

Binary choices

Momentum behind a two-speed Europe gathers pace, writes Euromat general secretary *Kieran O'Keeffe*

FACED with rising populism and national governments keen to pin the blame for this on Brussels, the European Commission published its white paper on the future of Europe at the beginning of March.

The white paper points out that discussion on Europe's future need not boil down to a binary choice between more or less Europe. Instead five possible scenarios are set out ranging from the status quo, to a change of scope and priorities, to a partial or collective leap forward.

This paper will feed into a declaration to be made by the EU-27 in Rome at the end of March and then a series of Future of Europe debates before concrete conclusions are reached at the end of the year at the December European Council.

If Europe avoids any major electoral shocks this year, then consensus is likely to build behind the third option in the paper: a Europe based on the "coalition of the willing," where those who want to do more do so in areas like defence or taxation, an option favoured by German Chancellor Angela Merkel and the Commission President.



Although the paper talks about every option requiring unity among the 27 member states, this is a proposal for a two-tier Europe where a committed group of member states forge ahead towards greater integration.

This is a pragmatic approach in some respects but will in practice mean that Europe becomes more fragmented with Europe's eastern and Nordic countries likely to stay out of a committed core.

From a business point of view this means that the European trading bloc is likely to become more complex with greater harmonisation applying to a smaller group of countries and possibly differing rights for European citizens. The UK's exit from the EU is only the beginning of a process of change, which is going to result in a very different European Union to live and do business in.