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# New European challenges: the "Schuman" lesson

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Since the health crisis, the European Union has changed. Since the Russian war in Ukraine, these changes have accelerated, to the extent that the face it presents today bears little resemblance to what it was just five years ago. The European institutions have had to adapt to the needs expressed by the Member States. They themselves have drawn their own conclusions from the changing geopolitical situation. These upheavals have led to spectacular advances, but also to some mistakes.[1]

## GREEN DEAL

Europeans have decided to take the lead in the fight against climate change. They have used the European dimension and institutions to set themselves ambitious targets to reduce greenhouse gas emissions (90% below 1990 levels by 2040) and make the continent "climate neutral" by 2050. One hundred and sixty-nine targets to be achieved by 2030, 3 billion trees to be planted and 75 European laws have been adopted, while a third of the €1,800 billion in recovery and investment plans is earmarked for this policy.

Since her investiture in 2019, Ursula von der Leyen has made the implementation of the "Green Deal" a priority for her Commission. This has been the subject of very strong lobbying by non-governmental organisations and of spontaneous and vibrant enthusiasm on the part of national governments. All the European institutions, including the European Central Bank and the European Investment Bank, have aligned themselves with these guidelines, which are seen as likely to generate new growth and give Europe a head start in transforming production and consumption patterns. Under this legislature, the commitment to the environment has become the main credo of European policies.

## EXTRATERRITORIAL DIGITAL REGULATION

The lack of regulation of the major digital players and their influence on the European market has led the European Union to adopt unprecedented and stringent rules that apply *erga omnes*. The

General Data Protection Regulation (GDPR) adopted in 2016, the Digital Markets Act since May 2023 and the Digital Services Act, which came into force on 17 February 2024, are innovations that have never been attempted anywhere else. Coupled with other legislative texts requiring the removal of terrorist content, the fight against child sexual abuse, the protection of copyright and the integrity of online commerce by 2022, these provisions, and others to come, are the result of a 'digital compass', a veritable action plan designed to make the 2020s the 'digital decade' that will allow Europe to truly turn the corner in this area. In addition to their application within the EU, these texts also apply to the major foreign players present on its territory. Given the importance of the European internal market, they are intended to become the rule for these companies and therefore, little by little, to apply everywhere in the world. Faced with the reticence of the American authorities to regulate and the explosion in digital uses, Europe is trying its hand at extraterritoriality and is meeting with real success.

In addition to the normal funding from the European budget, almost €150 billion from the European recovery plan will be devoted to the digital economy in Europe. Europeans are aware that they are behind and are determined to catch up. A plan to support the manufacture of semi-conductors and the supply of critical raw materials (rare earths), accelerated digitisation of procedures and services for citizens (e.g. the Entry-Exit system in the Schengen area), and the

[1] This text was originally published in "Schuman Report on Europe, the state of the Union 2024", Marie B. editions, Paris, April 2024

digital euro on which the Central Bank is working, all constitute considerable advances designed to make up for the shortfall that has been pinpointed in these areas.

## GEOPOLITICS

Ursula von der Leyen began by calling for a "geopolitical Commission". There is no doubt that throughout her term of office, European policies have been increasingly influenced by geopolitical imperatives. In its area of economic competence, the Commission has constantly proposed measures to ensure greater autonomy for the Union. This was the case for masks, vaccines and sanitary equipment to combat Covid. Above all, it was the aim of a long series of texts aimed at reducing European dependence in all areas (batteries, industrial components of all kinds).

At the same time, the need for reciprocity in trade has gained ground and several procedures have been opened, for example, against Chinese imports of electric vehicles, rail services or solar panels. Furthermore, in response to Russia's aggression against Ukraine, the Europeans immediately adopted severe sanctions against Russia and any Russian nationals involved in this violation of international law. The freezing of 300 billion € in assets of the Russian Central Bank by the G7 and the decision to seize Russian property on EU territory led to the immobilisation of numerous yachts and luxury properties, including those belonging to the Russian leader and his close relations.

Thirteen sets of sanctions have been adopted, and the interest on the frozen Russian funds is likely to be transferred to Ukraine. These measures have had a major impact on Russian trade and the economy. With the exception of a few specific cases, such as Hungary, they have helped Europeans to free themselves spectacularly in just a few months from their dependence on energy supplies from Russia.

The European Union has used the European Peace Facility to reimburse Member States for a significant proportion of the military equipment they were supplying to Ukraine. This has risen from €6 billion

to €12 billion and will certainly be topped up again in the future. It has decided to finance the supply of one million munitions to Ukraine to the tune of €500 million. It has strengthened European industrial cooperation programmes for military purposes under the European Defence Fund and the European Defence Industry Investment Programme (EDIRPA). To date, European aid to Ukraine totals more than €88 billion, including €28 billion for military equipment. No one could have imagined such commitment by the Member States and the common institutions to deal with a conflict. And no one doubts that if the US fails to support Ukraine, the European Union will increase its aid. A major turning point has been reached, demonstrating a real change in the way the geopolitical situation is being considered.

## SOME MISTAKES

Such an upheaval in European policies and practices could not be totally perfect. The Union continues to take decisions using the same slow, often bureaucratic, and always diplomatic procedures. If speed suffers at a time when speed of decision-making has become essential, the same applies to efficiency. Decisions require the agreement of all parties. It might be necessary to think in terms of delegations in the future, as the Treaty on European Union already allows for in the case of civil or military intervention (Article 44). For all that, we now know that the Union can respond in an emergency. The difficulties lie rather in its expression. The rivalry between Charles Michel and Ursula von der Leyen, between the President of the European Council and the President of the Commission, has proved detrimental to the Union's image on the international stage. It is exacerbated by a lack of precision in the Treaties, which state that: "*The President of the European Council shall, at his level and in that capacity, ensure the external representation of the Union on issues concerning its common foreign and security policy, without prejudice to the powers of the High Representative of the Union for Foreign Affairs and Security Policy.*" (Article 15 TEU), while Article 17 stipulates that: "*With the exception of the common foreign and security policy, and other cases provided for in the Treaties, it shall ensure the Union's external representation.*"

Article 18 states that *"the High Representative shall conduct the Union's common foreign and security policy. He shall contribute by his proposals to the development of that policy, which he shall carry out as mandated by the Council. The same shall apply to the common security and defence policy,"* (paragraph 2). *"The High Representative shall be one of the Vice-Presidents of the Commission. He shall ensure the consistency of the Union's external action. He shall be responsible within the Commission for responsibilities incumbent on it in external relations and for coordinating other aspects of the Union's external action,"* (para. 4). It is clear, then, that the only way to achieve harmonious, if not unique, external representation is for the various protagonists to reach a good understanding.

The President of the Commission, with her strong personality and her determination to respond to the demands of the Member States to take greater account of geopolitical imperatives, has occupied a position that may have upset the Member States. This has been the case for solidarity with Ukraine, as well as for Europe's response to the conflict in Gaza.

This is a recurring problem: when Europe is given expression, which is positive – and Ursula von der Leyen has done this well beyond the usual custom – it is criticised for rushing into things or taking positions. When it is too cautious, everyone regrets its absence!

However, a common foreign policy, which is one of the Union's long-standing aims, can only really be established with the agreement of the Member States. To convince them to commit to a more common foreign policy, the European Union must offer them something extra and refrain from giving the impression that it wants to take their place first. It was to this end that the post of High Representative for the Common Foreign and Security Policy was created, with the potential to become a real EU Foreign Minister. However, despite Josep Borrell's laudable efforts and real presence on the international stage, this post has not always been used as it should be.

In all likelihood, "autonomising" the European External Action Service would be a solution worth examining in the future. With a real budget and staff who are not

dependent on the Commission, and with authority over all the Commissioners responsible for international issues, it would be easier for the Service to gain the trust of the Member States and their external agencies, as well as greater room for manoeuvre. This is all the more necessary given that defence issues will play an increasingly important role in the work of the institutions. The outgoing President of the Commission has already proposed the creation of a Defence Commissioner, which confirms that there is a need, but this does not solve the problem described here, on the contrary.

### GREENING, BUT HOW?

The EU has enthusiastically and effectively embraced the urgent need to combat climate change. Europe can pride itself on being ahead of its major global partners. But in its haste to act, it may have underestimated the scale of the task and certainly the reaction of economic players, but it has also overestimated the role of NGOs. The latter are well established in Brussels and Strasbourg because the European institutions are the most open of all democratic institutions. NGOs have real expertise in lobbying and a particularly effective communications strategy. As a result, they all too often appear to be the privileged interlocutors of European and national decision-makers on climate issues, which is certainly not the case with the world's other major "polluters". Public opinion has sometimes felt that European policies in this area have been too brutal, failing to allow for the necessary transitions and accompanying measures. The agricultural crisis at the start of 2024 led the Commission and governments to back down on several contested provisions of the new Common Agricultural Policy measures, such as the requirement to set aside 4% of land or the 20% reduction in the use of plant protection products.

The question of the method chosen to achieve the environmental objectives that the European Union has set itself remains unanswered: constraint or incentive, rule or support.

In this respect, the example of the American *Inflation Reduction Act* is a good contrast to European policy. It favours tax breaks and subsidies and leaves it up to

the economic players, whereas the European Union, a community of law *par excellence*, prefers rules. The "taxonomy", that monster of technocratic absurdity, is the expression of this.

Rules are necessary, sometimes even indispensable, but constraints must go hand in hand with incentives, by aid for transformation, and always be the subject of an in-depth study of their economic consequences.

Some of the objectives that Europe has set itself, such as banning the marketing of internal combustion engines for cars from 2035 or reducing greenhouse gas emissions in aviation by 70% by 2050 and 80% in maritime transport, may not be achieved. The economic and financial consequences for these sectors of activity, in which Europe is the world leader, will be considerable, and even benevolent players could be led to question these ambitious rules at a time when many are questioning the extent to which the European economy is falling behind that of the United States.

What is more, with its growing influence, the European Parliament is often the institutional player that tries to tighten these rules to the point of seeming to systematically favour constraint over support for change, without always estimating the cost.

The prospect and results of the European elections could also give greater weight to movements seeking to reduce the constraints and rules weighing on citizens and businesses, which would be a step backwards, or even a failure, for the environmental transition. In the aftermath of this election, decisive choices will have to be made that will commit the European Union for a long time to come. Some, like Mario Draghi, are calling for the pooling of European loans to finance the major environmental and digital transformations needed for renewed growth.

#### **SOME "RECOMMENDATIONS" FOR THE FUTURE**

The European Union has established itself as an indispensable dimension in the resolution of crises affecting European nations. It is the national governments that have turned to it and demanded its intervention to tackle issues that are increasingly difficult to resolve at national level alone. The health

crisis and the economic recovery achieved through joint borrowing have demonstrated the relevance of the European level. Europe can adapt in times of peril; it has become indispensable to the Member States.

The challenges that Europeans must now face concern the economy but also, and above all, foreign policy and defence. It is clear that they are going to have to be more imaginative, review their economic policies, rethink their monetary and budgetary policies and no longer be satisfied with staid speeches about rigour and discipline. When it comes to security policy in the broadest sense of the term, they will have to go further and faster in taking effective measures to deal with the Russian threats on European territory and the major global challenges, to which they are party and accountable, whether they like it or not. The environment, of course, but also the future of multilateralism and the peaceful settlement of disputes, freedom of trade and navigation, and the protection of fundamental human rights in the face of a "global South" whose priority is no longer this. The European Union will be moving into new areas that still fall under the sovereignty of individual states.

#### **THE RELEVANCE OF THE "SCHUMAN METHOD"**

If we are to succeed in convincing the Member States to work more closely together, particularly in the areas of foreign and defence policy, to drive forward European integration over the long term, there is only one truly effective method that we have learned from Robert Schuman and that should be imposed on the European institutions: providing the Member States with real added value.

By providing the national authorities, struggling for efficiency in their public policies, with tangible tools and make real achievements, the European dimension is gradually creating approaches for true solidarity that go beyond cooperation and form the core of common European policies in the making. Offering European added value over time, rather than seeking to replace national policies straight away, is probably the recipe for success.

European foreign policy has suffered from competition between the common institutions when it could have benefited from their contribution. The same will be true of defence: if the Commission wants to take the place of the Member States, the latter will close themselves off to cooperation; if it provides them with new economic and financial tools for greater efficiency, it will be the Member States and the players who will demand its intervention. The rise of Europol, an intergovernmental agency that has led to many recent successes in the fight against serious crime, can be explained by the added value in terms of assistance and tools that it has offered to national police forces. The relative failure of the European Defence Agency can be explained by the reluctance of the national military-industrial complexes towards a body that appears to want to take their place.

If it is to rise to the new challenges on a horizon darkened by Russian aggression, which now extends to the Union and its Member States, with its attendant interference in democratic debate, the European Union needs to undertake a genuine introspection by taking the time to reflect and by changing certain practices. We will have to accept that we have enemies, that we will have to stand up to their hostile threats; we will also have to accept that we need to revise the most widely held clichés about a rich and prosperous continent when it comes to the debt, monetary policy and support to investment. The European Union and its Member States have the strength to succeed in these transformations. Will the Member States have the will? Will their common institutions also agree to adapt their practices? Our shared success in a period of turmoil and uncertainty depends on these answers.

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