

Analysis of the current integration process: from the past to the future of the European Union

Markéta PEKARČÍKOVÁ*, Michaela STANIČKOVÁ**

Abstract

Does the EU know what future they want? And does the EU know what form of future integration process is the right, appropriate or, at least, realistic one? During the last decade, the EU had been weathering a number of crises, in particular, the euro-crisis, the migration crisis and the rule of law crisis. And other crises followed or are following: Brexit as an internal shock which outlined the debate on the future direction of the EU, COVID-19 as an external health shock that started a process of internal reform of the EU in terms of the policies applied. Russia's attack on Ukraine as an external security shock, which follows and reinforces the EU's reformist tendencies, especially in the area of building independence and self-sufficiency. It is more than timely, necessary and indispensable to ask and question political leaders about the future of the EU and the ways in which the EU should and could move forward. It must not remain behind the closed doors of Brussels institutions and government cabinets, but become a shared project with a vision.

Keywords: crises, European Union, future, integration, resilience

Introduction

The global economic integration is not a new phenomenon nowadays. Modern economic integration development processes at the global and regional levels are of complicated and contradictory nature and differ in terms of depth and rate. However, today, all the world economy countries are involved in this process regardless of the level of economic development achieved. The changes in the implementation of regional integration have been so significant since the 1980s that the term new regionalism is used for today's stage of regionalism. The new regionalism is based

*Markéta PEKARČÍKOVÁ is Ph.D. student at the VSB – Technical University of Ostrava, Ostrava, Czech Republic; e-mail: marketa.pekarcikova@vsb.cz. ORCID: 0000-0002-0147-7500

**Michaela STANIČKOVÁ is associate professor at the VSB – Technical University of Ostrava, Czech Republic; e-mail: michaela.stanickova@vsb.cz. ORCID: 0000-0001-6210-2377 (corresponding author)

on the challenges of globalisation. It means the broadest possible openness and searches for the most suitable partners across the global economy. European integration is one of those that has managed to make the most of the development of globalisation so far. The European Union (EU) is considered the most successful integration group globally, based on Bella Balassa's theory of economic integration. His concept started the European integration process as we know it today.

The article aims to summarise the process of European economic integration after World War II and to show how the EU fights against the three most recent "major" crises affecting European integration. Brexit as an internal shock that has outlined the debate regarding the future direction of the EU and the direction the integration process will take. The COVID-19 pandemic and how this pandemic has changed the EU's setup? The COVID-19 pandemic is a cornerstone for the EU to find its future direction. The current war in Ukraine triggered by Russia's attack marks another challenge for the EU in terms of future orientation. High inflation, the energy crisis, the war in Ukraine and many other things are weighing heavily on national economies. More and more analysts are predicting that lean years are coming and that that we will be facing a significant recession. But not everything will be as dark as they say. It is the COVID-19 pandemic that has shown us clearly that even such a global crisis can bring new possibilities and opportunities. And it was the war in Ukraine, and the energy crisis which triggered a long-delayed and only little discussed step – reducing dependence on natural gas and oil supplies from Russia and consequently focusing on new energy sources, including promoting alternative sources. The current situation supports the EU's plan for green transition and digital transformation.

Thus, the article discusses the interdependence of the three themes. First, the European economic integration based on Balassa's theory and subsequently the integration development of the EU, i.e., the EU story. Secondly, Brexit was the basis for "predictions" about the future shape of the EU, and it has particularly introduced the question of how to prevent anti-EU populism when Euroscepticism is the new normal. The COVID-19 pandemic is described in terms of its impact on the EU, the EU's responsiveness and change in the EU's policy settings and, in fact, the EU's future architecture. The second topic leads to the third main area of inquiry – resilience, which implies an overall conceptual change in the EU. The COVID-19 pandemic has revived resilience and is now gaining importance due to the current war in Ukraine as a consequence of the Russian invasion. All these circumstances lead to a debate on the scenario of the future development of the EU and its shape. The European policy was set primarily at the supranational and national level, which was also the basis for the development of the integration process at that time – the so called Top-Down approach (the White Paper on the Future of Europe – the plan of the previous European Commission). The EU needs to be more open to the views of its citizens – the so-called Bottom-Up approach (the Conference on the Future of Europe – the plan of the current European Commission).

1. Literature review on the topic European integration process

The article is descriptive in its focus, i.e., it tries to provide a complete description of the phenomenon, which corresponds to the basic research that deals mainly with theoretical issues, and its results do not need to be applied immediately. However, in addition to the theory, we have also provided examples of real situations and actual developments, where questions of immediate relevance to practice are answered, which corresponds to applied research. Applied research in the social sciences also includes evaluation research, which is a widely used type of research. Thus, in the context of this article, it is about value judgements of activities, interventions and challenges of the European integration process based on empirical evidence, i.e., evaluating them by using examples from real practice and empirical facts and data, and deriving a trajectory from them. In assessing the success and failures of the European integration process, it uses the approach of constructive criticism and the added value of the article is, therefore, a clear statement of what has been done, what it has led to, what the current state of play is, what needs to be improved and an elaboration of the situation and the options for doing so. As the primary method, a systematic literature review is thus used. This type of review can be explained as a method and process to identify and critically assess relevant research. The literature review includes documentation and screening, data or information extraction, and the final step of writing the literature review. This literature review aims to identify the theoretical and practical case of European economic integration. Sources such as books, articles and EU official information sources are used.

Bela Balassa first mentioned the economic integration in his book, *The theory of economic integration*, in 1961. Bela Balassa (1961/2011) described economic integration as “the abolition of discrimination within the area”. He defined five stages (Free Trade Area, Customs Union, Common Market, Economic Union, Full Economic Integration) of economic integration that integration groups should go through in their development. This is considered the traditional approach to defining economic integration toward a higher degree of integration. Balassa’s concept inspired many authors and his idea of economic integration has been discussed and criticised over the years. Despite that, it is still an inspiration for integration groups worldwide. The development of views and approaches to the European integration process from Bela Balassa to the present is shown in Table 1.

Table 1. Authors focusing on the European integration process from Bela Balassa until nowadays

Year	Author/s	Theory of European integration
1962	Balassa, B.	Balassa was the first author who described the theory of economic integration. He defined five stages of economic integration known as traditional. His thoughts are a cornerstone of the European integration process since its beginning after World War II.
2011	Sapir, A.	Balassa's Theory of Economic integrational is essential to understanding the historical process of European integration and the literature on economic integration. The theory was published soon after the establishment of EEC and EFTA. The book's significant contribution is the discussion on the allocation of competence between the Union and its Member States in several policy areas
2019	Harja, G. I.	Theories of economic integration have been modified and criticised but still contain theoretical arguments for integration. Theories provide the tools to understand the EU's past, present, and future. As European integration continues, these theories will be the basis for understanding the European integration process.
2019	Rapacki, R. and Procnik M.	The authors focus on economic growth and economic integration. The approach is based on the neoclassical models of economic growth- Solow. The study does focus on EU11 (CEECs plus Croatia) displayed a clear-cut income-level convergence toward the EU15. The econometric analysis of economic growth factors proved that variables associated with the EU membership turned out to be important drivers of GDP growth.
2019	Musat, M.	Musat mentioned identifying several stages of the economic integration process. The author identified the internal processes' integration level at the European level over three years (2013, 2015, 2017).
2021	Maher, R.	Maher has presented the theoretical bases of the expectations of liberalism, realism, and constructivism on the EU and its future. The assumptions and premises of each theory can be generated. He also deals with optimistic and pessimistic expectations of the EU's future.
2021	Archick, K.	The author focuses on current membership in the EU, Eurozone, and Schengen Area and Candidate Countries History in the EU.
2021	Fedajev, A., Radulescu, M., Babucea G. A., Mihajlovic, V. Yousaf Z. and Miličević R.	The authors focus on differences in the EU. The discrepancies between the EU members were much more extensive in 2020 than in 2008. Such more significant differences were among the old Member States. The COVID-19 pandemic has hampered nominal convergence in the budget balance more than the economic and financial crisis of 2008. There is no conclusion for any indicators. One exciting result is that the gross debt differences were minor in 2020 compared to 2008.
2021	Crescenzi, R., Giua, M. and Sonzogno V.G.	The authors focus on the current situation in the EU caused by the COVID-19. The empirical results offer a prominent and consistent diagnosis of the possible implementation bottlenecks faced by NGEU. It proposed a two-stage implementation approach where regional governments can play a significant role in the recovery strategy. First, NGEU should be coupled with intensive capacity-building programmes to reinforce administrative capacity and efficiency and introduce modern managerial practices and simplification in the region.

2021	Krotz, U. and Schramm, L.	The authors focus on France-Germany, which provided the much-needed direction and leadership. In the case of the COVID-19 pandemic, both countries developed the joint preference to provide political stability, guide others, and enable economic recovery worldwide. There are still visible different economic associations between Germany and France.
2021	Zinecker, M., Doubravský, K., Balcerzak, P.M., Bernard, P. and Dohnal, M.	The authors focus on the situation in the EU caused by the COVID-19. The authors seek to examine crucial transmission and targeted policy responses to mitigate the crisis qualitatively. A chart comprising 17 scenarios that represent the main results of the research is included.
2021	Ferrera, M, Stefano, M.J. and Ronchi S.	They describe the dramatic socio-economic crisis triggered by the COVID-19 pandemic reawakened. They defined the tensions between Northern and Southern Member States. EU leaders adopted the relaunch of the EU economy through deeper European fiscal integration.
2022	Tesche, T.	The author provides an assessment of the EU institutions' (like the European Stability Mechanism, the European Investment Bank, the European Central Bank, the European Commission) response to the coronavirus pandemic.
2022	de la Porte, C. and Heins, E.	The authors offer a much-needed analysis of the interplay between EU level and member state politics that furthers our understanding of the social and economic policies implemented in the first year of the COVID-19 pandemic in Europe.
2022	Forman, R. and Mossialos, E.	Instead of focusing on the individual national COVID-19 strategies that were so often split across Europe, they examined how the EU, as a whole, responded to the COVID-19 crisis and the interplay between the EU and its Member States – the legal, institutional and political restrictions that may have influenced the boundaries of EU policy decisions.

Source: Authors' representation

2. Past: history of the EU from an economic integration point of view

The EU is a political and economic partnership representing a unique form of cooperation among sovereign states. The latest stage in European integration was begun after World War II by six Western European countries to promote peace and economic recovery. Its founders hoped that integration would foster interdependence and make another war in Europe unthinkable by pooling sovereignty in specific sectors. Bela Balassa (1961; 2011) was the first to define economic integration. According to him, economic integration can be explained as *'the abolition of discrimination within an area.'* Despite no clear definition of economic integration, the main aim of economic integration can be to eliminate economic boundaries between at least two economies and can be described in many fields (Musat, 2019). Quite simply, economic integration can be defined as eliminating discrimination in trade relations between nations (Marinov, 2015). Bela Balassa constructed his European integration model with five different economic integration stages. Balassa's concept is on an evolutive basis. Stages can be understood as steps in the process with the ultimate goal of achieving complete integration. The transition from one stage to the next higher one means expanding the areas of economic life. His

theory of integration posited five forms of economic integration- *Free Trade Area, Customs Union, Common Market, Economic Union, Full Economic integration* (Marinov, 2015; Hosny, 2013; Sapir, 2011; Balassa, 1961; 2011).

The meaning and thrust of integration have been extensively studied in the academic literature, usually with a sub-text of optimising economic governance arrangements and often with an underlying assumption that, since global free trade was unattainable, regional arrangements are a worthwhile second-best. Writing in 1954, when much of Europe was still recovering from the ravages of World War II, Jan Tinbergen, the Nobel Prize-winning Dutch economist, argued that ‘integration may be said to be the creation of the most desirable structure of the international economy, removing artificial hindrances to the optimal operation and deliberately introducing all desirable instruments of coordination or unification’ (Tinbergen, 1954). Jacob Viner (1950) introduced the concepts of trade creation and trade diversion, showing how countries which agreed to lower trade barriers among themselves would benefit if the new trade created exceeded the trade diverted away from countries outside the block.

Balassa’s theory of economic integration celebrated its 60th-anniversary last year. His idea of economic integration is still alive, but there are other stages of economic integration added. The new theory of economic integration is structured in seven stages, from the lowest to the highest one: *Preferential Trading Area, Free Trade Area, Customs Union, Common Market, Economic Union, Economic and Monetary Union, Full Economic Integration and Political Union*. The EU is currently in the Economic and Monetary Union (EMU) stage, but it depends on the country. The members who are also part of the Eurozone are in the stage of EMU. The EU members that have not accepted the euro as currency are still in the Economic Union stage (Musat, 2019; Marinov, 2015; Sapir, 2011; Balassa, 1961; 2011).

And what were the European integration path and the gradual emergence of the EU? After World War II, there was space for the beginning of the European integration project. The first step of European integration became a reality through the Treaty of Rome signed by six European countries (Italy, France, West Germany, Belgium, Netherlands, and Luxembourg). The mentioned treaty established the European Steel and Coal Community (ESCC) in 1952. The main aim of ESCC was a single market in which sovereignty over coal and steel would be pooled, and production would be controlled by supranational authority (Archick, 2021; Maher, 2021). The six ESCC countries were established with the Treaties of Rome on European Atomic Energy (EURATOM) and the European Economic Community (EEC). The EURATOM aimed to develop common economic policies and connect the separate national markets into a single market for people, goods, capital, and services. The EEC wanted to ensure nuclear energy for peaceful purposes (European Commission, 2017). The first enlargement was in 1973. Denmark, Ireland, and the United Kingdom increased the number of member countries to nine. Greece became a member of the European Community in 1981, followed by Portugal and Spain in

1986. The next step was signing the Single European Act in 1986. The Single European Act modified the Treaties of the CE to achieve a single market and the free movement of goods, people, capital, and services, also known as the “four freedoms” (European Union, 2021). The political situation changed after the Berlin wall fell in 1989. It turned into a reunification of Germany in October 1990. This led to the coming of democracy to the countries of central and eastern Europe, which were long-time controlled by the Soviet political regime. In 1993, the Treaty on European Union, also known as The Maastricht Treaty, came into force, establishing the current phase of the EU. It has also taken a step toward deeper economic integration and political cooperation. The Maastricht Treaty determined provisions that resulted in the creation of the Eurozone. It defined eurozone members to share a common currency and the European Central Bank (ECB) a common monetary policy. Fiscal policy is not included (Baldwin and Wyplosz, 2012). In 1995, three more states (Austria, Finland, and Sweden) became EU members. In the 1990s, the EU created a single currency to make life easier for consumption, travelling, and form business. The goal was achieved in 2002, when the euro replaced the currencies of 12 EU Members. This group of EU countries made up the ‘*euro area*’ (European Commission, 2017). The EU was preparing for the biggest enlargement ever, which became a reality in 2004. Eight formerly communist countries (Czech Republic, Slovakia, Hungary, Poland, Estonia, Latvia, Lithuania, Slovenia) and Malta and Cyprus joined the EU. In 2008, the Treaty of Lisbon came into force, aiming to provide the EU with modern institutions and efficient working methods. Then, the subsequent enlargement was in 2007 (Bulgaria, Romania). The upcoming decade is called challenging. There was a financial crisis, and the EU helped several countries and established the banking union to ensure safer banks. Croatia joined as the 28th Member of the EU in 2013. The significant milestone of the EU is the exit of Great Britain, also called Brexit. The EU must face the COVID-19 pandemic and try to support health services in its member states (European Commission, 2021a).

Being part of the EU is still unattainable for some countries, but they are trying to move closer to European standards. Due to the war in Ukraine, several countries are currently seeking to join the EU, and EU membership is once again becoming something special and exclusive after waves of Euroscepticism. Some non-EU countries, such as Turkey, Serbia, North Macedonia, Montenegro, Albania, Bosnia and Herzegovina and Kosovo have been in the candidate or potential candidate position for several years. Recently, Ukraine, Georgia and Moldova have been granted candidate status in an accelerated process in response to events in Eastern Europe (European Union, 2022c).

3. Present: Crisis – crisis – crisis. There’s nothing but crisis everywhere. COVID-19 as an impetus to revitalise the EU resilience

Crises in the context of integration can pose a manifest threat and a perceived significant probability of disintegration but may also trigger reform activities leading to more integration. How do different crises influence the decision-making processes of the EU and the outcomes of European integration? Although the multiple crises seem to have validated the functionalist prediction of ‘integration through crises’, the question about the link between crises and integration remains open (Degner, 2019; Saurugger, 2016). It could be said that the EU has come to operate in permanent crisis mode. In his memoirs, Jean Monnet famously said: “*Europe will be forged in crises, and will be the sum of the solutions adopted for those crises*” (Monnet, 1978, p. 417). In the face of this diversity of crises, the EU’s institutions have evolved significantly. Jean Monnet’s prophecy that ‘Europe will be forged in crises’ turned out to be simultaneously a blessing and a curse for the EU (Zeitlin *et al.*, 2019): while integration has advanced at an unprecedented rate over the past decade, this evolution has often been associated with a heightened degree of political fragmentation inside the EU.

Crises may also trigger reform activities and lead to more integration. The euro crisis has produced more integration, whereas the migration crisis has not, whereas Brexit has initiated a disintegration process (Schimmelfennig, 2018a; 2018b). The ‘crisis conglomerate’ (financial, economic and migration crisis) has induced pressures and challenges for EU policies. Beyond changes in discourse, quite a sizeable amount of policy change has been observed in many areas (Falkner, 2016).

Given that the COVID-19 crisis represents a challenge of historic proportions for the EU and has already pushed it into an unprecedented economic downturn, the crisis may trigger reform activities in many areas of the policy agenda and lead to more integration. After the most extensive enlargement (2004), financial crisis (2008), and migration crisis (2015), the EU must face the following challenges. The first one was Brexit. The second challenge is COVID-19, which caused a global pandemic. The third challenge concerns the Ukraine conflict impact not only on EU enlargement but on the overall design and setting of economic policies and societies’ perception of values.

3.1. BREXIT crisis – an internal EU problem

The causes of Brexit lie within, rather than beyond, Europe. Brexit as a specific crisis of the European integration process itself began to be addressed almost immediately after the publication of the referendum results in 2016. The impact on the two main protagonists of Brexit, the UK and the EU, has been enormous. On the British side, the change in the prime minister’s post, David Cameron, immediately resigned and was replaced by Theresa May triggered Article 50 of the EU Treaty in

March 2017, officially beginning the process of Britain's departure from the Union. The European Council confirmed the withdrawal agreement in November 2018. Initially, Britain's exit was supposed to last for two years after the article was activated, but the negotiation process stalled, so Britain had to ask for extensions. There were several points of contention, e.g., the issue of the relationship between Northern Ireland and Ireland as a member of the EU; their mutual border and trade relations; issues of capital movement; and the movement and employment of people, including study.

Brexit has undoubtedly revived Euroscepticism in the European society but it has led to a practical negotiation of the terms of Britain's departure in applicable terms and to the development of a common approach towards Britain. According to many Eurosceptics, Brexit was supposed to be an overture to other exits – Polesxit, Czechexit, etc. Still, probably the complexity of the negotiations and the relatively high costs on Britain pointed out the limits of nationalist ideas of so-called freedom and taking back control. The unprecedented event in the history of European integration of a Member State leaving the EU, rather than joining it, prompted a series of institutional and political reflections on how to relaunch the European project beyond the need to address the immediate institutional consequences of Brexit. Brexit represents a severe blow to the integration process and the first point to renew the EU and restart integration. Brexit is a loss for both sides, even though the economic costs of Brexit are now significantly higher on the British side. Brexit represents a crisis of European integration and the first to disrupt the existing pattern of integration behaviour by rejecting the forms of cooperation achieved. Brexit brings substantial changes in the functioning of the system of European integration, international trade, international law, etc. The impact on society and international relations is profound (Kučerová, 2021).

3.2. COVID-19 crisis – a step towards EU resilience

Another crisis, the global pandemic, has also marked international relations. The COVID-19 pandemic has shown how globalised the world is and that what happens on the other side of the world can quickly affect the EU. The COVID-19 pandemic has shown that a regional problem can soon become global. Many authors agree that the EU is facing the most dramatic economic crisis. In 2020, when the pandemic grew more robust, the EU GDP fell by 5.9% yearly. Unemployment at the end of 2020 reached 7.3%, and there is a visible growing trend compared to the same period in 2019. There has also been an increase in people at risk of poverty and social exclusion. Table 2 centralises datasets related to COVID-19. These statistics can give a baseline against which to measure the impact of the crisis, provide the wider background, or help understand the evolution of the crisis. The information covers a range of topics related to the economy, society and work, population and health. Table 2 primarily reflects data for 2019 pre-crisis year, 2020 crisis year, and 2021

“post” crisis year. 2021 can be seen as partly crisis and partly post-crisis, and also as the last comprehensive year for which data are available.

The main macroeconomic indicators in the most important categories related to the COVID-19 impact, i.e., Economy (GDP growth), Government finance (Government consolidated gross debt), Household accounts (Gross investment rate of household, Gross household saving rate, Gross disposable income of households per capita), and Labour market (Total employment, Labour productivity) are highlighted by using the traffic light method. The colour range varies from dark shadows of green to medium shades of yellow to dark shades of red. Countries with the highest and, therefore, best values have a better performance and are highlighted in dark green – the higher the value, the darker the shade of green. Conversely, countries with the lowest and, therefore, worst values have worse performance levels. The level of performance is highlighted in dark shades of red – the lower the value, the darker the shade of red. Countries with values between the highest and lowest value groups (best and worst performers) are highlighted with shades of yellow, which is thus a transitional way of visualisation.

Results show that in 2020, most countries saw a decline or deterioration across most indicators (for debt, this is reflected by an increase). Increase in the household savings indicator clearly reflects the uncertainty with which households have approached the crisis. Savings, on the one hand, and a decline in investment activity, on the other, as household disposable income has fallen overall. The values of the labour market indicators, i.e., the fall in employment, also correspond to these results.

The problem was that Member States had a different opinion on how to respond to the COVID-19 pandemic. The EU should ensure effective recovery for all Member States and EU countries should work together and define the limits of policies (Ferrera *et al.*, 2021). It is about how to react and how to learn from and prevent the crisis. It is about reforming and reconfiguring or shifting the whole system. And this is where the concept of resilience enters the scene and comes to the forefront of EU leaders’ minds (Staničková and Melecký, 2021).

Resilience has become a new compass for the EU policies with the COVID-19 crisis. Resilience is the ability to withstand and cope with challenges and undergo transitions in a sustainable, fair, and democratic manner (European Commission, 2020a). Resilience is necessary to undergo the green and digital changes in all policy areas while maintaining the EU’s core purpose and integrity in a dynamic and, at times, turbulent environment. A more resilient Europe will recover faster and emerge stronger from current and future crises. The EU must introduce a vast number of measurements quickly to avoid a fatal economic collapse (Fedajev *et al.*, 2021).

Table 2. COVID-19: EU impact statistics

COUNTRY INDICATOR TIME	ECONOMY			GOVERNMENT FINANCE			HOUSEHOLD ACCOUNTS						LABOUR MARKET								
	GDP growth (Percentage change on previous period)			Government consolidated gross debt (Percentage of GDP)			Gross investment rate of household (Percentage)			Gross household saving rate (Percentage)			Adjusted gross disposable income of households per capita (percentage change on previous period)			Total employment (Percentage change on previous period)			Labour productivity (Compensation per employee, euro)		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
EU (EU27)	1.8	-5.7	5.4	77.5	89.8	87.9	8.60	8.33	9.19	12.29	18.51	16.93	2.12	0.73	2.68	1.1	-1.4	1.4	37 159.3	37 166.1	38 657.6
Euro area (EU19)	1.6	-6.1	5.3	83.9	97.0	95.4	8.77	8.53	9.51	13.21	19.72	17.71	1.80	0.41	2.01	1.3	-1.5	1.4	41 577.1	41 472.8	43 086.7
Belgium (BE)	2.2	-5.4	6.1	97.6	112.0	109.2	9.78	9.15	9.94	12.34	20.52	17.03	1.93	0.78	1.58	1.6	0.1	1.9	57 552.6	56 655.3	58 999.5
Bulgaria (BG)	4.0	-4.0	7.6	20.0	24.5	23.9	:	:	:	:	:	:	:	:	:	0.3	-2.3	0.2	10 119.2	10 843.8	12 068.9
Czechia (CZ)	3.0	-5.5	3.5	30.0	37.7	42.0	9.45	9.34	9.24	13.12	19.15	19.38	3.84	1.11	4.74	0.2	-1.7	0.4	21 531.2	21 548.9	23 349.6
Denmark (DK)	1.5	-2.0	4.9	33.7	42.2	36.6	8.57	8.69	9.24	10.22	11.70	9.29	1.52	0.52	0.36	1.4	-1.1	2.4	56 663.1	58 214.8	60 065.6
Germany (DE)	1.1	-3.7	2.6	58.9	68.0	68.6	9.71	9.95	10.55	18.34	23.61	22.87	1.20	1.43	0.50	0.9	-0.8	0.1	45 073.2	45 248.0	46 650.8
Estonia (EE)	3.7	-0.6	8.0	8.5	18.5	17.6	9.26	9.94	10.04	11.77	14.32	10.54	4.98	3.46	4.50	1.3	-2.7	0.1	23 072.2	24 493.6	26 904.6
Ireland (IE)	5.4	6.2	13.6	57.0	58.4	55.4	4.92	4.27	5.29	10.66	25.49	24.34	3.73	6.06	2.37	3.0	-2.8	6.0	50 898.1	52 781.3	54 168.8
Greece (GR)	1.9	-9.0	8.4	180.6	206.3	194.5	2.59	2.97	3.40	-2.41	2.41	3.69	5.73	-1.99	6.59	2.2	-1.8	2.7	19 461.3	19 339.4	19 791.1
Spain (ES)	2.0	-11.3	5.5	98.2	120.4	118.3	5.54	5.34	6.68	8.18	17.66	13.76	3.10	-1.21	1.43	2.6	-4.2	2.5	33 071.5	33 228.0	34 119.3
France (FR)	1.8	-7.8	6.8	97.4	115.0	112.8	9.62	8.57	9.95	14.70	20.52	18.28	1.69	0.15	2.62	1.2	-0.7	2.5	48 772.6	47 472.6	49 702.0
Croatia (HR)	3.4	-8.6	13.1	71.0	87.0	78.4	6.37	6.40	6.45	10.09	13.95	12.09	4.65	1.24	11.68	3.1	-1.2	1.2	17 036.0	16 970.8	18 760.6
Italy (IT)	0.5	-9.0	6.7	134.1	154.9	150.3	7.64	7.20	8.69	9.98	17.43	14.88	0.33	-1.15	2.63	0.5	-2.2	0.6	37 017.5	35 514.9	37 708.0
Cyprus (CY)	5.5	-4.4	6.6	90.4	113.5	101.0	12.98	13.12	13.26	5.68	12.50	10.94	7.73	2.27	2.61	3.8	-1.2	1.3	26 016.9	25 896.1	26 892.5
Latvia (LV)	2.6	-2.2	-4.1	36.5	42.0	43.6	5.85	5.30	4.62	9.09	14.56	13.89	3.65	2.66	10.17	-0.1	-2.3	-2.6	18 899.5	19 829.7	22 024.6
Lithuania (LT)	4.6	0.0	6.0	35.8	46.3	43.7	7.09	7.04	7.39	3.79	12.40	5.75	7.30	7.78	4.07	0.6	-1.6	1.2	18 472.0	19 687.7	22 034.1
Luxembourg (LU)	2.3	-0.8	5.1	22.4	24.5	24.5	10.34	9.71	11.33	14.21	24.22	18.17	2.26	4.39	0.75	3.5	1.7	3.0	71 853.6	72 730.6	77 123.9
Hungary (HU)	4.9	-4.5	7.1	65.3	79.3	76.8	7.52	8.87	8.30	14.77	15.62	17.40	4.38	0.71	7.60	1.1	-1.1	1.0	13 935.7	13 281.9	14 096.0
Malta (MT)	5.9	-8.3	10.3	40.7	53.3	56.3	:	:	:	:	:	:	:	:	:	5.7	2.8	2.9	27 187.6	26 999.0	28 284.8
Netherlands (NL)	2.0	-3.9	4.9	48.5	54.7	52.4	12.15	12.22	12.96	18.31	24.86	23.85	2.30	1.65	2.66	2.3	-0.5	2.0	48 541.9	50 876.1	51 983.2
Austria (AT)	1.5	-6.5	4.6	70.6	82.9	82.3	9.03	9.21	9.99	13.99	18.70	17.58	1.36	-2.23	3.23	1.1	-1.6	2.0	48 241.3	49 115.7	50 467.2
Poland (PL)	4.4	-2.0	6.8	45.7	57.2	53.8	5.93	5.18	6.59	4.58	11.28	2.77	4.93	4.02	-1.56	0.0	0.0	2.5	16 224.9	16 524.6	16 609.2
Portugal (PT)	2.7	-8.3	5.5	116.6	134.9	125.5	5.65	5.69	6.10	7.21	11.91	9.78	3.99	-1.18	2.64	0.8	-1.8	1.9	22 792.5	23 136.2	24 082.7
Romania (RO)	3.9	-3.7	5.1	35.1	46.9	48.9	:	:	:	:	:	:	:	:	:	0.1	-2.1	1.8	12 985.2	13 247.1	13 601.8
Slovenia (SI)	3.5	-4.3	8.2	65.4	79.6	74.5	6.33	5.64	6.20	13.39	22.75	18.72	3.95	4.77	4.51	2.5	-0.7	1.3	28 978.1	29 955.3	32 333.8
Slovakia (SK)	2.5	-3.4	3.0	48.0	58.9	62.2	6.79	6.93	7.04	9.68	11.56	10.26	2.71	0.44	1.38	1.0	-1.9	-0.6	19 020.8	19 758.2	21 038.1
Finland (FI)	1.2	-2.2	3.0	64.9	74.8	72.4	12.25	11.91	12.50	8.53	12.72	10.35	2.37	0.97	1.56	1.8	-1.9	3.3	47 210.0	47 412.5	48 801.0
Sweden (SE)	2.0	-2.2	5.1	35.2	39.5	36.3	5.88	6.48	6.84	18.12	19.62	18.12	0.80	-0.25	2.64	0.6	-1.3	1.2	46 377.3	48 007.4	51 786.3

Source: Authors' representation based on Eurostat data (2022)¹

The EU's vulnerabilities and resilience capacities are analysed in light of relevant megatrends, long-term driving forces that will most likely significantly influence the future. The EU has addressed not only measures at the EU level, but also how to implement the national measures that are needed in each Member State, which will go hand in hand with a common European strategy. And one of the best, most effective instruments that the EU has is the EU Cohesion Policy. The response to the COVID-19 pandemic included, under the NGEU, the Recovery and Resilience Facility (RRF) with its National Recovery and Resilience Plans (NRRPs). As investments planned in NRRPs largely coincide with Cohesion Policy strategic objectives and financial resources, there is a risk of funding competition. The high level of complementarity is not sufficiently addressed in coordination and collaboration between NRRPs and the EU Cohesion Policy. The detailed analysis of the European Parliament (2022) seeks to assess the potential level of success and benefits of this approach, as well as the risks and threats. The analysis reviews potential complementarities between NRRPs and the EU Cohesion Policy, as well as risks or opportunities for Member States exploiting, or not, financial resources to deliver and implement NRRP and the EU Cohesion Policy investments. This

¹ Eurostat, COVID-19 data (retrieved from <https://ec.europa.eu/eurostat/web/covid-19/data>).

analysis considers governance models in the NRRPs to favour collaboration and communication among public and private actors involved in NRRP and the EU Cohesion Policy implementation:

- *Complementarity by policy area*: it illustrates potential complementarities between NRRPs and the EU Cohesion Policy interventions.
- *Demarcation*: The analysis considers the quality and quantity of information provided, namely whether the NRRPs also identify beneficiary(ies) and policy tool(s) to implement the interventions.
- *Coordination*: The level of coordination in the NRRPs refers to the institutional and administrative organisation planned for NRRP implementation and monitoring to ensure coordination and communication between the actors to manage NRRP and the EU Cohesion Policy funds. The level of coordination is measured through collaboration and communication.

It is thus possible to compare the level of impact of a pandemic in each EU Member State, and the response capability or preparedness in response and the set-up of tools for this response. Table 3 shows the positions of each Member State according to complementarity, demarcation and coordination.

Table 3. Level of NRRP and the EU Cohesion Policy compatibility

MEMBER STATE	Level of Complementarity	Level of Demarcation	Level of Collaboration	Level of Communication	MEMBER STATE	Level of Coordination	
Belgium	BE	HIGH	HIGH	HIGH	Belgium	BE	VERY HIGH
Bulgaria	BG	HIGH	MEDIUM	HIGH	Bulgaria	BG	VERY HIGH
Czechia	CZ	VERY HIGH	VERY HIGH	HIGH	Czechia	CZ	VERY HIGH
Denmark	DK	VERY LOW	MEDIUM	N/A	Denmark	DK	VERY LOW
Germany	DE	LOW	HIGH	LOW	Germany	DE	MEDIUM
Estonia	EE	VERY LOW	HIGH	HIGH	Estonia	EE	VERY HIGH
Ireland	IE	LOW	VERY HIGH	LOW	Ireland	IE	LOW
Greece	GR	MEDIUM	MEDIUM	HIGH	Greece	GR	VERY HIGH
Spain	ES	VERY HIGH	VERY HIGH	MEDIUM	Spain	ES	MEDIUM
France	FR	HIGH	VERY HIGH	MEDIUM	France	FR	HIGH
Croatia	HR	HIGH	HIGH	MEDIUM	Croatia	HR	HIGH
Italy	IT	VERY HIGH	LOW	LOW	Italy	IT	LOW
Cyprus	CY	HIGH	VERY HIGH	MEDIUM	Cyprus	CY	MEDIUM
Latvia	LT	MEDIUM	LOW	LOW	Latvia	LT	LOW
Lithuania	LU	LOW	MEDIUM	MEDIUM	Lithuania	LU	HIGH
Luxembourg	LV	MEDIUM	HIGH	HIGH	Luxembourg	LV	MEDIUM
Hungary	HU	MEDIUM	HIGH	HIGH	Hungary	HU	VERY HIGH
Malta	MT	VERY LOW	MEDIUM	HIGH	Malta	MT	VERY HIGH
Netherlands	NL	HIGH	VERY HIGH	MEDIUM	Netherlands	NL	HIGH
Austria	AT	HIGH	VERY HIGH	LOW	Austria	AT	LOW
Poland	PL	VERY HIGH	HIGH	HIGH	Poland	PL	VERY HIGH
Portugal	PT	MEDIUM	MEDIUM	HIGH	Portugal	PT	VERY HIGH
Romania	RO	VERY HIGH	HIGH	HIGH	Romania	RO	VERY HIGH
Slovenia	SI	HIGH	HIGH	MEDIUM	Slovenia	SI	HIGH
Slovakia	SK	HIGH	VERY HIGH	HIGH	Slovakia	SK	VERY HIGH
Finland	FI	HIGH	HIGH	LOW	Finland	FI	LOW
Sweden	SE	LOW	VERY HIGH	LOW	Sweden	SE	MEDIUM

Source: Authors' representation based on European Parliament data (2022)

Such an analysis can help answer the question: are we effectively making the EU more resilient through our policies and recovery strategy? As very aptly and in detail described by Díaz and Puch (2021), we are currently in a situation in which a short- and medium-term shock has taken a significant toll on the EU economy. COVID-19 has shown that the incomplete design of European institutions makes a coordinated quick response very difficult. The uneven impact of the coronavirus pandemic and fiscal problems in many countries threatens the European Single Market (or Internal Market) while populist responses to the crisis threaten the European project itself. At the same time, in the long term, we have to face, simultaneously, the digital and ecological transitions. The challenges threatening the EU both in the short and long term show the fact that there are market failures. The COVID-19 is a negative externality, just like pollution and climate change. In the digital sector, the great revolution is that new technologies have almost negligible marginal costs. The large companies in the sector are gigantic monopolies that actively eliminate competition where it arises, often by the expeditious way of buying emerging rivals. The other major failure – in this case, institutional – faced by all countries is that corporations have great international mobility, so that, in the absence of coordination, the competition to capture tax bases leads to an inefficiently low level of corporate taxation. Moreover, it distorts competition as small and medium-sized companies are less mobile. In addition to the problems described, the EU has other problems derived from its incomplete institutional design, which means that risk sharing is limited. This, in turn, slows down economic integration. And the shocks and challenges (the problem is not politically correct) are increasing, especially from the outside.

3.3. The war in Ukraine – international disruptions and regional destabilisation

The resilience of economies is supported by the current crisis, putting it in a broader perspective and finding options with potential long-term effects. The repercussions of Russia's military aggression against Ukraine have already changed geopolitical and economic realities. Major international disruptions and regional destabilisation have greatly affected the EU and its partner countries. In response to the invasion and the associated humanitarian crisis, Europe and its partners have sought to support Ukraine and impose strong economic sanctions on Russia. The invasion and the consequential sanctions have reduced the commodity production capacity, led to Russia's seizure or destruction of Ukrainian resources and erected trade barriers. Moreover, fears of a long-term conflict and potential escalation have limited or endangered the availability of essential foodstuffs like wheat and caused the prices of basic supplies to skyrocket. While the EU and the world are still struggling to recover from the impacts of two years of the COVID-19 pandemic, the Ukraine crisis is bringing new economic shocks and negative ripple effects (Iacobaș and Onbargi, 2022).

Destroyed lives, destroyed homes and destroyed infrastructure are the immediate consequences of Russia's aggression in Ukraine. The war also imperils the world's economic recovery from the COVID-19 pandemic: inflation, food security, energy security and further supply-chain pressures are among the many challenges policy makers worldwide must tackle. Russia's unjustified and unprovoked war against Ukraine has highly impacted energy markets and energy prices. The second sub-impact is on food market and food prices. The third significant area of impact is mobility of people and goods (European Council, Council of the European Union, 2022). However, the most important aspect of the war in Ukraine is the security and defence signal to the EU and the world. Countries across the continent have struggled with the question of how to coordinate their security and defence agencies – particularly across civilian and military bodies – in the face of terrorist attacks and cases of malign foreign influence, but no EU member state has recently had to test their systems in war. This learning should be a two-way street, with Europe delivering arms and training to Ukraine, and in return learning from the Ukrainian experience of building a system of national resilience and defence. Further progress on the EU defence integration is necessary to prepare the EU for taking over more responsibility in the world. Strategic autonomy of the EU should be the ultimate goal. NATO will continue to play an important role in the collective defence of the EU, but strengthening the European pillar in NATO will give the EU greater leverage in Transatlantic relations. A EU-US strategic dialogue on security and defence is long overdue. A new Transatlantic bargain is necessary. The EU and the US need to engage in a strategic dialogue, a strategic dialogue that might be part of a broader strategic dialogue within the Transatlantic community: EU-US and EU-NATO and NATO-US. This is not only necessary because of the strategic autonomy and the building of a European Defence Union, but also as a back up to the EU's role as a trading, normative and transformative power. The geopolitical reality of the world will require the EU to become more strategically autonomous so as to be able to protect and defend its citizens and the EU. The defence of democracy in the EU, as well as beyond the EU is essential. The contest of political systems will continue. The EU needs to change its policy of resilience regarding third countries and, in particular, neighbouring countries (the Ukraine case) (Roloff, 2020).

However, the Russia-Ukraine war and, particularly, Ukraine's response, demands a more comprehensive lessons-learned process (Shelest, 2022). The war in Ukraine has exposed the urgent need for effective coordination and coherence between EU policy frameworks. The current geopolitical shifts confirm the need to accelerate the twin transitions, reinforcing the EU's resilience and genuine strategic autonomy. With a renewed sense of urgency linked to the rapid evolution of the geopolitical situation, the green and digital transition in the new geopolitical context is at the top of the EU's political agenda, and their interaction will have massive consequences for the future. While they are different and each subject to specific

dynamics, their twinning – i.e., their capacity to reinforce each other – deserves closer scrutiny. This is essential in the current geopolitical context where the EU aims to accelerate both green and digital transformation, ultimately strengthening the EU's resilience and genuine strategic autonomy. The 2022 Strategic Foresight Report (European Commission, 2022) provides a future-oriented analysis of digital technologies' significant role and the influence of geopolitical, economic, social and regulatory factors in the twinning. The report identifies ten key areas where, based on their analysis, action will be needed continuously. To cope with future crises, which are not altogether unlikely, the EU and the Member States need to rebuild capacities in several areas so as to increase the resilience of the European economy (Barbier-Gauchard, 2021).

4. Future: perspectives of the EU integration project – current challenges – 21st century

No one can seriously question the success of European integration, whether in economic or political terms. The EU is primarily viewed as a cornerstone of European stability and prosperity. Recent or contemporary crises are also challenges for the present and, especially, the EU future.

After a series of crises, the EU must agree on its future. The previous European Commission 2014–2019 came up with the first proposal for the future of the European Union. The President of the European Commission, Jean Claude-Juncker, published a White Paper on the Future of Europe. It outlines the scenarios the European Union could take by 2025. The crucial element here is that the EU-27 will continue together and decide together on the EU's future. The White Paper on the Future of Europe proposes the following five scenarios: (1) Carrying on; (2) Nothing but the Single market; (3) Those who want more do more; (4) Doing less more efficiently; and (5) Doing much more together. Each of these five scenarios has a slightly different approach to the perception of the following policies: Single Market and trade; Economic and Monetary Union; Schengen, migration and security; Foreign Policy and defence; EU budget; Capacity to deliver. The result should not be the choice of one given scenario but a combination to perceive selected policies. The crucial element is that the EU will build its future with the 27 Member States (European Commission, 2017).

In 2019, Ursula von den Leyen (President of the European Commission for 2019–2024), pledged to host a Conference on the Future of Europe (CoFoE). This is the first event of its kind to offer Europeans the opportunity to engage in a discussion on key priorities and the future of the EU. Europeans can express their opinions about the European policies and on what the future of the EU should look like. CoFoE was opened symbolically on Europe Day in 2021 and was due to end in the spring of 2022, but this is still under discussion, especially in the light of the war in Ukraine and the hints of possible EU association. The CoFoE is expected to change European

policy in areas such as climate change and the environment, health, a more robust economy, social justice and jobs, the EU in the world, values and rights, the rule of law, security, digital transformation, European democracy, Migration, Education, culture, youth and sport and other ideas.

Moreover, in the context of questing for peace, democracy has not gone “out of fashion”; as such, it must update itself in order to keep improving people’s lives and include fundamental issues like a modest growth sensitive to social and environmental processes coupled with constantly addressing the need for sustainability. The future EU should not be deprived of the constant recycling of the accounting perception of who is on top of whom. And who pays and who suffers at the expense of others. Compliance with agreed rules should be a matter of course and conditional assistance to those who need it (Zahradník, 2018, p. 5). Finally, and most importantly, in the case of European values and their sharing, there should be sufficient room for common sense (politically correct called common sense), which should not suppress natural national characteristics but which should focus on developing what we have in common. The concept of subsidiarity could usefully serve us in this regard.

However, the future of Europe is not only affected by events within the EU. The EU will also be affected by events in Eastern Europe. Over the years, the idea that being a member of the European integration process is something special has gradually disappeared. Other European countries see something exclusive in the EU and want to become members. It certainly makes sense to build the EU in a globalised world. Only a strong EU has the potential to succeed in an ever-changing world (Conference on the Future of Europe, 2022).

The fact that the EU is a confederation in progress which, depending on the views of the observer, can be thought of as going too quickly or too slowly, should be taken into account. If we look at the EU in this way, through the federation lenses, we see that ours has an uneasy balance between the federal government, i.e., the European Commission, and the representation of the states, i.e., the European Council. These are matters that clearly affect the future of the EU and the shape, direction, speed and depth of the European integration process. The TOP-DOWN approach, represented by the previous European Commission in the form of the White paper on the Future of Europe, or the BOTTOM-UP approach, represented by the current European Commission in the form of the CoFoE, represent two sides of the same coin, and where to find the intersection?

From these two approaches, it is clear that the way the European integration process will unfold is clearly dependent on the leading or ruling political representation. And perhaps, more importantly, the will to agree. The EU is an association of diverse Member States and, as the EU’s official motto says: ‘Unity in Diversity’. Each EU country is unique and therefore, the EU is a heterogeneous unit with significant disparities among countries and regions. It always takes some time for a group to create its own face and expression. As a well-known rule in economics

(in theory and practice), the political and economic cycles do not always meet. The EU needs to be explained. “Let’s take back control” and get rid of the “Brussels dictate” were shorthand slogans for a majority of population that does not exactly live in professional European politics and therefore, logically, may have little idea of how the EU decision-making works. The political elites across Europe are failing significantly in explaining the workings and meaning of the EU. The need for better communication is often emphasised by the current Czech government, and the Brussels media has also noticed this aspect. We need to work hard to give citizens a more accurate picture of the EU and confidence that it is useful.

5. Populism and the new wave of Euroscepticism – what to do and how to proceed?

Populism is a reaction towards the belief of a lot of mainstream channels. Usually, populists talk about the purity of the people and the evil of the elite, and the will of the people to do something, where something can change according to the popular theme. Sometimes, it has been EU exit strategies, recently there has been anti-vaccine ideologies, or even migration issues. The populists use the current themes in order to gain notoriety. Recently, the trend of populist parties has surged upwards with a lot of European populist and Eurosceptic parties winning double digit votes (Riddervold *et al.*, 2021; Baldwin and Wyplosz, 2022).

The rise of populism in Europe is generally seen as negative because populist solutions are fundamentally wrong and call into question the security, political and economic foundations on which the EU is built. Europeans vote for populists as an expression of disagreement with the establishment, with the policies of the ruling parties. The reality shows that most populist parties, after their eventual electoral success, ‘normalise’, are forced to adopt standard measures in their executive role and become conventional political entities. The biggest threat to democracy is the electoral success of anti-system extremist parties whose policies are incompatible with the principles of liberal democracy (Euroskop, 2017). Today, everyone is warning against “rampant populism”. Moreover, recently, populism has turned into a new policy trend spreading throughout the Western world. Populism varies across Europe. In France, the Yellow Vests, Marine Le Pen and her National Association, and, in some respects, En Marche! Emmanuel Macron. The goals of the parties and movements are different, and the intensity of support for the EU and international policy positions vary. As far as Eastern Europe is concerned, one usually compares populism in Poland and Hungary, but the situation is different in both countries. It can be said that Western countries, not just European countries, are experiencing a rise in populism that is more of a symptom than a cause. There are fundamental differences between Western and Eastern Europe. In Western countries, democracy is already better established and in Eastern countries there is more hope that the crisis associated with populism will be better overcome (Fox, 2022).

‘Euroscepticism’ is a relic. In such circumstances, ‘Euroscepticism’, which used to express opposition to the prevailing positive perception of the EU, is now a thing of the past. ‘Euroscepticism’ is becoming the new normal, the standard approach to the EU of our time. It is crucial that the political establishment realises this and works with it. They should see critics of the EU as an important part of the mainstream and try to include them in a constructive debate on the EU, so that they do not need to seek refuge in populist nationalist movements.

Conclusions

The speed of events and the enormity of the challenges are sometimes difficult to grasp. The EU is viewed mainly as a cornerstone of European stability and prosperity. Many EU countries have faced considerable economic difficulties for the last decade. Such economic pressures and societal changes have contributed to the rise of populist and anti-establishment political parties, at least some harbour anti-EU or ‘Eurosceptic’ sentiments. Such trends have complicated the EU’s ability to deal with multiple internal and external challenges, e.g. Brexit; democracy and rule-of-law concerns in Poland, Hungary, and other EU members; migration and related societal integration concerns; heightened terrorism threat; Brexit etc. Of course, the challenges include COVID-19. For the EU, this means a change in orientation and policy settings towards system-wide resilience. Amid these complex issues, some question the future shape and character of the EU. The multiple crises could produce beneficial reforms and transform the EU into a more effective, cohesive entity.

The development of the EU in the 21st century has been and continues to be a genuinely turbulent period. The EU has been attacked by many adverse external influences but also by a number of its own internal development mistakes. Moreover, a succession of significant crises has tested the resilience of the EU. The Eurozone crisis, the refugee crisis, Brexit, and rule-of-law. Yet, while these crises have battered the EU, they have also prompted reforms that have significantly strengthened its authority. The COVID-19 pandemic is only the latest in a series of such challenges. Time and again during the pandemic, the EU appeared to fumble only to pull itself together to forge a typical response; time and again, that European response has turned out to be more effective than critics might have imagined and yet less than proponents might have wished (Jones, Kelemen, Meunier, 2021). The EU economy had just recovered from the COVID-19 crisis when the war broke out. The war in Ukraine is the third asymmetric shock that the EU has experienced in the last two decades, after the 2008 financial and economic crisis and the following Eurozone crisis and the COVID-19 pandemic. An asymmetric shock is a sudden change in economic conditions that affects some EU countries more than others. The war in Ukraine is indeed having a much greater impact on neighbouring countries due to the influx of refugees and their heavy dependence on Russian gas. To prevent asymmetric shocks from weakening the EU, we need to step up our capacity to show

solidarity with the most affected countries. This is what we did after the 2008-2009 crisis, even if we were slow to do so. This is what we did facing the economic impact of the COVID-19 pandemic, both by pooling vaccine purchases and through the Next Generation EU plan. This is also what we need to do now.

Nevertheless, the EU seems to have weathered the adverse developments mainly through further institutionalisation of initially concrete measures. It is also important not to forget the further deepening of integration and the progressive enlargement of the membership base. All the crises mentioned have been fundamental for the EU and its Member States and are still unknown, at least in their scale. However, crisis resolution ultimately reinforces the supranational character of integration by strengthening the power of European institutions – especially the European Commission and the European Parliament. However, more and more competencies are won by Member States in certain areas. This means that the age-old struggle between the supranationalism of EU institutions and the intergovernmentalism of the Member States is not settled (Kučerová, 2021). Past, ongoing, and emerging crises' impact on integration dynamics should also be mentioned. They have been of both types, the growth of national egoism/unilateralism and the creation of many instruments to mitigate the main economic effects of the crises. Of course, as the primary policy body, the European Commission initiates and coordinates Member States' cooperation. However, the European Commission's role and competencies are limited. Moreover, the crises have contributed to the further differentiation of the Member State base – each state has approached and still approaches the crises differently; therefore, the impacts of crises are different, and not only because of the diversity of crises. Moreover, because of what is happening in Eastern Europe, i.e., the war in Ukraine, it turns out that being part of the European or non-European process is again exclusive. The EU has managed to grant candidate status to Ukraine in a fast-track procedure, and other states such as Moldova and Georgia also want to move closer to European standards. In the health crisis, Europeans have considerably increased their political integration. The COVID-19 pandemic has confirmed the increasingly strong singularity of the entity that Europeans are creating under the name of the European Union. This revival crystallises European resilience, enabled by the emergence of a European public opinion, and fostered by the shared expectation of citizens that the answers to problems should be developed at the European level (Kahn, 2021). The COVID-19 crisis has demonstrated the importance of European strategy, coordination and solidarity. And the current crisis, or war in Ukraine, is only helping this development. Will the EU, the main political leaders and the European institutions seize this opportunity or will they miss it?

Responsible European policy should be based on two foundations – rationalism and the cultivation of expectations. Pro-EU propaganda is undesirable and counterproductive to mainstream discontent. The defence against populist sharks can be that citizens have true information about the EU and the relevant data to form

their own opinions. In addition, leaders must deliver a realistic vision and stress that patience is needed to pursue it. The fundamental reform of the EU that should now take place should, therefore, focus on creating realistic expectations. It must not remain behind the closed doors of Brussels institutions and government cabinets, but be a shared project with a vision of positive outcomes for the whole society.

The authors plan to focus on deepening the economic integration, on the strengths and weaknesses, expected and unexpected challenges of the European integration process and of the EU prospects. The question of where European integration is going also raises the question of how to measure and quantify integration tendencies. This raises the essential question of how to measure the integration process. One pillar of future research will be the design of a composite approach to measuring integration dynamics in the form of the EU integration index and the EU integrability index.

Acknowledgement: The article is supported by the SGS project (SP2022/7) of VSB-TUO.

References

- Archick, K. (2021), The European Union: Ongoing Challenges and Future Prospects, *Current Politics and Economics of Europe*, 32(1), pp. 105-150.
- Balassa, B. (2011), *The Theory of Economic Integration (Routledge Revivals)*, London: Routledge. <https://doi.org/10.4324/9780203805183>
- Baldwin, R.E. and Wyplosz, Ch. (2012), *The economics of European integration*, 4th edition, London: McGraw-Hill Higher Education.
- Baldwin, R.E. and Wyplosz, Ch. (2022), *The economics of European integration*, 7th edition, London: McGraw-Hill Higher Education.
- Barbier-Gauchard, A., Dai, M., Mainguy, C., Saadaoui, J., Sidiropoulos, M., Terraz, I. and Trabelsi, J. (2021), Towards a more resilient European Union after the COVID-19 crisis, *Eurasian Economic Review*, 2021(11), pp. 321-348. <https://doi.org/10.1007/s40822-021-00167-4>
- Conference on the Future of Europe (2022), *What is the Conference on the Future of Europe?* (retrieved from: <https://futureu.europa.eu/pages/about>).
- Council of European Union (2018), *How does the Integrated Political Crisis Response (IPCR) Mechanism work?* (retrieved from <https://www.consilium.europa.eu/media/45843/ipcr-mechanism.pdf>).
- Crescenzi, R., Giua, M. and Sonzogno, V.G. (2021), Mind the Covid-19 crisis: An evidence-based implementation of Next Generation EU, *Journal of Policy Modeling*, 43(2), pp. 278-297. <https://doi.org/10.1016/j.jpolmod.2021.03.002>
- Crnčec, D. (2020), COVID-19 Crisis: More EU Integration and a Step Forward for EU Energy Policy and Climate Action?, *Teorija in Praksa*, 57(4), pp. 1105-1123.

- de la Porte, C. and Heins, E. (2022), Introduction: EU constraints and opportunities in the COVID-19 pandemic-the politics of NGEU, *Comparative European Politics*, 20(2), pp. 135-143. <https://doi.org/10.1057/s41295-022-00276-7>
- Degner, H. (2019), Public attention, governmental bargaining, and supranational activism: Explaining European integration in response to crises, *Journal of Common Market Studies*, 57(2), pp. 242-259. <https://doi.org/10.1111/jcms.12686>
- Díaz, A. and Puch, L.A. (2021), Fiscal Stimulus: Lessons From the US to the EU? *Intereconomics, Review of European Economic Policy*, 56(4), pp. 197-200. <https://doi.org/10.1007/Fs10272-021-0978-5>
- Dorrucci, E. (2015), *A history of Europe's economic integration*, World Economic Forum (retrieved from <https://www.weforum.org/agenda/2015/04/a-history-of-europes-economic-integration/>).
- Dorrucci, E., Ioannou, D., Mongelli, F.P. and Terzi, A. (2015), The four unions “PIE” on the Monetary Union “CHERRY” A new index of European institutional integration, *Occasional Paper Series*, No 160 / February 2015, European Central Bank, Frankfurt am Main (retrieved from <https://op.europa.eu/cs/publication-detail/-/publication/9499027e-ff8e-4367-9291-e93b43dad81c/language-en>).
- European Commission (2017), *White paper on the future of Europe* (retrieved from https://ec.europa.eu/info/sites/default/files/white_paper_on_the_future_of_europe_en.pdf).
- European Commission (2020a), *2020 Strategic Foresight Report. Strategic Foresight – Charting the course towards a more resilient Europe* (retrieved from https://ec.europa.eu/info/strategy/strategic-planning/strategic-foresight/2020-strategic-foresight-report_cs).
- European Commission (2020b), *COVID-19: Commission sets out European coordinated response to counter the economic impact of the Coronavirus* (retrieved from https://ec.europa.eu/commission/presscorner/detail/en/ip_20_459).
- European Commission (2021), *State of the Union address 2021* (retrieved from https://ec.europa.eu/info/sites/default/files/soteu_2021_address_en_0.pdf).
- European Commission (2022), *2022 Strategic Foresight Report. Strategic Foresight – Twinning the green and digital transitions in the new geopolitical context* (retrieved from https://ec.europa.eu/info/strategy/strategic-planning/strategic-foresight/2022-strategic-foresight-report_en).
- European Council, Council of the European Union (2022), *Impact of Russia's invasion of Ukraine on the markets: EU response* (retrieved from <https://www.consilium.europa.eu/en/policies/eu-response-ukraine-invasion/impact-of-russia-s-invasion-of-ukraine-on-the-markets-eu-response/>).
- European Parliament (2022), The impact of the COVID-19 pandemic and the war in Ukraine on EU cohesion. Policy Department for Structural and Cohesion Policies – Directorate-General for Internal Policies, *Working paper PE*, 733.095 - October.
- European Union (2021), *The history of the European Union* (retrieved from https://europa.eu/european-union/about-eu/history_en#2010-2019).

- European Union (2022a), *EU pioneers* (retrieved from https://european-union.europa.eu/principles-countries-history/history-eu/eu-pioneers_en).
- European Union (2022b), *History of the EU* (retrieved from https://european-union.europa.eu/principles-countries-history/history-eu_en).
- European Union (2022c), *Joining the EU* (retrieved from https://european-union.europa.eu/principles-countries-history/joining-eu_en).
- Euroskop (2017), *Máme se bát evropských populistů?* [Should we be afraid of European populists?] (retrieved from <https://euroskop.cz/2017/04/19/mame-se-bat-evropskych-populistu/>).
- Falkner, G. (2016), The EU's Current Crisis and its Policy Effects: Research Design and Comparative Findings, *Journal of European Integration*, 38(3), pp. 219-235. <https://doi.org/10.1080/07036337.2016.1140154>
- Fedajev, A., Radulescu, M., Babucea, G.A., Mihajlovic, V., Yousaf, Z. and Milicevic, R. (2021), Has COVID-19 pandemic crisis changed the EU convergence patterns?, *Economic research - Ekonomska Istraživanja*, pp. 1-30. <https://doi.org/10.1080/1331677X.2021.1934507>
- Ferrera, F.M., Miró, J. and Ronchi, S. (2021), Walking the road together? EU polity maintenance during the COVID-19 crisis, *West European Politics*, 44(5-6), pp. 1329-1352. <https://doi.org/10.1080/01402382.2021.1905328>
- Forman, R. and Mossialos, E. (2022), The EU Response to COVID-19: From Reactive Policies to Strategic Decision-Making, *Journal of Common Market Studies*, 59(S1), pp. 1-13. <https://doi.org/10.1111/jcms.13259>
- Fox, B. (2022), Analysis-Win or lose, Le Pen's nationalism is already changing Europe, *Euractiv*, April 22 (retrieved from <https://www.euractiv.com/section/future-eu/opinion/analysis-win-or-lose-le-pens-nationalism-is-already-changing-europe/>).
- Harja, I.G. (2019). Theories of European Integration Systematic Reflections, "Ovidius" *University Annals, Economic Sciences Series*, XIX(2), pp. 111-115.
- Hosny, A.S. (2013), Theories of Economic Integration: A Survey of the Economic and Political Literature, *International Journal of Economy, Management and Social Sciences*, 2(5), pp. 133-155.
- Iacobuță, G.I. and Onbargi, A.F. (2022), *The European Green Deal and the war in Ukraine. Addressing crises in the short and long term* (retrieved from <https://ettg.eu/wp-content/uploads/2022/07/The-European-Green-Deal-and-the-war-in-Ukraine.pdf>).
- Jones, E. (2018), Towards a theory of disintegration, *Journal of European Public Policy*, 25(3), pp. 440-451. <https://doi.org/10.1080/13501763.2017.1411381>
- Jones, E.R., Kelemen, D. and Meunier, S. (2021), Failing forward? Crises and patterns of European integration, *Journal of European Public Policy*, 28(10), pp. 1519-1536. <https://doi.org/10.1080/13501763.2021.1954068>
- Kahn, S. (2021), The Covid-19 pandemic, what lessons for the European Union?, *European issues*, 617, Brussels: Foundation Robert Schuman – The Research and Studies Centre

- in Europe (retrieved from <https://www.robert-schuman.eu/en/european-issues/0617-the-covid-19-pandemic-what-lessons-for-the-european-union>).
- Krotz, U. and Schramm, L. (2021), Embedded Bilateralism, Integration Theory, and European Crisis Politics: France, Germany, and the Birth of the EU Corona Recovery Fund, *Journal of Common Market Studies*, pp. 1-19. <https://doi.org/10.1111/jcms.13251>
- Kučerová, I. (2021), Four major EU crises of the last decade – the chaos effect or the arrival of the black swan? The impact of crises on integration dynamics, *Czech Political Science Review*, 27(2), pp. 7-29.
- Maher, R. (2021), International Relations Theory and the Future of European Integration, *International Studies Review*, 23(1), pp. 89-114. <https://doi.org/10.1093/isr/viaa010>
- Marinov, E. (2015), Economic Determinants of Regional Integration in Developing Counties, *International Journal of Business and Management*, III(3), pp. 22-39. <https://doi.org/10.20472/BM.2015.3.3.003>
- Mongelli, F.P., Dorrucchi, E. and Agur, I. (2005), What Does European Institutional Integration Tell Us About Trade Integration?, *Frankfurt am Main: European Central Bank* (retrieved from <https://www.ecb.europa.eu/pub/pdf/scpops/ecbocp40.pdf>).
- Monnet, J. (1978), *Memoirs. Trans.*, R. Mayne Garden City: Doubleday & Company.
- Musat, M. (2019), European Union Economic Integration and Development, *Global Economic Observer*, 7(1), pp. 80-85.
- Rapacki, R., Procniaik M. (2019), EU Membership and Economic Growth: Empirical Evidence for the CEE countries, *The European Journal of Comparative Economics*, 16(1), pp. 3-40.
- Riddervold, M., Trondal, J. and Newsome, A. (2021), *The Palgrave Handbook of EU Crisis*, Cham, Switzerland: Palgrave Macmillan. <https://doi.org/10.1007/978-3-030-51791-5>
- Roloff, R. (2020), COVID-19 and No One's World: What Impact for the European Union?, *Connections: The Quarterly Journal*, 19(2), pp. 25-36. <https://doi.org/10.11610/Connections.19.2.02>
- Sapir, A. (2011), European Integration at the Crossroads: A Review Essay on the 50th Anniversary of Bela Balassa's Theory of Economic Integration, *Journal of Economic Literature*, 49(4), pp. 1200-1229. <https://doi.org/10.1257/jel.49.4.1200>
- Saurugger, S. (2016), Politicisation and integration through law: Whither integration theory?, *West European Politics*, 39(5), pp. 933-952. <https://doi.org/10.1080/01402382.2016.1184415>
- Schimmelfennig, F. (2018a), European Integration (Theory) in Times of Crisis. A Comparison of the Euro and Schengen Crises, *Journal of European Public Policy*, 25(7), pp. 969-989. <https://doi.org/10.1080/13501763.2017.1421252>
- Schimmelfennig, F. (2018b), Liberal Intergovernmentalism and the Crises of the European Union, *Journal of Common Market Studies*, 56(7), pp. 1578-1594. <https://doi.org/10.1111/jcms.12789>
- Shelest, H. (2022), Defend. Resist. Repeat: Ukraine's lessons for European defence, *European Council on Foreign Relations* (retrieved from

- <https://ecfr.eu/publication/defend-resist-repeat-ukraines-lessons-for-european-defence/>).
- Staničková, M. and Melecký, L. (2021), *A new era of resilience: a revival of the topic “due to” the coronavirus crisis. What is the European Union’s approach?*, 24th International Colloquium on Regional Sciences. Brno: Masaryk University, pp. 92-99. <https://doi.org/10.5817/CZ.MUNI.P210-9896-2021-11>
- Tesche, T. (2022), *Pandemic Politics: The European Union in Times of the Coronavirus Emergency*, *Journal of Common Market Studies*, 60(2), pp. 480-496. <https://doi.org/10.1111/jcms.13303>
- Tinbergen, K. (1954), *European Union Economic Integration And Development*, *Global Economic Observer*, 7(1), pp. 80-85.
- Viner, J. (1950), *The Customs Union Issue*, London: Carnegie Endowment for International Peace.
- Vollaard, H. (2014), *Explaining European disintegration*, *Journal of Common Market Studies*, 52(5), pp. 1142-1159. <https://doi.org/10.1111/jcms.12132>
- Webber, D. (2019), *Trends in European political (dis)integration. An analysis of postfunctionalist and other explanations*, *Journal of European Public Policy*, 26(8), pp. 1134-1152. <https://doi.org/10.1080/13501763.2019.1576760>
- Zahradník, P. (2018), *Jádro a perifeire: vnímání a realita (Core and periphery: perception and reality)*, Měsíčník EU aktualit. EU Office / Knowledge Centre, Prosinec 2018, 183 (retrieved from https://www.csas.cz/content/dam/cz/csas/www_csas_cz/dokumenty/analyzy/Mesicnik_2018_12.pdf).
- Zinecker, M., Doubravský, K., Balcerzak P.M., Pietrzak B.M. and Dohnal, M. (2021), *The COVID-19 Disease and Policy Response to Mitigate the Economic impact in the EU*, *Technological and Economic Development of Economy*, 27(3), pp. 742-762. <https://doi.org/10.3846/tede.2021.14585>