

The Future of Europe Project

Opinion **European Union**

Deeper European integration is desirable but difficult

A 'multi-speed' union would put the eurozone on firmer footing

TONY BARBER



Germany's Angela Merkel meets fellow EU leaders. Profound differences exist among member states over how to strengthen the union © FT montage; AFP
NOVEMBER 14, 2017 Tony Barber

Two recent episodes illustrate why discussions about the best way forward for the [EU](#) are so vexed. [Beata Szydlo](#), Poland's prime minister, proposed that national parliaments should have the right to suspend the application of EU laws, if a majority of other states outvote their governments.

Meanwhile, Finland's government opposed a European Commission plan to proceed with a [common deposit insurance scheme](#), on the grounds that risks in the banking sector are not yet under control.

The Polish proposal underlines the suspicion with which some countries in central and eastern Europe will view any [Franco-German](#) push for deeper EU integration perceived as trampling on their sovereignty or diminishing their influence. The Finnish objections highlight that, even in the 19-nation eurozone, there exist profound differences over how to strengthen the currency union that almost fell apart in 2010-12.

Just before a Brussels summit of EU leaders in June, Donald Tusk, president of the European Council, which groups national governments, wrote: "We are witnessing the return of the EU rather as a solution, not a problem." In some respects, he was right.

The eurozone is no longer in a state of emergency, and economic conditions are relatively benign. Europe's refugee and migrant crisis is, to an extent, subsiding.

Above all, electoral contests in the Netherlands, France and Germany — though less so Austria — have seen the defeat of [rightwing populism](#) and other anti-establishment forces. Brexit, or the UK's expected departure from the EU in March 2019, has reinforced a sense of unity among the remaining 27 states.

Yet in other respects there is a danger of complacency. Future turmoil in the eurozone remains distinctly possible. The area's stabilisation has rested too much on unorthodox measures applied by the European Central Bank. National banking systems are still overexposed to sovereign debt. Economic growth benefits millions, but leaves millions of others unemployed or struggling to cope in low-paid jobs. Proposals to address these weaknesses tend to divide wealthy, northern European creditor states from less wealthy, southern debtors.

As for refugees and migrants, the EU's solutions consist largely of ad hoc efforts to stem inflows by tightening Europe's external borders and paying off Turkey and states in north and sub-Saharan Africa. Within the EU, many governments prefer to operate their own controls rather than pursue common policies. Here the dividing line is often between western and eastern Europe, but also among some western states.

In the largest sense, the reason why the EU finds it hard to overcome its multiple challenges is that bitter disputes divide not just national governments but the societies of each member state. Emmanuel Macron, France's president, contends that “people fall into two almost equal camps: supporters of an open society, and those who advocate a closed society”.

In such circumstances, it makes no sense to recommend deeper integration for all 27 states. Take defence. Proposals for a common EU policy run into the problem that some northern and eastern countries regard Nato as their core security guarantee and other countries are neutral. Any defence and security initiatives that omitted the UK, Europe's leading military power next to France, would look limited in scope.

Yet deeper integration among the eurozone states is desirable. It is the only way to put the monetary union on a firmer footing. The reservations of Finland — and Germany — about how to complete the banking union are understandable, but this project must not be left to drift. Likewise the proposed capital markets union. By contrast, it would be better to leave plans for a eurozone “finance minister” or “common budget” for another day, rather than launch them in a timid, symbolic and largely irrelevant way.

Most of the latest ideas for closer integration focus on a “[multi-speed Europe](#)”. A core group or groups of countries would press ahead with common policies in specific areas, leaving the door open to others to join if and when they feel ready. This could be combined with returning some

powers to national governments, as Poland wishes, provided that the framework binding countries in the EU single market and upholding other essential rules remains intact.

However, even this mixture of deeper integration and a partial reassertion of national powers would not guarantee a happy future for the EU. For far too long Europe's leaders have paid mere lip-service to bringing the EU closer to the lives of ordinary citizens. Mr Macron's proposal to elect some European Parliament members on pan-EU political party lists may be a step in the right direction. But the test will be whether, if introduced, it reverses the decline in voter turnout that has marked every election to the assembly since 1979.

In the 1950s, European integration was an elite project, necessarily so. As Europe enters the 2020s, this will most definitely not be enough.

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Letter in response to this column:

[The EU parliament has become remote too / Professor of Government, King's College London, UK](#)

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