

THE DYNAMICS AND STRUCTURE OF DEVELOPMENT OF EUROPEAN INTEGRATION

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1. Introduction

An integration process in EU went through several stages, from the free trade area through customs union, common market to economic, monetary union: *European Coal and Steel Community* (ECSC)¹ in 1951, *European Economic Community* (EEC)² to develop common economic policies, single market and *European Atomic Energy Community* (EURATOM) in 1958. *European Community* (EC) in 1967 and a significant step to more political cooperation was Treaty on *European Union* (Maastricht Treaty in 1993)³ via establishing modern-day European Union with the single market, currency, monetary policy.

Now the EU, according to this main two binding treaty at the same time characteristic supranational level (shaped competence of EU institutions) and also inter-governmental organization (cooperation is based on consensus between member states and others states) and has achieved a unique level of integration with land area 4,236,562 sq km and population: 513.4 million in January 2019⁴ and the world's third-largest population after China and India.⁵ EU members share a customs union, a single market (freedom of movement of goods, services, people and capital) trade, common agricultural policy and a common Euro currency (19 member states).

More than three-quarters of Europeans (77%) have a positive view of the European Union. Europeans feel that the EU's main assets are its respect for democracy, human rights and the rule of law (34%), the economic, industrial and trading power of the EU (31%), the standard of living of EU citizens (25%) and the good relationship between the EU Member States (22%).⁶ However, now globalization unites

¹ *Treaty establishing the European Coal and Steel Community*, ECSC Treaty, 1951

² *Treaty establishing the European Economic Community*, EEC Treaty, 1958.

³ *Treaty on European Union*, *European Union*, November 1993.

⁴ *Database, Eurostat of the European Union*, January 2019, <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&plugin=1&language=en&pcode=tps00001>.

⁵ *Database, Eurostat of the European Union*, January 2019, Online available at: https://europa.eu/european-union/about-eu/figures/living_en (15/11/2019).

⁶ Special Euro barometer, "Future of Europe", European Commission, October – November 2018, Online available at: <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/index?p=1&instruments=special&yearFrom=1974&yearTo=2019> (15/11/2019).

brings territories and societies into contact and makes them more uniform and furthers their ongoing, asymmetric differentiation process. Moreover, in this globalized and dynamic world, the EU must be deeply integrated in order to be able to cope with the challenges ahead of it and continue to develop own unique path of development integration and be a sample to many other unions in the world.

As a background, the White Paper of the European Commission (March 2017)⁷ describes the drivers of the EU's future, including important facts about a place of the EU in a changing world. The main points of the White Paper emphasize that the EU and its member states must move quicker to interact with each other and citizens, be more accountable and deliver better, faster since the EU is not an easy construct to understand as it combines both the supranational and national level.

Europe is a mosaic composed of different ethnic, regional or national patterns of identification, manifold historical traditions and a variegated set of languages and cultural standards. These should not be conceived of as static 'primordial' ties.⁸ Having regarded these, in the deepening integration context a model such as a confederation for EU will reintroduce new normative and institutional order for balancing power, subsidiarity, sovereignty, representation, and solidarity inside and outside to be a strong political actor as a state in the international relations and world politics. The opportunities of Unity can thus be more effectively looked at through the lens of confederalism or asymmetrical federalism⁹, and in this article, the author focuses on the first one.

2. Drivers of the European Union Future

This EU multi-vector approach leads to the conclusion that the EU is more than an international organization¹⁰. In the narrow-based aspects, White Paper maps out the drivers of change with a range' of 5 scenarios for how Europe could evolve by 2025¹¹ and Policy paper 'Future of Europe' EU's strategic agenda 2019–2024 for preparing for a more united, stronger and more democratic Union in an increasingly uncertain world¹²

⁷ *The White Paper*, "Future of Europe", European Commission, March 2017, pp. 15–29.

⁸ Peter A. KRAUS: *A Union of Diversity: Language, Identity and Polity-Building in Europe*. Cambridge University Press, 2008, p. 8.

⁹ Carolin ZWILLING: What Does Asymmetry Mean in Today's Europe? *Einstein Center for International Studies (CESI)*, The Federalist Debate Papers on Federalism in Europe and the World, No. 2, July 2008, pp. 42–43.

¹⁰ J. PIERRE–B. G. PETERS: *Governance, Politics and the State*. New York, 2000.

¹¹ *The White Paper*, European Commission, March 2017, pp.15–29. Online available at: https://ec.europa.eu/commission/sites/beta-political/files/white_paper_on_the_future_of_europe_en.pdf (15/11/2019).

¹² Policy paper "Future of Europe", "Preparing for a more united, stronger and more democratic Union in an increasingly uncertain world", European Commission, May 2019, pp. 10–74. Online available at: https://ec.europa.eu/commission/sites/beta-political/files/euco_sibiu_communication_en.pdf (15/11/2019).

1. *Scenario #1: THE EUROPEAN UNION FOCUSES ON DELIVERING ITS POSITIVE REFORM AGENDA ('Carrying On').*
2. *Scenario #2: THE EUROPEAN UNION IS GRADUALLY RE-CENTRED ON THE SINGLE MARKET ('Nothing but the Single Market').*
3. *Scenario #3: THE EUROPEAN UNION ALLOWS WILLING MEMBER STATES TO DO MORE TOGETHER IN SPECIFIC AREAS ('Those Who Want More Do More').*
4. *Scenario #4: THE EUROPEAN UNION FOCUSES ON DELIVERING MORE AND FASTER IN SELECTED POLICY AREAS, WHILE DOING LESS ELSEWHERE ('Doing Less More Efficiently').*
5. *Scenario #5: THE EUROPEAN UNION DECIDES TO DO MUCH MORE TOGETHER ACROSS ALL POLICY AREAS ('Doing Much More Together').*

As a result of an author's summary of 5 scenarios by 2015 and 'Future of Europe', the EU's strategic agenda 2019–2024, it can be noted that among these scenarios, there is no possible disintegration of the EU, although it should not be excluded. The practical implementation idea of creating 'multi-speed' means that the different speeds remain as a consequence of the difference in social standards and various levels of member state's economy. For example representatives of the EU 'second speed' have to accept their unequal position within others 'first speed' and it means that 27 countries follow the chosen own path of development (each state determine these areas of integration itself) in the conditions full of consensus and however, this looks unattainable from practice.

There are several prospects such as the practical transformation of the Union into a 'superpower' of the federal type before the formation of the so-called 'multi-speed Europe', in which there will be different groups of states considering the prospects of integration only in certain areas and. The idea and approach 'multi-speed Europe' is not beneficial for Central and South-Eastern European countries in the long term since this EU development model would solidify their secondary role, particularly in addressing food and consumption issues. Moreover, the experience of the migration crisis shows that in case of serious disagreements, Unity can be broken. At the same time, integration solutions to the problems of the Eurozone related to the future of the European currency. In this regard, the choice seems obvious either to return to national currencies, which would lead to heavy disintegration processes and the gradual decline of the EU or to create a common Banking Union and a Budget within the Eurozone.

However, while the document avoids referring to the term of differentiated integration *expressis verbis*, the concept is implicitly present in the third scenario, calling for further differentiation through which a group of countries, including the euro area and possibly a few others, chooses to work much closer notably on taxation and social matters. Scenarios 2 and 4, in turn, call for a 'spill-back' in several policy areas, such as regional development, public health, or parts of employment and social policy not directly related to the functioning of the single mar-

ket. These cannot be grasped as ‘opt-outs’ but should rather be conceived of as different forms of disintegration¹³. Geography is one factor (North-South, East-West), but it is combined with factors related to the level of economic development and the economic and fiscal policies involved. None of the geographic divisions are carved in stone. Social and economic policies change, as do the governments that set them. Differences between the policies of various groups of member states may increase or decrease depending upon the changing economic, social and political conditions.¹⁴

The EU needs to adopt a coherent approach to further development of the European pillar of social rights, which will allow the single market to deliver results that are visible to European citizens. In addition, there is also a contradiction, but an important conclusion also that it seems that the main efforts of the EU made towards keeping and development internal market in any outcome of integration political processes even with the possibility of disintegration or if member states cannot agree on a common position on political issues. For example, as well as a good evidence base is that no wonder that international institutions such as World Bank, International Monetary Fund, European Bank for Reconstruction and Development, Organization for Economic Co-operation and Development and others pay increasing attention to negative effects of globalization, and to the thinning of the social fabric and social fragmentation that can end in full-blown political disarray. There is a discussion of the need to redesign the social contract in view of increasing distributional tensions and a spreading sentiment of unfairness in society¹⁵. For example, the quite interesting proposal puts forward the priorities of Finland’s Presidency are to strengthen common values and the rule of law, to make the EU more competitive and socially inclusive, to strengthen the EU’s position as a global leader in climate action and to protect the security of citizens comprehensively.¹⁶

3. Confederation as a beneficial model for the future of the European Union integration

Although committing to the same ‘*acquis communautaire*’, it has founded heterogeneous outcomes through analyzing specific fields of integration, such as trade integration¹⁷, monetary integration¹⁸, capital market integration¹⁹, labor market integ-

¹³ B. LERUTH–S. GANZLE–J. TRONDAL: Exploring Differentiated Disintegration in a Post-Brexit European Union. *Journal of Common Market Studies*, Vol. 57, No. 5, pp. 1013–1030. Online available at: <https://doi.org/10.1111/jcms.12869> (15/11/2019).

¹⁴ János MARTONYI: Differentiation, not Disintegration. *Hungarian Yearbook of International Law and European Law*, 2018, pp. 9–16.

¹⁵ Daniel DAIANU: Can Democracies Tackle Illiberal and Inward-Looking Drives. *Romanian Journal of European Affairs*, Vol. 19, No. 1, June 2019, pp. 8–9.

¹⁶ Finland’s Presidency Programme. *Sustainable Europe Sustainable Future*. Presidency of the Council of the European Union, 1 July–31 December 2019, pp. 2–3.

¹⁷ R. BALDWIN: *In or Out: Does it Matter? An Evidence-Based Analysis of the Euro’s Trade Effects*. London, Center for Economic Policy Research, 2006, pp. 15–54.

ration²⁰, or institutional integration²¹ (*Annex #1*), it should be noted that here the author rather than a detailed examination of the causes and background conditions which shaped the initial course of European integration more focus for summarizing in a very rough way the process of progressive EU integration with an increase in EU share competences institutions than members states²². Since the discussion of the perspectives of the European constitution-making seems to require a thorough reflection on how Europe's institutional framework relates to the identity of the political subjects of the Union. Along with that, it is important to consider through the main 4 prisms of the theory for different forms of integration which are currently being applied to European integration and critical to assess the reasons for their failure. 1) The 'functionalism' integration dynamics leads to create functional organizations with certain powers granted directly by the states themselves. Theory of functionalism dominates the law of international organizations, explaining why organizations have the powers they possess, why they can claim privileges and immunities, and often how they are designed as well²³. 2) The 'neo-functionalism' for the creation system of powerful central institutions and to transfer by states their sovereignty. Some critics of neo-functionalism mourned the loss of its original faith in automaticity and uni-directionality and complained about the proliferation of potential trajectories, but this was a logical and desirable result of its comparative application and its conversion of 'taken-for-granted' constants into 'should-be-taken-into-consideration' variables. Any comprehensive theory of integration should potentially be a theory of disintegration²⁴. 3) The transactionalism or theory of community security involves the study of peaceful coexistence and friendly relations between states which is inherent in the process of integration, is a consequence of mutual sympathy, preferences, trust, and collective consciousness. The functional optimism of neofunctionalism and liberal intergovernmentalism appears less plausible with respect to core state powers. Policy options that work in market integration are unattainable or dysfunctional in

¹⁸ Andros GREGORIOU–Alexandros KONTONIKAS–Alberto MONTAGNOLI: Euro Area Inflation Differentials: Unit Roots and Nonlinear Adjustment. *JCMS: Journal of Common Market Studies*, Vol. 49, Issue 3, May 2011, pp. 525–540, 2011. On line available at: <https://ssrn.com/abstract=1802940> or <http://dx.doi.org/10.1111/j.1468-5965.2010.02150.x>

¹⁹ Lieven BAELE–Annalisa FERRANDO–Peter HÖRDAHL–Elizaveta KRYLOVA–Cyril MONNET: Measuring European Financial Integration. *Oxford Review of Economic Policy*, Vol. 20, Issue 4, December 2004, pp. 509–530.

²⁰ D. HOWARTH–T. SADEH: *The ever incomplete single market: Differentiation and the evolving frontier of integration*. The political economy of Europe's incomplete single market. London, 2014, pp. 2–15.

²¹ F. P. MONGELLI–E. DORRUCC–I. AGUR: What Does European Institutional Integration Tell Us about Trade Integration? European Central Bank, *Occasional paper series*, No. 40, December 2005, pp. 7–47.

²² See more: András TORMA–Balázs SZABÓ: *EU Public Administration and Institutions and their Relationship with Member States*. Tirgu Mures, Romania, Editura Universitatii "Petru maior" 2011.

²³ Jan KLABBERS: The Emergence of Functionalism in International Institutional Law: Colonial Inspiration. *European Journal of International Law*, Vol. 25, Issue 3, August 2014, pp. 645–675.

²⁴ Philippe C. SCHMITTER: Neo-Neo-Functionalism. European University Institute, July 2002, pp. 3–39.

the integration of core state powers. Intergovernmentalism and neofunctionalism do not help much to understand this difference because they focus on variance in the institutional mechanisms of integration (supranational vs. intergovernmental) but neglect variance in the integration field²⁵. 4) EU for confederalism is not surprising since confederation is an instrument for resolving one of the most pressing problems which allow nations to manage to grow and enlarging territories. In modern life, especially in recent years multilevel and governance have developed in the EU, which includes mainly three relatively independent centers of power: ‘supranational’ (EU), ‘national’ (member states) and ‘subnational’ (regional or local government).

From the above, it follows that, if functionalism, neo-functionalism, and transnationalism cannot capture the uncomplicated complex and multi-faced order in Europe, in this case, confederation may serve as well as a way of analytical, institutional and normative approach. Since European integration is cooperative and it functions by the involvement of member states in almost all community decisions from the preparatory stages to implementation as shared competences. Furthermore, the concept of “European governance” has traveled to the EU’s external governance of neighboring countries.²⁶ Confederalist ideas and the spirit of confederalism itself have always been part of the European design. The ideas formulated by the Founding Fathers of the European integration process after the Second World War. Robert Schumann, Jean Monnet, Alcide de Gasperi, Paul-Henri Spaak and the others understood integration as a process leading to the peaceful coexistence of nations. Limiting their sovereignty and transferring some prerogatives to the supranational level through the creation of federal bonds – was the way to achieve it²⁷.

Nevertheless, based on the classical understanding of the Federal structure, it can be stated unequivocally that the EU is not a ‘Federation of States’. Treated oppositely, if the troubled situation in the EU (after the UK has decided to withdraw from the EU) is a result of too much of the federal content, and therefore federative approach shall be limited. From a historical point of view, it can be understood as the term of Europeanization has developed from a concept originally applied to the member states of the EU to the entire region²⁸. For comparative study, the author proposes to briefly consider the integration processes of the United

²⁵ Philipp GENSCHEL–Markus JACHTENFUCHS: From market integration to core state powers: the Eurozone crisis, the refugee crisis and integration theory. Robert Schuman Centre for Advanced Studies, European University Institute, 2017, pp. 1–24. Online available at: https://cadmus.eui.eu/bitstream/handle/1814/46424/RSCAS_2017_26.pdf (15/11/2019).

²⁶ Sandra LAVENEX–Frank SCHIMMELFENNIG: EU rules beyond EU borders: theorizing external governance in European politics. *Journal of European Public Policy*, 2009, Vol. 16, No. 6, pp. 791–812. Online available at: <https://archive-ouverte.unige.ch/unige:76475> (15/11/2019).

²⁷ Umiński STANISŁAW: The Pros and Cons of Integration VS. Disintegration Scenarios for Europe. The University of Gdańsk, Research Centre on European Integration, Poland, 2017. Online available at: [file:///C:/Users/TechLine/Downloads/18955-Article%20Text-57423-1-10-20171024%20\(3\).pdf](file:///C:/Users/TechLine/Downloads/18955-Article%20Text-57423-1-10-20171024%20(3).pdf) (15/11/2019).

²⁸ Tanja A. BÖRZEL–Thomas RISSE: From Europeanization to Diffusion. *West European Politics*, Vol. 35, No. 1, pp. 1–19, January 2012, pp. 4–15.

States of America and the European Union. Confederalism has American roots, so discussions about whether the American State structure, whose is a good example for comparative analysis, criticism: *Can unite numerous states of modern Europe Union on a state – structural basis as the USA?* Since confederation in the USA also arose in a challenge-response situation (USA was a Confederation, Article 1781–89 of the constitution of the United States). Such as the USA federal system is characterized by sovereignty being shared and divided between different levels of government, and the EU meets this criterion of constitutionally guaranteed territorial division of powers, as sovereignty is divided between EU and its member states. ‘*Sui generis*’ nature of the EU has many characteristics in common with federal systems and here is a brief comparison and conclusion:

USA	EU
<ul style="list-style-type: none"> ● The absolute priority of the Federal Constitution and Federal laws. ● Equal constitutional status of the constituent entities of Federation (no official classification of the Member States according to their national composition or economic potential). ● Clear division of powers between the Federal State and the States (mainly in the legislative field, competence) and ensuring distribution for each of these levels of financial annual incomes. ● Member States themselves determine their electorate, establish mandatory requirements for the passage of party candidates for public office through primaries (primary elections). ● Separate entities have the right to create a unicameral Parliament (Nebraska), and can pass laws according to which courts and Cabinet members must be elected (at the Federal level, they are appointed). ● The individual States have the right to pass laws on holding petition referendums. ● Established special status for unincorporated territories (Puerto Rico, GUAM, Micronesia, Virgin Islands, Eastern Samoa, etc.) And so-called adjacent (associated) territories. 	<ul style="list-style-type: none"> ● Lisbon Treaty as making the European Union more efficient, more effective and more democratic, but even elections of the European Parliament take place every five years (but not always the electorate knows the candidate for Prime Minister from a political party during the election campaign) and it should be claimed that the EU has a democratic deficit. European actors proposed to set up a more participatory democracy by promoting transparency. ● European decision-making processes show several characteristics of consensus democracy and based upon mechanisms and procedures that are typical of confederation systems. ● Article 5 of the Treaty on the European Union (TEU) sets the limits of the EU competences according to the principle of conferral. ● Principles of subsidiarity and proportionality apply. The EU’s ability to act, or to interfere with the member-states is not unlimited. ● Community Law enjoys supremacy over member state law, and the European Court of Justice is the supreme judicial arbiter (as the Supreme Court in the US). ● Commission, which proposes legislation in the EU, is a federal institution independent of the member states

EU also differs from a federal state, such as the US, in several important ways²⁹:

- The EU was set up by states in contrast to the US that was established by the people, and states remain the ‘masters’ of the treaties. EU member states retain the right to act independently in matters of foreign policy and defense, and also enjoy a near-monopoly over other major policy areas such as criminal justice and taxation.
- Member states are separate, sovereign entities under international law, and possess a de facto right of secession from the EU (this has been made a de jure right in the new Constitution).
- The EU possesses no independent powers of taxation and the EU spends less than 2% of the public expenditure of the Member States.

The EU lacks essential characteristics of a state, such as a head of state, and perhaps more importantly, a European polity or demos with a strong sense of European identity. The European people lack the identity that American people have, which could overwrite their national or ethnic origin: Europeans consider them as German, French, and Hungarian, etc. in the first place³⁰.

As a result, the EU may adopt an institutional structure that bears a closer resemblance to the federal system of the United States as a ‘new’ type of confederation where member states may seek to limit the powers of the EU to strengthen the democratic structures at the national (state) level.

Now on top of political and legal discourse, that democratic deficit in EU is an ongoing debate that took off after the failure of the referendum on the Treaty of Maastricht in Denmark in 1992. Both scientists and politicians seek to find optimistic mechanisms; the author of the article admits that it can be seen as rooted in the institutional structure of the Union. Moreover, it has been argued that the EU should move towards a more confederal model for example, such as Switzerland. The article proposes to consider, analyze the model of Confederation.

Switzerland as a possible state – structure role model for EU³¹

Switzerland is a classic example of a multinational confederation state (26 multilingual cantons, 3 thousand communities) in Europe and one of the most developed countries in the world. Switzerland, the basis for Swiss confederalism development of is the principle of subsidiarity, direct democracy, compromise solutions (consensus basis), and protect various minorities (religious and ethnic).

²⁹ EU Briefings: Policy Area: *Political and Institutional Factors*. Policy Area: Political and Institutional Factors, European Union Center of North Carolina, 2006. Online available at: https://europe.unc.edu/files/2016/11/Brief_Decision_Making_Legislation_2006.pdf (15/11/2019).

³⁰ György MARINKÁS: How Not to Build a Monetary Union? The Structural Weaknesses of the EMU in the Light of the 2008 Crisis and the Institutional Reforms for Their Correction. *Hungarian Yearbook of International Law and European Law*, 2018.

³¹ Swiss government: <https://www.admin.ch/>

Following best practices, important principles, approaches can be adopted from experience for the EU Confederation³².

- The confederal structure European institution based upon the collegial and consensus principle.
- National elections based upon the party-list version of proportional representation and equal elected representation of States.
- Direct democracy and local communal democracy and the use of obligatory and optional referenda and popular initiatives; referenda for constitutional and legislative reform.
- The principle of proportionality; power-sharing in small communities.
- The principle of double majorities; citizens participating in the electoral politics of decision-making in their dual capacity as states' interests and identities and confederal (national) interests and identities.
- State autonomy and strong local powers with competences.

In this case, confederation-decision between the European Parliament and the Council of Ministers will be introduced as a general rule, the veto-powers of the member states will be reduced to a large extent, participatory democracy will be introduced, justice and home affairs will be communitarian and a quasi-foreign minister, supported by a European External Action Service will be introduced.

4. Author's discussion, critical analysis

The Lisbon Treaty can be considered as a breakthrough for European democracy and more about from a Union of governments to a Union of citizens, and it is not the last European treaty. The more thrilling part of future integration of the European Union will be confederation and then possible federation.

The European Community is not a confederation, but within its institutional structures, there are some elements similar to confederalist mechanisms. It has to admit that in the context of globalization, the traditional perception of the role of the state and the meaning of its formal attribute of state sovereignty is changing. The ability of the EU has always been functional, but member states have international legal personality. Under these conditions, in modern political science, there is a sharp rise in interest in the problem of transformation (crisis or devaluation) of state sovereignty. EU's highest authorities do not have sovereignty, which remains in the hands of member States. The Maastricht Treaty establishes a procedure for decision-making at intergovernmental conferences with the full consent of all members of the Union, which is expressed by the signing. It should be emphasized that the internal political aspect of EU systemic has a crisis, which has become by far the most painful and insurmountable obstacle in building the political union and in this regard, the best option will be a confederation which was analyzed in this

³² Michael BURGESS: *Comparative Federalism. Theory and practice*. USA–Canada, 2006, pp. 118–121.

article. In the following, the author will have a glance at the possibility of existence in a hypothetical perspective through a brief SWOT – analysis of the confederation model for the EU.

<p>Strengths</p> <ul style="list-style-type: none"> • <i>Direct democracy</i> • <i>Diffusing power</i> • <i>Unified state foreign policy</i> • <i>Increases participatory approach (level of participation by citizens)</i> • <i>Eurozone budget³³</i> • <i>Tax harmonization or even European taxation³⁴</i> • <i>Eurozone enlargements</i> • <i>European Monetary Fund that also includes a backstop for banks</i> 	<p>Weaknesses</p> <ul style="list-style-type: none"> • <i>Encourage the passing of conflicting laws</i> • <i>Create oppositional competition</i> • <i>Intergovernmental conflict</i> • <i>Multilevel legal alignment</i>
<p>Opportunities</p> <ul style="list-style-type: none"> • <i>Encourages a system of cooperation</i> • <i>Reaches bilateral cooperation and in</i> • <i>Encourages innovation in governing</i> • <i>Allows the government to become more responsive to individual needs</i> • <i>Financial support for national economic reforms greater emphasis on innovation</i> • <i>Protection different segregation</i> 	<p>Threats</p> <ul style="list-style-type: none"> • <i>A different measure of national ambition, any sense of national belonging</i> • <i>Blockage nationalist policies by the Federal States</i> • <i>Inequalities between different member states</i> • <i>Wealth gap</i>

The SWOT analysis highlights the significant potential and already existing both political and institutional conditions for the confederation. To strengthen the argument, the author once again wants to take an example Spinelli project. One of the fundamental ideas of development towards confederation and the federation of the Union Spinelli's concepts for an EU constitution, which he unveiled in 1972, embraced both the constitutional process and institutional aspects. From the start, Spinelli was convinced that the Union's constitution could not be created in a sing-

³³ See: Zoltán ANGYAL: Monetary Sovereignty and the European Economic and Monetary Union, *European Integration Studies*, 2009, 7, 1, pp. 109–119, p. 11.

³⁴ See: Éva ERDŐS: The Tendencies Of Direct Tax Harmonization – Tackling The Digital Tax Avoidance. *Curentul Juridic*, Year XXII, 2019, Vol. 76, No. 1, pp. 108–120. http://revcurentjur.ro/old/arhiva/attachments_201901/recjurid191_8F.pdf, p. 13.; Éva ERDŐS: The Tax Conflicts in the Light of the European Tax Harmonization. In: Tamás KÉKESI (ed.): *The Publications of the MultiScience – XXX. microCAD International Multidisciplinary Scientific Conference*. Miskolc, University of Miskolc, 2016, Paper E_6, p. 8.; Éva ERDŐS: The extentional interpretation of the principle of public burden sharing in the light of European tax harmonisation. *European Integration Studies*, 2011, 9, 1, pp. 41–56, p. 16 p.

le step; rather, it had to be the outcome of a multi-stage process³⁵. He offered very topical prospects as regards the development of its institutional architecture. Spinelli was advancing views which – at least in principle – reappear in the texts of the most recent draft constitutions: Strengthening and involvement of the European Council; Comprehensive co-decision rights for the European Parliament in the legislative process; Strengthening of the position of the Commission President; The Commission to be politically accountable to the EP; Transfer of common foreign policy competence to the Commission; Restructuring of the Council into a European chamber of states; Establishment of separate EU diplomatic missions in third countries. Given all the above arguments EU citizens not be scared to oppose Euro-sceptic views and rather strongly demand further steps towards a United Europe as a Confederation. It is critically important to note from the perspective of a rational approach that European integration is a role model. EU has its great advantages as one of the greatest achievements in integration is to recognize that the dynamism of European law and European decision-making processes involve several characteristics of consensus democracy and based upon mechanisms and procedures that are typical of confederal systems characterized by *de jure* asymmetry³⁶.

The true challenge for the EU is to face the competitive pressure from China, USA, Japan, Russia, and having this regards normative unity is required, which would be provided by confederation to the European Union. Except all of the above trends have complicated the EU's ability to deal with multiple internal and external challenges. Among the most prominent challenges such as migration and integration concerns, democracy deficit, European identity and leaving UK from the EU Brexit³⁷ which became clear that the EU is experiencing an existential crisis. An important aspect is the problem of European identity since Europeans still associate themselves rather with their states, culture than with supranational institutions of the EU. The empirical literature generally supports the view that such a distinction exists. One interesting twist is that within any given country, some people hold a more *ethnic conception* of nationalism and some hold a more *civic conception*³⁸. The main issue on the agenda determinately depends on whether one defines identity in civic or ethnic terms. For example, a striking example is the multilingualism policy of EU aims at ensuring multiculturalism, tolerance and European citizenship with modern civil liberties, the rule of law. Moreover, the lack of common immigration policy, botched interventions abroad that have mis-

³⁵ Policy paper, Constitutional Affairs: Altiero Spinelli: European Federalist. European Parliament's Committee on Constitutional Affairs, October 2007.

³⁶ Policy paper, Constitutional Affairs: Altiero Spinelli: European Federalist. European Parliament's Committee on Constitutional Affairs, October 2007.

³⁷ See further more: Lilla Nóra KISS: Exiting the EU: Pre- and Post-Lisbon. *Curentul Juridic*, Year XXI, 2018, No. 3 (74), 3, pp. 13–26., and Lilla Nóra KISS: General issues of Post-Brexit EU Law, *European Studies: The Review Of European Law Economics And Politics*, 4/2017, pp. 220–227, p. 7.

³⁸ T. REESKENS–M. HOOGHE: Beyond the civic-ethnic dichotomy. Investigating the structure of citizenship concepts across thirty-three countries. *Nations and Nationalism*, 16 (4), 2010, pp. 579–597.

fired, permeable EU frontiers, and the diminishing cohesion and trust among EU member states have all, inter alia, brought about this crisis—quite likely, more threatening than the Eurozone crisis³⁹. To address challenges of integration EU has taken steps to further support member states in their integration policies, where economic integration will eventually lead to the political unification of Europe.

The authors draw attention to the strengths of the Union, which will be a fundamental impetus to a strong confederation, for example, the EU legal system, ‘hard law’ and ‘soft law’ mechanisms both enforced with institutional flexibility. In this regard, the role of CJEU is strengthened, and the CJEU is endowed with the powers to issue the referring court with all criteria for the interpretation of Community law, which enables it to judge the compatibility of the national legal rule with the Community regime⁴⁰. Another example, EU Council President has initiated a full ‘leaders agenda’ in the run-up to the European Parliament elections in 2019 which presented as a win-win outcome for everyone. Moreover, the EU needs a new multiannual financial framework (MFF), which also demands a comprehensive perspective on new policy objectives and sources of fresh money so that the EU that delivers can be constructed⁴¹. In sum, the current EU narrative at the EU level is one of a comprehensive agenda, which should be with deeper integration. Even as a reform, Piketty⁴² proposes to establish a strong parliamentary representation of the Eurozone. Also, a separate budget shall be made for the Eurozone countries, ‘supplied’ from the European tax. It would enable us to fulfill ‘taxation with representation’ principle.

5. Conclusion

In the last 25 years alone, the mainly European Union treaties (Maastricht, Amsterdam, Lisbon) have profoundly reformed and transformed a Union and has become an example for many integrations how naturally from one stage consistently could shift move to another. Obviously, the Lisbon Treaty has opened a new chapter of European integration, but at the same time, it must admit that it still holds the unfulfilled potential of it for today.

While studying European integration issues, it should be noted that there is no easy way out of the European institutional debate. From the background of the UK’s exit from the EU and the growing popularity of Euroscepticism, the preserva-

³⁹ Daniel DAIANU: Can Democracies Tackle Illiberal and Inward-Looking Drives. *Romanian Journal of European Affairs*, 19, No. 1, June 2019, pp. 5–22.

⁴⁰ CJE, C-292/92, *Hunermud v Laudesapothekerkammer Baden-Württemberg*, marginal note 8; *Streinz/Ehricke*, TEU/TFEU, 2nd Edition, Article 267, marginal note 14, from 15/12/1993.

⁴¹ G. A. OETTINGER: Budget matching our ambitions, speech given at the conference “Shaping our Future”. EU Commission, 2018. Online available at: https://ec.europa.eu/commission/commisioners/2014-2019/oettinger/blog/budget-matching-our-ambitions-speech-given-conference-shaping-our-future-812018_en (15/11/2019.).

⁴² S. HENNETTE–T. PIKETTY–G. SACRISTE–A. VAUCHEZ: Draft Treaty on the democratization of the governance of the Euro area. 2017. Online available at: <http://piketty.pse.ens.fr/files/T-DEM%20-%20Final%20english%20version%209march2017.pdf> (15/11/2019).

tion of EU unity and a new stage of integration with equal not only political, economical, but also social opportunities is the most important factor of future development of the EU. Now European Union ranges from an intergovernmental organization to a quasi-state structure, being neither a classical international organization nor a federal state. European the concept of enlargement of Union remains unchanged, by offering the prospect of EU membership as an applicant -countries meet the EU requirements which are a crisis in the EU has made some adjustments to the European plans. According to the author's opinion in the foreseeable future, Germany will continue to play a leading role in the EU and its role after Brexit⁴³ will further strengthen as a locomotive of European integration with the participation of France, Italy and others member states engagement. Germany and France will seek political compromises on the future vision of the Union and will continue to search an effective model for overcoming the systemic crisis on the basis deeper European Union with preserving the EU integrity, continuing its further deepening with restrained expansion by prospect of transition to a political Union and at the same time, they will be a staunch ally of the United States and NATO.

However, to transform such an entity as the EU into a confederation, it is necessary to change its concept and move from an economic union to a political one. While economic integration was the first practical step, it was never seen as a final phenomenon, but only as a step towards political unification. Those changes should also include the emergence of the European nation as the exponent of the unity of such a structure. One of the main conclusions can also be called that as life shows, the formation of European regulatory mechanisms is a long-term and permanent process. Having this regard, it should be noted that success of European integration depends not only from Europe Union institution, bodies, legislation, programs but also factor of support for such actions on the part of the EU citizens, who must not only understand these ongoing processes but also actively participate and support it. The EU as a structure that claims to be the center of European civilization, must determine more precisely its collective identity, framework, possible transformations and European identity.

Among the advantages of such 5 scenarios about the future of the UE are that the activities of the EU will continue to produce concrete results, as well as that the unity of the 27 EU countries will be preserved. Among the negative factors, including the fact that the unity of the Union can continue to be tested in moments of major disagreements.

The EU should promote its own unique model of cooperation as a confederation for inspiration for other states such as cooperation.

⁴³ Lilla Nóra KISS: General issues of Post-Brexit EU Law. *European Studies: The Review Of European Law Economics and Politics*, 4/2017, pp. 220–227, p. 7.