

Workshop organised by the Hungarian Europe Society

Reforming the EU - Central European Perspectives

Report

Introduction

The Hungarian Europe Society applied to the Friedrich-Naumann Stiftung für die Freiheit with an ambitious project at the end of 2016. The presentations and the debates at the workshop implemented on 18 March 2017 as well as the papers we now present as the outcome of the brain-storming - thanks to the generous support of the Foundation - are parts of a broader concept to bring together like-minded individuals, civil groups, experts, and other stake-holders to create a network of alternative thinkers inside the Central European region and beyond. Alternative ideas, certainly, should emerge in opposition to the current illiberal and populist dominant wave of political and ideological narratives, and, more importantly, political practices especially in Hungary and Poland. The need for such a renewal is pressingly urgent having in mind the continuous confrontations between the two governments and the European institutions as well as member state governments about basic European values, solidarity, the rule of law and liberal democracy.

In the proposal elaborated for our application, we emphasised how important it would be to bring alternative concepts into the public sphere to influence the simplistic logic of the current political discourse driven by governmental nationalistic rhetoric, and, in the Hungarian case, loyal media propaganda. We have contemplated about the methods and incentives how to mobilise intellectual and civil capacities in order to participate in the search for effective political and institutional reforms of the European Union from a regional perspective. We have thought that in order to contribute to the on-going debates about the future of Europe in an era of multiple crises, the opponents of authoritarian, inward-looking and exclusive politics should think about the ways and means how to renew institutional settings, social and economic policy procedures, as well as political communication routines both at national and European levels. Moreover, supporters of democratic and liberal values in the “Eastern” part of the European Union are supposed to closely co-operate with the

academic world and the circles of civil activists coming from the “Western” half of the continent. One of the objectives of such a functioning and vivid network would be to demonstrate the unity in diversity of the European Union - in spite of geographical distances, and, more critically, cultural and historic differences.

In accordance with this conceptual framework, the Hungarian Europe Society started to organise a series of international meetings related to our subject matter. The first event to be held was the workshop supported by the Friedrich-Naumann Stiftung für die Freiheit. Here, we concentrated on the potential political reforms of the European Union, the development of its constitutional structures, whilst the program had a special focus on the functioning of the rule of law, a fundamental principle guiding the European project, which has been systematically breached by member states in our region. Meanwhile we raised some interrelated questions, both theoretical and practical, in order to broaden the scope of our approach. What kind of reforms could increase the capacity of the EU to halt the growth of economic nationalism and populism in Europe, prevent disintegration and govern the single market in the common interests of the member states of the EU? What reforms could strengthen the legitimacy of the European institutions and make the EU capable of defending the rights of its citizens and reflect large national diversity, both in terms of socio-economic development and institutional capabilities, in its rules and policies?

In order to find pro-European solid solutions to existing and complicated problems, we need time for well-prepared concepts based on new arguments after some intellectual provocations. This is especially true in the Central European region, where much less attention has been devoted to issues related to the political and constitutional construction, the institutional decision-making processes and the internal “political economy” of the European Union even after the accession of the new democracies to the EU in 2004 compared to the level of the public and scientific discussions in the older member states. Most debates in the Visegrad countries and in other post-communist states focus on the challenges linked to the sluggish catch-up growth as well as increasing social inequalities and what role the EU financial transfers could play in alleviating such tensions. Nearly completely missing from these debates is the question whether and how various reforms of the EU polity, namely a move towards the implementation of a federalist vision, or, just the opposite, a downgrading

of the political and economic integration, would alter the conditions for a successful adaptation of the relatively late-comer member states and their citizens located and living at the Eastern end of the European Union. As for our first workshop of a series, the Hungarian Europe Society had the intention to get closer to feasible solutions when mapping fundamental dilemmas facing the European Union at its current stage of political and economic integration from this broader perspective.

Tuning up the workshop

In his opening speech, **István Hegedűs**, chairman of the Hungarian Europe Society, analysed the political circumstances in the Central European region and beyond that might accelerate or even block the moves towards a reform inside the European Union. “At the moment”, he emphasised, “2017 seems to be the year when the negative political tendencies expressed in Brexit and Trump’s victory in 2016 can be finally stopped and, probably, reversed”. Democratic and liberal political forces have reacted successfully to the populist challengers in significant number of member states. “Interestingly enough, there is no common formula how to defeat them: in Holland, at least the winning party’s leader, Mark Rutte moved to the right during the campaign in order to bring back voters from Gert Wilders, in France, a new centrist political leader, Emmanuel Macron has grasped the imagination of citizens with pro-European messages, whilst in Germany a relative newcomer in domestic politics, Martin Schulz introduced a more left-wing rhetoric to mobilise traditional social-democrats.”

Concerning the situation in the Visegrad countries, in contrast to the core of the European Union, there is no realistic reason for optimism in the short run. As Hegedűs formulated, “in this country, Hungarians do not simply face the potential risks of a populist takeover, but have experienced the practical consequences of the adventurism of a hard populist political regime”. Although the open declaration of war shaped in the form of “Lex CEU” against academic freedom was not yet proclaimed in the time of the workshop, “the university, which kindly hosts our event, stands under increasing attacks by the government and its loyal media empire especially because of its founder, the American-Hungarian George Soros”. Illiberal-authoritarian political and legal actions taken by the Hungarian government have not been isolated in the region and “Orbánism has spread over” in Central Europe. The peak of this trend was when “together with his friend, the Polish nationalist leader Jaroslaw Kaczynski,

Viktor Orbán declared a cultural counter-revolution inside the European Union last year.” By the end of 2016, the Visegrad Four seemed to hang together “based on their regional identity and national sovereignties expressed in a strong resistance to Angela Merkel’s refugee policy. But the Visegrad Group has not proved to be a united front” as soon as the internal strategic/ideological differences amongst the participants and the prospect of a relative isolation inside the European Union undermined the stability of a “sacred alliance”. Still, “illiberal and populist political declarations dominate the public spheres” in Poland and Hungary. On the other hand, the on-going demonstrations in Budapest and Warsaw against the anti-liberal governmental course in both countries express a fundamental need for alternative political, constitutional and economic concepts to be developed in the Central European region.

László Bruszt, as one of the main initiators of this project proposed by the Hungarian Europe Society, presented the key-note speech of the workshop. The Professor of Sociology at the Institute of Humanities and Social Sciences at SNS in Firenze and at the Central European University emphasised that we observed serious debates about the future of Europe and a North-South divide after the out-break of the financial crisis and the tensions inside the Euro-zone, but the problems present in the Eastern parts of the European Union have become manifest only after the turn to a nationalistic course in Hungary in 2010. To present alternative ideas to the illiberal, populist views of the current government, the new White Paper of the European Commission issued under the leadership of Jean-Claude Juncker seems to be a good starting point. From a political scientific perspective, the five scenarios represent divergence and disunity without a common idea how the future of the European project should look like. For those who say that the status quo or a multi-speed Europe can be the solution, the problem is diversity, namely the behaviour of the actors who are not able or do not want to play according to the EU rules. For others, who would move back-wards, or feel like wearing a strait-jacket under the common rules in the field of the economic policy, the problem is unity. And we have a third group arguing that there is a way for accommodating unity and diversity through a reformed governance system.

According to Bruszt, the key aspect of European governance is market integration that means playing by harmonised rules and interests, the removal of discriminations and restrictions, to

use **Béla Balassa**'s definition. The very complex integrated market is regulated by rights and obligations, whilst mechanisms are needed for the actors to have capacities to follow the common rules especially because of developmental disparities. Even NAFTA is a complex, but incomplete contract regulating three policy areas, but the EU's incomplete contract regulates more than forty fields just inside the economic integration. The problem is that the actors cannot foresee all the potential consequences of this pooling of the national sovereignties. So, there is a need for transnational governance to rule and also to anticipate negative consequences of externalities. In brief: we need a polity. Although the growing federal regulatory regime has enforcement rules, it has a primarily intergovernmental polity where the players are accountable solely to their national constituencies. This a recipe for institutionalised disaster: parochialism and economic nationalism... There are very weak incentives to internalise the potential negative externalities in other EU member states and to play by the common rules in such crisis situations. Ordoliberals, like the German finance minister **Wolfgang Schäuble**, using disciplinary power even reduces national sovereignty of member states which do not behave orderly.

This situation creates room for disintegration, argued Bruszt. For Hungary, for example, there is an incentive to blame Brussels for hardship. But the general point here is that the governance system should make the common market the common good, but it works exactly in the opposite way and becomes a mechanism for disintegration. What should be the direction of solution? We have unity, diversity, and the scheme of representation - to use the special coin of the federalists – and need an institutionalised framework for the representation of member states, their peoples, and the common good. The exact solution is to be debated.

Finally, Bruszt raised the question what would the different reform scenarios of the EU bring for the Eastern member states? They have the most trans-nationalised economy on earth, he added. So, these countries are very dependent from the openness of the market and they can lose a lot being recipients of enormous EU transfers in form of rents. But they are competing with each other and the room for development is limited as they are in the production chain based on cheap labour. Going backwards would increase economic nationalism. Brexit is a good example, a present, showing these countries that the door for the option going out is closed because it is a nightmare even for a strong economy. For the Central European

member states, it is deeper integration which is the only acceptable option. According to Bruszt, politicising the governance system of the European Union can create a win-win scenario for the core and its peripheral region combined with better representation. Developmental support might serve the common good instead of working as rents. The trilemma elaborated by **Dani Rodrik** can be solved in a highly integrated European economy.

The Visegrád countries and the European project at the crossroads

The first part of the session „*Challenges facing the European project*” started with the presentation of **Daniela Lenčěš Chalániová**. In her contribution, the Dean of the Anglo-American University in Prague focused on the recently released [White Paper of the European Commission on the future possible scenarios of the EU](#) by the European Commission. Daniela Chalániová elaborated her views on the five alternative paths described by the European institution from the Visegrad Four countries’ perspective and tried to capture the possible hazards each scenario is accompanied with.

An emphasis was put in the presentation on questions concerning democratic legitimacy and the concept of **Erik Oddvar Eriksen** and **John Erik Fossum** on deliberative democracy was cited by the speaker.¹ In this framework democratic legitimacy derives from the public justification of the results of policies by the ones who are affected by these policies and it can be operationalised through the principles of congruence and accountability. Relying upon these ideas Chalániová touched upon the questions of the collective and raised who is the “we” that is affected by EU policies and how the possible collectives, such as the member states or citizens do have impact on the justification procedures and accountability problems of decision-making in the EU. As for the “*Carry on*” scenario she expressed her critics on the current mechanisms for being consensus-based and leaving no room for competing ideas. Another problem she found when analysing this scenario was the lack of the effective representation of the public sphere. “*The nothing but the single market*” scenario looked problematic for her because of the danger how citizens would turn to be “labour” and the

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<http://www.proyectos.cchs.csic.es/euroconstitution/library/working%20papers/Eriksen,%20Fossum%202007.pdf>

Erik Oddvar Eriksen and John Erik Fossum Europe in transformation: How to reconstitute democracy? RECON Online Working Paper 2007/01 March 2007

possible restriction of existing rights derived from EU law. The speaker's biggest concerns were expressed regarding the "*Multispeed EU*" outcome: she questioned whether the differently integrated member states could still equally be represented and enjoy the same rights. Her worries were expressed concerning the V4 countries which due to the different levels of integration would probably be worse off in a foreseen competition with the core countries, and she questioned if being a citizen of different countries would result in equal statuses. The "*Doing less more efficiently*" scenario was described in the presentation as too ambiguous and unclear in order to be properly evaluated at this stage, and the "*Federalisation*" path was considered as unrealistic due to the lack of a common European identity.

The presentation of Daniela Lenčėš Chalániová was followed by the speech of **Christian Joerges**, professor of law at the Hertie School of Governance in Berlin. Joerges first reflected on the challenges of managing diversity as a result of EU enlargement and devoted some thoughts to the populist legacy of the twentieth century that was still present and influential in Europe. Following the path laid down by **Karl Polányi**, Mr. Joerges problematized the relationship between member states, EU institutions, global financial markets and the challenges facing the future of Europe. He drew attention to the tensions between EU monetary and national fiscal policies that arose after the Maastricht Treaty. He pointed out that the financial crises of the recent decade strengthened these tensions and the conflicting interests of the member states impaired with politically non-accountable mechanisms for the resolution allowed that financial markets intervened in budgetary autonomies which led to unfair political competition between member states. He criticised the fiscal compact, the conditionality mechanisms and the dominance of the "unaccountable" European Central Bank. These were considered as symptoms of an undesirable turnaround in economic governance and legal construction of the EU. Mr. Joerges was citing the "political trilemma of the world economy" developed by Harvard economist **Dani Rodrik**, in which "democracy, national sovereignty and global economic integration are mutually incompatible": any of the two can be combined, but never all three simultaneously and

completely.² The speaker showed sympathy to Rodrik's approach to the extent it stresses that market mechanisms and politics should never be treated separately but doubted that Rodrik was right in assuming that Europe shall choose between the alternatives of federalisation and dismantling deep economic integration. He instead suggested the mutual recognition of the diverse forms of capitalisms and political cultures represented within the EU and promoted the concept of "conflict-low constitutionalism" and the control of member states in imposing externalities on each other.

After this provocative speech, the panel was continued by the presentation of **Tomasz Tadeusz Koncewicz**, Professor of Law and Director of the Department of European and Comparative Law at the University of Gdańsk. In his horizontal analysis he introduced the concept of the "politics of resentment" by which he intended to provide an alternative framework to describe some universal trends that sweeps across Europe. He argued that resentment manifests itself in different forms from events like the Brexit to the rise of right-wing parties through various anti-democratic tendencies that can be observed in Poland or Hungary. The politics of resentment is an anti-elitist, anti-pluralist phenomenon with the rationale of distrust and exclusion behind. It penetrates deeply into the social and political life and endangers the trust between member states and the whole European project as such. Koncewicz drew a line between the "Western" and "Eastern" versions of resentment in Europe. In the latter there is no "other" to be blamed, since these nation states are homogenous. What we have seen in Hungary or Poland recently has a lot to do with the lack of the constitutional culture in Koncewicz's view. He argued that the 2004 EU accession came probably too early to the Central and Eastern European states after the collapse of the authoritarian regimes. Citizens were more concerned with the economic boost and the desired rise of living standards compared to the changes of law and constitutionalism that the new institutions and integration brought along. "Alienating constitutionalism" is referring to the phenomenon when people see legislation and constitutionalism as an elite-driven, top-down process where citizens do not feel to be part of the community. The idea of law being capable of transforming political mechanisms and sustaining democracies should be revisited

² Dani Rodrik's weblog - The inescapable trilemma of the world economy:
http://rodrik.typepad.com/dani_rodriks_weblog/2007/06/the-inescapable.html

according to the speaker and more efforts needed to be made to engage citizens and to change the public discourse so that it would be more supportive of committing to the common good than to the patterns of exclusion and distrust.

The second speaker of the panel was the human rights advisor **Kálmán Petőcz**, the chairman of the Helsinki Committee of Human Rights in Slovakia. His presentation covered the topic of the current status of democracy and human rights in the V4 countries. Like the previous panelist, Petőcz also highlighted that the engagement in real dialogue with the citizens is crucial in the future of the European project. He expressed his thoughts from the practitioner point of view and drew attention to the problem of how to transform the abstract and theoretical upper-level discussions regarding democracy, human rights and Europe into everyday discussions and practices. He named the common European identity-building and the preservation of fundamental European values such as liberal democracy among the prior challenges. Based on his experience currently involved in educational projects in Slovakia, he urged that the basic knowledge on the EU institutions, the history of integration and the European values and concepts should be emphasised in the curricula. Petőcz expressed his dissatisfaction about the educational materials issued by the EU institutions stating that they disregard the Central Eastern European perspective as well as the proper distinction between Europe and the European Union. In his closing remarks he raised the question if the elites who were leading the regime changes in the CEE countries were aware of the fact that liberal democracy is not a self-sustaining, self-reproducing system.

The Rule of Law

The "Rule of law" session tried to answer the questions upon which guidelines and which principles should be followed in order to secure the EU mechanism's operation in a better, more efficient and more representative way. We should have tried to focus on what should be and what are the key principles that we can contribute to and along which, we should come up with alternative solutions for the reform of the political governance of the European Union. **László Bruszt** in his discussion notes has highlighted the principle of solidarity and the clash of the principle of solidarity with the principle of national interest representation which is a specific problem in Central and Eastern European countries. Before the presentations, **Zsuzsanna Végh** referred to a common Visegrad paper which had been

published just a day before the White Paper came out mentioning 'solidarity' at zero occasions. Although Visegrad countries are member states of the European Union, the desirable quality of this specific principle is questionable. We can also see a 'progress' once we compare this document to the September Declaration. Having the above introduction, the panelists were asked to answer the questions concerning this particular principle but in connection with other principles too and reforming institutions, enforcement procedures.

Dmitry Kochenov, Chair, EU Constitutional Law, Department of European and Economic Law, University of Groningen expressed his view that it is a great opportunity, yet a sad occasion to speak about principles after the Lisbon Revision because this revision has profoundly undermined the former requirements, the former elements of our constitutional structure. Why? Because the revision reframes the principles to values. This value language is less enforceable, less binding, even less legal. Besides this helpful revision there is also an extremely helpful narrative that connects these values to constitutionalism. Values are considered to be principles in the sense of Article 2. Many scholars have previously said that the EU did not care, did not consider the relevance of human rights. This however, is a misleading explanation.

Dmitry Kochenov argued that the three main principles, namely democracy, rule of law and protection of human rights found in Article 2 are binding legal norms and core elements of the common European project from the very beginning. Although it is true that the EU integration was not a constitutional project, these principles were relevant from the starting point. He also argued that now there is a kind of misunderstanding, according to which misunderstanding these principles appeared solely because of a constitutional pressure from the side of Bundesverfassungsgericht for example. If we look through the history of the European integration we can see that all political declarations clearly reflect that these three principles are not only suggested values, but basic principles of the EU and it is a clear point for all of us, mostly in this region, and in Hungary. Also if we look at the history of the EU enlargement, these principles are listed as criteria of the enlargement so it is obvious that from the 60s onwards, these fundamental elements, core principles are the ones which the EU based upon. These principles are also seen as orientation points for all country which would have liked to apply for membership. We can also say that countries not respecting or

guaranteeing the protection of human rights, the liberal democracy or the rule of law, are simply not able to apply for a membership in the EU. These helpful signs are clear evidences that these are historic principles and not case law (mostly the European Court of Justice) decided to create them under the pressure of a national court and/or constitutional court. This is one of the fundamental and historic presumptions which is very deeply rooted.

What do we see now from a protective perspective? We may see that the violation of these principles is policed by ECJ, thus one can be brought before court as a result of which, one can start paying fines, too. What is not policed though is the substance of the principle. On the other hand, we have Article 7 and other instruments that are ultimately not used. We have strong policing of the presumptions that the principles are “there” undermining the system. It is easier to punish those who are on the level of substance than those who introduced the principles inefficiently. Unfortunately this is the core problem of the whole constitutional system experienced today. The question therefore rises: what can we do under the current constitutional structure that would allow us to go into the substance? From the case law of the ECJ being very sensitive to this matter, it can be seen that the member states are entitled to look into what happens in the member states and if there is any violation then there is no mutual recognition. This procedure kills the system. This is what does not bring us forward.

How to move on from this point? What kind of tools do we have on the table? How can new configurations of the member states help us willing to go further could be helpful in enforcing the substance? If we have very flexible pattern of integration where the core is to go further, then joining the core can contribute to very strict political conditionality. All those joining the core should make sure the substance is observed. What is crucial here is that any kind of test of the substance will not be effected by the limitation of the scope of the EU.

Renáta Uitz's question has put on stand the following: What exactly is left from the European constitutional project? The answer of the Professor of Comparative Constitutional Law at the Central European University was: very little. If we want to save it, a much more serious engagement is needed. She argued that we should treat the current crisis as a constitutional crisis instead of a friendly conversation on the future of Europe which in her view is what currently goes on. “Constitutional” in this sense refers to a conversation upon fundamental issues of managing the common affairs of a political community, a political

community having some shared values, including rule of law of the respect of human rights. The constitutional project would not be about reaching an agreement but equally importantly about how we treat the disagreements in the community. Within the EU, a constitutional project generally does not sound too good due to the failure of a constitutional treaty. The great contribution from Hungary and Poland is that both countries showed that the commitment is missing and there is surprisingly little willingness to try to reinforce the common values and fundamental rights. That is what we agree on. She suggests that despite the special contribution to this drama, we should put the whole conversation to a much broader context in the fallout of the management of the financial crisis, refugee crisis or Brexit as they showed that if there are constitutional foundations, it is wildly difficult to trace it. If however, the conversation about the future is not about the constitutional fundamentals then there is no point in having this conversation. In addition, we also have a further framework to consider: the open clash between constitutionalism and populism. Thus, we should think about the reframing of the conversation as a constitutional debate and try to involve national constitutional actors. What Hungary and Poland show is how easy it is to mobilise a symbolic constitutional language.

What should therefore be established is to agree upon common constitutional values and rights. In this context, the German constitutional language might serve as a framework to reframe the EU. It should also be noted that the unpredictable consequences of Brexit are only those from the economic perspective but from the point of what will be left to the union. It also envisages the enemies of thereof that are pretty visible now: the populists.

Laurant Pech, Jean Monnet Chair of European Public Law and Head of the Law and Politics Department, Middlesex University, London underlined the rule of law in the EU constitutional framework being one of the fundamental values which the EU is based on. In other words, the EU is based on a long list of values and particular principle that come from the background of national constitutional traditions of all member states. Some lawyers are tend to think that the meaning of rule of law is not defined. As opposed to this view, Pech argued that although there is no official definition, there are some clear and core elements of rule of law. Core elements of the rule of law are the following. The rule of law is a common value of both the EU itself and its member states. The rule of law is also a benchmark for the

candidate countries, offering the analysis of prior compliance. Thirdly, rule of law is a key objective of the EU policy. If not met, Article 7, being a nuclear option may pop up, which provides for sanctions against member states undermining the inevitable fundamentals.

The case of study of Hungary and Poland serve as a topic of research upon what went wrong that ended up the EU facing emerging problems since 2010. What should be at stake is the framework of the rule of law; the effectiveness of the instruments; the analysis of the soft (non-binding) mechanism and should not miss a dialogue with a positive outcome. The objective of the framework is to prevent, through a dialogue with the member state concerned, that an emerging systemic threat to the rule of law escalates further into a situation where the Commission would need to make use of its power of issuing a proposal to trigger the mechanisms of Article 7.

Reform alternatives: national, regional or European sovereignty?

The final session of the workshop considered the alternatives for reform of the European Union. The first speaker, **Tomasz P. Woźniakowski**, researcher of political and social sciences at the European University Institute (EUI), highlighted an optimistic roadmap for the EU. By drawing parallels to the fiscalisation in the United States after gaining independence in the 18th century, Woźniakowski explained why the sovereign debt crisis in the Eurozone could lead to a federal fiscal union: he argued that the perception of threat could stimulate the political willingness for action, thereby leading to the appropriate solution.

The next speakers also discussed the role of political willingness in facing the present challenges, when basic values have been questioned by some Member States, Poland and Hungary in particular, and how any real impact may be achieved in redressing such problems. To this end, **Gábor Halmai**, Professor of Comparative Constitutional Law at the European University Institute, reflected on the pros and cons of constitutional pluralism within the EU, in many remarks also complementing what had been discussed in the previous panel.

As regards the issue of constitutional identity and constitutional pluralism, Halmai noted that the Hungarian Constitutional Court has actually nothing to do with the national constitutional identity or constitutional pluralism discourse: in order not to comply with EU law - especially

not with the one on refugee quota system - the Hungarian Constitutional Court, by referring to the not defined notion of the 'historical constitution of Hungary', has protected an actually unknown constitutional identity. Halmai argued that it cannot be resembled to the discourse of the German Constitutional Court, as the latter cannot be viewed as seeking an anti-European type of constitutional identity when trying to set higher standards e.g. in fundamental rights protection, while acknowledging joint constitutional identities of the EU. Halmai considered the Hungarian and Polish use of the concept of constitutional identity as misuse and abuse of this otherwise acceptable concept. However, in Halmai's view, that would not be enough to reject the concepts of constitutional identity and constitutional pluralism altogether. Thereby he did not agree in all elements with the unsustainability of constitutional pluralism as argued by **Dan Kelemen**, Professor of Political Science and Law at the Rutgers University.

Halmai made his following point about the EU oversight of the Member States' democratic performance. He considered not triggering the EU rule of law framework procedure against Hungary and the present state of the one launched against Poland, in line with Professor Kelemen's assessment, as resulting from the lack of political willingness to act together. Therefore, Halmai argued for an EU treaty change in order to achieve effective European oversight in respect of the values.

Turning to future possible scenarios of the EU, Halmai noted regarding the White Paper of the European Commission on the future of Europe that in this respect the Commission would not envisage any EU treaty change. Halmai deplored the fact that while discussing the role of solidarity and responsibility of the Member States, the White Paper did not mention any democratic deficit in any of the Member States. However, in his view, an EU treaty change would also help the enforcement of citizens' fundamental rights deriving from the national legislation, as in this regard the EU Charter of Fundamental Rights is only applicable when Member States implement EU law.

In his analysis of the White Paper, Halmai voiced his opinion that the Commission's clear preference is for the third proposal of differentiated integration, i.e. 'those who want more, do more'. However, it is important to note the possible consequences of the asymmetry this scenario may entail, in the sense as discussed by EUI Professor **Rainer Bauböck**: 1) it can

affect cohesion, 2) it can violate the commitment to an equal and federal EU citizenship and 3) it may be a threat to the quality of democratic discourse. Therefore, Halmai expressed his concerns that the White Paper may lead to the exclusion of the new Member States not willing and ready to comply with the democratic principles.

The last speaker of the panel, **Kim Lane Scheppele**, Professor of Sociology and International Affairs at the Princeton University, found various positive outcome possibilities even in this context. As a point of departure, she considered the White Paper as a form without a vision. She called therefore to recover the lost imagination of Europe, and to use the present political crisis as a potential for a fundamental reset of the European project.

To expose the underlying problems, Scheppele assessed the accomplishment of the internal market that has been viewed as the single most important achievement of the last 60 years. However, in her opinion, it has actually counteracted constitutionalism in fundamental ways and contributed to the populist and nationalist tendencies across Europe, as it “chokes politics” in “a democracy without choices”. In light of the reconfiguration of the political spectrum along the global – national perspectives, Scheppele was wondering whether the EU has integrated too far in the wrong direction: the EU has had power and various tools to address internal market issues, while it has not been the case of Member States’ constitutional backsliding. In this context, Scheppele argued against market fundamentalism and in favor of giving back more choices to the Member States in terms of their economic policies. If such choices were meaningful, it could, in her view, weaken the allure of the re-empowerment promising nationalists.

Turning to the other aspects of the matter, Scheppele considered the lack of constitutional structure of the EU as the core issue. Enforcing democratic values has never been only a ‘new democracy problem’ of the Eastern Member States, therefore the general way ahead may be the re-constitutionalisation of the whole EU. In this vein, Scheppele analysed the European architecture set up after World War II and concluded that nowadays, in respect of human rights and democracy promotion, the Council of Europe could be seen as the inspirational part without any power, while the EU as the powerful part without inspiration. Therefore, Scheppele argued for encompassing the functions previously allocated to those European organisations – without abolishing any of them – and thereby creating a ‘European Super

Union’. The latter could take on board the constitutional and human rights’ mission, to address the present lack of constitutional spirit of the EU.

Scheppele explained that the EU not only should stand for values but should have a framework for democratic debates and hard enforcement powers in respect of the rule of law, human rights, democracy and constitutionalism. In this vein, she also called for a political liberalism that leaves room for the different national histories and constitutions notwithstanding the respect of the common values.

To achieve the above mentioned goals, Scheppele noted that option 3 of the White Paper, the ‘multi-speed Europe’ concept could provide for an appropriate framework. She highlighted that the current European structure has not worked to discipline any Member State not respecting the common values, therefore she suggested to create a new institutional structure, i.e. the above mentioned ‘European Super Union’ with a new treaty – so not even a treaty change would be required. According to Scheppele’s ideas, the old structure could remain in place, but the redistribution of benefits would be also moved to the new system. The latter could be joined on a voluntary basis, subject to the accessing states’ commitment to constitutional democratic values and an enforcement system thereof. On the other hand, Member States would be left with more economic choices than they have under the current system. In Scheppele’s view the accountability on values coupled with the redistribution power of economic benefits would make the ‘new Europe’ to be genuinely based on values and not only on markets. In addition, the new system may encourage democratic citizens to hold their own governments to account.

Conclusions

The workshop discussed a full range of issues from the emergence of populist challenge to the liberal democracy in the European Union and its member states through the political economic approach to a new European governance and polity till the constitutional identity of the European project, especially the fundamentals of its rule of law concept. The Central European regional approach was emphasised and detected in high-level academic analyses, first of all in the case of debating the different scenarios presented in the White Paper of the European Commission about the future of the European integration. New ideas emerged and

were highly debated just like Kim Lane Scheppele's courageous proposal about a "super" European Union.

As discussed earlier, this workshop and the policy papers, which are also the products of the initiative of the same project, belong to the first phase of a broader enterprise. The following events are supposed to be more open to the public, less academic and more focused on the Visegrad countries' special development. Alternative political and economic concepts will be presented and the network building will be accelerated through the creation of an open space bringing together Hungarian, regional and other partners of the Hungarian Europe Society. The engagement of pro-European political forces and civil activists became stronger and more self-confident in the first half of the year 2017 both in the old and the relatively new member states. We have to use this fresh energy to give new impetus to the debates about the future of a democratic and liberal European Union.

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