

Looking ahead and beyond for Europe

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ABSTRACT

Having analysed the present state of the EU and the more relevant external circumstances, assuming that the perspective of a stabilized, strong Eurozone may become true before too long, the author looks forward to building on this already existing avant-garde of the EU, for more integration in defence that is needed.

Based on the model 'hard core' of differentiated integration – by which differentiation is in time, not in space as in the model of 'variable geometry' -, the Eurozone is centripetal for the EU rather than centrifugal as other forms of differentiated integration could be. The author argues that in the frame of the Eurozone, which has also shown a certain capability to develop political impulses according to the circumstances, a Permanent and Structured Cooperation (PESCO) for defence may be born successfully and represent a completion of it: a defence avant-garde coupling a money avant-garde.

On the table of the policymakers, today, defence is back with a grade of urgency, and Eurozone of defence seems to be a great initiative likely to produce a new phase of boost in the European construction, while alternative scenarios look less significant and less effective.

In a post scriptum the author analyses unexpected developments occurred in the defence issue after the presentation of the paper at the Universitately Babeş-Bolyai of Cluj-Napoca International Conference of 26-27 October 2017.

K. W.: Eurozone; Permanent and Structured Cooperation (PESCO); Europe at variable geometry; Europe at more speed; Differentiated integration.

The new “sick of Europe”: the EU

In a remarkable article of 2006 on the state of European Union, Jürgen Elvert wrote: “...*the European Union of today has reached a point, from where it is no longer possible to carry on regardless patching together apparently non-fitting parts if we want to succeed with building a truly solid European house on the groundwork of the original concept of liberty, equality and solidarity with a breaking-strength fit for future challenges*”.¹

2006 was the time when candidates countries crowded in front of EU’s door, the EU yearly budget was about 120 milliards of Euros, the number of its officials neared 50000; but the EU was already undermined on the economic and political ground, and during the following ten years it fell into a deep, complex and multiple crisis, passing from EU-phoria to malaise.

From 2008 the financial and economic crisis – which is not quite finished yet –, abruptly changed the European way of life, hitting the social cohesion in the Member Countries and shaking the confidence in the EU, as it didn’t seem any more to be the engine of European economy. Moreover, facing the challenges of the time, the EU has proved not to be going at the speed imposed by the situations.

From 2014 massive increases in the number of immigrants (refugees, asylum seekers, economic migrants) have challenged the solidarity between the Member Countries; in the meanwhile, at the borders of the EU, in Ukraine and in the Middle East, new kinds of wars have threatened its security and the global balance, however the EU has no common vision neither power enough to influence the developments there and is unduly absent.

In 2015 and 2016 terrorist attacks particularly cruel occurring in Europe have made peoples anxious and look even more at their national States for protection.

¹ Jürgen Elvert, *Changing Places. The European House Revisited*, in <<Rivista di Studi Politici Internazionali>>, 2006. 1, p.20.

As a consequence of all that, the EU has become unpopular, and some political parties called populist, grown up in the European Countries, are carrying on anti-EU programmes.

Describing the state of the European Union in 2013, the Pew Research Center used the expression “the new sick of Europe”².

Down before the Brexit vote in the UK, public sentiment about the European project afterwards has rebounded, between British voters too, apparently reacting to a catastrophic perception of the effects of the “Leave”. However “frustrations with Brussels remain when it comes to economic management and dealing with the refugee issue”³.

At this crucial stage, as the United Kingdom with Brexit and the United States with the election of Donald Trump definitively distanced themselves, EU has to take in hand her destiny and look, with the insight into the past, to become a “new Europe”.

What does it mean becoming a “new Europe” by the insight into the past?

Firstly to recognize that something has gone wrong on the way towards “an ever closer union”, and secondly that Europe needs to face up to the challenges confronting her at the time being.

In the Founding Fathers vision, and particularly in Jean Monnet, the political end of the integration process is clearly defined: it is the reconciliation, a new style of living together for European peoples resulting from the elimination of domination spirit and prestige considerations in intra-European relations.

² Maria Grazia Melchionni, *L'Unione Europea di fronte alle sfide globali*, in <<Bulletin Européen>>, 2009, n.712, pp.1-7; Id., <<Problemi e prospettive dell'Unione Europea>>, Report to the Round Table of Florence, May 20, 2013, unedited; Bichara Khader, *L'Union Européenne 1957-2017: l'avenir n'est plus ce qu'il était*, in <<Maroc Diplomatique>>, February/March 2017 and in <<Politica Exterior>>, March 2017.

³ See: Pew Research Center survey conducted from March 2 to April 17, 2017 in <http://www.pewglobal.org/2017/06/15/post-brexit-europeans-more-favorable-towards-eu>.

A new Europe, a new European Union (EU) should be less ambiguous on her political end (*finalités*); keener to develop their common interest, although respectful towards the subsidiarity principle; careful of “the danger of being overstretched”⁴ because of geopolitical worries; and apt to play the autonomous and effective role the state of things at the international stage requires.

Not all these goals, unfortunately, seem to be affordable at 27 for the moment, because there is no consensus between the EU Member Countries on the political end, as for some of them Europe is a convenience rather than a concept and they entered the EU at a time of difficulties thinking of the benefits of the Single Market and the Structural Funds.

There is no consensus on the method too: as not listening to Jean Monnet *mantra* “intergovernmentalism is not enough, suprasovereignty is needed; cooperation is not enough, fusion of interests is needed”, but deeply concerned about national sovereignty recovered, someone dislike the communitarian method and are in favour of the intergovernmental model.

Member Countries that are constitutionally bound to keep national sovereignty safe would also refrain from accepting to increase the political and security *status* of the EU that is urgently needed by the circumstances, as it would entail a reduction of the sovereignty of participants in the fields of high politics.

Among the 27 there are also differences in geopolitical constraints and views, historical experiences and cultural sensibilities, by which it is apparently difficult they could focus common interests in high politics.

Why the Eurozone may be the avant-garde of a ‘new Europe’

Hence, strengthening and amending Europe, it is necessary not to look at the bigger EU, which has proved to be largely ungovernable, but at the Eurozone as the cornerstone of a new Europe having a clear political and security identity.

⁴ Elvert, *Op. cit.*, p.21.

For the Eurozone the need of a political blueprint is implicit in its nature, as money comes from a political authority, not from the market.

The 19 member countries of the EMU are a less numerous and more homogeneous group of countries, which have already deepened their integration establishing a Single Currency; and they have also agreed to go further towards supranational economic and financial governance and have shown a certain capability to develop political impulses according to the circumstances⁵.

Talking at the University of Lisbon, in March 2017, I underlined the need to accompany supranational economic and financial governance of the Eurozone with supranational foreign affairs and defence governance, the three being not separable, particularly in the globalization era, and considering that the defence dimension is substantial in the conduct of foreign policy. What indeed makes the difference between diplomacy and any other kind of international negotiations is the fact that, behind the diplomat, there is the military force and the legal right of the sovereign power to use it to defend national interest.

After the end of the cold war and the short phase of US global hegemony, the international system is now in transition towards a multi-polar order, perhaps a post-Western global order as the BRICS Plus movement is likely to gather momentum.

And this transition is not going on in a peaceful way, but through trade wars, neighbours wars, asymmetrical wars, cyber wars eventually carried on with terrorist attacks and mass migrations, which already affect the EU.

Nowadays a significant political actor globally displaying her soft power, after the return of hard power politics to the global affairs, the EU cannot be any more only a civil power, but needs to qualify herself also for hard power to be recognized as one of the new

⁵ See Paolo Ponzano, *L'intégration différenciée dans l'UE et la 'constitutionalisation' de l'Eurozone*, dans <<Revue du droit de l'Union Européenne>>, 2015, 2.

world's power poles, as US, China, Russia and probably someone else like India, Brazil...

The EU needs to complete her political and security identity and to look forward to becoming a member of the UN Security Council, of NATO, a nuclear power with a chief commander, and to having if not a European army, at least a strong cooperation between the member countries' military.

Deprived of the stature of a global player in high politics, as it is now, EU is the common neighbourhood of two real world's power poles, where they discharge their contrasts exploiting local interests.

The Eurozone may start this process, becoming the *avant-garde* of it.

It is entitled to apply for membership of IMF – as the Commission suggests⁶ -, but after establishing a Permanent and Structured Cooperation (PESCO) it could also point in due course to become a permanent observer at the UN Security Council. Although the UN Charter does not foresee the case, the possibility that political will could overcome this obstacle cannot be excluded.

PESCO in the Lisbon Treaty (2009)

In the early Nineties of last century, after the great mutation in European history marked by the falling down of the Berlin Wall, there has been a promotion, in the political discourse at all levels, of the concept of differentiated integration to cope with aspirations to flexibility and fragmentation diffused in the EU. This concept was stranger to Founding Fathers' philosophy, which only admitted temporary exceptions. When entering the European discourse for the first time, in 1975 with Tindemans Report, it made scandal.

Reappearing in summer 1994, with Lamers-Schäuble Plan, it was a tool for running the enlargement to PECO before end 1999 throughout a Union composed by a hard core and a periphery less integrated, hence to be able to build EMU and PESC with a federal character. To the German CDU proposal, Édouard Balladur

⁶ European Commission, Document of reflection on the deepening of EMU, Brussels, May 31, 2017.

answered by the Europe of circles, while London was for a Europe *à la carte* and for intergovernmentalism. From then differentiation has often been employed by European policy-makers to overcome the opposition of Member Countries to new developments in the integration process⁷.

Between the two main models of differentiated integration, “variable geometry” or “hard core”, embodied the first into enhanced cooperation and the second into Eurozone, only the last one has shown a capability to deepen the integration level of the member countries and to improve European political cooperation⁸.

In the frame of this reflection, the political laboratory of the EU produced the new tool of Permanent and Structured Cooperation (PESCO), to be applied exclusively for security and defence policy by “the willing” (member countries which have already subscribed binding engagements in this matter) and “the able” (member countries having adequate military capabilities)⁹. Its main characteristics are that no minimum of participants is required to start up, that other EU member countries can join it, and that decisions may be taken by qualified majority vote.

Member countries “willing and able” to build PESCO should notify their intention to the Council and the High Representative, and before three months the Council should vote at qualified majority to make it start working.

In case of a new member admission or to suspend a participant who is no more able to perform his cooperation duties, the Council votes at qualified majority of its PESCO members¹⁰.

PESCO was formally included in 2009, with the Lisbon Treaty (art. 42.6 and 46 of TUE and annex 10).

⁷ Melchionni, *L'Unione Europea di fronte alle sfide globali*, cit., p.4.

⁸ See n.4.

⁹ The concept of “willing and able” had been introduced in international coalitions for the conduct of military operations out of NATO area.

¹⁰ On the introduction of PESCO within the Lisbon Treaty, see Giorgio Davididi, *Verso un'eurozona della difesa. Sviluppo delle flessibilità istituzionali nelle politiche europee di sicurezza e di difesa*, Roma, Edizioni Nuova Cultura, 2012, pp.129-133.

Art.42.6 speaks of PESCO to be born in the framework of the EU, but it is realistic thinking that PESCO *avant-garde* of the EU defence could only be born in a more suitable framework for it, like the Eurozone.

Completing the Eurozone with PESCO

For more integration in defence and related foreign and security policy, it would be more effective to operate *via* Permanent and Structured Cooperation inside the Eurozone, than inside the EU *via* enhanced cooperation, which *inter alia* is subject to several limitations. And deepening the competences of the Eurozone in foreign affairs and defence would mean to complete the set of the sovereign prerogatives in the first *avant-garde*: money, foreign affairs, military forces.

Politically, the completion of the Eurozone with the *avant-garde* of EU defence may be useful to restore the balance between France and Germany, as the couple has not performed properly after the reunification of Germany and the establishment of the Eurozone, but the exclusive nuclear capability of France, giving her a leading role in defence, could match Germany's overwhelming economic might.

The perspective that Permanent and Structured Cooperation could develop into a Eurozone of defence was already there when the Convention, preparing the negotiation for the Constitutional Treaty, conceived it, as it just intended to consent the volunteers of more political and institutional integration to create a "Eurozone of defence", overcoming the resistance of euroskeptics and sovereignists¹¹.

From that time up to now, the deterioration of the state of things in the EU, enhancing euroskepticism and sovereignism, was obviously making difficult to achieve developments in PESCO.

¹¹ On the Working group VIII - Defence of the Convention, where the concept of "Eurozone of defence" was formulated, see *idem*, pp.125-129.

But lately, the failure of bilateral projects alternative to PESCO and external from EU, the looming up of the crisis' end, the Brexit and the withdrawal into oneself of American power, urging the EU to take responsibilities and to tackle the problem arisen from increasing international tensions and conflicts on her borders, all that has brought back PESCO to the policy makers' table.

The Pros and Cons, and the alternative scenarios

Some member countries are likely to be in favour, but scepticism seems to prevail inside the EU.

As the number is not a problem to start PESCO, inside the Eurozone a group of willing and able may easily be found.

If not, countries looking for adequate perspectives for their defence will autonomously seek for agreements out of EU context, as France and UK did in the past, so creating a divide in the group of countries having the capability to contribute to a European defence.

If only a minor version of PESCO could be realized, instead of the preliminary form of the Eurozone of defence, it would also be harmful because, instead of marking a step up of the Core Europe (*Kern Europa*) – of a Europe structured in concentric circles, destined to become progressively integrated – towards a European political and defence identity, this minor PESCO would mean having given up this aspiration¹².

Be that as it may, countries not feeling attracted by PESCO, or not able to join it now, shall choose to follow different and parallel paths, which as well are provided by the Lisbon Treaty, to the aim of realizing a security and defence system effective and efficient in its variety.

Post Scriptum: *from vision to practice, the tortuous pathway towards EU defence.*

A few months after the British Leave, on November 30th 2016, moving forward in EU's Global Strategy¹³, the Commission had

¹² On the debate about PESCO and its historical importance, see *idem*, p.135 ff..

¹³ Global Strategy for the European Union's Foreign and Security Policy

issued a Communication to the European Parliament, the European Council, the European Economic and Social Committee and the Committee of the Regions, on a European Defence Action Plan (EDAP), where the purpose of establishing a strong European defence was clearly stated: “The Commission is ready to engage at an unprecedented level in defence to support member States. It will exploit the EU instruments, including EU funding, and the full potential of the Treaties towards building a Defence Union”¹⁴.

The initiative was conceived with the intent to rationalize and to strengthen the Defence Single Market and was fuelled by the request for security and defence coming from a large percentage (2/3, according to Eurobarometer) of European citizens¹⁵.

The guidelines followed in the development of the project were: 1.- not to contrast or to double NATO, with whom a Joint Declaration had been signed in Warsaw, in July 2016; 2.- to act within the limits of the Lisbon Treaty; 3.- to achieve at least some integrated defence capacities, among other means, by PESCO.

At a joint presentation of the state of the affair made in Rome on October 30th 2017 by the EU’s High Representative for Foreign Affairs and Security Policy, Federica Mogherini, and the Italian Defence Minister, Roberta Pinotti, the launching of a PESCO between France, Germany, Italy and Spain was given for almost certain to materialize before end 2017. Once again, the operation was the outcome of the France’s and Germany’s will, with the participation of Italy and Spain making it to be European.

Not everything was already clearly defined in the laboratory of defence set up by the High Representative: PESCO would be for running European cooperation projects in the procurement of course, and in what else? PESCO would be built in the frame of the EU and the defence system of the EU would be a multi-speed system, where different groups of member States coexist, but how these various enhanced cooperations together with PESCO could entail a Single Defence Policy?

¹⁴ COM (2016) 950 final.

¹⁵ Special Eurobarometer 464b, Fieldwork June 2017, Publication December 2017.

This lack of determination seemed to be connected partly to the complexity of the issue, imposing to proceed cautiously step by step, partly to the fact that in the second part of the Brexit negotiations a partnership EU/UK in security and defence and the fight against terrorism and crime are going to be discussed¹⁶. In fact, it could be convenient, before detailing its own position, to listen to what Her Majesty's Government will concretely offer as its future partnership, already depicted "unprecedented in its breadth, taking in cooperation on diplomacy, defence and security, and development, and in its depth, in terms of degree of engagement that the UK and the EU should aim to deliver"¹⁷.

Shortly thereafter, on November 13, 2017, at the Council of EU Ministers of Defence and of Foreign Affairs, PESCO was activated in a different format: between all EU Member Countries except, at the moment, United Kingdom, Ireland, Denmark, Portugal, Malta. Unexpectedly 23 volunteers were suddenly found – and their number was likely to grow up -, thanks to the German will, to the institutions' concern with keeping cohesion inside the EU, and to the huge EU funding put on the initiative by the Commission.

So PESCO is born in the basic framework of the EU, firmly integrated with its existing institutions, from the High Representative overlooking its functioning to the European Service for External Action (SEAE), the European Defence Agency (EDA), the EU Military Committee acting as its Secretariat, and the Political and Security Committee and the European Council meeting also at 23, in PESCO format¹⁸.

Notwithstanding some characters of a PESCO, as the possibility of expelling members not performing well at majority vote, it looks like a type of enhanced cooperation based on defence spending, weak in political leverage, elusive in ambition.

¹⁶ Pat Cox, *Pathway Brexit*, in «Rivista di Studi Politici Internazionali», 2017/3, p.336.

¹⁷ HM Government, *Foreign policy, defence and development*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/643924/Foreign_policy_defence_and_development_paper.pdf.

¹⁸ Ministero della Difesa, *Difesa europea, 23 paesi firmano PESCO. Pinotti: traguardo decisivo*, in https://www.difesa.it/Primo_Piano/Pagine/Difesa_europea_23_p...; Alessandro Marrone, *Ue: difesa, parte PESCO, cooperazione strutturata permanente, 14 Novembre 2017*, in <http://www.affarinternazionali.it/2017/11/ue-difesa-pesco-parte>.

Instead of following the Eurozone model of the *avant-garde*, composed of countries with similar backgrounds and capabilities, in order to make a successful start and to attract the others to a firmer ground, it has been preferred to start up all together in spite of the existing, deep differences concerning defence, and to delay the formation of a permanent gravity centre for PESCO dealing with decision-making problems. Hopefully, before too long.



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