

Wirtschaftswissenschaftliches Forum der FOM

The Future of the European Union

An Integrated "Political Union" as a Potential Way to Overcome the Crisis

Sarah Diehl



Wirtschaftswissenschaftliches Forum der FOM

Band 61

Sarah Diehl

The Future of the European Union

An Integrated 'Political Union' as a Potential Way to Overcome the Crisis

> Shaker Verlag Düren 2019

Bibliographic information published by the Deutsche Nationalbibliothek

The Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data are available in the internet at http://dnb.d-nb.de.

Herausgebende Institution ist die FOM Hochschule für Oekonomie & Management gemeinnützige Gesellschaft mbH

Copyright Shaker Verlag 2019 All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publishers.

Printed in Germany.

ISBN 978-3-8440-6938-9 ISSN 2192-7855

Shaker Verlag GmbH • Am Langen Graben 15a • 52353 Düren Phone: 0049/2421/99011-0 • Telefax: 0049/2421/99011-9 Internet: www.shaker.de • e-mail: info@shaker.de

PREFACE BY THE EDITOR

The private FOM University of Applied Sciences understands its educational mission as an addition to the German university landscape. The creation of part-time study courses in economic sciences allows employees to further their career chances whilst helping enterprises to adapt to the challenges of demographic developments and increased qualification requirements.

Founded in 1991 on the initiative of industry associations, the FOM works closely with enterprises and business federations. With its present series of publications, the FOM has taken another step towards the dovetailing of theory and practice. The series provides both lecturers and students with a forum to discuss empirical results, innovative concepts and well-founded analyses, whilst a wide publication of their academic work can be presented to the professional public. Some excellent Ph.D. theses by FOM lecturers have also found their way into this series.

Our hearty thanks go out to Prof. Dr. Marcus Helfrich and Dr. Harald Bergbauer, who supervised Sarah Diehl's bachelor's thesis as first and second supervisor respectively.

This paper looks at the current existential crisis of the European Union, which is the result of different challenges the integration project has to deal with simultaneously. After analyzing those challenges exhaustively, the author discusses possible scenarios regarding the EU's future development and their appropriateness to overcome the crisis. In particular, the author tries to answer the question of whether an integrated political union, often referred to as an 'United States of Europe', might be suitable to overcome the current crisis. The ample range of topics this thesis addresses requires an interdisciplinary approach, combining elements of jurisprudence, economics and political sciences. By adding another facet with this series, we hope to enrich the active and fertile dialogue between university and practice. As publishers, we are glad to be able to pay tribute to prominent academic achievements with this edition.

Essen, August 2019

Prof. Dr. Burghard HermeierProf. Dr. Thomas HeupelRectorProrector for Research

PREFACE BY THE SUPERVISOR

"The unification of Europe, like all peaceful revolutions, takes time – time to persuade people, time to change men's minds, time to adjust to the need for major transformations. But sometimes, circumstances hasten the process, and new opportunities suddenly arise. Must they be missed simply because they were not expected so soon?"

Jean Monnet, Memoirs, 1976

The European Union must prove itself in times of global political change. Economic crises, trends of large economies towards protectionism, an alleged resurgence of nationalist ideas, populist currents within member states, anti-democratic and autocratic tendencies in both European and non-European states, slow political decision-making processes in the face of accelerating climate change, challenges of demographic change and last but not least fundamental societal changes that accompany digitalization raise the question of what function, role and importance the European Union should play in tackling pressing issues of the present.

The present study was accepted as a bachelor thesis at the FOM University of Applied Sciences within the degree program to obtain a Bachelor's degree in Public Law.

The study deals in a differentiated way with the question of whether the concept of an integrated political union can be regarded as a solution to the urgent problems the European Union is facing at present. It also includes an analysis of the perception that a lesser degree of political and legal integration might be preferable. The model of a supranational political and legal structure as well as the vision of forming the "United States of Europe" in response to nationalist tendencies in individual Member States are examined. With the present study, the author participates in the discussion about the design of a future Europe. At the same time, the given thesis provides a differentiated insight into the current discussion and thus allows for independent positioning with regard to the core question of the coming years: Has political and economic Europe, in the shape of the European Union, failed or is the future of an economically stable and peaceful Europe more integration within its Member States while taking regional particularities into account?

The study makes a valuable contribution to the constructive discourse about a future "Europe", both in the nature of its approach and in the lessons learned.

Munich, August 2019

Prof. Dr. Marcus Helfrich

Professor of Business Law

Study-Director of Cooperation Programs

PREFACE BY THE AUTHOR

Before you lies the thesis "The future of the European Union – an integrated political union as a potential way to overcome the crisis?", the basis of which is an intensive research on the European Union's current situation and possible scenarios regarding its future development. This topic is especially near and dear to me given that the European Union, a political system *sui genesis* that has guaranteed peace and fostered mutual understanding as well as economic and social development on the European continent during its existence, appears to be immersed in a crisis without precedent. This is especially true because the current crisis is composed of various challenges mutually influencing each other. In the light of this, change is inevitable but the future path on which the project might embark is unclear. The purpose of this thesis thus was to identify possible future scenarios and analyze them regarding their appropriateness to overcome the crisis.

This thesis has been written to fulfill the graduation requirements of my undergraduate studies in Public Law (Öffentliches Recht) at FOM University of Applied Sciences in Munich. My research question was formulated together with my supervisor at FOM University, Prof. Dr. Marcus Helfrich and I was engaged in researching and writing this thesis from January to May 2018.

The research was difficult given the wide range of topics that had to be addressed and the interdisciplinary approach that had to be used to evaluate the EU's current situation exhaustively. Conducting extensive research and literature review, however, has allowed me to answer the question that we identified. I experienced the process of writing this thesis as very instructive and fruitful because it enabled me to deepen my knowledge on the subject and to improve my scientific (writing) skills. With this thesis, I hope to make at least a small contribution to the scientific debate about possible future scenarios for the EU.

Writing and publishing this work would not have been possible without support of my supervisor, whom I particularly would like to thank for his guidance, knowledge and support during the writing process and for always being available

and willing to answer my queries. Besides, I would also like to thank the coreader, Dr. Harald Bergbauer, for taking a critical look at my thesis.

Last but not least, I am really grateful for the kind support and assistance I received by my friends and family: I benefitted a lot from debating issues with you. If I ever lost interest, you kept me motivated. My spouse Gregor and his parents Reinhold and Lioba deserve a particular note of thanks: your wise counsel, unfailing encouragement and kind words have, as always, served me well.

I hope you enjoy your reading.

Munich, August 2019

Sarah Diehl

TABLE OF CONTENT

Pı	refac	e by the	Editor	I	
Pı	refac	e by the	Supervisor	111	
Pı	Preface by the Author				
Li	st of	Abbrevia	ations	VIII	
Li	st of	Figures		X	
Li	st of	Tables		X	
1	Trou	ubling Pr	rospects for the European Union	1	
2	An Integrated Political Union as a Potential Solution to the Crisis			3	
	2.1	The EU: An Overview			
		2.1.1	Description and Characterization	3	
		2.1.2	Institutional Framework	6	
		2.1.3	History of European Integration	9	
	2.2	Problem Description: The EU's Current Existential Crisis			
		2.2.1	Crisis of Legitimacy	15	
		2.2.2	Economic and Financial Crisis	21	
		2.2.3	Security Crisis	28	
		2.2.4	Europe's Role in the World	36	
	2.3	Scenarios for the Future of the European Union		43	
		2.3.1	(Partial) Disintegration	43	
		2.3.2	Interim Conclusion: (Partial) Disintegration is not an Option	า58	
		2.3.3	Supranational Approach as a Way to Overcome the Crisis	59	
		2.3.4	Comparison	76	
3	Con	Conclusion			
A	Appendices8				
R	References				