieter Grimm's 'Does Europe need a constitution?'', *European Law Journal*, vol. 1, nr 3, p. 303-307; and Jürgen Habermas (2001), 'Why Europe Needs a Constitution', *New Left Review*, September/October, p. 5-26.

<sup>&</sup>lt;sup>8</sup> Vivien Schmidt (2006), *Democracy in Europe: the EU and national polities*, Oxford University Press, Oxford.

eventually adopted the Lisbon Treaty and treaty change via an intergovernmental conference –a near-constant feature of European integration since 1992– was set aside. Change within the existing treaties was written into the EU's institutional DNA via the passarelle clauses of the Lisbon Treaty. But this was done in such a way that excluded any major institutional innovations designed to 'plug' the democratic 'deficit.'

This has left the EU in a precarious position. On the one hand, we have repeated evidence that citizens are generally positive about many aspects of the EU. On the other hand, since 2005 there has been a determined effort to limit the direct involvement of national publics in the project of EU integration. In effect, the EU's supporters vaunt the strength of public opinion whilst limiting as much as possible the direct involvement of citizens in EU policymaking. Any sort of meeting point between the EU and mass politics has given way to initiatives overseen and monitored by national governments and EU officials.

The *Spitzenkantidat* process was one such effort: it tried to align the presidency of the European Commission more closely with the results of European parliamentary elections. This only happened once, in 2014. In 2019 member states –France leading the charge– reclaimed their right to choose all the EU top jobs via a complex array of backroom deals. The UK's 2016 EU vote was the crowning event in this fear of mass politics. What conclusion was drawn from it? That when the EU is dragged into national mass politics, ill will always come of it.

This provides the context for the current Conference on the Future of Europe. In September 2021 one of the leaders of this initiative -Guy Verhofstadt-gave a speech at the European Parliament in Strasbourg. His audience was the 200 EU citizens randomly selected to be there. This is a unique exercise in pan-European democracy, Verhofstadt said. For the first time, EU citizens are acting hand in hand with the EU's policy makers. You are, he told the thin sprinkling of masked people in the cavernous Strasbourg chamber, making history. At the time of Verhofstadt's speech in Strasbourg, the Conference on the Future of Europe had 2,402 followers on Twitter. Out of a population of around 445,000,000. I think that comes to 0.00054%. The Conference is orchestrated by the triumvirate of EU institutions -the Commission, Council and Parliament- ably assisted by an army of consultants and experts. Citizen involvement takes the limited form of deliberative forums, themselves overseen and managed by the organisers of the Conference. What real power do these citizens have? Very little. They play a bit part in the long-running saga of the EU's democratic deficit. And even if they did have power, would it be legitimate? In democracies, power flows from majorities drawn from a population as a whole or from coalitions that command the authority of the communities that make up any given society. In democratic systems, this is how change occurs. Through popular mandates.

The divorce between EU policymaking and mass electoral politics is today as great as it ever has been but the sense of urgency and anxiety of the 1990s and early 2000s has gone. In the German election campaign of 2021, the theme of Europe hardly figured. In the third (and last) television debate between Laschet, Scholtz and Baerbock, the candidates were not asked a single question on Europe or the world. This is not to suggest that a great opportunity has been missed. Attempts to reconcile mass politics

with EU integration were unlikely to succeed. The EU after all originated in an attempt to circumvent mass politics, the latter blamed on the rise of fascism and the conflict of 1939-45. The claim here is that a historical moment has passed, one where there was a keen awareness of the gap between mass publics and EU-level policymaking, accompanied by a desire of national and EU elites to bridge this gap in some way. This awareness created some sense of intellectual ferment and excitement about the project of European integration. It attracted idealists and realists in equal measure. This is the moment which has passed.

In its wake, and perhaps as a way of escaping its shadow, the debate about the EU's 'democratic deficit' has been recast as a struggle between EU democracy and the illiberalism of Viktor Orban and the Law and Justice Party (PIS) in Poland. However significant the political changes underway in Budapest and Warsaw, the EU's supporters have taken it upon themselves to defend democracy against the East's new autocrats. Some have even called on the complete dissolution of the EU in order that Poland be excluded from a new 'EU 2.0.' The East's new autocrats have given the EU a reprieve, one where the EU's own democratic failings are forgotten.

#### (2) Adieu enlargement

Enlargement has been an unmatched source of energy and legitimacy for the EU project. To be able to project EU values to its neighbours, to be involved in state building in the post-communist East, to be seen as the world's leading agent of peaceful democratisation, these were all key aspects of the EU project in the late 1990s and well into the 2000s. After the signature of the Single European Act and then the Maastricht Treaty, enlargement became –along with perhaps European Monetary Union– the *raison d'être* of the EU. It functioned rather like the civilising mission did for earlier colonialists. Not in terms of the manner in which it was carried out but in terms of the faith and self-righteousness that characterised those involved in the enlargement process.<sup>11</sup>

When did enlargement slow down and why? And what does this mean for the future of the EU? Enlargement has been at the centre of EU integration since the 1960s when the UK first lodged its application to join (rebuffed twice by Charles De Gaulle). It ran from the 1970s (first enlargement to the UK, Ireland and Denmark) to the 1980s (Greece, Spain and Portugal), the 1990s (the prosperous 'easy' enlargements to Austria, Finland and Sweden) and the 'big bang' enlargement of 2004 (eight post-Communist states plus Cyprus and Malta). It generated extensive writing on the EU as a distinctive 'model'. It provided the EU with an underlying mission and provoked debates about the nature of

<sup>&</sup>lt;sup>9</sup> Martin Conway (2020), *Western Europe's Democratic Age, 1945-1968*, Princeton University Press, Princeton, New Jersey, chapter 2.

<sup>&</sup>lt;sup>10</sup> Merijn Chamon & Tom Theuns (2021), 'Resisting membership fatalism: dissociation through enhanced cooperation or collective withdrawal', *Verfassungsblog*, 11/X/2021, https://verfassungsblog.de/resisting-membership-fatalism/.

<sup>&</sup>lt;sup>11</sup> On the wider theme of the colonial and ethnic dimensions to contemporary statements about 'European identity', see Hans Kundnani (2021), 'What does it mean to be 'pro-European' today?', *New Statesman*, 4/II/2021.

<sup>&</sup>lt;sup>12</sup> Mark Leonard (2005), Why Europe Will Run the 21st Century, Fourth Estate, London.

the EU. Was it an empire with a centre and periphery? Was it something else?<sup>13</sup> Whilst there was some grumbling, enlargement was at the time a popular policy, desired by populations in candidate states and cited as evidence of the positive effect the EU can have by existing member state governments.

Officially at least, enlargement has been replaced by the EU Neighbourhood Policy. This is a significant verbal shift: from the promise of membership to the distinction between EU member states and its neighbourhood. What remains of enlargement proper is the Balkans but much has changed between the enlargement process of the 1990s and the one today. Candidate states have experienced severe enlargement fatigue. There is not the same compliance or desire to comply. Some candidate states are looking elsewhere. Serbia has in recent years developed extensive ties with China, particularly in terms of FDI. One day in the not too distant future, the Western Balkans will probably be EU member states. In that sense, enlargement is not dead. But as an ideological project, as one that can give the bloc a sense of purpose and mission, it is gone. The ending is felt with Turkey —a long-time candidate state which has now chosen to go its own way in a dramatic fashion—. And the rest of Eastern Europe. There was a time when —naively probably, because it failed to take into account Russian sentiments— enlargement was expected to reach as far as Ukraine. It was certainly conceivable, if not imminent. No such hopes exist today.

We are now also in a moment of revisionism *vis-à-vis* the enlargement process. Stephen Holmes and Ivan Krastev, in their book *The Light That Failed*, write about 'imitationism', the plan of replicating the political and social models of Western Europe across Central and Eastern Europe. <sup>14</sup> Jan Zielonka has described in detail Central and Eastern Europe's 'counter-revolution'. <sup>15</sup> Developments in Poland and Hungary raise the question of to what extent the enlargement process itself has some responsibility for the political developments in these countries. Instead of a paragon of successful democratisation, might EU enlargement be a carrier of a 'hollow' and weak form of political transition? <sup>16</sup> Enlargement has not just stopped; we are beginning to reassess its once glorious and unquestioned legacy.

So where is the EU today? Justification for it cannot be obtained externally through the favourable regard of candidate state populations desperate to join the block. This is a significant historical change. For a time, it seemed as if the same zeal demonstrated in the enlargement process could be transferred into efforts at reforming member states themselves, particularly in the wake of the economic and financial crisis and the demands that governments in receipt of EU financial assistance reform themselves in line with the demands of the Troika. But the Troika was never venerated or feted in Dublin

<sup>&</sup>lt;sup>13</sup> Jan Zielonka (2006), *Europe as Empire*, Oxford University Press, Oxford.

<sup>&</sup>lt;sup>14</sup> Stephen Holmes & Ivan Krastev (2020), *The Light That Failed, A Reckoning*, Allen Lane, London.

<sup>&</sup>lt;sup>15</sup> Jan Zielonka (2018), Counter-Revolution: Liberal Europe in Retreat, Oxford University Press, Oxford.

<sup>&</sup>lt;sup>16</sup> On 'hollow' democratisation and the phenomenon of backsliding, see Licia Cianetti, James Dawson & Seán Hanley (2018), 'Rethinking 'democratic backsliding' in Central and Eastern Europe – looking beyond Poland and Hungary', *East European Politics*, vol. 34, nr 3, p. 243-256.

or Athens in the way that EU enlargement missions were in Prague or in Tallinn. A whiff of illegitimacy hung around the Troika's ambitious agendas of national state reform.<sup>17</sup>

#### (3) The new realism

There has been much talk in recent years of strategic autonomy and European sovereignty. One of the EU's most prominent public intellectuals, Luuk van Middelaar, gave a series of lectures at the College de France devoted to the EU's external affairs, what he called 'geopolitical Europe'. His lectures had a sense of finality or culmination to them: the EU at last is 'entering history'. What Middelaar missed was how this 'geopolitical turn' was less a sign of political maturation than a combination of ideological disillusionment and an acceptance of a more cynical political culture.

Let us return to the early 2000s. This was a time when the European Security and Defence Policy and the Common Foreign and Security Policy (ESDP and CFSP respectively) were one of the most dynamic and promising dimensions of EU integration. It had started to attract enormous amounts of academic attention. A specialist on EU defence policy, Jolyon Howorth, once remarked that there were more people walking around Brussels handing out questionnaires about CSDP than actually working on it in the Council of Ministers. The contemporary historian and commentator Timothy Garton Ash remarked, on the occasion of an Anglo-French summit in March 2008, that the 'next fifty years' of European integration 'will mainly be about what the Europe does in its relations with the rest of the world'. 18 And again, in the early 2000s -particularly around the 2003 invasion of Iraq- there was enormous intellectual enthusiasm around the EU's putative incarnation of a different way of doing international relations. 'Europeans are from Venus, Americans from Mars' affirmed the influential Washington-based commentator Robert Kagan. 19 Others waxed lyrical about the EU's soft power. Mark Leonard published a well-regarded book on how the EU would run the 21st century because of its strong resemblance to Visa: a decentralised network owned by member states. In Leonard's vision, the degree of interdependence between the EU's member states was the reason for its ability to secure continental peace. This was the era of Javier Solana, the EU's High Representative for CFSP. Solana gave the Cyril Foster lecture in Oxford in 2008, one of the university's flagship lectures in international affairs. The talk itself was a bland recitation of official EU positions but he was treated as a superstar by both the students and the dons.

We have come a long way from this sort of optimism. Rather than being the new growth area in terms of analysis, interest in the EU's international affairs has peaked. At the same time, talk of the EU's power today has been emptied of its idealism, ambition and

<sup>&</sup>lt;sup>17</sup> Marylou Hamm. 2018. 'Transparency in the European Crisis: Between ethnicization and economicization'. In Orianne Calligaro & Francois Foret (Eds.) (2018), *European Values: Challenges and Opportunities for EU Governance*, Routledge, London. For the view that the Troika has had a transformative impact upon the EU, see Hans Kundnani (2018), 'Discipline and punish', *Berlin Policy Journal*, 27/IV/2018, https://berlinpolicyjournal.com/discipline-and-punish/.

<sup>&</sup>lt;sup>18</sup> Timothy Garton Ash (2008), 'A historic compromise with France is exactly what Britain needs', *The Guardian*, 27/III/2008.

<sup>&</sup>lt;sup>19</sup> Robert Kagan (2003), Paradise and Power: America and Europe in the New World Order, Atlantic Books, London.

rhetoric. Back in 2005, Mark Leonard waxed lyrical about how the EU was 'changing the nature of political power'. <sup>20</sup> The EU's 'extraordinary transformative power' eschewed 'classic geo-politics'. The EU was going to transform the world as whole through its model of law-based integration. <sup>21</sup> Today, the discussion around European strategic autonomy is focused on conventional ways of measuring power: soldiers, armies and weapons. We are a world away from notions of the EU as a 'normative power' and we could not be further from Leonard's vision of world peace governed by a body of trade law. <sup>22</sup> If we look more closely at the notion of the EU as a 'geopolitical actor', we find justifications for it in ways that are surprisingly realist and cynical. In Van Middelaar's formulation, we have seen a transition from a 'politics of rules' to a 'politics of events'. <sup>23</sup> And with that comes the view that what matters most is not what the EU does exactly but simply that it acts, a curious version of what Ivo Diamanti called *l'ideologia del Fare*, even if in acting it sets itself against its own rules. <sup>24</sup>

## (4) The victory of differentiated integration

The final part of the story is Europe's economic integration. Our current preoccupation with differentiation is an institutional consequence of what Trotsky once called the 'law of combined and uneven development'. As capitalism develops, it does so in ways that create winners and losers. Its development is also shaped in dramatic ways by the boundaries of national states. We have seen this in the case of the Eurozone and the Single Market, and this has laid the basis for what we now call differentiated integration.

We have on the one hand the promise that monetary union would lead to macroeconomic convergence and that the single market would be beneficial to all –consumers and producers alike—. One of the main justifications for monetary union was to avoid the cost of uncoordinated business cycles. Defences of the Single Market's 'four freedoms' often give the impression that everyone is a winner from European economic integration. There has been convergence and the gains from Single Market integration are tangible and real. But we should think rather in terms of winners and losers and the conflicts which this can bring.

EMU means a single interest rate for a heterogeneous economic block. More than that, the single currency has exacerbated some of the differences between member state economies of EMU. A common currency does not eliminate competition between national economies. It means that they cannot compete via the intermediary of movements in the value of their national currency. Instead, competition has to take place in terms of the domestic growth models themselves, and especially via wages and prices.

<sup>&</sup>lt;sup>20</sup> Mark Leonard (2005), 'EU ain't seen nothin' yet', New Humanist, March/April, p. 26-27.

<sup>&</sup>lt;sup>21</sup> *Ibid*, p. 27.

<sup>&</sup>lt;sup>22</sup> Ian Manners (2002), 'Normative power Europe: a contradiction in terms?', *Journal of Common Market Studies*, vol. 40, nr 2, p. 235-258.

<sup>&</sup>lt;sup>23</sup> See Luuk Van Middelaar (2020), Alarums and Excursions: Improvising Politics on the European Stage, Agenda, Newcastle.

<sup>&</sup>lt;sup>24</sup> Ilvo Diamanti (2010), 'L'ideologia del Fare', *Repubblica*, 21/II/2010. For an in-depth critique of Van Middelaar's career and oeuvre, see Perry Anderson (2020), 'The European coup', *London Review of Books*, vol. 42, nr 24, https://www.lrb.co.uk/the-paper/v42/n24/perry-anderson/the-european-coup.

Structural differences between national economies begin to play a role in regulating the competition between these economies.

At the time of the Euro crisis there was much talk about the need for domestic reforms within the Eurozone –in labour markets, in pensions, in product markets–. This revealed the continued diversity within the currency block. Between the early 2000s and today, it has become even more apparent which countries dominate as export powerhouses and which have had their position as 'importers of last resort' reinforced by the dynamics of the Eurozone. The promise of monetary union was convergence. The consequence has been greater divergence.

Institutionally, this has translated into a preoccupation with differentiation. Things were different two to three decades ago. Dierdre Curtin lamented back in 1993 that the Maastricht Treaty, by formalising the existence of distinctive 'pillars', created a Europe of 'bits and pieces'. Her starting point of judging the EU against a fully integrated and 'pillarless' legal union seems difficult to imagine today where complex and multi-level policy communities has become the norm for European integration. Whilst subsidiarity was accepted as a core principle that could accommodate differences between member states, differentiation was discussed using the more pejorative epithets of *Europe à la carte* and 'multi-speed Europe'. That differentiation has come the institutional norm for the EU is evident in the case of Euro membership. Initially conceived of as an eventual but necessary step for all member states, today one of the EU's largest and most successful economies —Poland— is outside the Eurozone and likely to stay there. The same goes for Sweden and for Denmark.

The link between capitalist development and differentiation is not restricted to insider/outsider dimension of the Eurozone nor to the conflicts between national growth models within the Eurozone. Let us take Poland again. Polish politicians have framed the disagreement with the EU over the rule of law as a matter of differentiation. That is to say, a right to go one's own way, to do things somewhat differently. Opponents stress the impossibility of introducing differentiation into such an elementary dimension of the Single Market. Beyond the rhetoric, there is a connection between the political economy of the Law and Justice Party's (PIS) electoral successes and its demands for more differentiated integration. As described by former Polish President Aleksander Kwaśniewski, a key part of the PIS's success is that its leaders understood more than most that Poland's economic successes had created not just winners but also losers.<sup>27</sup> And PIS set out to mobilise these losers. The strategy really started to succeed after the 2008 financial crisis which hit Poland as hard as it did other Central and Eastern European countries, through cuts in government welfare spending, for instance. The winning slogan for PIS in the 2015 election was 'Poland is in Ruins'. Odd for outsiders who consider Poland a runaway case of successful economic transition, such a slogan

<sup>&</sup>lt;sup>25</sup> Dierdre M. Curtin (1993), 'The constitutional structure of the Union: a Europe of bits and pieces', *Common Market Law Review*, vol. 30, nr 1, p. 17-69.

<sup>&</sup>lt;sup>26</sup> On the philosophical roots of subsidiarity, see Carlo Invernizzi-Accetti (2019), *What is Christian Democracy? Politics, Religion and Ideology*, Cambridge University Press, Cambridge, chapters 4 & 8.

<sup>&</sup>lt;sup>27</sup> This account was given by Kwaśniewski on 22 September 2021 at an event in Madrid, 'Conversaciones sobre Europa', organised by the Asociacion de Periodistas Europeos.

worked because of the uneven quality of economic growth in Poland. It follows that PIS's vote-winning flagship policy took the form of a direct state subsidy to Polish families, the famous 500 plus programme. There are many explanations of why differentiation has become the default mode of European integration today. The connection to Europe's 'combined and uneven development' is an important one.

#### Conclusion

What can this retrospective tell us about the future of Europe? A few years ago, in his 2017 State of the Union speech, Jean-Claude Juncker spelt out a number of different scenarios for the EU. Carrying on (status quo), nothing but the single market, those who want more do more, doing less more efficiently, and doing much more together. What direction is the EU taking? The EU has entered a stage of post-crisis pragmatism. Far from being taken for granted, survival has become an achievement in and of itself.

The momentum and the idealism that characterised many of the European integration initiatives of the 1990s and 2000s has gone. There is widespread acceptance in member states of the EU as a single market and a more strained acceptance of currency union as fait accompli that cannot be undone. But there is disagreement about almost everything else. Few today believe the EU is a new model in transnational identity formation. Nor is there much enthusiasm for presenting it as a new way of conceiving international relations and international diplomacy. Instead, emphasis has shifted towards 'decentring' the EU, recognising the ways in which the EU is a product of global trends and no longer a history-maker in its own right. We are a long way from the days of Europe's constitutional moment. The EU makes fewer demands on people's identity than it once did and does not pretend to efface the profound and enduring differences between the EU's member states –differences in political tradition, in economic model and in outlook on the world–. It appeals above all to the pragmatic gains that come with integration.

National leaders in the EU may occasionally agree to extend those gains to new areas, such as with the EU's embryonic 'health union' but these are exceptions to the rule. The rule of law conflict with Poland and Hungary may light once again the self-righteous fires of pro-Europeans. And there is always the chance that new crises will provide an opportunity for closer integration. But these developments run against the tide of the last 30 years. This has been the era during which we have seen the EU move in the direction of post-ideological and pragmatic crisis management, the introduction of a moratorium on any significant institutional re-engineering and the firm commitment to keep mass politics at arms-length.