

Integrating Diversity in the European Union (InDivEU)

EU Horizon 2020 programme
Research and Innovation Action
Societal Challenges

Europe in a changing world – Inclusive, innovative and reflective societies

1. Abstract

The challenge of **Integrating Diversity** in the **European Union**, **InDivEU**, is back on the EU agenda as it strives to forge a post-crisis future, respond to Brexit and reach out to European citizens. Europe's Union has been under assault from populist political entrepreneurs who have mobilized distrust of and opposition to the EU. Hence the urgency of building the next phase on solid foundations. Differentiated integration (DI) is a compelling issue in deliberations on the *Future of Europe*.

InDivEU has built a consortium of some of Europe's premier research universities and outstanding scholars of DI to address the challenges facing the EU and commits to supplying robust evidence to support policy.

The aim of InDivEU is to create a *comprehensive knowledge base* on DI of relevance to Europe's policy makers. This work will have a direct impact on the work of AFCO in the EP, the Commission planning unit, prime ministers offices, European Affairs Committees and numerous civil society nodes.

InDivEU will:

- produce a comprehensive reappraisal and re-assessment of DI;
- develop and test a range of models and scenarios, based on a catalogue of design principles, for the future use of DI;
- create a DI Manual to support policy makers in designing future DI solutions;
- evaluate existing policy proposals for DI and draft proposals for DI and other forms of flexibility as an input into the European debate based on four InDivEU unique data sets, tool kit and scenarios.

The project's foundations are built by establishing the normative criteria for a fair system of DI and by critically analysing the constitutional and institutional architecture of DI. InDivEU will complete two unique data bases, EUDIFF 1 & 2, on the uses of DI and two data sets on public opinion and flexible implementation. This is complemented by zooming in on key policy fields and on EU relations with its neighbours. InDivEU includes thorough analysis of the DI preferences of citizens, parties and governments.

2. Project duration

36 months (January 2019 – January 2022)

3. Project excellence description

Ralf Dahrendorf when delivering the third Jean Monnet Lecture, *A Third Europe?*, at the European University Institute (EUI) in November 1979, emphasized the merits of a Europe 'a la carte' as a means of addressing blockages in the integration process (Dahrendorf 1979). Former Commissioner, Dahrendorf was promoting what came to be called a form of differentiated integration (DI). The challenge of **InDivEU** has returned to the EU's political agenda in a compelling manner as it seeks to overcome a decade of crisis and the unfolding of Brexit. 'Catching the wind in our sails' was the title of Commission President

Jean-Claude Juncker's 2017 *State of the Union* speech (Juncker 2017). His intention was to evoke a proactive forward looking momentum for the EU. Undoubtedly, Europe and its peoples face historical choices about the future of their Union. Europe's Union has been under assault from populist political entrepreneurs who have mobilized distrust of and opposition to the European project. Hence the urgency of building the next phase of European integration on solid foundations and regaining the momentum from the populists.

Differentiated integration (DI), the focus of this call, is a crucial issue in deliberations on the *Future of Europe*. DI is prominently flagged by President Macron and features in the Commission's 2017 White Paper on the Future of Europe (EU Commission 2017). InDivEU begins from the assumption that managing heterogeneity and deep diversity is a continuous and growing challenge in the evolution of the EU and the dynamic of European integration. The objectives of InDivEU are formulated to maximize our knowledge of DI by systematically pursuing four research objectives relating to models and visions of DI, the preferences of citizens, governments and parties concerning DI, the causes and effects of DI and other forms of flexibility. The research objectives feed into a set of policy objectives addressing the crucial issues of policy advice and design.

InDivEU is based on theoretically robust conceptual foundations accompanied by an innovative and integrated analytical framework. InDivEU distinguishes demand and supply conditions of DI. The key demand factor for DI is heterogeneity (of interests, dependence and capacity). Externalities, prior integration, and institutional factors (organizational decision rules and norms, supranational actors, and path-dependence) shape the supply of DI. They influence to what extent demand for DI is met. The InDivEU project uses a mix of methods and data sources to explore DI conceptually and normatively, describe the historical trajectory and patterns of DI, examine its causes and effects, study alternative forms of flexibility, and provide evidence-based policy advice on designing future DI. We distinguish conceptual and normative analysis (in work packages 1 and 2) from descriptive and explanatory analysis (in work packages 3 to 8) and policy-oriented analysis (in work package 9). The research approach is innovative and moves substantially beyond the state of the art due to: (a) the development of four unique longitudinal data sets, (b) qualitative cases studies on distinctive policy fields and geographic areas, (c) attention to public opinion and what citizens think, and (d) structured dialogue with key stakeholders. InDivEU brings to bear the key disciplines of political theory, political science, law and economics that will assure the transdisciplinary analysis of DI necessary to go beyond the state of the art. Stakeholders are an integral part of the research process and stakeholder knowledge is fully integrated into the project through a series of seven Stakeholder Forums.

InDivEU is designed to have a major impact on the study of DI and on its future design and development in the Union. Four critical groups of stakeholders are identified for the purposes of this study – academics, policy makers, civil society organizations and citizens. Our approach to dissemination and exploitation is to target the different groups of stakeholders in a bold and effective manner. Smart dissemination, exploitation and proactive communication plans have been drafted to leverage the potential of a variety of communication mediums and the multiplier capacity of our combined consortium of research universities, institutes of international relations and think tanks. Our aim is to extend the impact of the project to the world of education and training so that its enduring legacy is assured.

The substantive research in InDivEU is organized on the basis of nine work packages with tasks allocated on the basis of four interconnected blocks: (1) the foundational block which analyses the philosophical foundations of legitimate DI, the legal and constitutional acceptability of DI and a thorough exploration of the DI preferences of citizens, governments and parties; (2) the block on evolution investigates the patterns, causes and effects of DI; (3) the third block zooms in on internal and external differentiation and differentiation through flexible implementation, and it considers alternative forms of differentiation; (4) the final capstone focusses on evidence-based advice on designing future DI. InDivEU combines excellent academic research with the capacity to translate research findings into policy design and advice. Excellent research is supported by professional expertise and knowledge in project management, exploitation, dissemination and communication.

4. Project scientific coordination

Brigid Laffan (European University Institute) and Frank Schimmelfennig (ETHZ Zurich)

5. Project consortium

European University Institute (EUI) Italy

ETH Zürich (ETHZ) Switzerland

Hertie School of Governance (HSG) Germany

Liechtenstein Institute (LI) Liechtenstein

London School of Economics (LSE) United Kingdom

Masaryk University Brno (MUNI) Czech Republic

Sabancı University Istanbul (SU) Turkey

Trans European Policy Studies Association (TEPSA) Belgium

University of Aberdeen (UoA) United Kingdom

University of Amsterdam (UvA) The Netherlands

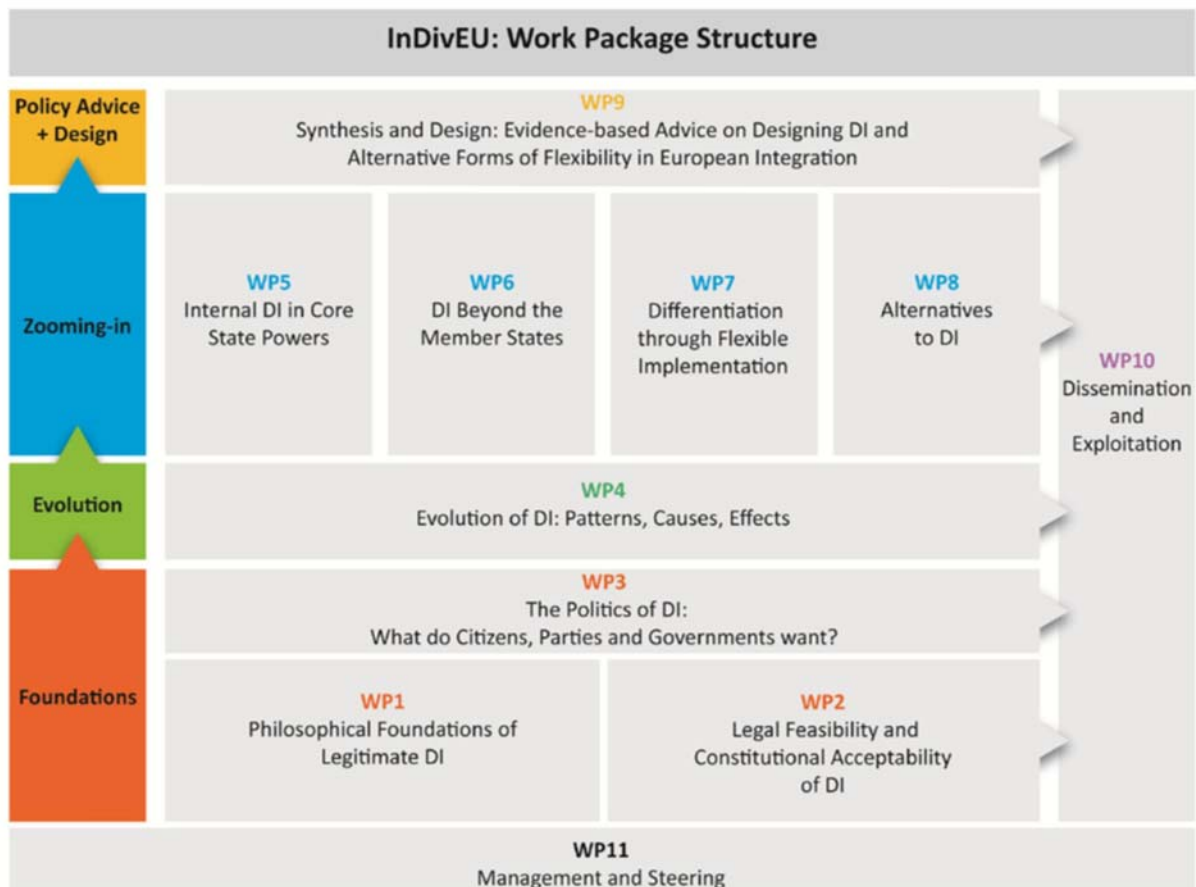
University of Pula (UniPU) Croatia

University of Utrecht (UU) The Netherlands

University of Warsaw (UW) Poland

Vrije Universiteit Amsterdam (VU) The Netherlands

6. Project structure



WP1 coordinators: Richard Bellamy and Sandra Kröger (EUI)

WP2 coordinator: Bruno de Witte (EUI)

WP3 coordinator: Catherine de Vries (VU)

WP4 coordinator: Frank Schimmelfennig (ETHZ)

WP5 coordinators: Markus Jachtenfuchs (HSG) and Philipp Genschel (EUI)

WP6 coordinator: Michael Keating (UoA)

WP7 coordinator: Sebastiaan Princen (UU)

WP8 coordinator: Jonathan Zeitlin (UvA)

WP9 coordinator: Brigid Laffan (EUI)

WP10 coordinator: TEPESA

WP11 coordinator: EUI

7. Advisory committee

Gráinne de Búrca, Professor of Law at the New York University School of Law

Danuta Hübner, MEP and currently Chair of the Committee on Constitutional Affairs

R. Daniel Kelemen, Professor of Political Science and Law at Rutgers University

Enrico Letta, former Prime Minister of Italy

Jean-Claude Piris, former Legal Counsel of the Council of the EU

Work package number	5		Lead beneficiary			HSG	
Work package title	Internal DI in core state powers: money, budget, defence, and Schengen						
Participant number	1	2	3	14			
Participant short name	EUI	ETHZ	HSG	VU			
Person-months per part.	3	1	29	1			
Start month	6		End month			33	

Objectives:

- **Zooming-In:** In-depth case studies of the causes and consequences of DI in four areas of ‘core state power’: the EU budget, European Monetary Union, defence and security, and Schengen.
- **Mapping:** Expand EUDIFF dataset to include information on integration instruments (regulation and capacity building) in core state powers (and in market integration for comparison).
- **Measuring:** explore associations between extent and mode of DI and integration instrument (regulation and capacity building).
- **Analysing:** explain causes of choice of integration instrument and assess long-term and short-term consequences for DI.

Description of the work

Overall WP coordinators: Markus Jachtenfuchs (HSG) and Philipp Genschel (EUI).

This WP analyses internal DI in areas of ‘core state powers’, i.e. in policy areas intimately linked to the state’s constitutive monopoly of legitimate force and taxation. In contrast to the Single Market, DI is the norm in areas of core state powers. For instance, the EU budget, the European Monetary Union, the Schengen Area, or the Permanent Structured Cooperation in defence are all based on internal DI. The aim of the WP is to analyse the causes and the consequences of internal DI in areas of core state powers. Why is DI more common in these areas? Why does the extent (how many member states remain outside the scope of integration) and mode (multi-speed, multi-tier, or multi-menu) of DI vary across different areas of core state powers? What are the consequences for the EU’s long-term institutional development? The WP combines case-study evidence of internal DI in four prominent areas of core state powers with quantitative evidence on internal DI in all fields of integration.

Task 5.1: - Four in-depth case studies of Internal DI in areas of core state powers

- Prepare in-depth case studies on internal DI in four key areas of core state power: Reconstruct the causes, forms, transformations and consequences of internal DI based on qualitative information and process-tracing methods. The four cases under scrutiny are:
- *EU budget:* beginning with the conflict over the British budget contributions in the early 1980s, the EU rules on national budgetary contributions have become increasingly differentiated through the introduction of various ‘correction mechanisms’. While differentiation helped secure unanimous support for budgetary decisions, it has also been criticised as overly complex, non-transparent and unfair. Attempts to reintroduce uniformity into EU funding rules have failed so far.
- *EMU:* the creation of EMU was facilitated by the opt-out of member states unwilling to join (UK, Sweden, Denmark) and the exclusion of member states which did not meet EMU’s convergence criteria (e.g. Greece). Once started, it proved difficult to keep the latter out even though their inclusion contributed to instability within the Eurozone. At the same time, it proved impossible to attract the former to join even though they could have had a stabilizing effect on monetary integration.
- *Schengen:* Initially restricted to only five member states, the Schengen area has evolved to encompass almost all member states except Britain and Ireland. Yet it allows for transitional differentiation through the introduction of temporary controls at internal Schengen borders. Since the early 2010s, and fuelled by the refugee crisis 2015, temporary border controls have become a common feature of the Schengen system.
- *Defence and security:* The extent of formal DI in foreign and defence policy is modest. Only Denmark has opted out of CFSP and only three member states (including the UK) have not joined PESCO. Yet, the extent of informal or ad-hoc DI is very high. This is evident, for instance, by the changing member state composition of EU military missions and operations or by the prominent role played by ad hoc minilateral diplomatic groups such as the ‘Weimar Triangle’ or the ‘Normandy’ Group, which are de facto speaking on behalf of the European Union on foreign policy issues such as the conflict in Eastern Ukraine.

- Work on the case studies will be supported by recognized experts in the relevant policy areas: Henrik Enderlein (Hertie – EMU), Brigid Laffan (EUI – the budget), Sandra Lavenex (Geneva – Schengen), Richard Maher (EUI – defence and security).

Task 5.2 – Coding DI inside and outside areas of core state power

- Operationalize core state powers: develop coding rules in order to distinguish provisions in EU primary law directly affecting the member states' exercise of their national monopoly of legitimate coercion of extraction (core state powers) from those that do not (non-core state powers).
- Operationalize integration instruments: develop coding rules in order to distinguish provisions in EU primary law directly affecting the member states' exercise of national core state powers through the imposition of common EU rules (regulation) from those that affect national core state powers through the build-up of genuine EU capacities in core state powers (capacity building).
- Expand EUDIFF1 dataset: add information on whether an act of EU primary law affects national core state powers (Yes/ NO) and if Yes by which instrument of integration (regulation/ capacity building). The expanded EUDIFF1 dataset provides an empirical basis for the other tasks of this WP and will be useful for the work of on citizen preferences (WP3), broader causes and consequences (WP4) and alternatives to DI (WP7 and WP8).

Task 5.3 – Measure association between extent of DI, mode of DI and integration instrument

- Plot patterns of association between different instruments of integration (regulation and capacity building), different modes of DI (multi-speed, multi-tier, multi-menu) and different extent of DI (How many ins/outs? Which member states are in/out?). The empirical basis for the analysis is provided by the expanded EUDIFF1 dataset (Task 5.2.).
- Based on the plots, identify variation in patterns of association across time and across areas of core state powers. Are there any typical patterns? For instance, is there variation across policy instruments? Is integration by capacity building associated with a higher extent of DI (more outs), and less uniform integration/ multi-speed DI than regulatory integration? In which historical context did (which mode of) DI develop? How is DI associated with crisis/normal history?
- Relate findings on patterns of DI in core state powers to debates in the extant literature on (a) DI, (b) integration of core state powers, and (c) the EU as a regulatory state.

Task 5.4 – Explain causes and consequences of integration instruments for DI

- Analyse the determinants of patterns of variation of DI in areas of core state powers and assess long-term consequences for EU decision-making and institutional development.
- The causal analysis aims to explain variation in DI in terms of variation in demand factors (preference constellations, dependency patterns, capacity differences across member states) and supply factors (strength and patterns of externalities, decision-making institutions). This includes an investigation of how cross-national differences in mass attitudes (as measured by WP3), the availability of alternatives to DI (as explored by WP7) and differences in integration instrument (regulation or capacity building) affects demand and supply of DI.
- The empirical focus of the exploration of the consequences of DI is on multi-tier and multi-menu DI in areas of core state powers. We are particularly interested in the effects of DI on the deepening and widening of integration. Does DI lead to a deepening of integration among the 'ins' thus increasing the gap to the 'outs'? If yes, what are the effects on the relation between ins and outs? Alternatively, does DI lead to a widening of integration in the sense of former 'outs' being absorbed into the integration scheme? If yes, what are the effects on the integration dynamics among the 'ins'?

Deliverables

- **D5.1** Report on the expansion of the EUDIFF 1 dataset (month 8)
- **D5.2** Codebook on the expanded EUDIFF 1 dataset (month 12)
- **D5.3** Two case study reports (month 15)
- **D5.4** Preliminary version of expanded EUDIFF 1 dataset distributed to other WPs (month 18)
- **D5.5** Two case study reports (month 27)
- **D5.6** Report on patterns of variation in DI across areas of core state power and instruments of integration (month 30)
- **D5.7** Release of the expanded EUDIFF 1 dataset (month 36)