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DiffGov

GLOBSEC
IDEAS SHAPING THE WORLD

Making Flexible Europe Work?

European Governance
and the Potential of Differentiated Cooperation

	The Eurozone	The Schengen Space	PESCO	European Public Prosecutor's Office	Divorce law	European Unitary Patent	Property Regimes Rules for International Couples	Financial Transaction Tax - not in place yet	European Intervention Initiative (EI2) *
Belgium	★	★	★	★	★	★	★	★	★
France	★	★	★	★	★	★	★	★	★
Germany	★	★	★	★	★	★	★	★	★
Portugal	★	★	★	★	★	★	★	★	★
Austria	★	★	★	★	★	★	★	★	★
Estonia	★	★	★	★	★	★	★	★	★
Greece	★	★	★	★	★	★	★	★	★
Italy	★	★	★	★	★	★	★	★	★
Slovenia	★	★	★	★	★	★	★	★	★
Spain	★	★	★	★	★	★	★	★	★
Finland	★	★	★	★	★	★	★	★	★
Luxembourg	★	★	★	★	★	★	★	★	★
Netherlands	★	★	★	★	★	★	★	★	★
Latvia	★	★	★	★	★	★	★	★	★
Lithuania	★	★	★	★	★	★	★	★	★
Malta	★	★	★	★	★	★	★	★	★
Slovakia	★	★	★	★	★	★	★	★	★
Bulgaria	★	★	★	★	★	★	★	★	★
Cyprus	★	★	★	★	★	★	★	★	★
Czechia	★	★	★	★	★	★	★	★	★
Romania	★	★	★	★	★	★	★	★	★
Sweden	★	★	★	★	★	★	★	★	★
Hungary	★	★	★	★	★	★	★	★	★
Croatia	★	★	★	★	★	★	★	★	★
Denmark	★	★	★	★	★	★	★	★	★
Ireland	★	★	★	★	★	★	★	★	★
Poland	★	★	★	★	★	★	★	★	★

* EI2: is an example of cooperation outside EU framework
Source: Divorce and separation, European Unitary Patent, Property regimes for international couples, Taxation of the financial sector, European Commission website; PESCO Participating Member States, Europe.eu website; European Intervention Initiative; Ministry of Defence of France.



“Most open to flexible modes of cooperation: Austria, Belgium, France, Germany, Italy, Portugal and Slovenia. Estonia and Spain are also active participants.”

“Least engaged in flexible modes of cooperation: Croatia, Denmark, Ireland and Poland.”

“The most popular formats: PESCO, the European Unitary Patent, the Schengen zone and the European Public Prosecutor’s Office (EPPO).”

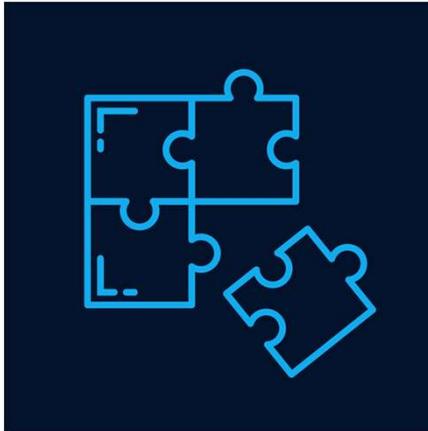


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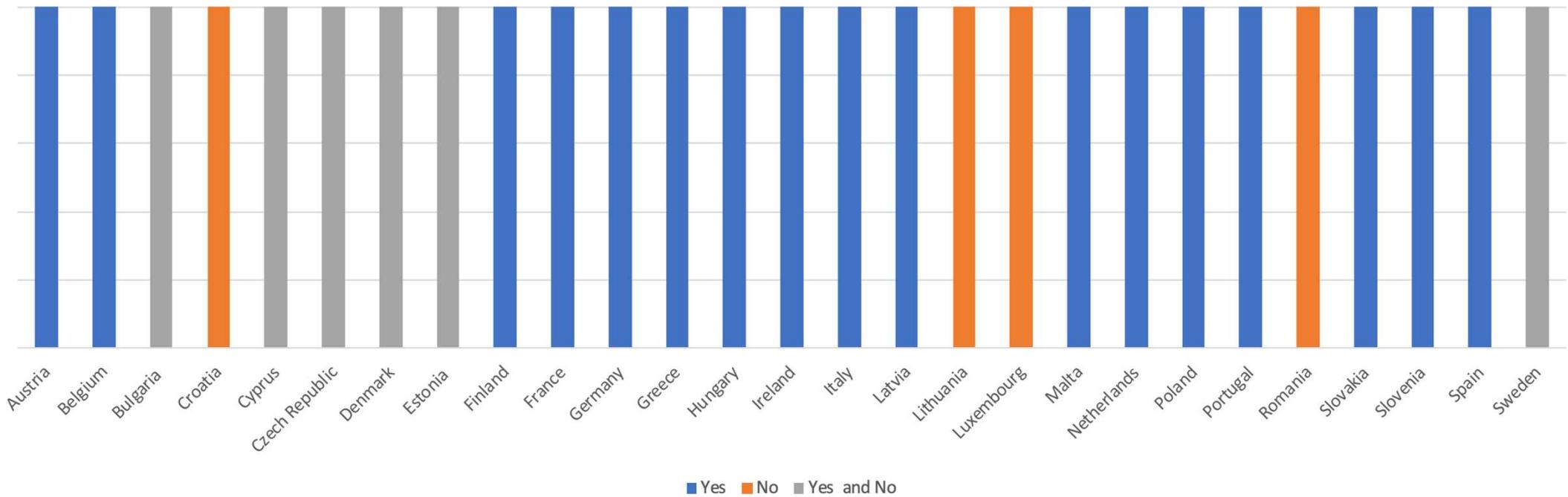
	The Eurozone (5)	The Schengen space (9)	PESCO (11)	EPPO (9)	Divorce Law (7)	European Unitary Patent (10)	Property Regimes Rules for International Couples (4)	Financial Transaction Tax - not in place yet (3)	European Intervention Initiative (EI2) (1)
Slovenia (8)	1	1	1	1	1	1	1	1	0
Estonia (8)	1	1	1	1	1	1	0	1	1
Latvia (6)	1	1	1	1	1	1	0	0	0
Lithuania (6)	1	1	1	1	1	1	0	0	0
Slovakia (6)	1	1	1	1	0	1	0	1	0
Bulgaria (5)	0	0	1	1	1	1	1	0	0
Czechia (5)	0	1	1	1	0	1	1	0	0
Hungary (4)	0	1	1	0	1	1	0	0	0
Romania (4)	0	0	1	1	1	1	0	0	0
Croatia (3)	0	0	1	1	0	0	1	0	0
Poland (3)	0	1	1	0	0	1	0	0	0



Summary of Country Analysis (GLOBSEC expert poll 2020)

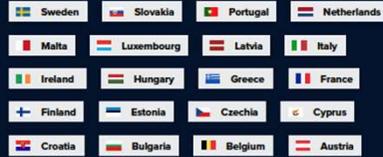


Is your country in favour of flexible modes of cooperation in the EU?



In which policy areas is your country in favour of flexible modes of cooperation in the EU?

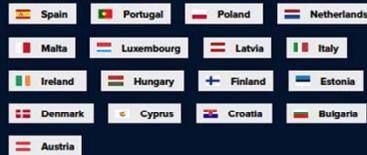
Defence Policy



Migration Policy



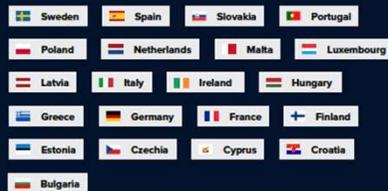
Schengen zone



Foreign Policy



Eurozone



European Public Prosecutor



Other policy areas

Social Europe, The Area of Freedom, Security and Justice cooperation, European Just Transition Fund and European Response to COVID-19 crisis, Climate policy, Energy policy, Digital and sustainability agenda, Internal Security and Information Exchange



“The majority of EU Member States have indicated an openness towards differentiated cooperation if it can help fulfil national interests and provide freedom to participate in specific initiatives on a case by case basis.”

Differentiated cooperation according to Member States

Benefits	Drawbacks
<ul style="list-style-type: none"> • It permits the EU to react to current challenges and demonstrate its capacity to act quickly. • It makes it possible to pilot more extensive collaboration within particular policy areas. • It promises the potential of mitigating Member States dissent. • It enables countries that aspire to extend integration further on certain issues to consolidate a European hard core of countries that indeed can pursue those ambitions. 	<ul style="list-style-type: none"> • Flexibility is not necessarily the answer to Europe's capability deficit. • It could, in fact, weaken the position of countries playing "catch-up" and potentially pit small countries against larger ones. • There is a risk of tension, as small and less influential countries seek to avoid exclusion and attain their invitation to take a "seat at the main table". • If deeper integration is to be achieved, fragmentation and the collapse of cohesion within the EU must be avoided at all cost.



- The expert consensus reveals a recognition that an EU of multiple speeds already exists.
- Governments are contemplating how they can play an influential and constructive role in a system based on this emerging model and how the various speeds can be best coordinated to ensure cohesion.
- EU Member States favour “open door” policies that are inclusive to countries that elect to join at a later date.
- While the majority of Member States agree that EU reform is needed to ensure a more efficient and effective decision making process, it cannot come at the expense of small countries.
- There is a strong emotions in certain Member States about being excluded from “the core” of Europe and having a spot “at the table” with key countries like Germany and France.
- While flexible cooperation is not couched domestically by governments as an ideal scenario, the same governments are, in fact, externally actively pursuing deeper integration in particular areas, including in some cases where all EU members are not necessarily involved.
- Words matter:
 - while “two-speed integration” or “the core/centre and periphery” is often a no-go
 - “multi-speed integration” suspicious,
 - “flexible” is less provocative. The framings of “enhanced cooperation” and the creation of additional European “cores”, aside from the eurozone, are also perceived more favourably.
- There is a nearly uniform opinion against the creation of “closed clubs”.
- There are two policy spheres where multispeed Europe is not viable. These include migration and the EU’s core commitments on the rule of law and democratic principles.

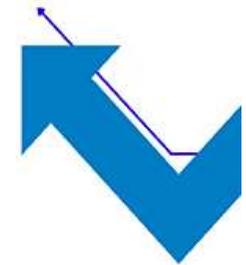




MAKING FLEXIBLE EUROPE WORK: EUROPEAN GOVERNANCE AND THE POTENTIAL OF DIFFERENTIATED COOPERATION

Future Scenarios for Europe in the eyes of DIFF GOV project

Policy area			
The Eurozone	Collapse of the euro	As is, differentiated governance but elevated	All EU members part of the eurozone
The Schengen Area	Demise of borderless space (Break-up scenario)	A Schengen in its current configuration; a smaller Schengen or Schengens	Further integration: federalisation or at least incremental reform
Common Security and Defence Policy	Significant scale down of European defence ambition	Things remain as they are: European defence on a slow burner with emphasis on NATO	More European defence integration
Common Foreign and Neighbourhood Policy	Significant scale down of EU foreign policy ambition	Things remain as they are: EU's role in the world declines	More European foreign policy





MAKING FLEXIBLE EUROPE WORK: EUROPEAN GOVERNANCE AND THE POTENTIAL OF DIFFERENTIATED COOPERATION

DIFF GOV Policy Recommendation for the European Union's Common Foreign and Neighbourhood Policy:

- Think globally, act in the neighbourhood.
- Make use of Member State interest in the establishment of informal coalitions of the willing but ensure cohesion in doing so.
- Take advantage of already existing instruments so that the EU reacts in a timelier manner to unfolding challenges.
- Optimally use the EEAS to ensure it complements the national foreign policies of Member States.





MAKING FLEXIBLE EUROPE WORK: EUROPEAN GOVERNANCE AND THE POTENTIAL OF DIFFERENTIATED COOPERATION

DIFF GOV Policy Recommendation for the European Union's Common Security and Defence Policy:

- Heed strategic needs and ambitions to prevent European defence and security being neglected during economic downturns.
- Avoid duplicating NATO structures and processes and instead focus on areas where NATO lacks competencies.
- Balance flexibility with cohesion and ensure engagement in all regions.
- Focus on delivery and implementation instead of judging PESCO by the quantity of projects on offer.
- Remain open to third party participation as it can bring added value. The EDF, in particular, should allow third party participation, on a pay-to-play basis.





MAKING FLEXIBLE EUROPE WORK: EUROPEAN GOVERNANCE AND THE POTENTIAL OF DIFFERENTIATED COOPERATION

DIFF GOV Policy Recommendation for the Schengen zone:

- Ensure that a rules-based approach for Schengen is in place when it comes to border checks.
- Re-evaluate the accession process and re-establish trust by ensuring that candidate countries are provided a clear and transparent path on the steps necessary to join the club.
- Restore credibility by implementing “boring” operational measures (i.e. peer-review assessments, joint monitoring, the establishment of clear deadlines and justifications) system.
- Make Schengen fit to a digital age equally across the EU.





MAKING FLEXIBLE EUROPE WORK: EUROPEAN GOVERNANCE AND THE POTENTIAL OF DIFFERENTIATED COOPERATION

DIFF GOV Policy Recommendation the European Union's economic policy:

- 
- Prepare the euro better for future crises by completing the Economic and Monetary Union.
 - Clearly communicate an open-door policy towards accepting new members within the euro area.
 - Re-evaluate the admissions process to the eurozone.
 - Expand the global position of the euro so that it has the same global appeal as the US dollar.



From Country Scorecards:

- **Austria:** “Austria is willing to support flexible modes of cooperation in the EU on a case by case basis. The country recognizes that if Europe wants to be powerful, it also has to be flexible”
- **Belgium:** “Cooperation in smaller groups is, nevertheless, acceptable as a sub-optimal outcome if it proves to be the only way forward”
- **Bulgaria:** “While domestically, flexible cooperation is not presented as the ideal outcome, externally the country is, in fact, actively pursuing deeper integration”
- **Croatia:** “Croatia, conversely, is aiming to be part of the European core and seeking to avoid the creation of a second league of Eastern European countries”
- **Cyprus:** “Cyprus, similar to other small EU countries, is sceptical when it comes to a Europe of different speeds”
- **Czech Republic:** “The Czech position towards flexible cooperation, in other words, follows a simple pattern: “let us choose what we want and but don’t leave us behind where we don’t feel like joining.”
- **Denmark:** “Denmark finds itself stuck between two ambitions. One - to be at the core of the EU where it can safeguard the best conditions for itself. The second - to freeze integration in its current state”



From Country Scorecards:

- **Estonia:** “Estonia prefers uniform cooperation in the EU and for the bloc to move ahead with integration with all Member States on board..(...) Perhaps Estonia’s approach can best be called **flexible unity**”
- **Finland:** “While unified integration is the country’s preference, if that is not possible, the country views multi-speed integration as feasible”
- **France:** “France holds that flexibility in policy is a *sine qua non* condition for Europe to function. (...) Paris hopes that a multi-speed Europe will enable countries desiring deeper integration on some issues to consolidate a European hard core of which it will be part”
- **Germany:** “It must be possible (...) for individual EU Member States to forge ahead on particular issues so that Europe can speed up. This flexibility permits the EU to react to current challenges (...)”
- **Greece:** “When required, Europe can move at different speeds and different levels. What matters more is efficiency and increases in funding to achieve better results.”
- **Hungary;** “Even if not expressed in an explicit manner, differentiated integration is generally suitable to Hungary”
- **Ireland:** “While Ireland is open to the idea of multi speed Europe, it is imperative that it operate within defined limits – differentiated integration is intended to facilitate gradual inclusion rather than gradual exclusion”



From Country Scorecards:

- **Italy:** “In recent years, there has certainly been an increase in the perception within the country that flexibility and flexible modes of cooperation within the EU are key to the future of the Union”
- **Latvia:** “It is permissible to preserve a certain degree of flexibility to join or opt out of policy areas, unless the overall solidarity and equality principle of the EU is undermined”
- **Lithuania:** “Lithuania, itself, is pursuing a strategy of anchoring within the core of the EU and close cooperation with vanguard Member States. The country has, up to now, eschewed slower-speed differentiation and appears intent on also avoiding remaining in a "lower" league status”
- **Luxembourg:** “Luxembourg is concerned that a multi-speed Europe could disrupt the cohesion and close cooperation of Member States and result in contradictory developments that ultimately break up the EU”
- **Malta;** “Even though it would like to see Europe move together, it is, however, open to the multi-speed Europe concept”
- **the Netherlands:** “the Dutch position will most probably be a conditional one: yes, to the extent that differentiated cooperation also serves the country’s own interests”
- **Poland:** “Warsaw usually emphasizes the need for the EU to be unified and avoid divides. ‘Flexible cooperation’ raises immediate concerns that are deeply rooted in national myths, traumas, and social complexes.”



From Country Scorecards:

- **Portugal:** “The question is not whether Portugal is in favour of flexible modes of cooperation, but how it will play an influential and coherent role within this context. (...) Portugal want to stay at the core of every area of the EU”
- **Romania:** “The country has articulated its opposition to all forms of multi-speed proposals, arguing that flexible integration is leading to fragmentation and further divisions between Member States”
- **Slovakia:** “ There is also an overall realisation that Europe of two or more speeds has been a reality for some time now and the choice is either to move closer to the core or remain on the periphery”
- **Slovenia:** “Slovenia accepts some flexibility in decision making and policy design for pragmatic reasons. This flexibility, however, should be balanced (...) and prevent moral hazards or unilateral actions with asymmetric implications for other Member States”
- **Spain:** “Differentiation is, in fact, necessary to achieve the objective of closer integration in the EU (...) and is necessary to avoid ‘ever greater disunion’ between Member States”
- **Sweden:** “At large, Sweden is a defender of the status quo and views the cohesion of the 27 Member States as the main vehicle for development - the bottom line being to avoid a core group of more integrated countries drifting away”

