

# POLICY BRIEF

## Integrating Diversity in the European Union (InDivEU)

### Differentiated integration has been of limited use in the EU's polycrisis

#### Research Questions

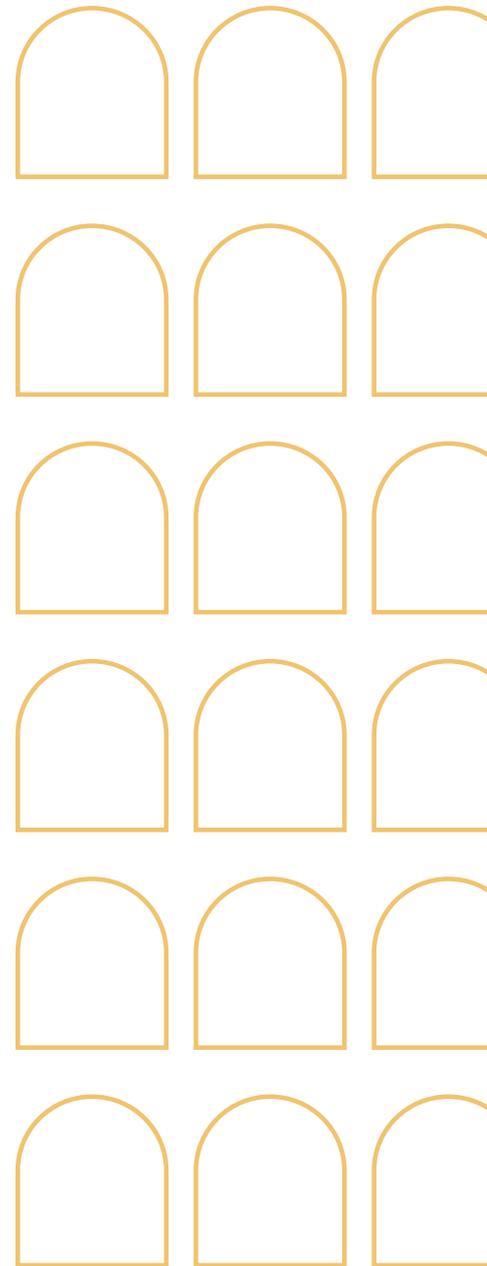
Have the EU's crises reinforced the differentiated integration of the EU? Has differentiated integration helped to manage and overcome the crises?

#### Background

In the past decade, the EU has experienced a number of severe crises, dubbed the 'polycrisis' by former Commission President Jean-Claude Juncker: the euro, migration, Brexit and democracy crises. The 'polycrisis' has presented the EU with a new set of challenges related to differentiated integration (DI). Previously, the problem had consisted in overcoming obstacles on the way to 'more integration'. Differentiated integration served to achieve agreement on new EU policies and member states, and it produced a net gain in integration as a result. By contrast, the recent crises have threatened the EU's existing integrated policies and members with disintegration. The relationship between integration crises and differentiated integration is unclear. How integration crises affect differentiated integration is an open question. For one, the heightened politicization, polarization and intergovernmental conflict typical of crisis situations may drive

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the membership further apart, thereby reinforcing differentiation. Alternatively, crises bring the member states together by demonstrating the need for common efforts and solidarity in order to preserve the achievements of integration, thereby reducing differentiation. Moreover, DI may or may not help to overcome integration crises by offering differentiated solutions to the policy challenges at hand.

## Study Design

This policy brief reports results of two studies. The first study (Schimmelfennig and Winzen 2021) compares the effects of the euro and migration crisis on DI in treaty law and legislation in a counterfactual design. Drawing on data covering the entire history of European integration, it predicts the counterfactual development of differentiation by extrapolating long-term, pre-crisis trajectories to the post-crisis period. It then compares these extrapolations to observed post-crisis differentiation. The second study (Schimmelfennig 2021) develops a theoretical argument about the limited suitability of differentiated integration in the repair and reform of crisis-ridden highly integrated policies and applies this argument in case studies of the migration, Brexit and democracy crises.

## Findings

The analysis of the effects of the Euro and migration crises on primary and secondary-law differentiation reveals highly different trajectories. The Euro crisis has led to a marked increase in differentiation in both monetary and internal market policies. By contrast, the migration crisis has had at best a modest effect on legislative differentiation. The analysis thus suggests that integration crises as such do not have a determinate effect on differentiated integration. Rather, the crisis effect on differentiation depends on the crisis effect on integration. If an integration crisis triggers further integration steps in a differentiated policy, these integration steps are likely to be differentiated, too. If it does not produce more integration, however, it does not produce differentiation either. Whereas the Euro crisis has led to a major leap in the deepening of integration – from joint financial support to deficit countries (the ESM) via stricter rules to enforce budgetary discipline to the banking union – the EU has failed to agree on a major reform of its Schengen and Dublin policies. The crisis has not put the member states on a more uniform

integration trajectory. Neither the Euro crisis nor the migration crisis have helped the member states to overcome existing legal differentiation. Rather, as in the founding period of the euro, differentiation was the price to pay for further integration, whereas the differentiated integration of migration and asylum policies has remained stable.

Differentiated integration is generally less helpful to facilitate reform in already highly integrated policy areas threatened with disintegration than it has been in the integration of new policies and new member states. Splitting up highly integrated policy areas is likely to lead to detrimental positive and negative externalities between the groups. Moreover, EU decision-making rules, supranational actors, informal integration norms and high path dependencies reduce the efficiency, legitimacy, and feasibility of differentiation in highly integrated domains. In particular, DI is infeasible or self-defeating if integrated policies are constitutional, i.e. concern fundamental principles and values of the EU, or redistributive, i.e. imply social sharing among member states. Such policies require (near) uniformity. Correspondingly, the EU crises have generally not resulted in reforms based on differentiation, beyond already existing divides such as between euro area and non-euro area member states.

## Recommendations

The polycrisis has revealed the limited potential of differentiated integration for the further reform and development of the EU. The crises have demonstrated the need to preserve fundamental principles and values of the EU (Brexit and democracy crises) and the complement regulatory with redistributive integration (euro and migration crisis). In these cases, differentiated integration would undermine rather than promote integration. The choice for post-crisis reforms is between uniform integration – as in the recovery fund, the defence of the integrity of the single market and the rule-of-law conditionality for EU funds – and stagnation, not differentiation.

## References

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Schimmelfennig, Frank and Winzen, Thomas (2021). Do integration crises reinforce differentiation? The effect of the euro and migration crises on treaty and legislative differentiation in the EU. Deliverable 4.6, InDivEU project, 31 March 2021.

**Integrating Diversity in the European Union** (InDivEU) is a Horizon 2020 funded research project aimed at contributing concretely to the current debate on the 'Future of Europe' by assessing, developing and testing a range of models and scenarios for different levels of integration among EU member states.

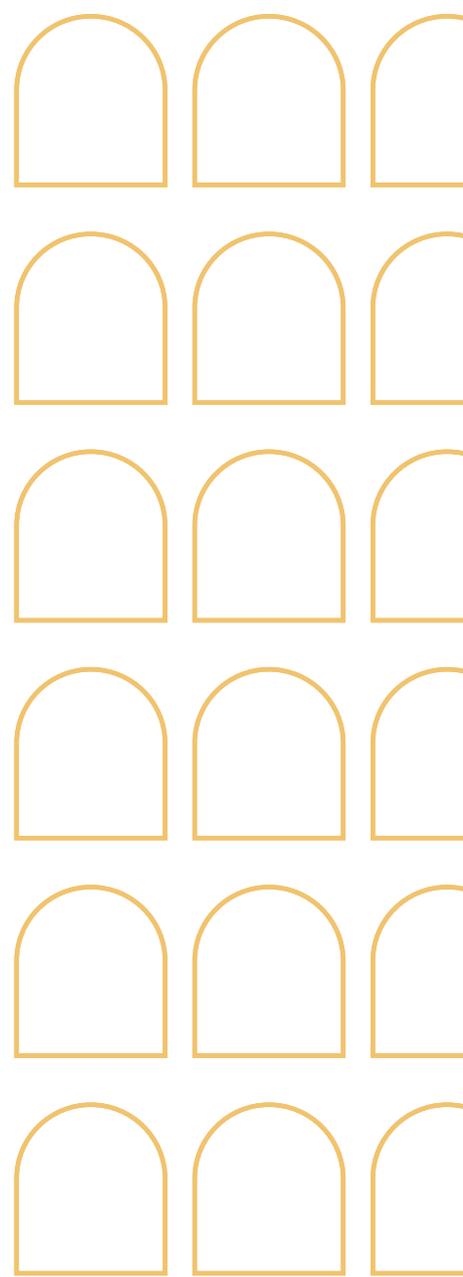
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