

## Possible Avenues for Further Political Integration in Europe - A Political Compact for a more democratic and effective Union?<sup>1</sup>

### ABSTRACT

This study, commissioned by the European Parliament's Policy Department for Citizens' Rights and Constitutional Affairs at the request of the AFCO Committee, analyses possible avenues for further political integration in the EU after Brexit. The study maps the multiple crises that the EU has weathered in the past decade and explains how these crises, including the recent Covid-19 pandemic, reveal several substantive and institutional weaknesses in the current EU system of governance. The study considers the potentials of the nascent Conference on the Future of Europe to renew the EU and examines the obstacles and opportunities for EU treaty reforms, considering the option of channelling the Conference's outcome into a new Political Compact, subject to new, less-than-unanimous ratification rules.

This study commissioned by the AFCO Committee analyses potential avenues for further political integration in the European Union (EU) after Brexit – the withdrawal of the United Kingdom from the EU, which became a reality on 31 January 2020 – discussing obstacles and opportunities for reform in a Union of now 27 Member States.

The study takes off from an analysis of a plurality of old crises that the EU has weathered during the last decade – including the euro-crisis, the migration crisis and the rule of law crisis – and examines also new crises faced by the EU, including the tense debate on enlargement and the new multi-annual financial framework.

The study maintains that this stream of crises – which culminated in the recent, devastating Covid-19 pandemic, with its immediate health cost and its subsequent socio-economic implications – have patently exposed the institutional and substantive shortcomings of the current EU system of governance, urgently increasing the need to reform the EU.

In particular, the study emphasizes how inter-governmental modes of decision-making nowadays dominate the EU governance system, but underlines how institutions such as the European Council and the Eurogroup have struggled to take decisions in a timely, effective and democratic way – as proven by the difficulty to solve ongoing crises for good.

Moreover, the study stresses how the EU system of governance also lacks powers to act in areas such as health, or enforcement powers to make sure that Member States abide by the common rules – and is also not endowed

<sup>1</sup> Full study in English: [http://www.europarl.europa.eu/RegData/etudes/STUD/2020/651849/IPOL\\_STU\(2020\)651849\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2020/651849/IPOL_STU(2020)651849_EN.pdf)



with real own resources to support its spending programs without having to rely on financial transfers from the Member States.

At the same time, the study emphasises how a pervasive idea among EU analysts and policy-makers is that the EU can continue to muddle-through – but warns against any such form of complacency, showing that the ability of the EU to deliver is increasingly limited to a few policy areas, and that the status quo is decreasingly sustainable.

From this point of view, the study welcomes the initiative to establish a Conference on the Future of Europe, designed to renew the EU and relaunch integration. This plan, which is now endorsed by all EU Institutions, should serve as a way to tackle the shortcomings of the EU system of governance and make the Union more effective and democratic.

As the study points out, the Conference on the Future of Europe has the potential to be a transformative process – along the lines of illustrious precedents such as the Conference of Messina and the European Convention, which in the 1950s and early 2000s opened a pathway to break deadlock and move integration forward.

Nevertheless, the study underlines that if the Conference on the Future of Europe wants to be ambitious it must address the issue of treaty reform. The study analyses the regulation of treaty amendment in the EU and underlines the multiple obstacles that exist on this path – notably as a consequence of the requirement of unanimous approval of EU treaty changes.

As a result, the study explores alternative options, considering the increasing practice by the Member States to conclude inter-se international agreements outside the EU legal order in the context of the euro-crisis, with the adoption of the Fiscal Compact, the Treaty on the European Stability Mechanism and the intergovernmental agreement on the Single Resolution Fund

In particular, the study emphasises how Member States have introduced in these separate Treaties new rules on their entry into force that do away with the unanimity requirement. These rules deprived states of a veto power on the approval of the treaty among the other ratifying states, and therefore changed the incentives towards ratification.

Building on these important precedents, therefore, the study suggests that policy-makers involved in the Conference on the Future of Europe should consider channelling the outcome of their work into a new international treaty – a Political Compact – which is subject to less-than-unanimous entry-into-force rules; and discusses the consequences of this option.

As the study posits, as an open, transparent and participatory process where the European Parliament would have a leading role, the Conference on the Future could authoritatively result in the drafting of a new Political Compact allowing the EU to move forward beyond the obstacles embedded in the EU treaty revision procedure.

Ultimately, the study argues that there can be no complacency, and that the EU must be reformed to be made more effective and democratic – a fact vividly exposed by Covid-19. While raising new questions, therefore, a Political Compact may represent a preferable alternative to paralysis, and thus a suitable avenue for further political integration in the EU.

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