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**THE EUROPEAN UNION**  
**IN FRONT OF THE POLYCRISIS**

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## ***This lecture***

- Some methodology: the key concepts to study the EU
- Some context (based on the methodology)
- Some scenarios (that may all prove wrong)
- Some speculations (normative approach)

## *Unity and division*

- Unity: institutional ability to decide and act together.
- Division: inability to decide and act together.
- The European Union has reached unity on certain competences, but is still divided on other, even if they are supposed to be EU competences.
- Indicators: unanimity, lack of supranational institutions (Commission, Parliament, Court of Justice) involvement.
- Single  $\neq$  Common (i.e. from Common to Single Market, Single currency but Common foreign and security policy).

## ***The elements of the process***

- Unification: historical political process
- Integration: transfer of sectors/competences to the European level (substantial bargain)
- Construction: transfer of powers over those competences, through the establishment of institutions, rules, decision-making procedures (institutional design).
- The unification process is made by these two aspects, which do NOT proceed in a parallel and coherent fashion

## ***Crisis-initiative-leadership***

- Crises set the agenda: time and issue
- Initiative: the role of supranational entrepreneurs (institutions, personalities, organizations)
- Leadership: national governments crucial role
- Many of the crisis which led to (and shaped the) new integrative step originated within the global context rather than in Europe itself, although what mattered was their impact on Europe and the European perceptions of those crisis

## ***The crisis of the nation-state***

- With the shift from the European to the world state system only continent-wide states can be international actors (great powers).
- After WWII European states became satellites of the "super-powers" (Toynbee, Brzezinski).
- The integration process starts within the range of freedom inside the American sphere of influence.
- US security guarantee allows/pushes European states to take the economic path (minor resistance).

# ***Structural geopolitical challenge***

- Hegemonic fight between USA and China: American strategic focus shift and European security problem
- Strategic autonomy = not to be blackmailed by US (on security) and China (on the economy), nor threatened by Russia (militarily)
- Political Union: foreign security and defense policy; and foreign economic policy to stabilize the neighborhood and favor environmental transition and migration management
- Hurdle: path towards Europeanization of French UN seat and force de frappe

# *Today geopolitical challenge*

- Russian invasion of Ukraine
- Energy crisis
- Geopolitical crisis
- Russian + China aim to structurally change the global order
- What are the opposing principles? Nationalism vs interdependence



## ***The EMU paradox***

- Since Maastricht (1992) we know the EMU is incomplete.
- From the 2008 American bubble to the 2011 European sovereign debt crisis
- The unsustainability of 1 market, 1 currency, and 19 national economic policies
- The need for a European government of the economy, i.e. a Treasury with fiscal powers
- The issue of political union and democratic accountability

## *The CoFoE origin*

- Macron's idea (to get a Euro-area budget. But postponed due to the Covid-19 pandemic, which brought:
- Suspension of the Stability and Growth Pact.
- ECB intervention for 1110 Billion € in 2020.
- New fiscal stimulus: SURE (100 Bn €), ESM (240 Bn €), EIB (200 Bn €), NGEU (750 Bn €: 390 grants and 360 loans) → total: 1290 Bn €
- MFF 2021-2027: 1070 Bn € = 152,85 Bn € per year.

## *The CoFoE*

- The Parliament push for the CoFoE  
<http://futureu.europa.eu>
- The slow start and national government apathy
- The Ukraine war and its impact
- Citizens demands more Europe
- A useful document:  
<https://data.consilium.europa.eu/doc/document/ST-10033-2022-ADD-1/en/pdf>.

## ***The CoFoE follow up***

- June 9 2022 EP Resolution P9\_TA(2022)0244
- VdL supports new Convention in #Soteu
- The Council kicks the ball back to the EP. What next?
- 1) EP unable to draft comprehensive reform proposal
- 2) EP drafts comprehensive reform proposal and obtains a new Convention

## *The key points*

- A good reform: overcome unanimity; strengthen supranational institutions; more fiscal powers; more competences on energy, foreign, security and defense
- An EU referendum (with double majority) to ratify the reform, to overcome unanimity and art. 48; from a confederal to a federal nature

## *The strange shift*

- Macron as the champion of completing the EMU
- Germany as the champion of political union
- None has fully decided to go European
- In the hands of France (as usual)
- How bad a crisis is needed to move towards political union?
- The role of culture, remembering Toynbee

***THANK YOU FOR YOUR  
ATTENTION!***

