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Edited by Helder Ferreira do Vale



European Union - Ideas for the Future

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Social Sciences

Volume 16

Aims and Scope of the Series

The social sciences, as a form of scientific knowledge anchored on epistemological foundations, theories, and specific methodologies, both in their fundamental and applied dimensions, are paramount for understanding and, consequently, developing instruments that contribute to improving social and environmental living conditions. This Social Sciences book series, based on the concept of the social sciences as key elements in the promotion of scientific knowledge and its inherent consequences, has as its primary goal to be a space for the dissemination of relevant information on various objects of study, aimed at specialists, students, policymakers, and others interested in the challenges facing humanity. Thus, the aim is to promote scientific progress through the sound and rigorous dissemination of studies that, from the perspective of the social sciences, either through a specialised disciplinary approach or through interdisciplinary perspectives, foster a deeper understanding of the objects under analysis, clarifying the issues addressed and their implications.

Meet the Series Editor



Sandro Nuno Ferreira de Serpa (PhD, FRSA, FRSS, FRGS, FR-SPH, FRAI, FISDS, GLO Fellow), is an Associate Professor with tenure in the Department of Sociology at the University of the Azores and a Senior Integrated Researcher at the Interdisciplinary Centre of Social Sciences (CICS.NOVA.UAc). With over 25 years of experience in higher education, in 2025 Dr. Serpa is ranked by ScholarGPS as the 8th scholar worldwide in Sociology (Prior 5-Year category) and 1st in Portugal. His career is distinguished by encompassing over 400 scientific publications published in Brazil, Canada, China, Germany, India, Kazakhstan, the Netherlands, Pakistan, Poland, Portugal, Romania, Spain, Switzerland, Turkey, the United Arab Emirates, the United Kingdom, and the United States of America with a high research impact, as evidenced by a Google Scholar h-index of 29 and a Scopus h-index of 14 (with 79 documents indexed). His international prestige is underscored by his status as a Fellow of five distinguished British Royal Societies: the Royal Society of Arts (FRSA), the Royal Statistical Society (FRSS), the Royal Geographical Society (FRGS), the Royal Society for Public Health (FRSPH), and the Royal Anthropological Institute (FRAI), alongside being a Fellow of the International Society for Development and Sustainability (FISDS) and Fellow of the Global Labor Organization (GLO). Registered Vetted Expert for the European Commission and the United Nations. Dr. Serpa's research focuses on the sociotechnological co-evolution of Society 5.0, Artificial Intelligence in Education, and Algocratic Governance. An expert in strategic editorial leadership, he currently serves as the Series Editor for Social Sciences Series at IntechOpen, Editor for SAGE Open, and is a member of the Editorial Board for International Studies in Sociology of Education (Taylor & Francis) and Societies (MDPI). His extensive administrative background includes roles as Department Head, Degree Director, and Deputy Director of CICS.UAc, reflecting a profile that harmonizes scientific excellence with high-level academic management.

Meet the Volume Editor



Helder Ferreira do Vale is a political scientist specializing in international relations, global governance, and comparative institutional change, with expertise in democratic transitions, policy processes, and development in the Global South. He holds a Ph.D. from the European University Institute and has held academic appointments across Europe, Asia, and Latin America, including as Associate Professor at Hankuk University of Foreign Studies (South Korea) and Xi'an Jiaotong–Liverpool University (China). He is currently a Professor in the Graduate Program in International Relations at the Federal University of Bahia (UFBA), Brazil. His work has appeared in journals such as *Research in Globalization*, *Insight Turkey*, *Brazilian Political Science Review*, *Journal of Iberian and Latin American Research*, *Regional & Federal Studies*, and *World Affairs*, among others. He has professional experience with the World Bank, the United Nations Development Program (UNDP), and the Spanish government on governance and decentralization initiatives.

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Preface

The European Union in the mid-2020s is caught between two competing imperatives: the need for unified strategic action and growing calls for decentralization. The current global geopolitical context, marked by the return of hard power and systemic rivalry, demands a more cohesive and sovereign Europe capable of navigating a world of power politics. However, this push toward centralization sits uneasily alongside arguments for rethinking priorities and redistributing authority away from supranational institutions. Resilience may therefore lie in an agile, decentralized framework capable of balancing a unified European voice with local democratic autonomy. This dialectic anchors the “Idea for the Future” explored in this volume.

This debate unfolds as two foundational post-Cold War assumptions weaken in a fragile global order: that economic integration would automatically generate political harmony, and that soft power alone could secure Europe’s place in the world. Currently, the EU remains a regulatory superpower that sets global standards in several realms (e.g., environmental sustainability, digital regulation). However, the EU is increasingly strained by internal fragmentation. Bridging this gap requires flexible institutional arrangements grounded in high-trust social contracts, technological sovereignty, and a more coordinated foreign policy. These are elements that may allow internal diversity without sacrificing external coherence.

This volume addresses scholars of European integration, policymakers, and engaged citizens seeking a nuanced understanding of institutional resilience.

Navigating Systemic Transformations

A stronger and more influential EU requires rethinking the “Twin Transitions” of green and digital policies. These are no longer technical adjustments but central pillars of twenty-first-century sovereignty. In this context, Europe must evolve from a market referee to a unified geopolitical actor. This entails advancing a “Digital Constitution” that treats technological fragmentation as a security risk and viewing sustainability leadership as a foundation for industrial independence.

In Chapter 1 of the book, Yew Joe Ho, Khar Mang Tan, and Malarvily Ramaloo reassess the EU’s claim to sustainability leadership, questioning whether it can maintain moral and economic authority amid shifting global priorities. Helder Ferreira do Vale, in Chapter 2, examines whether a fragmented Europe can realistically achieve digital sovereignty. Throughout Chapter 3, Reiner Osbild offers a provocative alternative, arguing that strategic decentralization—not further centralization—may best preserve the EU’s long-term viability.

The Social Fabric and Democratic Resilience

A cohesive EU ultimately depends on the strength of its societies. While integration debates often focus on high-level policy, democratic resilience is built within social institutions. This section emphasizes that the European project rests on the stability of its democratic foundations. If educators, civil servants, and local communities become disconnected from European norms, institutional architecture alone cannot sustain legitimacy.

From Elira Luli's analysis of "illiberal silent threats" in the Western Balkans in Chapter 4 to Cinzia Leone and Angela Celeste Taramasso's exploration of inclusive innovation in Chapter 5, the message is consistent: external influence depends on internal cohesion. Chapter 6, by Andreas Sobisch, examines citizenship as a pillar of identity, while Chapter 7, by Irina-Ana Drobot, turns to the central role of education in sustaining democratic culture. Together, these contributions suggest that Europe's strength may be built as much in classrooms and communities as in Brussels.

The EU as a Global Actor

As the EU projects itself outward, it must develop a strategic approach that mobilizes its normative and scientific strengths in an era of contestation. This is not a return to passive soft power, but a deliberate use of science diplomacy and technological cooperation to build resilient partnerships, particularly with developing regions. By linking internal democratic ethics to external strategy, the EU can shape an influence model that competes in a multipolar world while remaining human-centric.

In this context of contested sovereignty, Aistè Deimantaitè explores, through Chapter 8, the EU's turn toward a geopolitics of peace. In Chapter 9, Carlos Cruz Infante concludes with a pragmatic vision of science diplomacy, illustrating how knowledge partnerships with Latin America can strengthen Europe's global role.

By navigating the tension between centralized capacity and decentralized legitimacy, the EU can foster a thriving European citizenry. Also, by aligning strategic coherence with democratic intimacy, it can project itself globally with greater confidence. We hope that this volume offers an intellectual foundation for a Europe capable of confronting global challenges while empowering its citizens in an uncertain world.

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Section 1

Navigating Systemic Transformations

Chapter 1

The European Union at a Crossroads: Reassessing the Future of Sustainability Leadership

Yew Joe Ho, Khar Mang Tan and N. Ramaloo Malarvily

Abstract

The normative leadership of the European Union (EU) in advancing the green agenda has been established over the years through foundational commitments to the Kyoto Protocol, Paris Agreement, and UN Sustainable Development Goals. Such frameworks have laid the foundation of the EU's core sustainability policies, principally the EU Emissions Trading System (EU ETS). The success of the EU ETS in significantly reducing emissions from European power and industry plants has precipitated transregional mechanisms such as the Carbon Border Adjustment Mechanism and the EU Deforestation Regulation, reinforcing the EU's sustainability leadership in systematically advancing the global environmental agenda. The "Brussels Effect," the vanguard hallmark of the EU in standard-setting, is further cemented through the paradigmatic EU Global Gateway, which has been an effective vehicle for advancing sustainability and green transition, particularly in emerging economies. This chapter elucidates a recent change in the EU's sustainability policy that has called into doubt the EU's preeminent green global leadership role. The discussion explores the economic and geopolitical foundations of the growing pro-business, anti-green stance in the EU, notably the competitive pressures exacerbated by the United States, coupled with the dynamics surrounding the emergence of China and Japan as potential global sustainability paragons.

Keywords: sustainability, European Green Deal, Brussels Effect, CSDDD, CBAM, EUDR, climate policy, Global Gateway, China Green Transition, Japan Green Transition

1. Introduction

The European Union (EU) has been one of the pioneers in aligning economic and industrial pursuits with the imperatives of ecological rectitude. The doctrinal allegiance to sustainable development has, over the decades, entrenched the EU as a sovereign arbiter in the realm of global environmental stewardship. The Treaty of Lisbon, which marked the watershed of the EU's foundational commitment to sustainable development [1], drew inspiration from the seminal 1987 Brundtland Report, which posits development as a calibrated equilibrium that should satisfy

present exigencies without despoiling the endowments of posterity [2]. This precept, enshrined with juridical force in Article 191 of the Treaty on European Union and Article 37 of the Charter of Fundamental Rights, imposes a categorical imperative upon all European policies, mandating that development ambitions be oriented toward sustainability [3].

The EU's early proactive engagement was crystallized in the 2001 Strategy for Sustainable Development (SDS), which codified core tenets of the precautionary principle, intergenerational responsibility, and citizen participation, among others [4]. The ambitious European Green Deal (EGD), launched in 2019, is a culmination of the EU's unyielding commitment to transform Europe into the world's first climate-neutral continent by 2050 [5]. Thenceforth, the EU Global Gateway, constituting a similar framework to the EGD for worldwide outreach, was launched in 2021, thereby exemplifying the "Brussels Effect" for sustainable development. The initiative, which extends to continents in Africa, Asia-Pacific, Latin America, and the Caribbean, aims to both catalyze the sustainable development of the EU's partners and facilitate access to nascent markets for EU member states' private sector [6].

The EU's sustainability agenda, nonetheless, is confronted with a grave moment of introspection and mounting resistance. At the Choose France Summit in Versailles on 19 May 2025, France, a core EU member state, has called for the halting of the Corporate Sustainability Due Diligence Directive (CSDDD), a stance that finds alignment with Germany, another influential EU member state [7]. Although not entirely unforeseen, the abrupt shift in position on sustainability might signal profound internal discord that could potentially precipitate a retreat from the EU's vaunted green objectives. The unequivocal statement of intent represents a more radical departure than the European Commission's prior "Omnibus Simplification Package," which sought merely to curtail the ambit and defer the enactment of pivotal measures, such as the Corporate Sustainability Reporting Directive (CSRD) and CSDDD [8].

This chapter begins with a synthesis of the EU's trajectory in the sustainability agenda, tracing its evolution from its formative stages to its consolidation as the central axis of global leadership in sustainability governance. It proceeds to analyze how the EU's expanding regulatory architecture, deeply embedded within global trade networks, has engendered significant counter-reactions. The chapter continues to examine the constraints on the EU's strategic maneuverability due to intensifying competitive disparities caused by the US' retreat from multilateral climate commitments, as well as the growing intra-EU anti-green sentiments and the concurrent emergence of China and Japan as credible alternative models within the global green agenda. The conclusion reflects on the future of the EU's sustainability leadership, which it has painstakingly constructed within the nexus of internal institutional limitations and geopolitical contingencies.

2. EU's sustainable development agenda

Sustainable development has been embedded in the EU's treaties as a fundamental long-term objective since the 1990s. The principle constitutes a cornerstone of both its internal and external policies, encompassing a wide range of domains, including environmental protection, social exclusion, discrimination,

development cooperation, and international trade. The sustainable development goal of the EU is articulated in Article 3 of the Treaty on European Union [9]. In the early 2000s, the EU commenced the institutionalization of its sustainability agenda through a succession of bespoke policy frameworks, beginning with the SDS in 2001, as aforementioned. The mainstreaming of the EU's sustainability priorities subsequently is broadly aligned with the United Nations' (UN) Sustainable Development Goals (SDGs), in which the EU was a formative actor in the development of the framework. The UN's SDGs have been systematically woven within the EU's policy architecture since their adoption in 2015, through diligent mechanisms such as the European Semester [10] and Cohesion Policy [11], ergo translating global aspirations of strengthening the intrinsic link between economic growth and environmental sustainability into internal operational reality.

The EGD, launched in 2019, stands as one of the EU's most ambitious and comprehensive action plans, designed to make Europe the first climate-neutral continent by 2050. Beyond its direct climate targets, the EGD also integrates broader sustainability initiatives, including strategies for a just and fair transition, carbon pricing and industrial reform, clean and secure energy, and measures to support green industrial competitiveness [12]. Through conscious institutional effort and coherent rule-based frameworks, the EU's regulatory and policy architecture has yielded considerable and, more importantly, verifiable outcomes domestically. The prime example is the implementation of the ETS – the pioneering and still the largest functioning international carbon market, complemented by binding directives on renewable energy deployment and energy efficiency standards, under which the EU's target for the reduction of greenhouse gas (GHG) emissions is estimated to have exceeded Kyoto commitments and is striving to meet the Paris target for 2030 (see **Figure 1**).

EU's provisional GHG emissions data for 2023 indicate a year-on-year net reduction of 8%. The net GHG emissions over the longer timeframe between 1990 and 2023 recorded a decline of 36.9%. The striven progress is shepherded by the European Climate Law (ECL), which establishes a legally binding commitment for the EU to attain climate neutrality by 2050 and mandates a minimum net GHG emissions reduction of 55% by 2030 relative to 1990 levels. The current trajectory is estimated to result in a net emissions reduction of 49% by 2030 compared to 1990, therefore falling short of the 2030 target, which signals that policy and measure enhancements are necessary to restore the path toward the intended target [13]. In context, any rollback on sustainability policy and measures risks undermining the EU's capacity to honor its own climate commitments.

Concurrently with the focus on GHG reduction, transitioning to a circular economy has also been the EU's main priority. The European Commission adopted the first Circular Economy Action Plan (CEAP) in 2015, followed by the new CEAP in 2020. Ongoing, the Circular Economy Act is due for adoption in 2026 [16]. The aim of the Circular Economy Act is to harmonize the Single Market for secondary raw materials, increase the availability of high-grade recycled materials in the market, and catalytically stimulate demand for these resources within the EU's economic sphere [17]. Other sustainability frameworks of the EU include the groundbreaking Biodiversity Strategy for 2030, which, complemented by the Nature Restoration Law, represents a concerted effort to address biodiversity loss [18]. Also notable are the Taxonomy Regulation and Sustainable Finance Disclosure Regulation

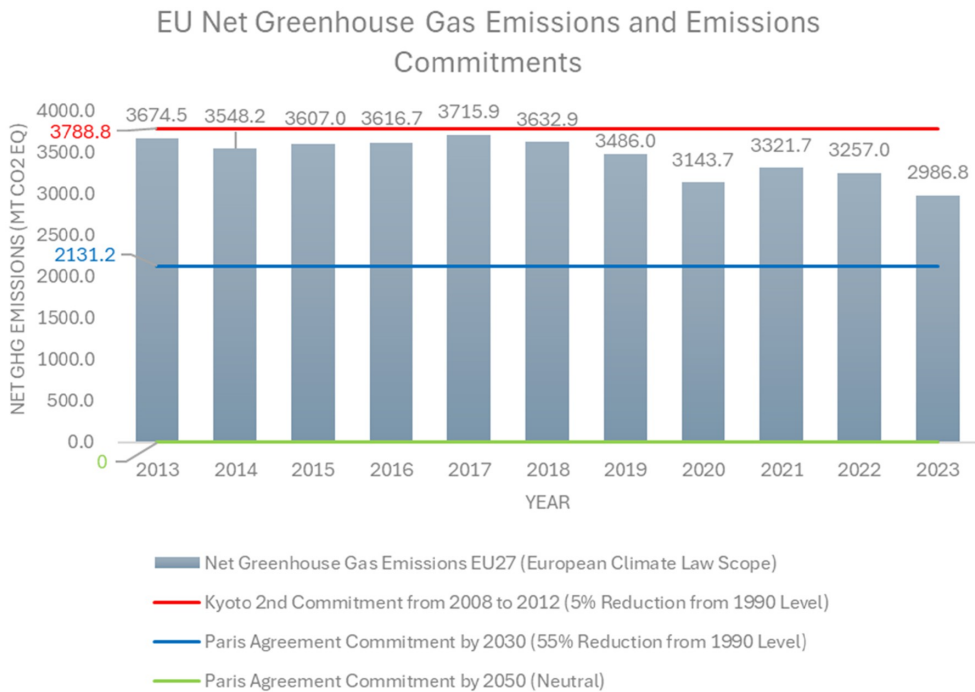


Figure 1.
EU net greenhouse gas emissions and emissions commitments.

Sources:

- 1) *Net Emissions EU27 (Data)* [13]: Total net greenhouse gas emissions trends and projections in Europe.
- 2) *Kyoto 2nd Commitment from 2008 to 2013* [14]: The Kyoto Protocol.
- 3) *Paris Agreement Commitments (both 2030 and 2050)* [15]: Paris Agreement on climate change.

(SFDR), both pioneering sustainable finance instruments that aim to reorient capital flows toward environmentally sustainable activities [19].

3. EU's global sustainability leadership

From the international lens, the EU's preeminence in sustainability is rooted in its strategic foresight in navigating the complexities of global ecological governance through calculated and resolute involvement in multilateral environmental deliberations. The EU and all its member states are among the 197 Parties to the United Nations Framework Convention on Climate Change, adopted in 1992, the earliest treaty for combating climate change [20]. Henceforth, the EU has been a principal architect in the creation and ratification of supranational epistemic regimes, notably in the early years, the Kyoto Protocol, in which it has championed binding emissions targets [21]. The treaty catalyzed the institutionalization of international collective action in response to climatic exigencies, while the foundational intervention of the EU has established a normative and measurement-based trajectory for global sustainability initiatives. The advocacy role played by the

EU in the adoption of the Paris Agreement in 2015 has also been pivotal, as the insufficiency of Kyoto targets, even under full compliance, had later become evident. Through multiple rounds of negotiation, the EU has successfully pressed for more stringent global temperature limits and rigorous mechanisms of accountability, a remarkable achievement given that 195 parties ultimately reached consensus in the accord [22].

Within the framework of the EGD, a comprehensive body of legislation has effectively transposed the strategy's overarching vision into binding legal norms and regulatory provisions [5]. Under the auspices of the EGD, the EU adopts a dualistic governance model in articulating its global sustainability leadership role, strategically employing both conditional enforcement and incentivization to advance its regulatory and normative agenda. This approach is notably exemplified by the Carbon Border Adjustment Mechanism (CBAM) and the EU Deforestation Regulation (EUDR), which enforce sustainability standards beyond EU borders, as well as by the Global Gateway initiative, which functions as a strategic investment vehicle designed to extend the EU's sphere of sustainable development cooperation to emerging economies.

The CBAM, promulgated under the EU's "Fit for 55" regulatory framework, functions as a border levy predicated on the embedded emissions of designated imported commodities. It represents a novel form of trade-linked climate governance, enacted primarily to rectify competitive asymmetries between EU producers, subject to carbon constraints under the ETS, and external producers operating in jurisdictions absent commensurate carbon pricing regimes. The CBAM entered its transitional phase in October 2023, with its scope expected to expand in 2026. At its inception, the CBAM was circumscribed to a select group of carbon-intensive commodities identified as exhibiting the highest susceptibility to carbon leakage. These encompass cement, iron and steel, aluminum, fertilizers, electricity, and hydrogen [23].

A study conducted by the Organisation for Economic Co-operation and Development (OECD) underscored the substantive influence of the CBAM on global carbon emissions and international trade patterns, estimating that, in the absence of CBAM, the more stringent ETS would induce a carbon leakage rate approximating 0.19 tons of emissions displaced abroad for every ton of CO₂ mitigated within the EU. This would have only resulted in a global emissions reduction of 0.39%. The implementation of CBAM, however, is projected to reduce net global emissions by up to 0.54%. The mechanism thus is expected to substantively reverse the leakage by effectively incentivizing European importers to reorient their procurement strategies toward producers demonstrating superior emissions performance, including those operating within jurisdictions that have implemented carbon pricing mechanisms or which exhibit lower emission intensities [24]. On the supply side, likewise, this regulatory intervention is anticipated to structurally reorient the global production and trade strategies, where foreign manufacturers are likely to strategically prioritize lower-carbon exports for the EU market. More emissions-intensive outputs, on the other hand, will be diverted toward jurisdictions with less stringent regulatory frameworks [25].

EUDR, effective from 2023, mandates that commodities like soy, beef, and palm oil be certified as deforestation-free, requiring stringent supply chain traceability. The EUDR obliges EU importers to submit exhaustive information encompassing product specifications, scientific taxonomy for timber, geospatial coordinates of

production, temporal production markers, and sufficiently conclusive, verifiable evidence affirming that the commodities in question are deforestation-free and demonstrably compliant with the pertinent legal frameworks of the country of origin [26]. The regulation has been inducing substantive reconfiguration of comparative advantages and production patterns among trading partners. In a similar way to the CBAM, the EUDR is altering trade flows and restricting market access for non-compliant products in the EU [27]. Owing to its complex due diligence requirements, the EUDR is perhaps a more contentious regulation within the EU's agenda in diffusing sustainability standards beyond its jurisdictional boundaries.

Apart from trade-related regulations, a suite of directives under the EU Green Deal has also been established to institutionalize corporate accountability for climate and human rights impacts. The CSDDD, which is central to the environmental, social, and governance (ESG) initiative, imposes legally binding obligations on large corporations to conduct comprehensive due diligence across their global value chains to identify, prevent, and mitigate environmental harms and human rights violations. The CSDDD is designed to establish a uniform, EU-wide standard for corporate due diligence, fostering strong synergies with and linking to various other EU laws related to human rights and value chain due diligence. These include the EUDR, the EU Conflict Minerals Regulation (EUCMR), and the EU Batteries Regulation (EUBR) [28]. Complementing the CSDDD is the CSRD, which mandates extensive disclosure of ESG metrics, including greenhouse gas emissions. The adoption of the CSDDD culminates a protracted five-year legislative process, characterized by significant political contestation. Following the conclusion of trialogue negotiations in December 2023, a final text was published in January 2024, thereby beginning the formal ratification process by the Council and the European Parliament [29].

The EU's Global Gateway initiative represents a strategic "soft power" pivot in advancing global sustainability, particularly in emerging economies. The Global Gateway initiative consolidates the capacities of the EU, its member states, and their respective financial and development institutions, including the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), under the Team Europe synergetic approach. Between 2021 and 2027, Global Gateway pledges to mobilize up to €300 billion in investments to foster sustainable infrastructure in digital, energy, transport, health, education, and research sectors across partner nations. Operationally, EU Delegations worldwide, in coordination with on-the-ground Team Europe representatives, are tasked with the identification, formulation, and coordination of Global Gateway projects within partner nations [30]. The Global Gateway embeds EU normative influence through voluntary partnerships that enhance local capacities without imposing unilateral burdens.

4. Fault lines and points of divergence

Although the integrative regulatory framework in aligning the CBAM with the existing ETS is potentially catalytic, its implementation has proven contentious. According to the World Bank [31], CBAM has led to heightened interest in the development of carbon markets within emerging economies, but in equal measure has also elicited considerable apprehension regarding its distributive and

competitiveness implications. CBAM's positive spillovers, in the form of the introduction of new carbon pricing and carbon border mechanisms, will take time to deliver credible carbon price signals and to translate into carbon emissions cuts. Conversely, the discontent that CBAM has prompted among developing and emerging economies is already affecting bilateral and multilateral discussions, from trade talks to climate negotiations [25]. Furthermore, CBAM's efficacy in safeguarding the broader industrial ecosystem creates a bifurcated competitive landscape; that is, the framework may partially offset the competitive disadvantages faced by EU producers in covered sectors within the domestic market but does not comprehensively redress their asymmetries in export markets. The CBAM would also likely impact the downstream sectors in the EU, which rely on inputs from CBAM-covered sectors and may experience reduced competitiveness due to higher input costs [24].

The EUDR has likewise elicited considerable pushback, as it supersedes the earlier EU Timber Regulation (EUTR) and extends its purview from combating illegal logging to addressing a wider spectrum of activities associated with deforestation, including legal deforestation and forest degradation. Marudian et al. [32] posit that the EUDR engenders significant governance dilemmas, primarily stemming from its pronounced unilateral character. These dilemmas manifest as institutional and policy incoherencies, specifically substantive mismatches and jurisdictional gaps between socio-ecological systems and regulatory frameworks, as well as across different scales of governance. The regulation's unilateral adoption and extraterritorial imposition on third countries risk inducing reluctance among producer nations to engage cooperatively, with the policy potentially being perceived as a form of "green imperialism" [33].

Marudian et al. [32] further contended that the EUDR's demand-side measures and value-chain orientation entail two issues. First, the limited financial resources and technical expertise of emerging economies hinder effective adherence to the EUDR, thereby resulting in policy misalignments. Second, supply chains may be spatially reallocated to circumvent regulatory stringency rather than address the fundamental drivers of deforestation, leading to leakage risks. Furthermore, by imposing mandatory due diligence on designated commodities, the regulation effectively shifts the burden of compliance costs onto traders and operators introducing products to the EU market. Given the pronounced power asymmetries inherent in global agrifood value chains, this cost burden is likely to be passed downstream by transnational corporations to upstream actors possessing inferior bargaining power, notably smallholder farmers. Due to a confluence of compliance concerns, the implementation deadline for large companies has been delayed by one year, that is, to December 2025, and for micro and small enterprises by 18 months, that is, to June 2026 [27].

The CSDDD's legislative path has been turbulent since the concept was first published by the European Commission in February 2022. The protracted negotiations among the EU institutions were marked by incessant political resistance and even reports of sabotage, a pronounced reversal within a short timeframe, which cast doubt on the foundational rationale underpinning the initial advocacy for the framework. The reasons behind the push for the framework may be attributable to the momentum of the sustainability due diligence movement within the EU in the early 2020s, a period characterized by the ascendance of human rights due diligence within international soft-law instruments and the enactment of mandatory

national due diligence legislation in several EU member states [34]. One of the principal sources of resistance to the CSDDD at the international level has been its directive, which explicitly transcends voluntary industry initiatives by translating soft-law instruments, including the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the OECD Guidelines for Multinational Enterprises, into enforceable legal requirements. It further establishes mechanisms enabling victims and member states to pursue legal action against non-compliant entities [29].

Fundamentally, corporate actors operate with significant autonomy under the presumption that voluntary self-regulation constitutes a sufficient mechanism for addressing violations in a free market. Therefore, some of these directives, when implemented, would challenge the prevailing governance paradigm and disrupt the established corporate order, as well as raise extraterritorial implications. The persistent contention surrounding the CSDDD has been the enactment of standards that produce legal effects within the jurisdictions of other sovereign states. Economies that would be affected did not participate in the formulation of the CSDDD. Therefore, the EU legislation is deemed to engage in a *de facto* projection of regulatory power that impinges upon the principle of national sovereignty, imposing normative frameworks on non-European states without their consent [35].

Among the EU's sustainability frameworks with international salience, the Global Gateway has emerged as comparatively more favorably received. The initiative, serving as the EU's vehicle for expedited technology transfer and capacity building through the strategic deployment of blended-finance instruments, nevertheless remains encumbered by a range of structural and operational challenges; most notably, the €300 billion funding allocation, though considerable in absolute terms, is fragmented across heterogeneous regions and sectors, thereby attenuating its transformative potential and diminishing its aggregate impact [36]. The mobilization of private capital for extraterritorial investment initiatives has also fallen short, while the commitment of member states to augment the program with substantial public financing remains uncertain. Criticisms on the operational aspect include the lack of implementation clarity, the inadvertent de-prioritization of non-infrastructure SDG investments, and the paradox of engaging authoritarian regimes through large-scale infrastructure projects while simultaneously projecting the EU's value-based development and democracy promotion agenda [37].

5. Discussion

The EU has been pursuing a proactive "first-mover" approach in climate governance since the groundbreaking Kyoto Protocol, followed by the EGD and its comprehensive legislative instruments, including the EUDR and the CBAM [38]. The Global Gateway is widely interpreted as a strategic counterpoint to China's Belt and Road Initiative (BRI), seeking to catalyze an alternative development model grounded in sustainability, transparency, and democratic norms for the rest of the world. The instrumentalization of the EU's climate agenda as a vehicle for geopolitical influence, nonetheless, could be increasingly strained. By contrast, alternative frameworks such as the BRI present a comparatively more attractive model of cooperation for partner countries, insofar as they eschew conditionalities linked to democracy, the rule of law, or human rights, thereby circumventing

paternalistic undertones [39]. The United States, the EU's longtime ally in the global geopolitical arena, further complicated matters in January 2025 when its administration formalized its withdrawal from the Paris Agreement via executive order, justifying the decision by asserting that the accord misaligns with national values, imposes disproportionate fiscal burdens on American taxpayers, and fails to equitably reflect US economic and environmental contributions [40].

The US' withdrawal from international climate commitments intensifies competitive asymmetries for the EU, given that its industries incur elevated compliance costs and relative disadvantages vis-à-vis jurisdictions operating under less stringent regulatory regimes [38]. Consequently, the EU's associated sustainability legislative packages are encountering increasing political resistance and a discernible tilt toward pro-business and anti-green sentiments within the European polity. Grassroots dissent has coalesced around critiques of regulatory overreach, distributive inequities, and the perceived democratic deficit within EU governance, in which societal discontent has been strategically harnessed by corporate and political elites to recast the policy narrative from ecological transition toward economic competitiveness and security [41].

The convergence of these forces has reoriented the political discourse toward the retrenchment of environmental regulation. The proposed "Omnibus Simplification Package," introduced in February 2025, is presently undergoing refinement as of October 2025. The policy maneuver, ostensibly propelled by mounting pressures, is scaling back sustainability regulations by exempting mid-tier firms from CSRD disclosure, diluting due diligence obligations, and restricting them to direct suppliers [42]. Such deregulatory momentum is viewed as contravening core European values, generating profound regulatory uncertainty, and directly undermining the EU's treaty-embedded social and environmental objectives. Substantively, the package erodes corporate accountability frameworks by exempting numerous mid-tier enterprises from CSRD disclosure mandates and diluting due diligence requirements [43]. The Omnibus package represents the first substantive fissure in the EU's sustainability architecture, foreshadowing the CSDDD shift that materialized at the Versailles Summit.

Other major economies, particularly China and Japan, appear increasingly poised to assume a more prominent role in global sustainability leadership, although the EU has not indicated any intent to further retrench from its sustainability agenda. China's leading position in the global sustainability landscape is underpinned by strategic, large-scale investments that have entrenched its technological hegemony across core clean energy domains, notably electric vehicle battery manufacturing and the extensive deployment of solar photovoltaic infrastructure. This technological ascendancy also extends into frontier domains, that is, its stewardship of the world's largest green hydrogen complex and the most extensive hydrogen refueling network, alongside its continued leadership in global wind power development. China's unparalleled production scale has exerted substantial deflationary pressure on renewable technology costs globally, thereby accelerating decarbonization pathways. Consequently, China's export-oriented green industrial expansion, spanning solar technologies facilitating rural electrification and competitively priced electric vehicles diffusing across emerging economies, functions as a critical vector in advancing global decarbonization objectives. In this capacity, China transcends the role of a manufacturing hub to embody a systemic

catalyst and structural anchor in the reconfiguration of the global green transition paradigm [44, 45].

Similarly, Japan has been advancing in green innovations, which is defined by a concerted prioritization of hydrogen and carbon capture and storage (CCS) technologies. Initiated through the 2017 Basic Hydrogen Strategy, Japan institutionalized a comprehensive framework for developing an integrated hydrogen economy encompassing production, distribution, and cross-sectoral utilization. A demonstrated capability in fuel cell technology, particularly in fuel cell vehicles (FCVs), underscores this strategic direction and forms a core component of its intended technology exports. This systemic approach is complemented by substantial investment in CCS as a critical mechanism for mitigating emissions in hard-to-abate industrial sectors. Collectively, these initiatives articulate an innovation-driven pathway through which Japan seeks to achieve domestic decarbonization while asserting itself as a systemic contributor to the global green transformation [46, 47].

Notably, both China and Japan pursue a more pragmatic orientation, advancing primarily in technological innovation and green industrial development. While the EU continues to hold leading positions across strategic green sectors, including wind energy, electrolyzers, grid infrastructure, heat pumps, biogas, and sustainable fuels for aviation and maritime transport, as well as in circular economy technologies such as advanced recycling [48], its assertive, regulation-centric model of sustainability governance has increasingly generated resistance, both from domestic industries and among external trading partners. The EU's regulatory orientation, however, may be understood not as a deliberate ideological choice but as an organic outgrowth of its foundational constitutional architecture as a supranational entity. Essentially, leadership resides not merely in institutional authority but in its perception as legitimate through exemplarity [49], as in the cases of China and Japan. The EU faces a strategic predicament where its climate leadership necessitates sacrifices that undermine its economic wellbeing, while any retreat from its environmental agenda to bolster competitiveness would equally compromise its foundational identity and global influence.

6. Conclusion and recommendations

The CSDDD reversal, advocated by France at the Choose France Summit in Versailles in 2025 and supported by Germany, constitutes a critical inflection point for the EU. The EU has previously grappled with episodes of disintegration rooted in regulatory and economic schisms [50, 51]. Although the current impasse is unlikely to trigger a crisis of Brexit magnitude, this call for deregulation encapsulates the fundamental tension between the EU's foundational regulatory ethos and emergent geopolitical-economic constraints on its normative ambitions, a juncture that imperils its leadership in global climate governance and sustainability leadership. The EU, long distinguished by its pioneering regulatory architecture – that is, the Kyoto Protocol from the earliest years to the EGD and its instruments such as the CBAM and EUDR – has entrenched itself as a transformative “first-mover” in global climate governance. The EU's industrial competitiveness, however, has been strained by the ongoing geopolitical shift, eroding internal political cohesion and thereby exposing structural vulnerabilities.

The EU's path forward necessitates a strategic reaffirmation of the Green Deal's foundational principles. Policy coherence is essential to restoring institutional credibility. Thus, the EU should avoid regressive deregulation in favor of calibrated simplification of regulation aimed at addressing administrative impediments. The EU may also formulate a more comprehensive industrial strategy that reconciles climate ambition with economic competitiveness. Emulating trajectories charted by China and Japan, the EU may consolidate and intensify its strategic focus on clean technologies, cost-containment measures for energy-intensive industries, and tailored support for small and medium enterprises. Beyond carbon border adjustments, supplementary mechanisms may be formulated to ensure parity with external competitors and secure an equitable transition toward a decarbonized economy.

Amid US retrenchment from global climate commitments, the EU may reinforce its international role through deeper engagement with emergent strategic partners, notably China and Japan. Preserving the integrity of its hard-won sustainability frameworks remains essential to safeguarding transparency, sustaining investor confidence, and upholding the credibility of the "Brussels Effect." Such consolidation constitutes a necessary precondition for the EU's continued legitimacy as a principal architect of global climate governance.

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Chapter 2

Europe's Digital Constitution: High Ambitions Amid Mixed Enforcement Capacity

Helder Ferreira Do Vale

Abstract

As digital platforms reshape democracy, the European Union (EU) has enacted the world's most comprehensive digital constitution – five regulations transposing fundamental rights into digital governance. But can ambition overcome fragmentation? This chapter examines the EU's Digital Markets Act, Digital Services Act, AI Act, Data Act, and Digital Operational Resilience Act (DORA) as a distinct rights-based model contrasting with market-driven (USA) and judicially-activated (Brazil) approaches. Using a novel “Four-Pillar Framework for Assessing Digital Governance Systems” (4P-FADGS), the chapter analyzes constitutional foundation, legislative coherence, institutional design, and adaptive capacity. Applied to Mistral AI – a European AI company caught between regulatory thresholds – the framework reveals a critical paradox: divergent quantitative triggers create compliance gaps in which companies can be too small to be Gatekeepers, but too smart to be ignored. While normatively robust and equipped with sophisticated adaptive mechanisms, the EU's model suffers from legislative fragmentation and enforcement complexity. We conclude that the EU's global influence via the “Brussels Effect” depends not on legislative ambition but on institutional execution, particularly with the ability to translate constitutional principles into coherent, enforceable governance. The chapter offers both a diagnostic tool for EU digital governance and a template for evaluating digital constitutionalism worldwide.

Keywords: digital governance, digital constitutionalism, EU regulation, Brussels Effect, artificial intelligence regulation, platform governance, enforcement architecture

1. Introduction: A legislative model of digital constitutionalism

In an era in which algorithmic systems can sway elections, erode privacy, and concentrate power in unaccountable corporate hands, the European Union (EU) has embarked on an unprecedented legislative project to govern the digital sphere, enacting an ensemble of regulations that collectively function as a de facto digital constitution [1]. These regulations respond to a digital landscape in which platform

business models incentivize outrage, disinformation undermines democratic deliberation, and artificial intelligence (AI) systems operate with opaque and often discriminatory consequences. This regulatory architecture – comprising the Digital Markets Act (DMA) [2], the Digital Services Act (DSA) [3], the AI (AI) Act [4], the Data Act [5], and the Digital Operational Resilience Act (DORA) [6] – represents a distinctive paradigm in digital constitutionalism [7, 8]. In the context of rapidly transforming digital technology and the erosion of traditional constitutionalism, this concerted effort to transpose constitutional principles of fundamental rights, accountability, and separation of powers into the digital environment constitutes an ambitious attempt to forge an equitable and democratic digital space – what Ivan Illich called a space of “conviviality,” where technologies serve human flourishing rather than corporate control [9]. By codifying a comprehensive, ex-ante rulebook, the EU has established a proactively legislative and normatively driven model of digital governance that stands in marked contrast to other global approaches: the market-oriented and fragmented regulatory landscape of the United States, and the crisis-driven model that has emerged in Brazil, where courts have intervened in a legislative vacuum to defend democratic norms against digital threats such as misinformation [10, 11].

This chapter advances the argument that, while the EU has successfully constructed an ambitious rights-based constitutional framework on paper, its practical realization and long-term resilience are jeopardized by two structural tensions. At stake is whether democratic institutions can tame the concentrated power of digital platforms and ensure that AI (AI) serves human dignity rather than undermining it. The first tension is the friction between overlapping and sometimes contradictory legislative instruments, which generates a complex “regulatory soup” that challenges legal certainty [12]. The second, deeper tension resides in the fragmentation of the EU’s multilevel enforcement architecture, which risks undermining the uniform application of the law and diluting its intended transformative effect [13, 14]. If enforcement fails – if regulatory fragmentation and legislative incoherence undermine implementation – the result may not be a rights-respecting digital sphere, but a continued vacuum in which platform power goes unchecked. In regard to the notion of the model’s failure and success, it is worth noting that, throughout this chapter, performance judgments follow certain parameters, as indicated in **Table 2**. “High” indicates clear evidence of a pillar’s constitutive elements in law and practice; “low” denotes significant gaps or deficits undermining the intended function.

The chapter’s principal contribution lies in developing and applying an analytical framework specifically designed to diagnose these tensions and evaluate the EU’s digital governance system. Building upon the “Four-Pillar Framework for Assessing Digital Governance Systems” (4P-FADGS), we adapt four core pillars – constitutional foundation and rights-based orientation, legislative coherence and regulatory gaps, institutional design and enforcement capacity, and adaptive capacity and resilience to change – to create a structured methodology for assessing the coherence, effectiveness, and resilience of the EU’s digital constitutional order. This framework moves beyond descriptive accounts of EU digital regulation to provide an interpretive lens through which the gap between normative ambition and institutional capability becomes analytically tractable. **Figure 1** summarizes the core elements of 4P-FADGS,

4P-FADGS

P1: Rights Foundation → Rights anchor design; digital rights created; structured rights balancing.

P2: Legal Coherence → Overlaps and conflicts; uncertainty; arbitrage hotspots.

P3: Institutional Capacity → Mixed enforcement models; uneven resources; coordination gaps; redress pathways.

P4: Adaptive Resilience → Review cycles; sandboxes; delegated acts; fully dependent on Pillar 3 strength.

Figure 1.

Summary of the “Four-Pillar Framework for Assessing Digital Governance Systems – 4P-FADGS.”
 Source: own elaboration.

identifying the main principles, institutions, and mechanisms on which the four pillars rest.

Our analysis demonstrates that the EU's model exhibits a paradox: it is normatively robust, however, institutionally fragile. The framework reveals that the EU's capacity to project global influence through the “Brussels Effect” [15–17] will ultimately depend not on the ambition inscribed in its legislative texts, but on the coherence of its regulatory architecture and the operational capacity of the institutions tasked with enforcement.

To analyze the EU's model, the chapter resorts to a focal case study at the firm-level to assess how applicable such a model is. Mistral AI, the French start-up known for its innovation in the digital industry, was selected as our study for three reasons: (1) it exemplifies the “compliance gap” created by divergent regulatory triggers – crossing the AI Act's computational threshold (10^{25} FLOPs - Floating Point Operations) while remaining below the DMA's market dominance thresholds; (2) as a European AI champion, it reveals how the framework may disadvantage homegrown innovators relative to established US tech giants; and (3) its recent regulatory trajectory provides real-time evidence of how companies navigate the EU's fragmented enforcement architecture. By making this gap visible, the chapter offers both a diagnostic tool for understanding the EU's current digital governance challenges and a template for evaluating similar constitutional experiments in digital regulation across jurisdictions.

The argument proceeds in four steps. Section 2 develops the conceptual explanation for European digital constitutionalism to be anchored in rights-based governance, establishing the constitutional foundation upon which the current framework rests. Section 3 develops the 4P-FADGS, systematically evaluating the EU's model across constitutional foundation, legislative coherence, institutional design, and adaptive capacity. Section 4 applies this framework to Mistral AI, revealing how divergent regulatory triggers create structural “compliance gaps” that undermine coherence. Section 5 synthesizes findings and charts three critical extensions: comparative analysis, Brussels Effect theorization, and empirical assessment of institutional capacity.

2. The foundations of European digital constitutionalism

2.1 The EU's digital space across time

The EU's current regulatory standing, a principled approach to the development of the digital space based on foundational values [18], is the culmination of a decades-long evolution in regulatory philosophy, marking a shift from an era of "digital liberalism" to one of "digital constitutionalism" [19]. The initial phase, exemplified by the e-Commerce Directive of 2000, was primarily driven by economic objectives to foster a digital single market by harmonizing rules and ensuring the free movement of digital services [20]. This approach treated online intermediaries as largely neutral conduits, granting them broad liability exemptions to encourage innovation and growth. However, the consolidation of platform power and the emergence of systemic societal risks – ranging from the erosion of privacy to the spread of disinformation and the distortion of markets – exposed the inadequacy of a purely economic approach [19].

This realization prompted a constitutional turn, catalyzed by the entry into force of the Lisbon Treaty, which elevated the Charter of Fundamental Rights of the EU to the same legal status as other treaties [21]. The Charter became the normative bedrock upon which a new rights-based approach to digital regulation could be built [22]. The Court of Justice of the European Union (CJEU) played a critical role in this transition, acting as a "quasi-constitutional court" [23]. In a series of landmark rulings, the CJEU moved beyond a purely economic perspective, actively applying the Charter to balance fundamental freedoms with fundamental rights in the digital context. It invalidated the Data Retention Directive on privacy grounds and interpreted the e-Commerce Directive's ban on general monitoring through the lens of freedom of expression and data protection, thereby laying the jurisprudential groundwork for a more robust regulatory framework [23].

The current legislative package can be understood as the codification and expansion of this judicial shift. The EU's legislature has proactively constructed a regulatory architecture explicitly grounded in the Charter's principles, namely the preservation of human dignity and nondiscrimination, the respect for private and family life, the freedom of expression and information, as well as the liberty to conduct business. This deliberate constitutionalization is evident across five key legislative acts: the DMA, DSA, AI Act, Data Act, and DORA.

Preservation of human dignity and nondiscrimination are central principles in the AI Act, enshrined in Articles 1 and 21 [4]. Its risk-based approach is fundamentally a mechanism for protecting human rights. AI systems posing an "unacceptable risk," such as social scoring or manipulative subliminal techniques, are banned precisely because they are deemed to violate human dignity and autonomy. The obligations for "high-risk" systems – such as requirements for high-quality data and human oversight – are explicitly designed to mitigate discriminatory outcomes and other adverse impacts on fundamental rights [4].

The General Data Protection Regulation (GDPR) is critical in protecting the Charter's guarantees of private and family life under Article 7 and safeguarding the protection of personal data under Article 8 [24]. These articles directly inform the Data Act's creation of new data access rights, the DSA's prohibitions on profiling minors and using sensitive data for targeted advertising, and the AI Act's stringent requirements for processing personal data in high-risk systems [25].

The DSA balances the imperative of maintaining freedom of expression and information amidst misinformation and abusive practices with the necessity of addressing illegal content [3]. Article 11 of the DSA aims to create a safer online environment by tackling illegal content while establishing robust procedural safeguards, such as users' complaint mechanisms and transparency obligations, to protect against arbitrary content removal and uphold freedom of expression [3].

Finally, the freedom to conduct business under Article 16 of the Charter constitutes the core rationale of the DMA, which seeks to ensure fairness and contestability in digital markets by imposing obligations on dominant "gatekeeper" platforms. As such, the DMA protects the economic freedom of smaller business users who depend on these platforms to reach consumers [2].

2.2 The EU's model from a comparative perspective

The EU's digital regulations are normative instruments designed to ensure that the digital sphere is governed by the rule of law and respect for fundamental rights. This constitutional commitment distinguishes the EU's model from alternative approaches and forms the basis for its ambition to set a global standard for democratic digital governance [15].

Before proceeding to a brief comparison between models, a conceptual clarification is necessary. Throughout this chapter, we employ the term "digital constitutionalism" to denote the transposition of constitutional principles – rights protection, institutional accountability, and separation of powers – into digital regulation. This concept is analytically distinct, for example, from "democratic digital governance," which emphasizes the normative goal of popular sovereignty in the digital sphere. While constitutionalism concerns structural constraints on power, democracy concerns the source and legitimacy of that power through popular participation, aspirations, and identities [22, 26].

In the EU context, however, these concepts are mutually reinforcing. The EU's AI strategy exemplifies this synthesis by emphasizing trustworthiness and human-centric design principles as core elements of European identity. This approach demonstrates how constitutional frameworks can serve democratic ends while embedding fundamental rights into technological development itself.

From a comparative perspective, the EU's approach stands out for three distinctive features. First, its regulatory timing is proactively ex-ante, establishing rules before harms materialize, in contrast to the reactive, market-driven (USA) or crisis-activated, judicial (Brazil) models. Second, its constitutional anchor is explicit and unified: the Charter of Fundamental Rights provides clear normative guidance across all five digital regulations. The US model, conversely, relies on a fragmented constitutional basis, combining First Amendment doctrine with sector-specific legislation that prioritizes innovation and competition. Brazil's model depends on judicial interpretation of constitutional principles by its Supreme Court (STF) in response to immediate democratic threats, such as electoral disinformation.

Third, the EU's enforcement architecture paradoxically combines comprehensive legislative ambition with fragmented institutional implementation. This multilevel structure reflects the Union's foundational design, in which policy authority is distributed between EU institutions and Member State governments. Interestingly, this structure creates a parallel with the US federal system, where digital governance is similarly fragmented across federal agencies and state-level

authorities. Brazil diverges sharply provided that its model is centralized through judicial activism, with Brazil’s Federal Supreme Court (STF) acting as the primary enforcement mechanism in the absence of comprehensive legislation.

Table 1 synthesizes these differences across four key dimensions: regulatory approach, constitutional basis, enforcement structure, and primary policy goal. This comparison reveals that, while all three models aspire to govern the digital sphere democratically, they diverge fundamentally in how they translate democratic values into enforceable rules.

2.3 The attributes of the EU’s digital constitutionalism

The four-pillar assessment reveals a multifaceted but paradoxical model of digital constitutionalism. When synthesized, the analysis points to a system defined by a set of distinct attributes that characterize the EU’s unique approach to governing the digital sphere. This model is a theoretically coherent project, albeit complex, with a clear identity.

The main attributes of the EU’s digital constitutionalism are: (1) normatively rights-centric, (2) legislatively comprehensive, (3) proactively ex-ante, (4) systemically fragmented, and (5) adaptive framework. As far as the first attribute is concerned, the EU framework is explicitly and consistently grounded in the EU Charter of Fundamental Rights. Unlike regulatory models that prioritize market efficiency or state control, the EU’s approach places the protection of individual rights, human dignity, and democratic values at its core. This normative foundation is its defining feature and the source of its legitimacy.

The scope of its legislative corpus regulates the entire digital ecosystem in a holistic manner. Indeed, the five acts are comprehensive enough to create an interlocking system that addresses market structures (DMA), online content and platform accountability (DSA), the underlying data economy (Data Act), the rise of intelligent systems (AI Act), and the resilience of critical digital infrastructure (DORA). This comprehensive scope reflects an ambition to leave no significant aspect of the digital world unregulated.

The proactively ex-ante attribute characterizes the new rulebook, particularly the DMA and AI Act, in their shift from reactive and ex-post enforcement (e.g., traditional antitrust investigations) to proactive and ex-ante regulation. The rules are designed to prevent harms – such as market tipping, the spread of illegal content, or the deployment of dangerous AI. This represents a significant development in regulatory philosophy.

Dimension	EU model	US model	Brazilian model
Regulatory approach	Legislative/ex-ante	Market-driven/ex-post	Judicial/reactive
Constitutional basis	Charter of Fundamental Rights	First Amendment + sectoral	Constitution + STF rulings
Enforcement	Multilevel (fragmented)	Federal + state (fragmented)	Judicial (centralized)

Source: Author’s elaboration

Table 1.
The EU’s model compared to the US’s and Brazil’s models.

The comprehensiveness of the legislation is mirrored by the complexity of its enforcement architecture. The system is a polycentric patchwork of centralized EU bodies, decentralized national authorities, and numerous coordinating boards. This institutional fragmentation is the model's most significant structural weakness, creating risks of inconsistency, inefficiency, and uneven protection of rights across the Union.

In principle, the EU's regulatory framework is consciously designed to be a "living" constitution for the digital age. Through mechanisms such as review clauses, delegated acts, regulatory sandboxes, and codes of conduct, the system possesses the theoretical capacity to evolve alongside technology. This forward-looking design is a direct response to the failures of past static regulation, although its practical success is yet to be proven.

3. An analytical framework

This chapter develops and applies an analytical framework to assess the coherence and effectiveness of the EU's digital regulatory architecture. Our approach proceeds in three stages: conceptual framework development, case study application, and diagnostic synthesis.

3.1 Research design

To systematically evaluate EU digital governance, we adapt and operationalize the 4P-FADGS across its four dimensions. For each pillar, we develop specific indicators drawn from constitutional theory, regulatory scholarship, and institutional analysis (detailed in **Table 1**). This framework enables comparative assessment across jurisdictions and over time, avoiding the conceptual stretching that often occurs when terms like "digital constitutionalism" are applied without analytical rigor.

To test whether the attributes that we identified in the previous section generate coherent governance or structural tensions, we apply the framework to Mistral AI, a leading EU AI company. Mistral represents a "critical case" for three reasons. First, it occupies a regulatory fault line: its flagship model crosses the AI Act's 10^{25} FLOPs computational threshold, triggering strict "systemic risk" obligations, yet it falls below the DMA's €7.5 billion revenue and DSA's 45 million user thresholds, exempting it from market dominance and content moderation requirements. Second, as a European "national champion" in a strategically vital sector, Mistral's compliance challenges reveal whether the framework advantages or disadvantages homegrown innovators relative to established US platforms. Third, Mistral's public regulatory disclosures provide transparent documentation of how companies navigate the EU's fragmented enforcement architecture.

If the EU's framework proves incoherent for Mistral – a sophisticated, and well-resourced European company with technical expertise and regulatory access – it likely faces greater implementation challenges when applied to smaller firms or non-EU actors. As such, this case provides a test of the gap between normative ambition (strong constitutional foundations and adaptive mechanisms) and institutional reality (legislative fragmentation and enforcement capacity constraints).

We analyze Mistral AI’s regulatory position across all four pillars, examining: (1) how fundamental rights protections apply to its AI systems; (2) which regulatory overlaps and contradictions it encounters; (3) which enforcement bodies have jurisdiction and how coordination occurs; and (4) how the framework adapts to Mistral’s technological trajectory. This analysis reveals whether the EU’s digital constitutionalism constitutes a coherent governance system or generates paradoxical compliance gaps that jeopardize its objectives. By aligning the conceptual framework with firm-level application, this chapter provides both a diagnostic tool for evaluating EU digital governance and a template for comparative assessment across jurisdictions.

3.2 The 4P-FADGS framework

To systematically evaluate the EU’s digital regulatory architecture, we develop and apply the 4P-FADGS framework in the European context. This framework, detailed in **Table 2**, is designed to assess the extent and efficacy of the EU’s legislative-led approach, providing a robust and coherent methodology for evaluating the normative foundations, structural integrity, institutional capacity, and long-term resilience of the EU’s digital rulebook.

The subsections that follow apply the 4P-FADGS framework to the EU’s digital regulatory package. Each subsection analyzes the five legislative acts through the lens of a single pillar, allowing for a thematic and comparative evaluation of the system’s strengths and weaknesses.

3.2.1 Pillar 1: Constitutional foundation and rights-based orientation

The EU’s digital governance model performs well on its constitutional and rights-based foundations. The protection and operationalization of fundamental rights, as enshrined in the EU Charter of Fundamental Rights [22, 26], are the central organizing principles of the entire legislative package. This rights-centric approach has motivated each regulation, shaping its objectives, scope, and core obligations.

The DMA serves as an instrument for materializing the freedom to conduct a business (Article 16 of the Charter) in the digital age [2]. By imposing ex-ante obligations on designated “gatekeeper” platforms, the DMA aims to ensure fairness and contestability, protecting smaller business users from the abusive practices of dominant players [2]. Its provisions – such as prohibiting self-preferencing, requiring interoperability for messaging services, and allowing business users to access the data they generate – are designed to rebalance economic power and create a more level playing field [2]. In doing so, the DMA also enhances consumer rights and autonomy by increasing choice, facilitating exchangeability between services, and giving users more control over their digital environment [27].

The DSA has been designed as a comprehensive framework for protecting fundamental rights in the online ecosystem. It navigates the complex trade-off between ensuring a safe online environment and protecting freedom of expression (Article 11 of the Charter) [3]. The DSA establishes a harmonized “notice and action” system for illegal content but complements it with robust due process rights for users. These include the rights to be informed about content moderation decisions, to an effective internal complaint-handling mechanism, and to out-of-court dispute settlement [3]. Furthermore, by prohibiting targeted advertising based on sensitive

Pillar	Analytical focus	Guiding question	Key indicators/dimensions
1. Constitutional foundation and rights-based orientation	Evaluates whether digital laws are grounded in constitutional rights and principles.	To what extent do the DMA, DSA, DORA, AI Act, and Data Act operationalize and balance fundamental rights from the EU Charter?	Explicit references to the Charter; balancing tests between conflicting rights (e.g., free expression vs. safety); creation of new digital rights (e.g., data portability, right to explanation); and prohibitions based on fundamental rights violations.
2. Legislative coherence and regulatory gaps	Assesses how well the five legislative acts interact and identifies contradictions or missing areas.	How coherent and complementary are the EU’s digital laws across different domains (competition, content, data, AI, finance)?	Overlapping definitions and obligations (e.g., risk assessments in DSA vs. AI Act); conflicting principles (e.g., data access in Data Act vs. data minimization in GDPR); legal uncertainty at the seams of the regulations; potential for regulatory arbitrage; number of enforcement bodies; budget disparities; coordination mechanisms.
3. Institutional design and enforcement capacity	Examines the structure, independence, and competence of regulatory and judicial institutions.	Is the multilevel enforcement architecture adequately equipped, resourced, and coordinated to enforce the digital rulebook effectively?	Mandates and powers of key institutions (Commission, DSCs, DPAs, ESAs, AI Office); coordination mechanisms (e.g., European Board for Digital Services); resource disparities across Member States; centralization vs. decentralization tensions; avenues for public vs. private enforcement.
4. Adaptive capacity and resilience to change	Evaluates the system’s ability to adapt to technological, social, and political transformations.	How effectively can the regulatory framework evolve in response to new technologies (e.g., generative AI) and emerging risks?	Presence and scope of review clauses; use of delegated and implementing acts; mechanisms for stakeholder input; role of regulatory sandboxes; institutional learning processes.

Source: Author’s elaboration

Table 2.
The Four-Pillar Framework for Assessing EU Digital Governance (4p-FADGS).

personal data or aimed at minors, the DSA reinforces the rights to privacy and data protection (Articles 7 and 8 of the Charter) [28].

The AI Act represents the most direct translation of fundamental rights principles into a regulatory framework for governing a specific technology. Its risk-based approach is, in essence, a mechanism for prioritizing the protection of rights [4]. AI systems that pose an “unacceptable risk” – such as those used for social scoring by public authorities or those employing manipulative subliminal techniques – are

banned outright precisely because they are deemed to fundamentally violate human dignity (Article 1 of the Charter) and other core rights [4]. For “high-risk” AI systems, the Act imposes a suite of obligations – including risk assessments, data quality requirements, transparency, human oversight, and robustness – all of which are designed to mitigate potential adverse impacts on safety, health, and fundamental rights, particularly the right to nondiscrimination (Article 21 of the Charter) [4].

The Data Act creates a new set of digital rights that empower both individuals and businesses. By granting users of connected products the right to access and share the data they help generate, the Act rebalances power away from manufacturers and service providers [5]. This right can be linked to the right to property (Article 17 of the Charter), as it gives users a greater stake in the value created by their devices, and it extends the principles of data control and portability, enshrined in the right to data protection (Article 8), to the realm of nonpersonal and industrial data [5].

Finally, while the DORA is a highly technical, sector-specific regulation, its constitutional relevance should not be understated. By creating a harmonized framework for Information and Communication Technology (ICT) risk management in the financial sector, DORA aims to ensure the stability and continuity of critical infrastructure [6]. This systemic resilience is a prerequisite for the secure and reliable exercise of citizens’ economic and social rights within the financial system, from accessing bank accounts to making payments [6].

In sum, the EU’s digital rulebook is not merely rights-compliant; it is rights-constitutive, as **Figure 2** illustrates. It actively seeks to define, operationalize, and enforce fundamental rights in a digital context, demonstrating a deep and consistent commitment to its constitutional foundations [19].

3.2.2 Pillar 2: Legislative coherence and regulatory gaps

While normatively robust, the EU’s digital governance model exhibits significant strain when assessed for legislative coherence. The ambition to create a comprehensive rulebook has resulted in a dense and overlapping legislative landscape, often described as a “regulatory soup,” where the interactions between different acts create legal uncertainty and the potential for conflicting obligations [12]. The siloed development of these regulations, each designed to tackle a specific problem, has led to a complex web of interactions that may inadvertently undermine the primary goal of a harmonized and predictable digital single market.

The most significant points of friction and overlap occur at the seams of the new regulations:

- **Data Act versus GDPR:** A primary tension exists between the Data Act’s mandate for broad data access and sharing and the GDPR’s core principles of data minimization and purpose limitation [29]. The Data Act aims to unlock the value of industrial and IoT data, encouraging its reuse [5]. The GDPR, conversely, seeks to limit the processing of personal data to what is strictly necessary for a specified purpose. While the Data Act explicitly states that the GDPR prevails in case of conflict, and that personal data can only be shared with a valid legal basis, the practical implementation will be challenging for companies that must design systems to be both open (per the Data Act) and restricted (per the GDPR) [30]. This duality creates a significant compliance burden and legal uncertainty for manufacturers and service providers handling mixed datasets.

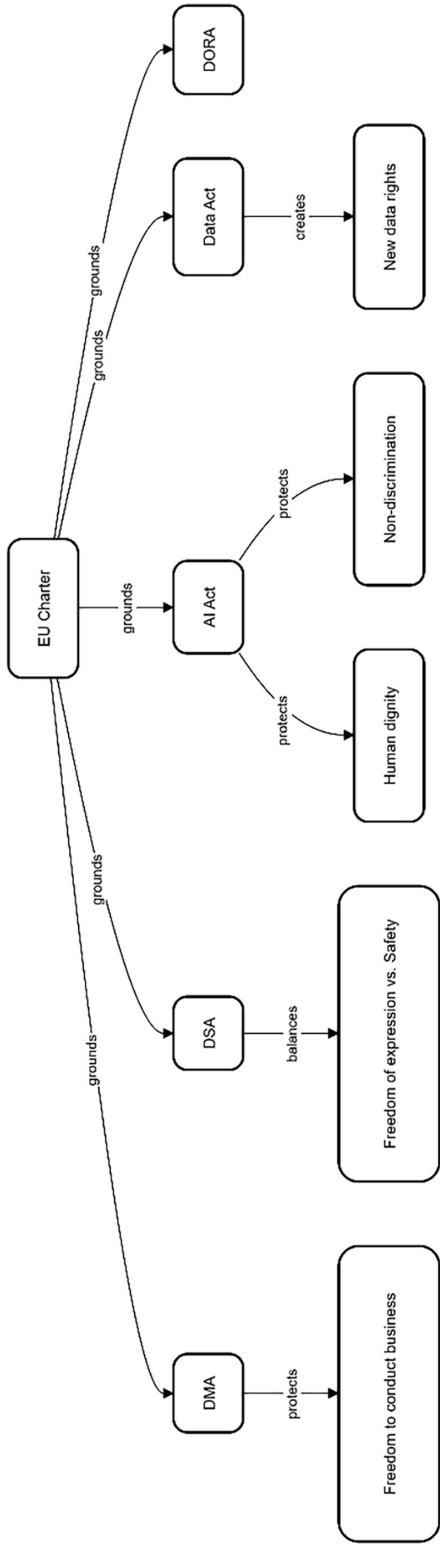


Figure 2.
EU’s Pillar 1, rights foundation. Source: own elaboration with iGraph Drawio Software v28.0.6.

- **AI Act versus DSA:** There is a direct overlap in the obligations for very large online platforms (VLOPs). The DSA requires VLOPs to conduct systemic risk assessments of their services, including risks stemming from their recommender systems and advertising algorithms [3]. These systems are frequently classified as “high-risk” AI systems under the AI Act, which imposes its own set of risk management and conformity assessment requirements [31]. This creates a scenario of dual regulation, where a single algorithmic system is subject to two different, albeit related, risk assessment regimes, with different supervisory bodies and potentially divergent standards. The lack of a clear hierarchy or a “one-stop-shop” for compliance could lead to duplicative efforts and legal ambiguity [31].
- **AI Act versus GDPR:** The relationship between these two acts is intricate. The AI Act allows for the processing of special categories of personal data (e.g., data on racial origin or political beliefs) when “strictly necessary” for bias monitoring and correction in high-risk AI systems [31]. This creates a specific, narrow exception to the GDPR’s general prohibition on processing such data (Article 9). While this provision is intended to enable the development of fairer AI, it highlights the delicate balance and potential for conflict that must be navigated between the two legal frameworks [32].
- **DMA versus Data Act:** The data access provisions of these two acts intersect in complex ways. The DMA grants business users of gatekeeper platforms access to the data they generate [33]. The Data Act establishes a broader right for all users of connected products to access and port their data [34]. Where a gatekeeper is also the manufacturer of a connected product (e.g., a smart speaker or a smartphone), it will be subject to both sets of rules. Furthermore, the Data Act contains a controversial provision that prohibits data holders from making data available to a third party that is a designated gatekeeper under the DMA, even if the user requests it [34]. This is intended to prevent gatekeepers from further entrenching their data advantages, but it directly conflicts with the principle of user control and could limit the utility of data portability for consumers who wish to use services offered by gatekeeper ecosystems [34].

The EU’s comprehensive approach, while laudable in its ambition, has created an architecture where coherence is the primary casualty. The success of the entire project now hinges on the ability of regulators and courts to develop a consistent interpretive framework *ex post* to harmonize a legislative structure that was not fully integrated *ex ante*. This challenge of managing complexity and resolving contradictions is a significant weakness of the EU model.

The complexity of the framework is more precisely illustrated in **Figure 3**, where the contradictions of the EU regulations are highlighted. **Figure 3** illustrates four primary regulatory conflicts: Data Act vs. GDPR (data access vs. minimization), AI Act versus DSA (dual risk assessment regimes), AI Act versus GDPR (special category data processing), and DMA versus Data Act (gatekeeper data restrictions), each being associated with a negative effect, namely conflict, overlap, tension, and contradiction.

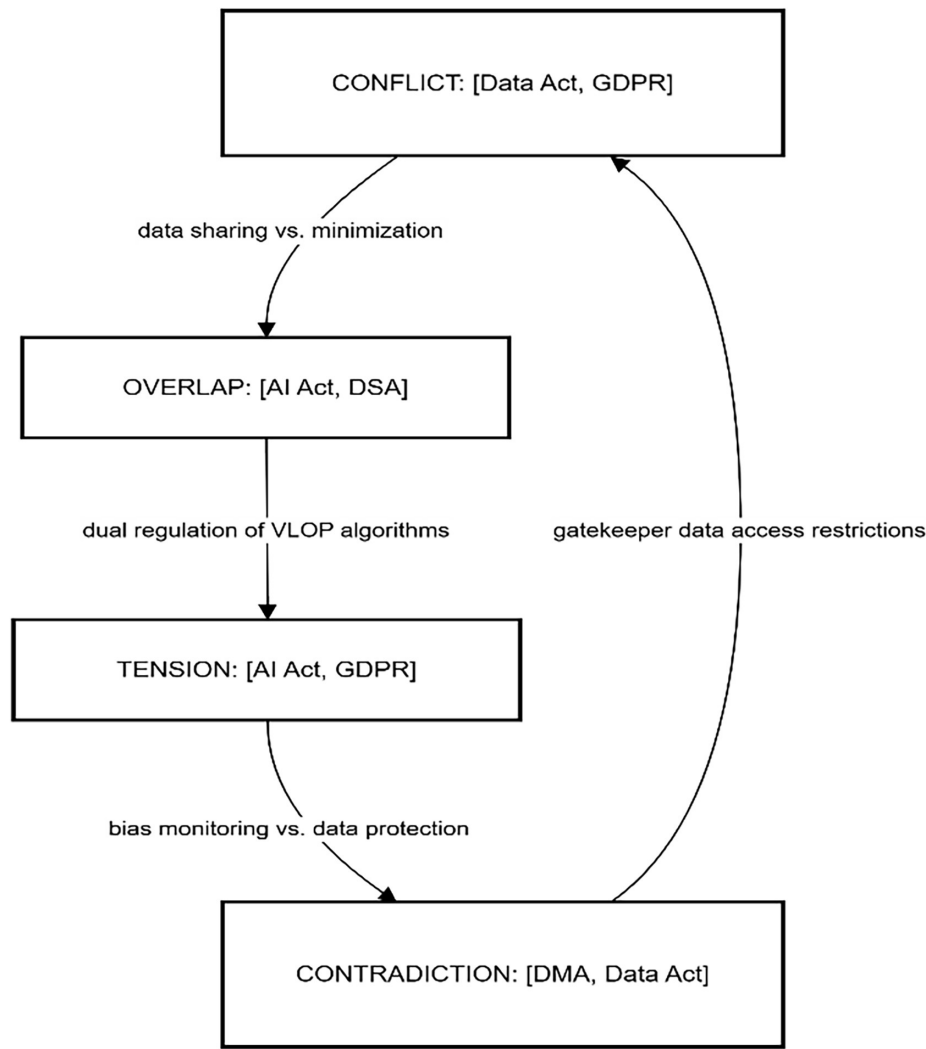


Figure 3.
EU’s Pillar 2, legal coherence. Source: own elaboration with jgraph Drawio Software v28.0.6.

3.2.3 Pillar 3: Institutional design and enforcement capacity

The institutional design for enforcement represents the most significant challenge and potential point of failure for the EU’s digital constitutionalism project. The legislative package has created a highly fragmented, multilevel, and polycentric enforcement architecture that has been described as an “enforcement jungle” [35]. This complexity not only threatens the uniform application of the law across the Union but also raises fundamental questions about institutional capacity, coordination, and the effective protection of rights.

The enforcement landscape is a patchwork of different models, with varying degrees of centralization and decentralization:

- **DMA:** enforcement is highly centralized. The European Commission holds exclusive power to designate gatekeepers and enforce the DMA's obligations, a model chosen to ensure consistency and prevent fragmentation in cross-border competition cases [2]. While national competition authorities play an advisory role, the primary responsibility lies with Brussels.
- **DSA:** a dual or hybrid system is established. The Commission is directly responsible for supervising VLOPs and very large online search engines (VLOSEs), which pose the greatest systemic risks. For all other intermediary services, enforcement is decentralized to national digital services coordinators (DSCs). A new European Board for Digital Services is tasked with coordinating the DSCs and advising the Commission, but it lacks direct enforcement powers of its own [36].
- **AI Act:** enforcement is largely decentralized. Each Member State must designate one or more national market surveillance authorities to oversee compliance with the Act. A new European AI Office, housed within the Commission, has been created to oversee the rules for general-purpose AI (GPAI) models and to facilitate coordination among national authorities through a European AI Board [4]. This creates a complex division of labor between EU and national levels.
- **Data Act:** the model is fully decentralized. Each Member State is required to designate one or more competent authorities to enforce the Act. Where multiple authorities are designated, one must be appointed as a "data coordinator" to act as a single point of contact. These authorities could be existing bodies, like Data Protection Authorities (DPAs), or entirely new ones, leading to a diverse institutional landscape across the EU [5].
- **DORA:** a sector-specific model is employed. Enforcement is carried out by the relevant national competent financial authorities (e.g., central banks, financial market regulators). The European Supervisory Authorities (ESAs) – European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA), and European Securities and Markets Authority (ESMA) – are responsible for developing technical standards and have direct oversight powers over designated "critical" third-party ICT providers, adding another layer of EU-level supervision [6].

This fragmented architecture presents several critical weaknesses, which include resource disparities, uneven enforcement, coordination overload, and institutional gridlock. The capacity of national authorities to effectively enforce complex digital regulations varies dramatically across Member States. Disparities in funding, technical expertise, and political independence are likely to lead to inconsistent application of the law. The experience with GDPR enforcement, where a few well-resourced DPAs (e.g., Ireland's, due to the location of many tech headquarters) have become bottlenecks for major cross-border cases, serves as a stark warning [36]. This creates risks of forum shopping and a race to the bottom in enforcement, undermining the goal of a harmonized digital single market.

The EU regulatory system relies on a plethora of new boards and coordination mechanisms (the European Board for Digital Services, the European AI Board, the

network of data coordinators) to function. Furthermore, a single case may require cooperation between different types of authorities within a Member State – for example, a DSC, a DPA, and a competition authority may all have jurisdiction over a single platform's conduct [36]. In turn, this creates a high risk of “turf wars,” procedural delays, and institutional gridlock, making swift and decisive enforcement action difficult.

The EU framework places a heavy emphasis on administrative enforcement by public bodies. The role of judicial oversight and private enforcement (e.g., through individual or collective actions) varies significantly across the acts. While the DMA and DSA provide avenues for private enforcement, the AI Act is weaker in this regard [37]. This heavy reliance on administrative bodies, whose independence and resources are not guaranteed, raises concerns about accountability and the effective realization of the right to an effective remedy, as guaranteed by Article 47 of the Charter.

Figure 4 depicts the variety of institutions that are meant to implement the different EU regulations. In addition to the variation in the dimension of authority hierarchy – centralized and decentralized – the European system also presents sectoral differences. The institutional design of the EU's digital rulebook is its most vulnerable point. This Figure helps us to understand why, without a more streamlined and robustly resourced enforcement system, the EU's ambitious constitutional principles risk becoming a “paper tiger,” powerful in theory but ineffective in practice [37].

3.2.4 Pillar 4: Adaptive capacity and resilience to change

A core objective of the EU's digital strategy has been to create a regulatory framework that is “future-proof” – capable of adapting to the relentless pace of technological change without requiring constant legislative overhauls [38]. This reflects a clear lesson learned from the rapid obsolescence of earlier, more static legislation, such as the 20-year-old e-Commerce Directive. The new package of regulations, thus, incorporates a variety of sophisticated adaptive mechanisms. While these mechanisms are promising in their design, their practical effectiveness remains largely untested and is intrinsically linked to the institutional capacity discussed in the previous pillar.

The EU has embedded essential tools for adaptive governance into its new laws, including formal review clauses, flexible delegated mechanisms for further regulation, regulatory sandboxes, and the integration of codes of conduct. The DMA and DSA, in particular, contain explicit review clauses that mandate the European Commission to periodically evaluate their effectiveness, scope, and impact [39]. For instance, the Commission launched its first public consultation on the review of the DMA in July 2025, specifically seeking input on whether its scope should be extended to new services like generative AI and online social networking [39]. These clauses create a formal, legally-mandated process for institutional learning and legislative recalibration.

The AI Act, Data Act, and DORA make extensive use of secondary legislation in the form of delegated and implementing acts. This allows the Commission and other EU bodies (like the ESAs in the case of DORA) to update technical standards, clarify definitions, and, crucially, amend nonessential elements of the acts in response to technological developments [4]. For example, the list of “high-risk” AI systems in Annex III of the AI Act can be updated by the Commission via a delegated act, providing a flexible mechanism to address new AI applications as they emerge without reopening the entire legislative file [4].

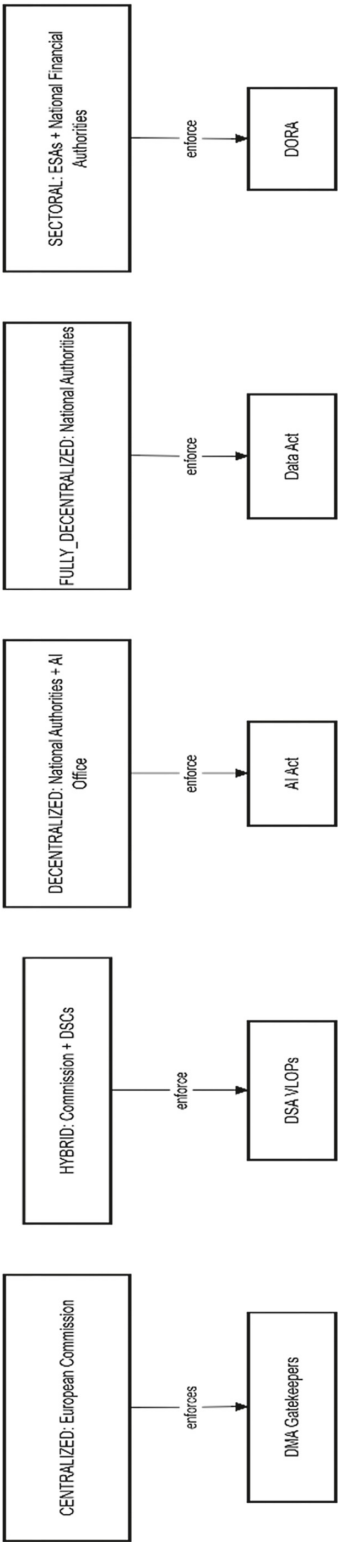


Figure 4.
EU's Pillar 3, institutional capacity. Source: own elaboration with igraph Drawio Software v28.0.6.

As far as “sandboxes” are concerned, the AI Act mandates that Member States establish at least one “AI regulatory sandbox.”[4] These sandboxes provide a controlled environment where companies, especially SMEs and startups, can test innovative AI systems for a limited time under the supervision of competent authorities. This mechanism serves a dual purpose: it fosters innovation by reducing regulatory barriers for experimentation, and it allows regulators to gain firsthand knowledge of emerging technologies and their potential risks, which can inform future guidance, standards, and legislative updates.

Both the DSA and the AI Act integrate codes of conduct as a key part of the regulatory toolkit. The DSA, for example, allows for voluntary codes of conduct to address systemic risks like disinformation or to protect minors, which can be used as a factor in assessing a platform’s compliance [3]. The AI Act encourages codes of practice for GPAI models to help providers demonstrate compliance with their obligations [4]. These instruments allow for more agile and industry-informed standards to develop in parallel with the law, enabling faster adaptation than the formal legislative process.

While these mechanisms demonstrate a sophisticated approach to adaptive governance, a critical paradox emerges. The effectiveness of these future-proofing tools is entirely dependent on the institutional capacity of the enforcement bodies analyzed under Pillar 3. For example, the ability of the Commission to intelligently update the list of high-risk AI systems depends on the technical expertise and market monitoring capabilities of the European AI Office and the national surveillance authorities. Likewise, the value of regulatory sandboxes depends on the ability of underresourced national authorities to effectively supervise them. The rapid emergence of generative AI since the initial drafting of the AI Act serves as the first major test case for this adaptive framework. The EU’s response – adding a new tier of rules for GPAI models late in the legislative process and relying on the AI Office and codes of practice for implementation – highlights both the potential and the strain on its adaptive capacity.

Figure 5 lays bare the issue of institutional fragmentation in the EU with the identification of the different instruments for the functioning of its regulatory system. The EU’s solution to the problem of technological obsolescence is contingent on solving its problem of institutional fragmentation and underresourcing. If the enforcement architecture (Pillar 3) proves inadequate, the adaptive mechanisms of Pillar 4, however well-designed, will likely fail to function as intended, risking that this new, complex regulatory edifice could become just as obsolete as its predecessors.

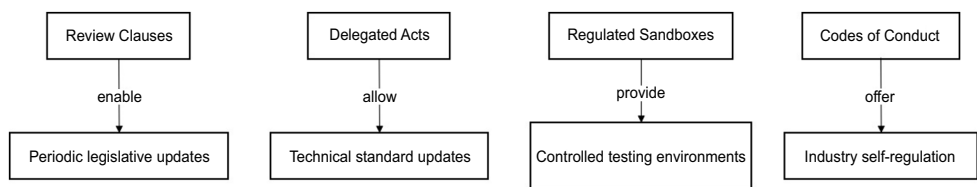


Figure 5.
Pillar 4 of the EU. Source: own elaboration with jgraph Drawio Software v28.0.6.

4. Case study: Mistral AI and the compliance gap in EU digital constitutionalism

The case of Mistral AI illuminates a critical tension within the EU’s digital regulatory framework, namely, the divergence between normative ambition and practical application. As the four-pillar analysis shows, the EU has constructed a digital governance model characterized by distinct attributes: it is normatively ambitious and rights-centric, legislatively comprehensive, proactively ex-ante, institutionally complex and fragmented, and dynamically adaptive in theory [40]. However, the Mistral AI case reveals how these very attributes – particularly the framework’s comprehensiveness and its reliance on quantitative triggers – can create paradoxical compliance gaps that undermine regulatory coherence.

4.1 The fragmentation of the compliance matrix

The EU’s digital regulatory framework relies on distinct quantitative “triggers” to classify companies and impose obligations. These triggers determine whether a company is regulated as a “gatekeeper” under the DMA, a VLOP under the DSA, or a provider of “Systemic AI” under the AI Act [41]. This creates a complex “compliance tiering” system, where a single company may trigger multiple overlapping regimes depending on its size, user base, or computing power. **Table 3** summarizes the divergent quantitative triggers that fragment the EU’s compliance matrix.

Mistral AI, as a mid-sized AI company, occupies a unique position within this matrix. With an estimated revenue of approximately €60 million in 2025 and roughly 1 million active users, Mistral AI falls far below the DMA’s €7.5 billion revenue and 45 million user thresholds, exempting it from “gatekeeper” obligations such as interoperability mandates and data unbundling requirements [2, 42]. Similarly, Mistral AI remains below the DSA’s 45 million user threshold for VLOP designation, escaping the heavy content moderation audits required of platforms like ChatGPT or Google Gemini [3, 43].

Legislative Act	Quantitative “trigger”	Metric type	Designation/status
AI Act	>10 ²⁵ FLOPs (Floating Point Operations) of cumulative computation for training	Technical capability	GPAI model with Systemic risk (presumed to have “high-impact capabilities”)
Digital Markets Act (DMA)	€7.5 billion annual turnover in the EEA or €75 billion market capitalization	Economic power	Gatekeeper (must also meet user thresholds)
Digital Markets Act (DMA)	>45 million monthly active end users (EU) and > 10,000 yearly active business users (EU)	Market reach	Gatekeeper (must also meet economic thresholds)
Digital Services Act (DSA)	>45 million monthly active recipients	Audience size	Very large online platform (VLOP)/search engine (VLOSE)

Source: own elaboration

Table 3.
Quantitative triggers across EU digital regulations.

However, Mistral AI's flagship model, Mistral Large 2, with an estimated 2.1×10^{25} FLOPs, crosses the AI Act's 10^{25} FLOPs threshold, triggering the heaviest "Systemic Risk" obligations under the regulation [4, 44]. This designation subjects Mistral AI to extensive compliance requirements, including adversarial testing ("red teaming"), systemic risk assessments, cybersecurity hardening, and serious incident reporting – all due within stringent timeframes following model completion [44]. Thus, Mistral AI finds itself in a regulatory paradox: it is "too small to be a Gatekeeper but too smart to be ignored," bearing the full weight of AI safety regulation without the market dominance typically associated with such scrutiny.

4.2 The conflicting compliance tiers

The divergence in these metrics creates a fragmented landscape where companies fall into different "tiers" of supervision for different reasons, exemplifying the legislative incoherence identified in Pillar 2 of the 4P-FADGS framework.

4.2.1 The "compute versus capital" conflict (AI Act vs. DMA)

The AI Act regulates based on computing power (10^{25} FLOPs), while the DMA regulates based on financial power (€75 billion market capitalization) [45]. This creates two problematic scenarios:

The DeepSeek Scenario: a highly efficient AI startup could release a model that rivals GPT-4 but uses fewer than 10^{25} FLOPs and generates minimal EU revenue. Such a company might escape both the "systemic risk" label (due to computational efficiency) and the "gatekeeper" label (due to low revenue), despite having massive market impact [31, 46]. This represents a potential regulatory blind spot where technical sophistication outpaces quantitative triggers.

The Mistral AI Scenario: a European AI champion crosses the 10^{25} FLOPs threshold, becoming a "Systemic AI" provider supervised by the European AI Office but fails to meet the €75 billion market capitalization threshold, thereby escaping DMA "gatekeeper" rules [47]. This subjects such companies to heavy safety compliance burdens without the antimonopoly constraints applied to US tech giants like Google or Meta, creating an asymmetric regulatory landscape that may disadvantage European competitors.

4.2.2 The "user number" trap (DMA vs. DSA)

Both the DMA and DSA use the 45-million-user threshold, but for contradictory regulatory goals [41]. A platform reaching this threshold is simultaneously designated as:

- A **"gatekeeper"** (DMA): presumed to be a market bottleneck that must open up its data and allow interoperability to foster competition [45].
- A **"VLOP"** (DSA): presumed to pose a systemic risk to society, it must moderate content and assess risks like disinformation [45].

This dual designation creates a fundamental tension between "openness" and "safety." The same company must open its ecosystem to competitors (DMA) while simultaneously tightening controls on user-generated content (DSA), potentially

creating conflicting operational imperatives that undermine both competition and content governance objectives [12].

4.2.3 The “static versus dynamic” mismatch

The 10^{25} FLOPs threshold is hard-coded in the AI Act, creating a static metric in a rapidly evolving technological landscape [4]. As algorithms become more efficient – requiring less computational power for equivalent or superior performance – powerful models will increasingly fall below this regulatory threshold, potentially creating a massive blind spot [38]. In contrast, the DMA’s economic thresholds capture any sufficiently wealthy player, regardless of technical efficiency. This asymmetry risks punishing “inefficient” legacy tech giants while allowing agile, highly efficient AI disruptors to slip through the regulatory net, undermining the framework’s goal of comprehensive digital governance.

The Mistral AI case illustrates three critical weaknesses in the EU’s digital constitutional framework. First, legislative coherence, as envisioned by Pillar 2, is currently missing in the EU. The siloed development of regulations, each with distinct quantitative triggers and regulatory philosophies, has created overlapping obligations and compliance gaps that challenge legal certainty [12]. Mistral AI’s simultaneous exemption from market dominance rules, yet subjection to the strictest AI safety requirements, exemplifies this incoherence.

Second, our case shows that institutional fragmentation is compromising Pillar 3. Mistral AI must navigate a fragmented enforcement landscape involving the European AI Office for systemic risk obligations, national market surveillance authorities for general AI compliance, and potentially multiple national competent authorities for sector-specific applications [35]. This multilevel architecture imposes significant coordination costs on companies that lack the compliance infrastructure of US tech giants.

Third, the adaptive capacity, which is critical for Pillar 4, is under strain. While the AI Act includes review clauses and delegated acts to update technical thresholds, such as the 10^{25} FLOPs trigger, the rapid evolution of AI efficiency poses a fundamental challenge [39]. The framework’s ability to adapt depends on the institutional capacity of the European AI Office and national authorities – a capacity that, as analyzed under Pillar 3, remains uncertain and unevenly distributed across Member States [36].

Mistral AI’s position reveals that the EU’s digital constitutional framework, while normatively robust and legislatively comprehensive, contains structural compliance gaps that are not accidental but inherent to its design [19]. The reliance on divergent quantitative triggers – economic power for market dominance, technical capability for AI risk, and user reach for content moderation – reflects the framework’s attempt to address multiple policy objectives simultaneously. However, without stronger coordination mechanisms and more coherent threshold design, companies like Mistral AI will continue to occupy regulatory interstices: bearing disproportionate compliance burdens in some domains while escaping scrutiny in others.

This paradox underscores the central argument of this chapter: the EU’s digital constitutionalism is institutionally fragile despite its normative ambition. The success of the Brussels Effect and the framework’s capacity to project global

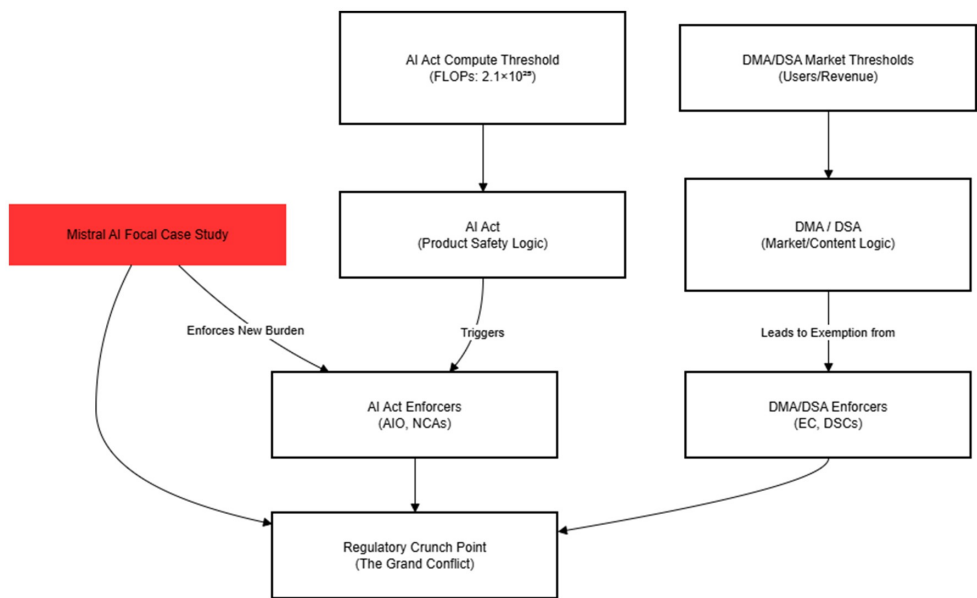


Figure 6.
Focal case study in the EU’s regulatory framework. Source: own elaboration with jgraph Drawio Software v28.0.6.

influence will ultimately depend not on the comprehensiveness of its laws but on the EU’s ability to resolve these structural incoherences and build the institutional capacity necessary for coherent, effective enforcement [15].

To enhance comprehension, **Figure 6** simplifies the regulatory context in which Mistral AI is immersed. Note the crunch point represented in the illustration, which is the end-result of a sequence of regulations that create burdens and tensions.

5. Conclusion: The Brussels Effect and the future of democratic digital governance

The EU’s legislative corpus represents the most comprehensive attempt by a democratic organization to codify a constitution for the digital age. In a context of “surveillance capitalism,” under which the democratic order is antagonized [48], the EU is building legal and institutional capacity to face this challenge. The four-pillar assessment conducted in this chapter reveals a model that is normatively robust and deeply rooted in the fundamental rights of the EU Charter. However, it is strained by legislative complexity, and its enforcement architecture is fragmented. The EU has succeeded in articulating a clear, principles-based vision for digital governance, but it faces the critical challenge of translating this vision into a coherent, effective, and resilient system in practice.

The implications of the European digital endeavor extend far beyond the borders of the Union. The success or failure of the EU’s digital constitutionalism will have a profound impact on the global debate over technology governance,

largely through the mechanism of the “Brussels Effect.” In the past, the GDPR demonstrated its power by prompting the adoption of similar data protection laws worldwide. Undoubtedly, the EU aspires to replicate this success with its new digital rulebook.

The future of the “Brussels Effect” in the digital domain, nonetheless, is not guaranteed. Its durability is contingent on the EU’s ability to resolve the internal tensions identified in this analysis. A regulatory framework that proves to be effective, predictable, and efficient will be an attractive model for other jurisdictions to emulate. Multinational corporations, faced with a clear and consistently enforced set of rules in a major market, will be incentivized to adopt those standards globally for the sake of efficiency. Conversely, a system mired in legal uncertainty, institutional gridlock, and uneven enforcement will not only fail to achieve its objectives within the EU but will also lose its appeal as a global benchmark. It may encourage other global powers to forge divergent regulatory paths and prompt companies to geo-fence their services, offering different and potentially degraded products in the European market to manage compliance costs.

The EU’s project is, thus, a high-stakes test. It seeks to prove that it is possible to build a digital sphere that is both innovative and rights-respecting, competitive and democratic. The four-pillar analysis suggests that, while the constitutional foundation is strong (Pillar 1) and the design incorporates novel adaptive mechanisms (Pillar 4), the entire edifice rests on a precarious base of questionable legislative coherence (Pillar 2) and a deeply fragmented institutional structure (Pillar 3). The critical challenge ahead is not one of legislative ambition, which the EU has demonstrated in abundance, but of institutional execution.

5.1 Policy implications

The findings of this analysis carry important implications for three key stakeholder groups: EU policymakers, Member State authorities, and technology companies navigating the regulatory landscape.

The analysis reveals that legislative ambition alone cannot guarantee the “Brussels Effect’s” durability. The European Commission and European Parliament must prioritize three institutional reforms to translate constitutional principles into enforceable governance. First, the harmonization of quantitative triggers across regulations to eliminate paradoxical compliance gaps. The divergence between the AI Act’s computational thresholds (10^{25} FLOPs), the DMA’s economic thresholds (€7.5 billion revenue), and the DSA’s user thresholds (45 million users) creates regulatory interstices where companies such as Mistral AI bear disproportionate burdens in some domains while escaping scrutiny in others. Future legislative reviews should simultaneously consider adopting a unified risk classification system that accounts for market power, technological capability, and societal impact.

Second, the strengthening of coordination mechanisms among enforcement bodies is essential. The European Board for Digital Services, the European AI Board, and networks of national coordinators require enhanced mandates, dedicated budgets, and binding dispute resolution powers. Without these tools, the current “regulatory soup” will continue to generate turf wars and procedural delays that undermine swift enforcement action. Third, the establishment of minimum resource standards for national competent authorities should be prioritized. The EU should develop benchmarks for technical expertise, funding levels, and political

independence to prevent the GDPR's Irish bottleneck problem from replicating across the digital regulatory architecture.

As far as the implications for national governments are concerned, they must recognize that effective digital governance requires substantial institutional investment. Member States should designate and adequately resource DSCs, market surveillance authorities, and data coordinators with sufficient technical expertise to oversee complex AI systems, platform algorithms, and data flows. This requires recruiting specialists in computer science, data analytics, and regulatory technology – not simply reassigning existing administrative staff. The fragmentation documented in Pillar 3 can be mitigated if national authorities proactively share best practices, coordinate investigation timelines, and develop common interpretive frameworks for ambiguous regulatory provisions.

Importantly, Member States must resist the temptation toward regulatory capture or leniency for national champions. The Mistral AI case demonstrates that even sophisticated European companies face compliance challenges; smaller firms will struggle far more. Instead of weakening enforcement to protect domestic competitors, Member States should advocate for coherent EU-level reforms while maintaining rigorous compliance standards within their jurisdictions.

For technology companies operating in the EU digital space, they must adopt proactive compliance strategies that anticipate regulatory evolution rather than reacting to enforcement actions. For firms such as Mistral AI caught between thresholds, this means engaging early with multiple enforcement bodies – the European AI Office, national market surveillance authorities, and sectoral regulators – to clarify jurisdictional boundaries and compliance expectations. Companies should invest in regulatory technology infrastructure that tracks obligations across all five acts, identifies overlapping requirements, and flags potential conflicts before they generate enforcement risks.

Beyond compliance, technology companies should engage constructively in legislative review processes. The DMA's July 2025 public consultation on scope extension demonstrates that regulators recognize the framework's limitations. Companies possess empirical evidence about implementation challenges, threshold arbitrariness, and enforcement coordination failures. Rather than opposing regulation categorically, firms should provide concrete proposals for harmonizing triggers, streamlining coordination, and clarifying conflicting obligations. This collaborative approach benefits both regulatory effectiveness and corporate compliance costs.

Finally, companies must recognize that the EU's model is exportable. Even if the "Brussels Effect" proves weaker than anticipated within Europe, the constitutional principles and regulatory architecture identified here will influence policymaking in Latin America, Asia, and Africa [49]. Firms developing global compliance strategies should treat EU digital regulations as the baseline, not the exception, and prepare for convergence toward rights-based and ex-ante governance models worldwide.

These implications and recommendations underscore this chapter's central argument that the EU's digital constitutionalism possesses normative strength and adaptive potential, but its realization depends on institutional execution. Policymakers must harmonize triggers and strengthen coordination; Member States must build capacity and resist capture; companies must invest in compliance and engage constructively. Mainly through these coordinated efforts can the EU's ambitious constitutional vision avoid becoming a "paper tiger" – impressive in theory but ineffective in practice.

5.2 Future research directions

This analysis reveals three critical gaps in the scholarly literature that demand immediate attention. The structural assessment of the EU's digital constitutionalism model, while establishing its distinct rights-based foundation, necessitates two immediate research extensions: a more robust comparative analysis and a deeper theorization of its external influence. To fully validate the EU's unique position, future work must develop substantive comparisons that move beyond mere allusion by systematically contrasting the EU's integrated legislative approach with the US' market-driven and fragmented regulation, and the Brazilian model's reliance on judicial activism in the face of legislative gaps. This comparative lens is essential for adequately theorizing the central mechanism of global policy diffusion, namely, the "Brussels Effect". The chapter's reliance on the concept must be extended by specifying the causal pathways in the digital domain, particularly by mapping how the EU's unilateral regulatory power, its enforcement credibility (despite internal complexity), and its novel institutional design (e.g., the AI Office) translate into global standard-setting through market access incentives.

The chapter's critical thesis regarding institutional complexity and legislative fragmentation requires direct engagement with counter-arguments to correct and improve the EU's next steps. A crucial extension of the chapter's research would be to empirically test the claims made by supporters of complexity, who argue that a highly intricate and multilayered regulatory framework is the only feasible prerequisite for governing fast-moving and high-impact digital phenomena such as GPAI. Furthermore, future research must directly address the industry's claims regarding the potential negative effects of this framework. This includes an economic and legal assessment of the regulatory burden on European SMEs – the key drivers of digital innovation – to determine if the cost of compliance is genuinely stifling competitiveness. Finally, an incrementalist perspective should be explored, evaluating whether the identified institutional capacity deficits are simply a transient phase, allowing for the potential of administrative learning and maturation of the framework over time, or if they represent a design flaw that will inevitably lead to an enforcement crisis.

Regulators worldwide are watching to see if Europe's digital constitution can move from paper to practice and, in so doing, offer a viable democratic alternative for governing the world's digital future. In accomplishing this task, the EU would consolidate democracy's future by placing social needs above technological imperatives – coming closest to Ivan Illich's notion of "conviviality," a society in which "modern technologies serve politically interrelated individuals rather than managers." [9] By centering legislation on the quality of human interactions in digital space, the EU has created a model that, if embraced internationally, could constrain big tech power and inject democratic values into digital geopolitics [50].

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Perspective Chapter: Unwinding the European Union – Decentralization Instead of Collectivism

Reiner Osbild

Abstract

The European Union was successful due to its focus on a Europe-wide market economy, resulting in growth and wealth for its citizens. Now, there seems to be a turning point with EU bureaucracy relying more and more on collectivism as demonstrated by the New Generation EU Fund. Backed by huge financial means of 807 billion Euros, most economic policy measures adopt a top-down approach, as can be seen in climate, health, and distribution policy. Even more, we show that current EU legislation and administration is often not more than doubling bureaucracy, because in the central fields of micro- and macroeconomics other solutions, without abundant bureaucratic interventions, can produce better results avoiding efficiency losses and allowing for more freedom, and thus, a higher level of overall wealth. We therefore advocate scaling back the EU, its powers, and its budget.

Keywords: NextGenerationEU, centralization, Single Market, monopoly, tariffs, WTO, environment, culture, distribution, climate change, stabilization, monetary union, collectivism, pretense of knowledge

1. Introduction

Throughout history, decentralized systems such as democracy and market economies have proven to be superior to centralized orders. Just as an example, the countries with a comparatively free economy, sound property rights, and a stable political environment are, on average, much wealthier than others.¹

Postwar EU was a success story in this context. In order to improve the already high level of income and help later members catch up, the Single Market Program was launched. It represented a deregulation of the economy, reducing the power of individual states, simplifying the legal environment, and promoting economic

⁴⁹ n the fifth of countries with the highest political and legal stability and the most secure property rights worldwide, per capita income averages US\$59,617, which is around 21 times higher than in the bottom fifth of the index, where average per capita income is only US\$2,864 [1].

growth. But now, other challenges arise. Trade and regulatory issues increasingly require a global perspective, with some of them eroding the power of the EU. Instead of continuing the successful path of deregulation by completing the Single Market Program, we see more and more top-down interventions by the EU bureaucracy, such as in the wide field of AI and digital services. Of course, the European Council can stop potentially harmful actions² [2].

Despite the (potential) control by the Council, Brussels has a high level of legislative power. Alone in 2024, it issued 2,164 legal acts across all subcategories, almost 10 per working day³ [3]. One is examined in part 3. We also argue that micro- and macro-economic interventions are, in most cases, not necessary and could be replaced by milder means. Even more, the EU is gaining power in fields such as environmental and climate policies, where it pursues a net zero-emission policy. A strict quantitative goal, which reminds one of the five-year plans in former socialist countries, is only marginally supplemented by a few market elements⁴ [4]. The Nobel laureate Friedrich A. Hayek would call that collectivism, as individual aims and values are more or less neglected⁵. The NextGenerationEU fund is, in our view, a further step toward collectivism: through far-reaching interventions into the economy and society, into value systems and sectors such as health services – so far designed by each nation – the EU is shaping and directing markets along top-down objectives, backed by some €807 billion of fresh debt. Conversely, there seems to be only minor confidence in traditional market-based solutions, understanding markets in Hayek's sense as a discovery process to find new solutions for firms' and customers' needs without being shaped *ex ante*.⁶ The historically poor track record of centralized versus free markets makes us concerned about freedom and prosperity in Europe. Consequently, a reduction of the EU – financially and in terms of responsibilities – is called for, as opposed to the qualitative deepening frequently suggested.

The policy of recent decades has been aimed at expanding and deepening the European Union. The quantitative aspects relate to geographical expansion, most recently toward Eastern Europe; this is set to continue toward the Balkans [6], Ukraine, and Turkey.

The qualitative aspect means that the EU is assuming more and more powers. The principle of subsidiarity is increasingly giving way to a kind of centralism; there were signs of this during the COVID-19 crisis when vaccines were procured centrally. The Commission's recently presented seven-year budget plan reflects the increasing demand for financial resources. It has grown by two-thirds to two trillion euros. The Commission is also claiming national powers, such as tax collection and public debt, for itself. The proposal includes a mechanism to take on additional debt in a crisis without requiring unanimity. This means that liabilities could be imposed on

² A recent example is the commission's attempt to control, some say censor, the messenger data of WhatsApp, Signal & Co. This has been stopped by a veto announced by Germany so that the qualified majority slipped out of reach [2].

³ This is the sum of basic and amending acts, excluding those launched by the ECB. See [3].

⁴ Even the new system of CO₂ certificates is only a market solution at first glance. In practice, however, not only was the market itself created by politics, but it is also characterized by a tightly regulated allocation system." See [4].

⁵⁰ [his is the view of Austrian Economists with Friedrich A. Hayek being (perhaps) the most prominent one. See [5].

⁶ *ibid* [5].

taxpayers from a single country, even in cases where their government disagrees [7]. In this regard, we are guided by the maxims of the New Political Economy. According to this, a bureaucracy strives to maximize its budget in order to increase its responsibilities and the number of its employees. It is not the common interest that is promoted, but the self-interest of the bureaucrats. They regularly develop a tendency toward regulation because decentralized, market-based solutions could ultimately make an authority superfluous [8, p. 306].

This is worrying, given that the EU has long been criticized for its democratic deficit and lack of legitimacy. In addition to the limited influence of the European Parliament, the inadequate democratic structure of the European Union has been justified by the fact that “no European communication community, no European identity, and no European society have yet emerged, so that in the absence of a ‘demos’, no common European decision-making process is ultimately possible” [9, p. 34]. Finally, degressive proportionality gives smaller countries comparatively more seats than larger ones. In its 2009 Lisbon ruling, the German Federal Constitutional Court found that, contrary to the claim in Article 10 of the EU Treaty, the European Parliament is *not* a democratic representative body of a sovereign European people, since the equality of all citizens in the exercise of their right to vote is one of the essential foundations of a free and democratic state order⁷ [10].

In the political sphere, there are hardly any signs of steps toward greater democratization⁸. In the cultural sphere, we demonstrate the potential excesses of centralism through the regulation of the well-known Pizza Napoletana. In the economic sphere – and this is the focus of this essay – the trend is toward centralism and collectivism. We will illustrate this with the example of the NextGenerationEU (NGEU) fund. It demonstrates how Brussels is changing the regulatory dimension: a union that was previously based on a market economy, national fiscal, social, and distribution policies, and intra-governmental negotiations is in danger of turning into a collectivist economic and social system that is predominantly controlled and influenced by the EU bureaucracy, which is even re-defining a concept like equality. As the market is pushed back as a means of coordination and discovery, the Brussels bureaucracies are going to gain unprecedented power. Although there are a few narrowly defined meaningful fields of activity, like the common competition policy, these do not justify a comprehensive bureaucratization and centralization of economic activity. If the EU does not correct this trend on its own, it must be pushed back in the interests of freedom and prosperity.

2. Methodology

Our methodological approach is not quantitative, simply because empirical data can only be gathered from the status quo. It is impossible to evaluate alternative coordination mechanisms since a European economy “without” the EU neither exists nor can be modeled. However, we can recognize patterns through reasonable thinking, by evaluating existing theories and practical

⁷ The corresponding ruling is also mentioned at http://www.bverfg.de/entscheidungen/es20090,630_7bve0,00208.html

⁵¹ [This refers to “the removal of all possible areas of decision-making from politics and their transfer to nondemocratic institutions” (quote from Philip Manow: *Der Geist des Gesetzes* [The Spirit of the Law]. *Merkur*, No. 981, August 2023, p. 12, quoted in [11, p. 40]).

experience [11]. This aligns with the argument of Hayek, who criticizes the presumption of knowledge in quantitative economics in general, because such models only include measurable data, while determinants that cannot be directly observed are excluded from the calculations [12]. For example, if people's expectations change as a result of political measures and they reduce their savings, investments, or labor supply, this can hardly be measured and included in models. In our case, the European societies, economies, and their interaction with the EU institutions are so complex that we are unable to capture all relevant data and their correlations. This differs from some economic theories, such as the impact of a minimum wage, which can be tested and falsified due to the comparatively simple structure of the problem and the large amount of available data. However, we can hardly “falsify” the theory, for example, that the EU in all its details is “good” compared to other institutional arrangements. We must be cautious toward the pretense of knowledge, described in detail below. What we attempt here is to deliver sound evidence that there are good alternative solutions for quite different problems, which might be superior to the status quo.

3. Culture and cuisine: The intrusive EU

An example of the comprehensive legal activity of the EU is the *Standing Committee on Traditional Specialties Guaranteed*. The positive intention is to protect regional specialties, for example, in the culinary field. However, the implementation is so bureaucratic that it can threaten the livelihoods of producers in cases of failing to comply with regulations.

Our example is Commission Regulation (EU) No. 97/2010 of February 4, 2010, on the entry of a name in the register of traditional specialties guaranteed [Pizza Napoletana (TSG)]. It contains 10 (!) pages of detailed descriptions that can result in fines. Here is a sample: Pizza Napoletana is seasoned according to the following procedure – 70 to 100 g of peeled and chopped tomatoes are placed in the center of the dough disc with a spoon – the tomato mixture is spread over the entire inner surface in a spiral motion – salt is sprinkled on the surface of the tomatoes in a spiral motion. A lot of detailed instructions follow, including the logo in paragraph 3.10:

The logo for “Pizza Napoletana” looks like this: a horizontal oval shape in white with a light grey border, representing the plate on which the pizza is served. This is depicted realistically and at the same time graphically stylized, fully respecting tradition and showing the classic ingredients. Below the plate, there is a shifted shadow effect in green, which, in combination with the other colors, enhances the national colors of the product. The plate with the pizza is slightly overlaid by a rectangular window in red with strongly rounded corners. . . [13].

Instead of issuing overloaded laws, there are different ways for protection and conflict management:

- For the protection of intellectual property rights, there exist national patent offices, including the Munich-based European Patent Office, which protects trademarks too.

- In the case of a dispute, a standard solution mechanism is intergovernmental negotiations. In our example, Germany and Italy settled a problem over the origin of the wheat used as an input.
- Even pizza bakers producing the original pizza are often overburdened with matching all the details. They are bakers, not lawyers.⁹

This example should demonstrate that there is not necessarily an extra value “produced” by EU regulation, as it neglects other mechanisms already in place. Note that states such as Norway, Albania, and Turkey are members of the European Patent Office without being subjected to full EU regulation, and this seems to work.

4. Microeconomic regulation of the economy: Nations, EU, or world?

Let’s turn to the current economic situation. When it comes to market regulation, the EU finds itself sandwiched between national and global regulation. We examine the role of the EU in relation to some typical elements of market failure: *natural monopolies* and *environmental pollution*. Let’s start with microeconomic interventions.

4.1 The optimal level of regulation

In neoclassical economic theory, polypolistic competition is described as the ideal market form, guaranteeing the highest possible level of efficiency. If there are a large number of suppliers and a large number of consumers, such that individuals cannot influence the market price, then equilibrium will be achieved. In terms of welfare theory, there is a Pareto optimum: nobody’s situation can be improved without making someone else worse off.

However, little concrete information is provided about the spatial extent of the market. The central assumption in polypoly, the large number of market participants, can already be fulfilled in a city where numerous bakers, dental technicians, and service providers offer their largely homogeneous goods at the current market price. At the other end of the spectrum is the global market, where capital- and knowledge-based goods such as airplanes, microchips, smartphones, or AI applications are usually traded. Here, innovative strength and economies of scale play the main role.

Is there anything in between that necessitates a European market organization and Europe-wide market interventions? Yes and no. Empirically speaking, trade within national borders predominates in most countries. Significant negative border effects are also found in trade within the European Union. Corresponding empirical studies suggest that, for example, a member state of the European Union trades six to 10 times more with itself than with another EU country ([14], p. 134).

The restriction to intra-national trade is based on a certain familiarity, which is founded on a common language, common cultural values, and familiar tax, social, and legal systems. Much of this has been simplified or harmonized by a wave of harmonization and the formulation of common competition rules. The Single Market

⁵³ in a case personally known to the author, a pizzeria was fined for failing to comply with a minor part of the rule.

Program has promoted trade and factor mobility, for example, in the mutual recognition of standards. This deregulation has spurred economic integration and growth. Clearly, the single market needs to be completed.

Now, the EU is outwardly a customs union that harmonizes and enforces customs duties and quantitative restrictions. These manipulate trade flows. Bananas are treated differently depending on whether they are imported from French overseas territories, from the so-called African, Caribbean, and Pacific countries, or from the rest of the world. At the time of writing, such trade-diverting policy came under severe pressure from US tariff threats. However, there are also economic and political aspects of power to consider. Since the United States is a significant market for many products, it can force price reductions for imported goods, thereby improving the US terms of trade [14, p. 185]. In addition, tariff threats have a geopolitical dimension, as they can be used as leverage in other conflicts. This complex situation led to negotiations between the US and the EU in mid-2025, which ended with a significant reduction in US tariffs, but at a high price. On the one hand, high tariffs on steel, aluminum, and copper remained in place, and on the other hand, the EU promised the US investments of USD 600 billion and the purchase of additional energy products worth USD 750 billion. Obviously, there have been no negotiations over US subsidies granted to high-tech branches in order to support their penetration of the world market and to earn monopolistic rents (strategic trade policy, [15, p. 531]), which would have been a genuine duty for the EU delegation. All this has raised considerable concerns about the EU's competitiveness [16]. What's more, the EU is clearly not as strong as it likes to portray itself. It was hardly able to stand up to the United States; the agreement seems too one-sided. At least as things stand today, the EU has failed to achieve its self-imposed goal of being an equal counterweight to the United States and also to China.

Due to the global interconnectedness of capital markets and supply chains, global regulations are ideal for free trade in order to prevent trade barriers and promote economies of scale. In fact, such a regulatory framework exists in the form of the World Trade Organization (WTO). The WTO has over 160 members, representing 98% of world trade. Over 20 countries are seeking to join the WTO [17]. In addition to the EU as a whole, its member states are also among the members. This reflects a certain concern that individual countries see their national interests at risk in WTO negotiations conducted solely by the EU.

Competition rules in terms of technical standards are set globally and take only limited account of regional power blocs. In telecommunications, there are framework institutions such as the International Telecommunication Union (ITU) under the umbrella of the UN. In addition, there are expert committees. The standards for WLAN (Wi-Fi) are set by the IEEE (Institute of Electrical and Electronics Engineers) and the Wi-Fi Alliance. The IEEE defines the technical specifications for WLAN networks. For 5 G, the standards are mainly set by the 3rd Generation Partnership Project (3GPP). The World Postal Union, founded in 1874 and headquartered in Bern, has 192 member countries.

In the area of digital services, the EU regulates both the consumer and manufacturer sides. Both are problematic. What the EU considers consumer protection is seen by the mostly US-dominated providers as a trade restriction or even a restriction of political freedom of expression – for example, on the issue of hate speech. However, the reason why US corporations are so dominant is also linked to some of the EU's tight regulations. In the field of AI, for example, the EU is

particularly concerned about the risks of this new technology [18]; all too often, corresponding regulations restrict entrepreneurial freedom, for example, through extensive data protection laws.

Another problem is whether and how international online platforms should be taxed in the EU. Apparently, providing such platforms is not perceived as an import of services, because otherwise the EU could consider imposing customs duties. Since it has not done so, the issue is shifting to the corporate tax level in the form of a digital tax. However, there is a risk of a patchwork quilt: at the time of writing, Germany was examining the tax base, tax rate, possible thresholds, and compatibility with EU law for such a tax [19]; Austria has already forged ahead with a 5% tax on paid online advertising but is seeking uniform EU or OECD regulation. This impending fragmentation of the digital world cannot be efficient. Trade conflicts are inevitable.

We advocate a global solution at the WTO level. Nothing is as international as the internet and its associated applications. Block-by-block or even national regulations are inefficient. The EU is not an oversize consumer protection agency, especially since customer preferences in Estonia may be different from those in Spain. So far, the EU has failed to find its place in this rapidly changing world.

4.2 Market failure

4.2.1 Natural monopolies

An economic area that is too narrow can contribute to the formation of oligopolies or even monopolies. This can be countered by free trade, which means removing barriers to market entry in order to counter national monopolies or break up oligopolies and cartels.

A special case is the natural monopoly. Falling average costs across the entire demand curve suggest that the entire market should be supplied by a single company. This company then has a monopoly [20, p. 394].

Natural monopolies often occur when capital-intensive network infrastructure must be maintained: rail, telecommunications, and electricity networks are characterized by high fixed costs and low variable costs, so that full supply to all citizens is possible at decreasing average costs.

Deutsche Bahn (DB) can be considered a natural monopoly. It would not be worthwhile for a domestic or foreign competitor to build a second rail network. However, the EU is not helpful in breaking up such a natural monopoly. The German Monopoly Commission proposes more competition and privatization in the fields of operational management, marketing, and sales, as well as better incentive structures in the areas of finance and management remuneration [21].

It is clear that these are all *national* measures that will lead to a better market structure, more constructive market behavior, and thus better market results. Only when workable competition has been established [22] can the EU intervene, for example, by prohibiting discrimination against foreign operators.

In the case of DB, the EU has at least exerted beneficial pressure by forcing liberalization in long-distance bus transport, a substitute for the railway. Of course, the German government could have done this itself, as many others had before, but the DB lobby was too strong. This intervention had, again, a deregulating effect, in line with the Single Market Program.

4.2.2 Environment

Environmental policy is driven by national legislation, with classical microeconomic theory favoring market-based solutions such as taxes and certificates. There is hardly any environmental problem that affects the EU as a whole. Most environmental damage is local or regional in nature. In such cases, national laws are more than sufficient. For local environmental problems that affect a few neighboring countries, a negotiated solution in the spirit of Ronald Coase ([20], p. 364) is a good option, for example, to improve the water quality of a border river.

If a Pigou tax is used, it must at least approximately reflect the marginal damage caused by pollution. A polluted river in the water-rich, sparsely populated north of Finland has a very different damage balance than water pollution in the Rhine, for example, as the latter flows through densely populated conglomerations. A central Pigou tax imposed by Brussels can hardly take this circumstance into account.

To the authors' knowledge, there is no environmental problem that requires the EU as a whole to participate in its solution. When it comes to climate protection, the EU, with 6–7% of global greenhouse gas emissions, is too small a player to be able to make a difference on its own; see the section "Make it green" for details.

4.2.3 A plea for a lean competition authority

So, does the EU have no say in the matter? Yes, it does. It must enforce competition rules that are not regulated at WTO level but do not have the effect of diverting trade. One example is the mutual recognition of standards. However, this does not require political union or excessive EU bureaucracy, especially since there is already a European authority for competition issues and law. The coordination of enforcement at national and EU level is supported by the European Competition Network (ECN), in which the Commission, national competition authorities, and courts work together to ensure that EU competition rules are effectively enforced and applied uniformly [23]. Note that, like in the case of the WTO, there is a double membership of the EU and its member states.

Such an authority would be the counterpart to the International Competition Network (ICN), which was founded in 2001 and operates worldwide [24]. The German Federal Cartel Office is a member of both organizations: the ECN and the ICN.

In environmental matters, a strengthened competition authority, such as the ECN, could mediate in disputes over property rights, for example, by stipulating that nonpolluters have a right to clean water, which polluters must purchase from them. A central Europe-wide competition policy could thus be placed in the hands of a single authority, whose framework conditions would be determined by intergovernmental arrangements. The European Chemicals Agency, based in Helsinki, which regulates the authorization, registration, transport, and monitoring of chemicals, could serve as a model. It has 600 employees and a budget of just under €129 million [25]. Even if such a lean competition and arbitration authority were to cost 10 times as much, at €1.3 billion per year or around €9.1 billion over seven years, it would still be less than 1% of the current EU budget.

5. Macroeconomic regulation of the economy: Nations, EU, or world?

5.1 Stabilization policy

Economic history has been marked by cyclical fluctuations. These are interpreted and treated in different ways. Here, we will only consider Keynesian explanatory models, which assume instability in the private sector. Waves of optimism and pessimism lead to euphoria and anxiety in the private sector. Pessimism leads to fear-driven saving, less consumption, layoffs, even more fear, etc. Only the government and the central bank can break this vicious circle through credit-financed public spending, tax cuts, and interest rate cuts in order to stimulate private activity.

Classic examples are economic stimulus packages, that is, lavish government spending programs to boost the economy and reduce unemployment. Examples include countercyclical infrastructure projects. In addition to many theoretical objections, which would go beyond the scope of this discussion, practical problems have also arisen. One of these is the existence of time lags. Diagnosing the problem, delays in planning and implementing measures, and the delayed effect on companies and consumers take so long that the problem – the weakening economy – has often long since resolved itself. In the worst case, the project has a procyclical effect [8, p. 335].

One remedy for reducing time lags and achieving more targeted public investment during the crisis is not further centralization but, on the contrary, the decentralization of stabilization policy. Not only do local authorities often have a better understanding of which investments are most urgently needed, but the time lag between problem analysis and problem solving is also likely to be shorter than with centralized solutions. Finally, the principle of subsidiarity already argues in favor of seeking solutions at the local and regional levels first.

One major obstacle is the distribution of tax revenues. In Germany, for example, cities and municipalities had only 15.4% of tax revenues at their disposal in 2024, compared with 39.6% for the federal government and 41.7% for the states. The comparatively low level of tax revenue can hardly be increased due to the decisive legislative authority of the federal and state governments in virtually all taxes – and can hardly be reduced in the event of a crisis. If municipal taxes were more dynamic, it would be possible to build up reserves during boom times and improve debt capacity in times of crisis. Nothing of the sort: property and trade taxes are the classic municipal taxes, but the parameters are set by the federal and/or state governments. Municipalities have only comparatively little leeway within the framework of the so-called assessment rates.

However, if strengthening decentralized federal units is desirable, then this argues against even greater centralization. Not only is it even more difficult to diagnose economic disruptions in a Europe of 27 than at the national level, but the crisis could also vary in severity from region to region, affecting the north more than the south or east of Europe, for example. What program should then be designed, and how? Apart from that, national battles are likely to break out soon to secure the lion's share of the projects put out to tender for their own companies.

Similarly, monetary policy is not dependent on the European Central Bank (ECB). Although Keynesian textbook theory predominantly associates interest rate policy with the open market policy of central banks, ultimately, it is the transmission to corporate credit that is the key to success. Interest rate cuts necessary for

stabilization policy are possible even without central bank measures, by granting interest subsidies. There are public banks and credit institutions at both the national and European levels. In Germany, these include the Landesbanken and Sparkassen, as well as the Kreditanstalt für Wiederaufbau (KfW); in Europe, we have the European Investment Bank. Direct interest rate subsidies have a faster and more targeted effect than lengthy transmission mechanisms, which take too long to reach the economy.

There is also no need for a European Central Bank. Before the ECB was founded, a number of countries had joined together to form the European Monetary System. In this system, the German mark (DEM) played a prominent role thanks to Germany's economic strength. However, the DEM did not assume the role of anchor currency on the basis of contractual agreements, but rather because of the markets' confidence in the stability policy of the Deutsche Bundesbank [26, p. 320]. If individual countries pursued a softer interest rate policy than the Deutsche Bundesbank, they had to weigh economic policy stimuli against capital outflows to Germany. Note that the ECB faces a similar dilemma. It cannot pursue two different interest rate policies. It cannot lower interest rates for one country and raise them for another. Capital markets thrive on trust, and the ECB had to, and still has to, build up the reputation of a Bundesbank; there is no institutional regulation of trust. What remains for the EU is coordinating activities from time to time in order to find a compromise between diverging interests in nations' stabilization policies.

5.2 Monetary union

The common currency, the euro, is seen as a pacesetter for political union. However, from the outset, some countries were not convinced by the euro. Sweden, for example, preferred to keep the krona, even though it met the accession criteria; Italy and Greece, on the other hand, were accepted into the European Monetary Union, contrary to economic logic.

Now, the eurozone, as it stands, is not an optimal currency area. Integrated factor markets, especially well-functioning labor markets with flexible real wages, are the main characteristics of an optimal currency area [20, pp. 1,138–1,146]. Due to the linguistic and cultural differences between so many member countries, the labor market in Europe is likely to be less flexible than in the US, for example, where workers can easily move from Arizona to Florida or from Connecticut to California.

Even the trade-creating effects of the Single Market do not justify the need to create a common currency. Transaction costs due to currency exchange (e.g., when on vacation) are now considerably reduced by electronic payment systems: whether a German tourist pays by credit card in Italy or England does not affect the convenience of the payment process. In the second case, that is, England, the current exchange rates are simply used in the background to debit the credit card account. Companies can cushion exchange rate risks through financial innovations such as futures, swaps, and options. However, the reduction in planning and hedging costs at the microeconomic level cannot compensate for the macroeconomic disadvantages.

Flexible exchange rates – such as the euro against the British pound or Danish krone – have a major macroeconomic advantage: the pound or krone can depreciate if the UK or Danish current account falls into deficit, or if inflation

in the two countries is higher than in the eurozone. Devaluation allows the competitiveness of the export and import substitution economy to be maintained.

The euro crisis of 2009/10 showed that the fiction of a common optimal currency area could only be maintained with high bailouts, for example, to Greece [27, p. 11 f.]. Without the euro, with the drachma as its currency, Greece would have stopped its exorbitant debt on its own because, before joining the monetary union, the country had to pay up to 25% interest on its international debt at times [28, p. 4]. After joining the monetary union, it was able to take a free rider position in the hope that – contrary to the European treaties – the other member states would rush to the country's aid in the event of excessive debt. And indeed, they did so, if only to ward off further speculative attacks against other countries such as Italy, Spain, or Portugal. A sell-off of these countries' public bonds would have driven up capital market interest rates there, with devastating prospects for the private economy. Since neither the EU nor any member state was interested in such an escalation, they gritted their teeth and made transfers in the form of the ESM (European Stability Mechanism). The cheaper option of a country devaluing its own currency has been lost with the euro. By the way, if a large country such as France were to slide deeper into crisis, even the ESM would be powerless.

The integration of national capital markets into a global capital market has been driven by technological progress (telecommunications, internet) and financial innovations (options, certificates, futures, swaps, ABS, etc.); the common currency has played only a minor role. It is also difficult to speak of a Eurobond market, as there is no uniform bond yield: since the financial crisis, individual countries have once again been assessed according to their individual risk profiles. Hence, the benefits of the common currency are likely to be rather limited.

5.3 Regional policy as a supranational distribution policy

Regional policy can be seen as an instrument for harmonizing living conditions. While fiscal and social policy measures to harmonize incomes are almost exclusively implemented at the national level, regional policy serves as an instrument for transnational equalization of distribution. Promoting growth in structurally weak areas is certainly an important aspect, but here we analyze EU regional policy as an element of supranational distribution.

In order to harmonize living conditions between its member states, a series of cohesion and structural policy instruments were created within this framework, which cannot be described in any detail here. At times, project financing was favored, then program financing; in terms of content, either the nation-states or the EU had the right to propose and implement measures.

Our argument is that the effectiveness of these instruments is hardly evaluable. Empirical analysis is difficult, as a “with-without” analysis would have to be carried out in order to separate the effects of European distribution policy from other influencing factors, like the Single Market Program, including the four freedoms, or the integration of Eastern Europe into the global market. Even more:

- Without the substantial EU contributions from countries such as Germany, their taxes could have been reduced, thereby stimulating consumption and

investments there. Industry would have expanded more strongly, which would have created jobs for Eastern European workers as well – either through migration or as employees of supplier companies.

- Even with lower subsidies, there would certainly have been a migration of capital – that is, a shift of economic activity to the former socialist countries, making use of the lower factor costs there.

When looking at the reduction in overall European inequality, data has been available since at least 2014. In the EU-27, that is, excluding the UK, the Gini coefficient fell from 30.9 (2014) to 29.4 (2024), meaning that distribution has become more even [29]. Maybe part of it is likely a consequence of the lavish redistribution funds.

6. The NextGenerationEU fund: System change instead of welfare

The further development of the EU, planned by European leaders, can best be outlined using the NextGenerationEU fund (NGEU) as an example. This is an EU bond program worth €807 billion, which will be distributed to EU countries partly as grants (cash gifts) and partly as loans. It is not the respective recipient countries that are liable, but the EU as a whole. The EU has acted as an independent issuer on the capital market on a larger scale than ever before. The precursors were the ESM and SURE, the joint financing of a short-time work allowance.

The official purpose of the NGEU is the COVID-19 pandemic, or rather, the elimination of the consequences of COVID-19 policy. At second glance, a comprehensive transformation program emerges that is turning large areas of the economic and social order upside down. These goals amount to a completely new regulatory policy for politics, the economy, and society:

NextGenerationEU is more than a recovery plan – it is a once-in-a-lifetime chance to emerge stronger from the pandemic, transform our economies and societies, and design a Europe that works for everyone.

We have everything we need to make this happen. We have a vision, we have a plan, and we have agreed to invest €806.9 billion together. Find out how the EU is making Europe healthier, greener, and more digital, and how you can be part of the change.

NextGenerationEU funding is available. Investment projects have kicked off.

NextGenerationEU sets the blueprint for a greener, more digital, and more resilient future.

To bring its projects to life, however, investment is needed on a grand scale, with the EU's long-term budget and NextGenerationEU funding combining to create the largest stimulus package ever financed in Europe.

Through the Recovery and Resilience Facility (RRF) and National Recovery and Resilience Plans (RRPs), funds are allocated to each country's specific needs [30]¹⁰.

The “we” in this text is revealing. It obviously describes the goals, visions, and measures of the ruling elites, that is, the EU Commission and EU bureaucrats, who have a new vision of Europe. These go far beyond the goals discussed previously. Europe is to become greener, more digital, and more resilient. The investments for this will not be made by the private sector but by the EU state. The available money to finance and subsidize all kinds of projects gives much power to the bureaucrats. Individuals only have the choice to be part of the change, but they have no voice in terms of the goals and their implementation, neither as investors nor as citizens. The bureaucracy's gain in power is a central and fundamental paradigm shift away from the decentralized systems of the market and democracy. Let's take a look at a few selected subgoals.

6.1 Make it green

Europe is on track to become the first climate-neutral continent by 2050 – we will produce no more greenhouse gases than our ecosystems can naturally absorb. With NextGenerationEU, we will invest in environmentally-friendly technologies, roll out greener vehicles and public transport, and make our buildings and public spaces more energy-efficient [31].

The goal of climate neutrality is utopian: since the global climate is a global public good, as many countries as possible must participate. This is the philosophy behind the Paris Agreement and many other multilateral contracts.

Even if man-made greenhouse gases are harmful to the climate, European emissions trading will not contribute to saving the global climate if (a) other emitters, such as the US and China, do not participate, and (b) demand for oil and gas in the EU falls as a result of EU taxation. If world market prices fall, cheaper and greater production can take place elsewhere. Hans-Werner Sinn has drawn attention to this “green paradox”: Our energy-saving policies cannot diminish the global supply of carbon. We are merely reducing demand to a certain extent, thereby slowing the rise in world market prices, but nothing more. In doing so, we are probably exacerbating the problem. After all, the existing resources will have to be extracted from the Earth at some point if they are to be used. If we threaten the resource owners with an increasingly green policy that will destroy their future business, they will preempt the threat and extract their mineral resources even faster. Instead of slowing down climate change, we are accelerating it. That is the green paradox¹¹ [32, 33].

Green climate policy is harmful to economic growth and prosperity. Take electric cars, for example: these are also available in the US and China, but only the EU has imposed a ban on combustion engines by 2035. This effectively destroys the comparative advantage of the European and, in particular, the German automotive industry. According to international trade theory, this must lead to welfare losses, especially since trade in other products cannot close this gap. Neither the hardware and software related to renewable energies, nor electric cars, hydrogen, or large-

⁶¹ The contents of the websites describing the NGEU have recently been modified without changing the original mindset in our view.

¹¹ Quotation Source is [32]. Indeed, the oil exploration shows a stable upward trend, with only a few downside years like in the COVID-19-crisis, but recovering quickly, see [33].

scale storage have yet been offered at convincing costs and prices. Solar modules are mostly sourced from China. What remains are obvious job losses. Unemployment in Germany, the largest EU country, recently exceeded the three-million mark.

6.1.1 Collectivist tendencies

The current net zero-emission policy is a top-down imposed EU-wide public objective. Friedrich A. Hayek rightly pointed out that the market is a discovery process and that free societies cannot be forced to pursue a common goal. The free market drives development forward, not social engineers of any stripe, whether they are planning a climate and environmental goal, the historic victory of the working class, or the liberation of some minority. The characteristics common to all collectivist systems can be defined, using a formula that is very popular with socialists of all stripes, as the conscious organization of labor in a social system for a specific social purpose. The various forms of collectivism, such as communism, fascism, etc., differ from one another in the goal toward which they seek to direct the productive activity of society, but they have in common that, in contrast to liberalism and individualism, they seek to organize society as a whole and all its productive forces for that single goal and do not recognize any autonomous spheres in which the desires of individuals are decisive. In short, they are totalitarian in the truest sense of this new word [5, p. 68 f].

Hayek speaks out against the existence of social goals. Rather, progress must be organized, and this is best achieved through an order based on private property, competition, legal certainty, and a functioning monetary and financial system. Liberal economic policy focuses on the welfare of the individual. This so-called *methodological individualism* involves the value judgment of taking the individual, their goals, and needs as the starting point for all decisions in economic policy [34, p.11]. Having said that, we would reject the current EU climate policy as collectivistic, driven by a pure ethics of conviction of the powerful elite, even considering that we are still on the way and modifications are still possible [35].

Now, it could be argued that the EU fundamentally accepts the pricing system and “only” uses it to serve climate protection. However, this is only apparently the case:

- Certificate systems that ultimately amount to a forced prohibitive price for CO₂ are nothing more than a time-stretched ban on CO₂, without considering the potential positive effects of the gas.
- It is fundamentally impossible to model the global climate for decades to come and derive a marginal damage function as the basis for a CO₂ price that is fair to the polluter. To quote Hayek, this is a pretense of knowledge.

6.1.2 The pretense of knowledge

Climate changes are difficult to capture in econometric models. These models are and remain incomplete and ultimately fail to provide policy advice, despite technological advances in hardware, software, and AI:

- Model failure: Future CO₂ levels cannot be observed or predicted. In order to know the correct amount that will be released into the atmosphere in the coming decades, we would have to be able to foresee the entire economic development,

nature (volcanoes, etc.), and practically the entire history of humanity (innovations, wars, economic, trade, and energy policies worldwide, etc.).

- Even then, the model world would not provide us with a valid basis, as climate sensitivity, that is, the effect of doubling the amount of CO₂ in the atmosphere, is far from clear [36].
- Let us assume that these problems have been solved. Let us also assume that the Earth's temperature remains the same in Europe but rises in South America and East Asia. Would European citizens then be liable as “marginal damage causers”? If so, to what extent? From when, and how can we allocate emissions to individual countries, and how far into the future would European liability have to extend?

In addition to the general statements, there are a number of other arguments based primarily on the research of behavioral economist Daniel Kahneman [11], according to which psychological and practical obstacles prevent solid long-term forecasts; at best, short-term forecasts based on known patterns and intuition can be made. In the case of the climate CO₂ problem, however, we find ourselves in a zero-validity environment. Kahneman uses this term to describe a situation in which there are no stable rules, patterns, or regularities, and in which, in principle, “anything” can happen. Kahneman also observes that the costs of public projects often multiply. Ex-ante planning and ex-post expenditure often differ by a factor of 10 or more. Could this not be a warning that climate damage is also being overestimated? [37].

After all, the European debate far too rarely addresses the question of more efficient measures, such as reforestation or raising dikes, instead of turning the entire economy upside down.

The climate issue reflects an authoritarian, top-down mentality and urgently needs to be comprehensively re-discussed in a democratic context. This means the inclusion of opposing views, which are often canceled and labeled as *Klimaleugner*¹², at least in Germany. Such an extensive and profound transformation as the widespread abandonment of fossil fuels cannot be based on questionable computer-aided model calculations. In addition, public support is likely to decline rapidly when people are confronted with the consequences – job and prosperity losses – firsthand. Finally, the program is far too one-dimensional and does not allow for flexible adaptation, for example, to the US withdrawal from the Paris Agreement or the expected insufficient compliance of countries such as India or China. Ultimately, we believe that the EU does not have the democratic legitimacy for such a radical system change. After all, achieving the “net zero” aim is defined as a success in itself, not the impact on the average Earth temperature. It looks like the former socialism, when fulfilling the plan of producing 100,000 shirts was celebrated as a success per se, irrespective of the fact whether they were in demand or not.

6.2 Make it healthy

The coronavirus pandemic has affected us all in one way or another – physically, mentally, socially. Now, we want to build a safer and healthier EU so that we are better prepared for any future crisis. With NextGenerationEU, we will:

⁶³ Climate (change) deniers – a disrespectful label often used in Social Media.

Work with all EU countries to protect against health threats.

Invest more in research and innovation to develop vaccines and treatments, not just for new diseases like coronavirus but also for cancer.

Modernize our health systems so that hospitals in every EU country have better access to new technology and medical supplies.

Fund training for Europe's medical and healthcare professionals [30].

At this point, it becomes clear that the word “we” refers to a collective economic and social order.

“We” should by no means be understood as inclusive or encompassing all relevant actors in the healthcare system.

- There is much to suggest that it has an exclusive meaning: “We” would then encompass the EU institutions, and the difference between the Commission and the Council is not that important. The EU bureaucracy resorts to typical centralist planning measures: The EU invests, the EU understands the priorities for the research of the pharmaceutical industry (cancer), the EU trains and reorganizes hospital care. In any case, it does not appear that healthcare providers and consumers are being empowered to find market-driven solutions to their problems. Once again, Hayek's discovery competition falls by the wayside; EU social engineers would determine the structure and mechanisms of action in the entire healthcare system from above, whether by legislation or by its pure financial power, used to finance or subsidize the ideas of the bureaucrats.

6.3 Make it equal

From north to south, east to west, we want to build a Europe that works for everyone. We want all Europeans to have equal opportunities, whoever they are and wherever they live. And we want to celebrate diversity in all its forms.

With NextGenerationEU, we are:

Fighting against racism and xenophobia.

Promoting gender equality and women's empowerment.

Protecting the rights of the LGBTQI+ community and combating discrimination.

Strengthening EU law to cover all forms of hate speech and hate crime [30].

In this context, equality is understood in a completely different way than before; that is, redistributing by the Cohesion and Structural Funds aimed to achieve equal living conditions. Now, however, equality is understood as group-based equality, and these groups are defined by biological sex, social gender, race, etc. Equality is not understood in any material sense that could be measured in terms of wealth and income distribution, for example, but in an immaterial sense: combating discrimination, hate speech, and hate crimes.

Hate speech is a legally undefined term, as stated by the European Court of Human Rights (ECHR) and UNESCO [38, p. 38]. The first international efforts to criminalize hate speech date back to the period after World War II. Under the auspices of the UN, the *Universal Declaration of Human Rights* was adopted on

December 10, 1948; some years later, the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) followed [38, p. 65ff.]. The then-communist Soviet Union demanded – and partially succeeded in – restricting freedom of speech and freedom of the press for fascists. Of course, for the Soviets, the term “fascism” was very broadly defined and could be applied to practically all Western (capitalist) states [38, p. 56ff.]. The Eastern Bloc states at the time wanted to ensure that their own actions against their internal opposition were protected by enshrining them in international treaties.

The irony of history: after the collapse of the Soviet Union and communism, vague concepts such as racial hatred found their way into the legal systems of the free world. These undefined legal concepts, developed by totalitarian states, are now being adopted in new equality goals at the EU level. The philosopher Robert Spaemann correctly states: A state committed to individual freedom demands compliance with its laws, not conformity with values. This is the foundation of modern freedom, painfully won in the course of the religious wars. That is why it is dangerous to speak of the state as a “community of values,” because there is a tendency to undermine the secular principle in favor of a dictatorship of political convictions [39]. Indeed, this is exactly what could result from the new definition of “equality” in the NGEU.

When financial power is as highly concentrated as in the €807 billion NGEU program, the problem of state failure arises. In fact, the European Court of Auditors recently found that the allocation of the €648 billion that has flowed to the 27 member states until spring 2025 – 45% of which is in the form of loans and 55% in the form of grants – is completely opaque. Neither targets nor costs have been defined. There is little evidence of growth impulses. It remains to be seen whether this finding will have any factual or personnel consequences [40].

7. Conclusion

The EU’s significance and power rose when it was based on market solutions and extending them to the new member states in southern and Eastern Europe. However, the increasing shift toward top-down legislative and bureaucratic measures, which is rarely prevented by the European Council, threatens to weaken the EU at a time when it needs to show strength in the face of new economic and geopolitical challenges. In this situation, the EU is not only responding with even more centralism but is also pushing ahead with a system change toward a more collectivist economic and social order, backed by billions of euros to finance the NGEU projects, for example. The refusal to strengthen democracy and thus the right of ordinary citizens to have a say; the undermining of the market and personal responsibility in favor of top-down investment and allocation systems; and the unconstitutional redefinition of concepts like equality do not bode well for the coming years.

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Section 2

The Social Fabric and Democratic Resilience

Perspective Chapter: The Illiberal Social Contract in the Western Balkans – A Silent Threat to EU Norms and Stability

Elira Luli

Abstract

The Western Balkans, despite their formal commitment to democratic transition and EU integration, remain marked by insufficient socio-political and economic stability, as well as entrenched hybrid regimes and a deepening “Illiberal Social Contract.” In this context, self-proclaimed democratic actors consistently compromise the core values of the rule of law, inclusion, and civil liberties to consolidate clientelist rule and reduce public accountability. Media, civil society, and citizens’ activism remain, in some cases, weak and, in other instances, ineffective, and are unable to challenge this illiberal status quo. This research examines the dynamics of this persistent illiberal equilibrium, questioning the weak rapport between government and society, as well as the generally limited social response to non-democratic practices, despite periodic mobilizations that have achieved little tangible or lasting impact. Drawing on selected case studies across the region, it explores how specific domestic dynamics are more constraining in certain states, thereby excluding genuine democratic change and EU-compatible reforms. This illiberal trap needs to be understood to prepare the EU for its future. While the Union itself is subject to internal and external pressures, the stagnation or backsliding of its closest candidate members has strategic implications, undermining its soft power, regional stability, and credibility as a promoter of democratic norms. The chapter offers suggestions on how the EU, as the leading actor involved in the region, can help reajust the integration path of the Western Balkan countries. A successful transition in the region is not only vital to the Western Balkans but also fundamental to the long-term security, stability, and consistency of the EU’s integration.

Keywords:: illiberal social contract, Western Balkan States, EU’s future, government-society interplay, good governance prospects

*Without free, self-respecting and autonomous citizens there can be no free and independent nations. Without internal peace, that is, peace among citizens and **between citizens and the state** there can be no guarantee of external peace. . .*

Vaclav Havel

1. Introduction

In the Western Balkans (WB), the illiberal equilibrium has been established for a long time, allowing democratic backsliding, weak institutions, and informal governance structures to continue unchecked by either domestic or foreign partners (democracy promoters). In most cases, an illiberal social contract, consisting of both implicit and explicit agreements between citizens and ruling elites, maintains this equilibrium. How does this balance play out in politics, and how is it related to the illiberal social compact? This chapter scrutinizes what happens beneath this illiberal equilibrium and whether we are dealing with a more enduring tacit agreement between the state and its citizens. The relationship between the government and the citizens manifests a critical juncture where interests behind the scenes meet. Citizens have, in one way or another, in some cases, become accustomed to and accepted – either silently, under forms of coercion, or through simple indifference – the illiberal regimes observed in some parts of the WB. Such passive acceptance can occur because citizens might rely on patronage/clientelist networks or feel politically apathetic, viewing alternatives as either unavailable or risky. In other cases, protests erupt sporadically, and they can be persistent in expressing frustration with corruption, inequality, and manipulation.

Nevertheless, “political elites instead of acting as the main change agents in the society as they often label themselves, are in fact the key veto players who obstruct the further Europeanisation of the region” [1]. Still, collective action fails to materialize into real change due to fragmentation, fear, or lack of trust in other alternatives or in creating alternatives. Both examples illustrate how the illiberal social contract’s central logic is at work. Resignation, dependence, or a lack of bold and assertive participation prevent citizens from being agents of democratic change.

The contract, depending on the case, unfolds elements as internalized and stable, instrumentalized by a top-level agency. No amount of passionate and persistent mobilization of discontent, like the Serbian protests, can be game-changing without functioning democratic institutions. Furthermore, experience in the region has shown that the system can still hold tight, particularly if individuals in tiring scenarios give up and choose to engage in individual survival tactics, such as leaving the country, embracing the patronage system, or completely disengaging, as seen in North Macedonia’s recent case. During the years of transition, the “broken social contract” has been manifested through the consolidation of patronage networks, the instrumentalization of the media and, at times, civil society, as well as the manipulation of electoral processes – regardless of whether citizens have reacted, resisted, or remained passive. Through skewed public perceptions, ongoing governance shortcomings, and worsening poverty dynamics, these aspects of the illiberal contract have steadily solidified illiberalism in the WB.

1.1 The theoretical foundations of the social contract

The theory of the social contract found strong support in the writings of Thomas Hobbes, John Locke, and Jean-Jacques Rousseau, who are known as contractualists. Hobbes is not a liberal according to the modern meaning of the term. His theory is generally viewed as supporting unlimited power at the cost of liberty. Though he sets the stage for liberal ideas regarding the social contract, he does not adhere to ideas of individual freedom, restrained government, or the right to dissenting opinion – all of which are hallmarks of liberalism. Nevertheless, Noel Malcolm [2] clarifies that although Hobbes grants the state unrestricted authority – meaning it can intervene in any area of civil life when it sees fit – this does not equate to an endorsement of totalitarian rule. Hobbes does not argue that the state should organize or mobilize every dimension of individual life toward a unifying political purpose [2]. The liberal view of the social contract comes mainly from John Locke's ideas from 1690. Locke argued that individuals, initially in a "state of nature," agree to form a society and government to protect better their natural rights, including life, liberty, and property. He "saw individuals constantly in motion to satisfy their desires and continual success in the attainment and fulfilment of their desires was called felicity (a condition of movement and not rest)" [3]. People implicitly agree to be governed to protect their rights through a social contract. "By entering into a contract, individuals consented and agreed to submit themselves before a majority rule and were willing to organize themselves as a community or civil society" [3]. The government serves as a protector of freedoms, meaning that joining a social contract actually enhances individual freedom by ensuring safety from threats. "Since governments exist by the consent of the people in order to protect the rights of the people and promote the public good, governments that fail to do so can be resisted and replaced with new governments" [4].¹ In the *Social Contract* (1762), Jean-Jacques Rousseau argues that true freedom is found in obedience to a law one has prescribed for oneself as part of a collective body. According to Rousseau, the social contract entails people ceding all of their rights to the collective or general will rather than to a sovereign ruler like Hobbes did. The collective will is sovereign and stands for the common good. Rousseau's concept of the general will has generated debate, despite his vision of a political order based on equality and collective sovereignty. Though meant to express the common good, the general will can, in practice, override individual preferences. When he states – "each of us puts his person and all his power in common under the supreme direction of the general will. . . and in our corporate capacity, we receive each member as an indivisible part of the whole" [5] – this ideal has been critiqued for potentially legitimizing authoritarianism in the name of unity.

Later, Karl Popper [5] built on these ideas, stating that good governance requires an open society where people can express their thoughts freely and change the government peacefully. He also maintained that restrictions on freedom of speech typically benefit entrenched power structures rather than serving democratic accountability [6].

All critical theorists, Marxists, and post-structuralists assert that the social contract is "a false discourse propagated by the ruling class" [7], not a political myth nor a historical fact. Nonetheless, contemporary constitutional democracies are

⁷⁵ See Book I, Chapter 6 for the passage on the general will and collective sovereignty in Jean-Jacques Rousseau, *The Social Contract*, edited by G.D.H. Cole, New York: Dover Publications, 2003.

strongly influenced by the logic of the social contract, even if metaphorical or utopian. Constitutions define the limits of state power and protect individual rights. They are not private law contracts but contract-like forms because they are ratified (either directly or by representation), they are binding, and they articulate elements of mutuality of obligation. Thomas Paine [8] argued that a government does not create a constitution and that a legitimate government stems from the people, not from the state itself. Power must be granted through public trust, while any power taken without consent is illegitimate. For Paine, this is the only rightful basis for the formation and continued existence of governments [8].

Theoretically, the liberal state is intended to be based on a contract that promises liberty, equality, and responsibility. Laws are legitimate, meaning they are made by the consent of the governed and designed to protect natural rights.

1.2 Practical observations of the illiberal equilibrium in the Western Balkans

Practically, in hybrid regimes, the majority of citizens find themselves excluded, disenfranchised, or coerced. In such cases, where is real consent? What if the contract is violated from above? What occurs at the middle and bottom levels in this instance? These are painful, persistent questions being asked by various scholars dealing with post-authoritarian, neoliberal, or weak rule-of-law states, where formal democracy dominates. However, material inequalities, clientelism, or elite capture hold sway. The idea of a social contract rooted in consent and individual rights contrasts sharply with the illiberal social contracts observed in the WB. The illiberal features that characterize the relationships among elites, state institutions, and citizens in these countries may legitimize political, economic, and social arrangements that deviate from liberal democratic logic. Like any contract, there are obligations and entitlements expected from each of the parties. When the rights and responsibilities that make up the social contract, especially the expectations that people have of the government, are not met, illiberal inequality unfolds. In these situations, the gap between elites and common people widens as promises of rights, protections, and equitable opportunities go unfulfilled. Democracy's base of support erodes as inequality increases, giving way to disengagement, resignation, or reliance on illiberal alternatives. Inequality is not only about conventional socio-economic conditions or redistribution; it also encompasses "gender, age, ethnicity, religion, geography." Inequality is also political. Only half of the world's population live in formal democracies [9].

This chapter demonstrates how political manipulation, such as patronage systems, distorted elections, and media instrumentalization – which favor elites while excluding significant swaths of the population – is the root cause of illiberal inequality in WB states. Such favoritism manipulates the rules of the game to preserve elite dominance and entrench inequalities using ethnicity, religion, political alignment, and other forms of divisions or exclusions. In contrast, liberal democracies are premised on the ongoing assent of the governed, secured through participation, rights, elections, and checks and balances – all of which have their basis in the social contract assumptions. Citizens are encouraged to engage actively in the political process, promoting civic engagement and responsibility. The overall well-being of citizens can be enhanced by ensuring that the government is accountable and responsive to their needs.

This study situates itself within the growing scholarly and policy concern regarding the backsliding or erosion of democracy in Southeast Europe, particularly in the WB region, from a social contract perspective between citizens and the state. Numerous international metrics and monitoring reports – most prominently those of Freedom House, the World Bank, and the Balkan Barometer – register worrying trends of public mistrust, political institutional disillusionment, and widespread perceptions of injustice. Data reveal significant concerns regarding human security and emigration intentions in the WB, driven by widespread economic dissatisfaction and social instability [10]. These symptoms reflect deeper structural failures: rising poverty and inequality, perpetual political instability with governments failing to respond to citizens' needs and discontent, and the weakening of democratic accountability institutions. The harmony and two-way connection that ought to bind governance and citizenry, based on liberal principles of transparency, representation, and participation, appear to be broken.

It critically analyzes the manifestations of this breakdown, conceptualizing it as a chronic illiberal equilibrium that has proliferated across most of the WB countries, with the aim of exploring how an unhealthy relationship between state and society, along with various practices of demobilization and mobilization in reaction to non-democratic practices, still reproduces this stagnation. Through selected case studies from the region, the analysis demonstrates how domestic political institutions, rather than exogenous limitations, are more often the key stumbling blocks to deep reform and democratic consolidation. In some countries, these constraints are relatively persistent, so the path to European Union (EU)-compatible change is more notional than actual.

It is necessary to comprehend, case by case, this illiberal trap – not only for the future of the region but also for the strategic credibility, coherence, and posture of the EU. To this end, the first section of the paper addresses evident factors that signal the broken balance of a functioning liberal social contract, manifesting through contentious election processes that often do not adhere to international norms; media vulnerabilities; and how patronage and clientelist chains entrench closed elite circles. The second part explores how these dynamics have affected public perceptions, governance shortcomings, and poverty trends. Such anomalies, which result from the interaction of these factors, cannot be disregarded or hidden behind “on paper” reforms. In the WB, we face ingrained illiberal inequality, in contrast to the types of “normal” inequality that also exist in functioning democracies and are frequently mitigated by effective policies. Since maintaining elite dominance has been the primary interest rather than addressing urgent societal issues such as housing, social protection, healthcare, education, employment, and resilience to natural hazards, policy interventions have often been ineffective in this area. The final part seeks to situate these challenges within a broader perspective, emphasizing that they should not be viewed as isolated problems of a peripheral region but as issues with direct implications for Europe as a whole. As the EU itself confronts internal fragmentation and external geopolitical stress, the stagnation or backsliding of its closest candidate members has far-reaching consequences. It undermines the soft power of the Union, challenges its role as a normative actor, and destabilizes the longstanding promise of a united and democratic European neighborhood.

2. The breakdown signals of the social contract

In the context of Western Balkan nations, the decline in institutional trust and democratic accountability can be interpreted, in Lockean or Painean terms, as a symbolic return to the “state of nature,” in which the governed no longer regard themselves as belonging to a valid political covenant. The rise of authoritarianism, clientelism, and rigged elections implies a collapse of this relationship. People may feel their rights are undefended when institutions deteriorate and governance becomes more authoritarian, which could drive society back to a place where individual interests take precedence over group or public interests.

No matter which political party is in power, there has long been a fundamental lack of consensus and clarity in these countries about what the people should expect from their governments. At its foundation, governance is the institutionalization of politics – not just the use of power, but the organization of political life around processes for making decisions that are intended to benefit the general public. It entails managing and resolving conflicting societal demands and values, particularly in settings characterized by scarce resources, brittle institutions, and unequal development – usually the case in smaller or post-conflict states like those in the WB. “While the strategic framework for reforms is broadly in place (i.e., strategic documents, distribution of responsibilities, co-ordination structures, and monitoring and reporting systems) and public administration reform (PAR) has been formally recognized as a political priority, focus on implementation and outcomes is still insufficient” [11].

Politics, when democratic, is not so much an issue of domination or control. Instead, it is a process of negotiation, compromise, and building consensus. It requires the recognition that social conflict, founded on diverse needs, interests, and values, is not only inherent but also necessary. Such conflicts, when managed through participatory and inclusive processes, promote institutional transformation, inclusion, and democratic resilience. “While institutional performance is the foundation of state capacity to function and fulfill its obligations towards its citizens, it is not a sufficient condition for countries that need to respond to shocks and deal with a changing environment. Building resilience also requires institutions that are stable yet adaptable” [12]. However, it remains unclear whether this greater and more thoughtful appreciation of politics has yet penetrated beyond the broader public across the region. Too often, politics remains a zero-sum game played by the ruling classes and their friends and supporters alone, as opposed to a public sphere in which varied voices – those of civil society, media, and popular movements – are all required. Such a perception or political culture allows for a system in which patronage, clientelism, and corruption displace the very democratic principles of transparency, accountability, and representation.

Power corresponds to the human ability not just to act but to act in concert. When we say of somebody that he is “in power,” we actually refer to him as “being empowered by a certain number of people to act in their name” [13]. Politics is not a forum for the imposition of solutions from above or the special province of the mighty to further their individual interests. Instead, politics must be open, porous, and committed to reconciling conflicting perspectives for the good of society at large. To that extent, it is the art of the possible – not the art of favoritism.

When individuals feel that their voices are not heard and the government is not responsive to their needs, they may become disenchanted with the political system in some cases or totally give up in others. This frustration can lead to a lack of engagement in governmental affairs.

Nevertheless, political elites have been shown to be able to legitimize themselves in power despite various forms of resistance or engagement. They have achieved this through several mechanisms:

2.1 Manipulating electoral processes

Elites may engage in practices such as putting pressure on public servants, using administrative resources, voter suppression, or other electoral manipulations that undermine democratic processes, allowing them to maintain power without a robust mandate from the population. GLOBSEC emphasizes that free and fair elections are fundamental to democracy. However, when the electoral process is marred by corruption and lacks transparency, democratic legitimacy is undermined from the outset. In recent years, several scandals in countries seeking EU membership have cast doubt on the fairness of their electoral systems, raising concerns about the authenticity of their democratic commitments [14]. Countries exhibiting more worrying trends include Serbia, Albania, Bosnia and Herzegovina, and Montenegro.

The latest parliamentary elections in Albania (2025) unfolded with old, repeated challenges. Despite formal regulations and attempts at reforms, the misuse of state resources during elections in Albania remains a systemic problem. OSCE/ODIHR has reported recurring practices such as pressure on public employees, the politicization of state institutions, and vote-buying. Trends like pre-election increases in public employment and procurement spending further indicate electoral manipulation, often enabled by public funds [15]. Additionally, the elections were held in a highly polarized environment dominated by two main political parties, with the opposition in weaker political conditions than ever and a shrinking space for small parties.

Serbia is one of the most problematic cases in organizing and holding elections. In the last local elections (2025) held in the municipalities of Kosjerić and Zaječar, “longstanding issues with the election process” were observed, including the misuse of public resources and reports of vote buying [16]. These elections took place in the aftermath of massive ongoing protests, during which students demonstrated remarkable persistence and resilience over several months in pursuing their demands. Nevertheless, the election campaign was undermined by violence. Officials from the ruling SNS reportedly misused public resources, while pro-government media actively promoted their local candidates. Allegations of vote buying and voter intimidation also surfaced in the lead-up to election day [16].

The last elections held in Bosnia and Herzegovina in October 2024 revealed “deeper systemic issues that have plagued the country since the end of the Bosnian War, as citizens grapple with political apathy, mistrust of authorities and foreign intervention” [17]. The secrecy of the vote was often compromised. Observers noted some instances of serious irregularities that indicate pressure was put on voters [18]. Misuse of institutional resources has been documented even in Montenegro and North Macedonia, especially during the pre-election period, which is frequently characterized by politically motivated public sector employment that intensifies during election campaigns. Compared to other WB nations, elections in Kosovo are generally held in a more transparent and orderly fashion.

Qualitative Map of the Illiberal Contract in the Western Balkans

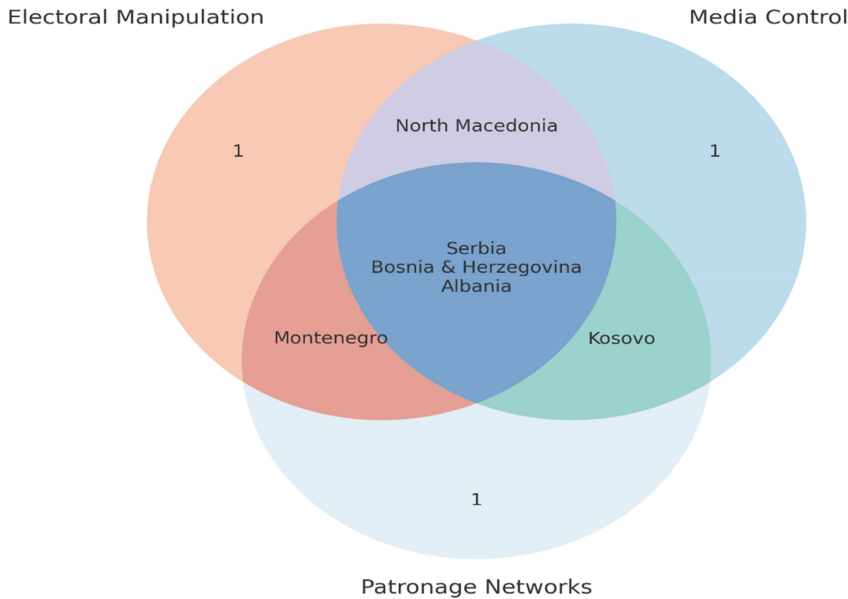


Figure 1.

The image is a conceptual map representing the ways illiberal practices interact and reinforce across various Western Balkan states. It illustrates both similarities among countries in the region, areas of country variation, and how illiberal contracts are secured from overlapping points of control). Source: Author. The illiberal practices in the Western Balkans cluster around three main dimensions: electoral manipulation, media capture, and patronage networks. These patterns appear in varying degrees, and the figure reflects predominant tendencies rather than absolute categories. Serbia, Bosnia and Herzegovina, and Albania fall at the center, where all three dimensions overlap, indicating the most entrenched forms of illiberalism. In Albania, these practices were especially pronounced until recent years, before the justice reform and the work of SPAK began producing visible results and challenging long-standing networks.

2.2 Control of media and information

Political elites have the power to shape public opinion and media narratives, influencing how people perceive their legitimacy and the necessity of their rule. They can maintain support even in cases where citizens are not actively involved or fully engaged, as in the case of Serbia, by framing their model as essential to stability or advancement. Increasing media consolidation under politically aligned business elites has significantly undermined media pluralism. In contrast to regional trends, Albania, Montenegro, and Serbia have demonstrated some improvement, according to the 2025 World Press Freedom Index,² but concerns about media freedom and the concentration of information control remain in all three nations. “The media market in Albania remains heavily influenced by large businesses and their agendas. Censorship and self-censorship are the norm. Government and business often work together to silence the media” (Figure 1) [19].

This tendency is especially apparent in Serbia, where a small number of influential media outlets are controlled by a small number of tycoons who have close ties to the

⁸⁰ <https://rsf.org/en/index>

ruling class. By serving as go-betweens for political and economic power, these players enable governments to control public discourse while maintaining the appearance of media freedom. Because of their control over information ecosystems, political elites can portray themselves as essential to progress, security, and the advancement of their country – even in cases where governance is subpar or corrupt. Such occurrences lead to the distortion of public discourse and the marginalization or discrediting of alternative perspectives. Even though elections are supposedly free, they are often distorted by structural injustices like voter intimidation, state-controlled media dominance, and the misappropriation of public resources and funds, making citizen engagement ineffective when it does occur. As a result, significant political reform and transformation remain elusive. As Đilas emphasizes, “all are ruled by SNS” [20]. The ruling elite is unresponsive, and democratic processes seem to have been undermined despite large-scale demonstrations and intense public pressure, whether in reaction to contentious urban projects, mining projects, or national tragedies. A severe crisis of democratic representation reveals the gap between political outcomes and civic engagement, where institutions are closed to public influence, and power is still heavily concentrated despite apparent social unrest.

In Bosnia and Herzegovina, institutional paralysis, political meddling, and a lack of legal protections are all contributing to the country’s growing erosion of media freedom and civic space. Although no murders of journalists have been recorded, verbal and digital attacks on journalists frequently occur, and journalists report that they do not feel safe. Additionally, there is an absence of explicit anti-SLAPP legislation [21]. The failure to adopt protective legislation such as anti-SLAPP laws, the politicization of regulatory bodies, and the impunity surrounding threats against journalists all indicate that accountability mechanisms are either absent or deliberately obstructed.

On the 2025 World Press Freedom Index, Kosovo experienced the most significant drop in the region, falling from 75th in 2024 to 99th this year. This precipitous decline reflects growing threats to media independence, such as “poor regulation, partisan distribution of public funds, politicized regulation, and SLAPP lawsuits” [22] directed at journalists. In recent years, political polarization has profoundly shaped the media landscape in Montenegro. Many outlets have aligned with partisan agendas, disseminating biased or misleading information, particularly around sensitive issues such as NATO membership and the country’s political, ethnic, and religious divisions [23].

2.3 How patronage chains trap Western Balkan citizens in Political stagnation

In WB countries, it is common practice to exchange favors for loyalty through networks of clientelism and patronage. Elites are perpetually able to establish a base of support in this way. Despite their general disenchantment with the political process, citizens may occasionally feel pressured to support the elites because of the immediate advantages.

A culture where loyalty is transactional and long-term reform is exchanged for immediate political gains has been established as a result of these practices, which have weakened democratic accountability and citizen agency. Although such networks are found in all WB nations, Serbia and Bosnia exhibit the strongest structural entrenchment, followed by Albania.

Bliznakovski argues that citizen involvement in clientelism varies based on their material and non-material resources. Wealthier individuals tend to seek larger rewards and offer more extensive party support, while poorer clients engage for smaller, short-term benefits [24]. Countries in the Balkans have frequently demonstrated limited willingness to question or dismantle these systems because of the clientelist relationships developed across multiple dimensions and the benefits exchanged through such arrangements.

Laštro and Bieber argue that political parties in the WB lack vertical accountability and rely more on patron-client relations than on programmatic platforms [25]. The bloating of the bureaucratic apparatus in some of these countries, especially during pre-election periods when politically motivated employment becomes evident, is a significant indicator of these clientelist schemes. The Bertelsmann Transformation Index report for Albania highlights administrative inefficiencies rooted in patronage networks. It points to frequent reshuffling of public officials to align with political majorities and the resulting loss of expertise [26] – a clear sign of frequent changes as a result of a politicized bureaucracy. Serbia also demonstrates such a worrisome trend. A large, ineffective bureaucracy that prioritizes loyalty over competence is a result of Serbia's public administration's high political influence, weak meritocracy, and excessive temporary leadership roles. The same BTI 2024 index describes Serbia's public sector as "bloated, unaccountable and inefficient" [27] – highlighting it as a major barrier to reform and governance improvement in the region. The persistent issue of too many acting top managers remains unresolved. Recruitment for these positions lacks competitiveness due to low pay and high career risks. The public procurement system is weakened by the use of special laws to award major infrastructure contracts, bypassing standard procurement rules and compromising transparency and competition [28].

Deeply ingrained clientelist networks continue to have a significant impact on Bosnia and Herzegovina, where political elites take advantage of institutional fragmentation and ethnic divisions to hold onto power. Multiple entities, cantons, and parliaments make up the intricate governance structure, which encourages patronage and enables nepotistic practices to siphon off public funds. Political parties use public sector jobs to secure loyalty, extending their influence into institutions, services, and even private businesses. Control over public resources – especially employment – signals that party affiliation is essential for access, leaving non-members at a clear disadvantage. Ethnic parties continue to dominate post-war Bosnian politics [29].

A strong system of political patronage and clientelism is evident in Montenegro. "Popular support from a relatively small electorate in a country of approximately 620,000 – with strong kinship ties within a compact territory – made clientelism both effective and efficient during the post socialist transition" [30]. Strategic appointments and discretionary hiring, coupled with lax merit-based hiring procedures, are the means by which political power is preserved. Accusations of corruption and state capture have actually strengthened the system's resilience. The public frequently perceives patronage and corruption as systemic norms. Because political and economic elites control access to public services, jobs, and state-sponsored benefits, civic engagement is uncommon. This dynamic puts dissenters at risk on both a personal and financial level. The system was further reinforced by ethno-political antagonisms, which provided ideological justification for

discriminating against specific ethnonational groups labeled as “enemies of the state” during the DPS’s tenure [30].

Kosovo and North Macedonia also exhibit a pervasive form of clientelism. In Kosovo, “corruption and patronage are widespread in the public administration with state jobs and resources often leveraged for political loyalty” [31]. However, under the Vetëvendosje government, the influence of clientelist networks has slightly diminished, with the country’s Freedom in the World score showing modest improvements [32].

North Macedonia exhibits a more mixed picture, with some structural protections and reforms, but ongoing risks tied to soft censorship and political influence in public services persist. It still faces mismanagement and political capture of public institutions, marked by politicized appointments, weakened oversight bodies, declining anti-corruption efforts, and low public trust in the judiciary – signaling risks of autocratization and entrenched clientelism [33].

Overall, clientelist dynamics remain a persistent feature across the WB. Bešić and Baća note that clientelism can remain entrenched under dominant-party rule, persisting through democratization and backsliding while adapting its (ethno) ideological framing. Such adaptability allows the ruling party to retain power by redefining ethnopolitical boundaries and excluding targeted groups from socioeconomic benefits [30].

All these factors, such as the manipulation of electoral processes, pervasive control of information and media, and entrenched patronage networks, combine to form a potent triad of colossal strength that entombs citizens in political stagnation. The elections themselves are occasionally staged in form but are frequently undermined by structural bias through occurrences as mentioned above, which distort real political competition and erode civic trust. Meanwhile, media spaces are dominated by oligarchic powers closely tied to political elites, enabling governments to capture public discourses and suppress oppositional voices. This monopolization of information has the consequence of constricting the civic space, downsizing horizontal actors such as independent civil society organizations, grassroots movements, and non-partisan media to minimal or no capacity to hold those in power in check. Patronage chains perpetuate this dysfunction by binding citizens to political parties through exchanges of favors and government employment, stretching clientelist connections at the expense of meritocracy and openness. Together, they offer a defective social contract, whereby governments are more concerned with retaining power than with real responsiveness to citizens’ needs and rights. These circumstances erode democratic resilience and perpetuate cycles of disillusionment and disengagement, or engagements with no sound outcomes, posing significant challenges to democratic reform and consolidation in the region.

3. The consequences of a fractured social contract: Public perceptions, governance deficits, and poverty dynamics

Citizens across the WB realize that their frustrations and insecurities share one thing in common: the political system. BIEPAG warns that EU membership aspirations alone do not improve conditions in the WB; without accountability, citizens risk losing trust in democratic institutions and processes [34]. The WB face many of the same issues as developed countries, and addressing them is complicated

by limited funding, social challenges, weak institutional capacities, and inefficiency in the public sector. Furthermore, entrenched clientelism, the inheritance of the “socialist” welfare model, and restrictive financial policies, particularly following the global financial crisis, ensure that reforms are further entangled. The welfare state is still weak in this regard, as public resources and social welfare benefits are frequently allocated based on political allegiance instead of open, needs-based criteria. According to Matković, this is a situation where political capital trumps social capital [35]. The co-optation of civil society into governance structures maintains a patronage system that reinforces elite domination and minimizes room for independent civic activity. The recent emergence of state-aligned “compliant” civil actors – designed to bolster regime legitimacy rather than challenge it – points to the creation of a government-controlled “civil sector” [36].

Formal institutional channels for citizen involvement, such as public hearings, advisory panels, and participatory forums in law and practice, are often symbolic acts. Decision-making remains concentrated within political elites, and public opinions are either ignored or selectively incorporated to address entrenched interests. This creates a chronic disconnection that erodes institutional trust and demonstrates that widespread change through the participatory process is not feasible. However, despite this disenchantment, significant protests have emerged during transitional years, reflecting widespread grassroots movements that have revitalized the region. Notable examples include the Bosnian plenums of 2014, the Ne da(vi)mo Beograd movement in Serbia (2014), the Orange Revolution in North Macedonia (2016), student protests in Albania (2019), the Montenegro protests (2019–2020), and recent protests in Serbia triggered by a tragic event on November 1, 2025. On March 15, 2025, Serbia entered a new phase of crisis when mass protests in Belgrade were met with unlawful state violence and the use of excessive force. This response discredited the government and undermined prospects for a peaceful resolution [37]. Vocal protests have been a regular feature of Serbia’s post-conflict history. However, identity politics and nationalist forces have outlasted the concerns expressed by the populace. What is striking is that the persistence and necessary changes in Serbia’s political system have not been brought about by the tenacity and, occasionally, revolutionary endurance of civic mobilization.

In the recent ongoing protests, the presence of paramilitary and para-police groups – often linked to organized crime and narcotics trafficking – poses a serious security risk. International reactions in media and diplomatic circles suggest that Aleksandar Vučić’s “stabilitocracy” is no longer viewed as a guarantor of stability and security in Serbia or the wider region [37].

Generally, all these movements have articulated a range of demands primarily focused on issues such as corruption, lack of transparency, and economic inequality. These demands are rooted in domestic conditions, as “the WB remain among the poorest regions in Europe, with Albania and North Macedonia consistently below the EU average. High unemployment rates, informal labor markets, and limited social protections compound these economic disparities” [38].

While recent WB protests have occasionally achieved short-term successes – such as regime upheavals or the reversal of specific policies – the overall aim of achieving deep-seated structural reform remains largely unfulfilled. This partial transformative power can be attributed to a variety of interrelated factors previously mentioned. Primarily, incumbent administrations and entrenched elites maintain a firm grip on central state institutions, such as the judiciary, security organs, and election bodies, effectively insulating power from popular pressure. Meanwhile,

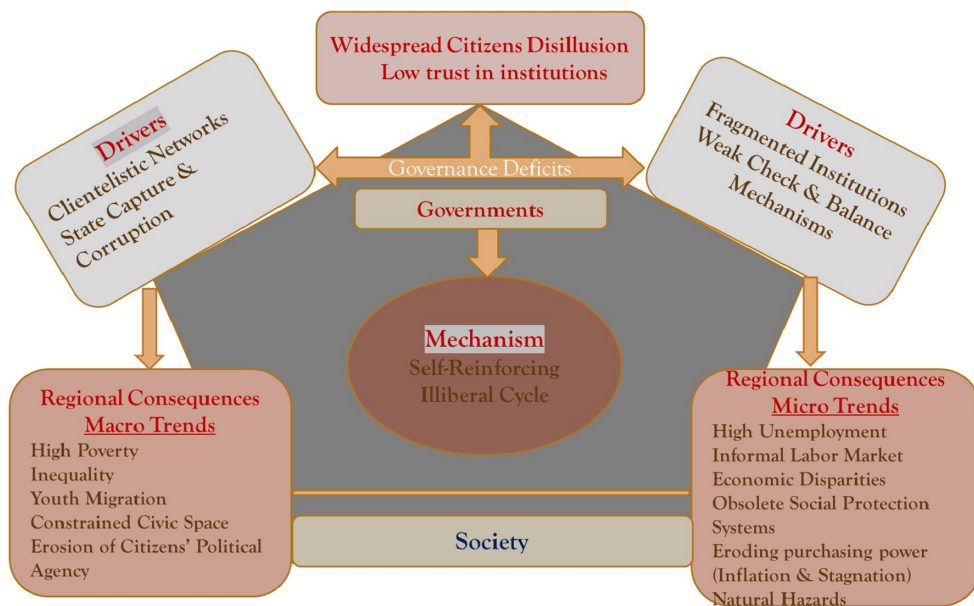


Figure 2.
Consequences of the Illiberal Social Contract in the Western Balkans. Source: Author. **Figure 2** shows a circular relationship between three main elements: citizen alienation, governance deficits, and socio-economic vulnerabilities. Arrows indicate a self-reinforcing loop. Labels include low trust in institutions and disillusionment under citizen alienation; corruption, clientelism, weak checks and balances, and media capture under governance deficits; and poverty, inequality, high unemployment, and youth migration under socio-economic vulnerabilities.

state-affiliated media dominate public communication channels, discrediting demonstrations by portraying them as forces of instability (most notably in Serbia), thereby limiting real change and reducing pressure on ruling powers. Furthermore, as Filipović et al. observe, regional civil society is generally weak and lacks significant local embeddedness. In Bosnia and Herzegovina, this undermines organizational sustainability; in Serbia, the absence of strategic direction and external support has led to citizen disengagement and emigration; while in Albania, the majority of civil society organizations lack the advocacy capacity and resources to bring about significant change, with only a few select groups able to exert meaningful influence [36]. Collectively, these factors highlight the systemic barriers that hinder the transition of protest movements into sustainable democratic transformation, including the “struggle with fragmented welfare systems, weak institutional capacity, and pervasive socioeconomic inequality” (Bartlett, 2013), as cited in Drishti and Gerdoçi [38]. **Figure 2** illustrates how low trust in institutions, corruption, weak checks and balances, poverty, and unemployment combine to trap citizens in a cycle that sustains illiberal governance.

3.1 Prevailing perceptions and discontent in institutions and governance

In WB societies, public mistrust of institutions is a common occurrence. This mistrust is frequently rooted in the idea that elections do not result in significant change or that there is no reliable political alternative or party that merits support.

According to data from numerous reports, this has caused many people to lose faith in political parties and governance in general. Citizens' lack of trust in political parties across the region has led to the emergence of numerous political parties and independent lists that (mis)use populism to enter the political arena. "When policy decisions feel imposed or inevitable", by the EU or international organizations, "blanket nationalist and anti-corruption appeals offer a dependable political strategy, especially in countries where effective sovereignty has been rare under the shadow of Soviet or Yugoslav influence" [39]. According to the Center for Democracy Foundation, studies show that the post-1990 social and political shifts have not improved young people's opportunities for integration or participation in decision-making, with about half planning to leave the region soon [40].

All the conditions elaborated so far, such as ostensible democratic institutions, clientelism schemes, widespread corruption, a vulnerable civic society sector, and lack of internal democracy in political parties – which creates a crisis of representation – "inadequate representation of youngsters in institutions," and slow economic growth have contributed to a negative perception of political engagement among young people. "Politics is generally viewed as a 'dirty game', a game young people do not wish to participate in" [40]. Although there are differences among the WB nations, there is a general trend of skepticism toward political elites and state institutions, which contributes to the low and declining public trust in governance and institutions. Domestic institutions such as political parties (25.5%), parliament (29.1%), courts (33.4%), and the prosecution are among the least trusted in Albania. International institutions, such as the EU, UN, and NATO, enjoy high trust levels, with 74% of citizens expressing trust [41]. In Bosnia and Herzegovina, 62% said they do not trust any politicians; in North Macedonia, the figure was 58% [42], showing deep-seated mistrust and skepticism.

BTI (2024) reports low trust among Serbian citizens in key institutions: 25.9% trust the parliament, 31.2% trust the government, and 39.2% trust the president. Additionally, 72% think MPs prioritize party interests over citizens, and only 33% believe the parliament can effectively oversee the executive [39]. In Montenegro, too, "as many as 60% of Montenegrin citizens, according to the Balkan Barometer 2022 survey, have no confidence in the Government" [27].

Government and public institution trust is a pillar of the liberal social contract, as it creates citizens' faith that government actions are legitimate, equitable, and directed toward the welfare of everyone. Trust can facilitate cooperation and social cohesion between people and the state, enabling effective collective decision-making, accountability mechanisms, and protection of individual rights. In high-trust environments, governments are better able to implement policies, and citizens are more likely to comply voluntarily with laws and civic duties, thereby supporting democratic stability. In most countries of the WB, which have very low trust levels in institutions, the social contract and civic duties tend to erode under such circumstances. This erosion on both sides has already bred generalized cynicism, political alienation, and antipathy toward state authority, which produce social instability and facilitate authoritarian tendencies. Moreover, trust erosion translates into ineffective institutional performance, which has a direct adverse effect on economic governance, the investment environment, and the delivery of public services. Petrusheva reports that nearly 70% of respondents in all six states view the economy negatively, prioritizing a sustainable economy, living costs, unemployment, and corruption [42]. These findings highlight widespread public

concern about the state of the local economy, particularly regarding reducing poverty and socioeconomic disparity.

Beyond merely affecting public opinion, these perceptions have the potential to create a harmful feedback loop. The very economic and governance issues that first sparked public discontent may be perpetuated when citizens lose faith in economic governance and believe that corruption is pervasive. This decline in trust may also make it more difficult to implement policies effectively, while decreasing government accountability, resulting in a pattern of institutional decline that reinforces itself.

3.2 Country perspectives on poverty in the Western Balkans

Despite modest statistical gains in poverty reduction, the WB remain among the lowest-wage regions in Europe, leaving many households in precarious conditions. According to the World Bank (2025), while the WB6 economies have shown resilience, poverty reduction has slowed markedly since the pandemic, reflecting weaker growth and repeated shocks to household incomes [43].

Income inequality in the WB is indicative of deeper structural problems in the region's economies. While some households have access to wages or formal employment, and therefore some individuals can benefit from wealth, a large proportion of wealth is held by those who have access to capital or informal income, including through tax avoidance and corruption [44]. Of course, this often-unequal distribution impacts overall household economic well-being, lessens the prospects of social cohesion, and creates further vulnerabilities for lower-income households, which diminishes prospects for inclusive growth and sustainable development in the region as a whole. Poverty does not display a uniform distribution. Some areas and countries experience higher rates of poverty than others. For instance, certain areas in Albania, such as Elbasan and Kukës, are among the poorest in the Balkans. In fact, not only are Elbasan and Kukës the poorest in Albania, but they are also the poorest of the 20 poorest regions in the Balkans [45].

Average monthly earnings in the WB6 barely exceed €600–€800, far below the European average, and social protection systems are limited in their capacity to shield citizens from shocks. “Overall, social protection systems in the WB significantly lag behind those in European member States, in terms of effectiveness, standards, and levels of social protection benefits and inclusion policies, and they often fail to provide adequate income security to those who are most in need” [45]. Inflation, rising living costs, and economic stagnation have eroded purchasing power, meaning that even those above the poverty line often struggle to cover basic needs. European data (2022) show that one in three people in the Balkans – over 7.9 million out of 23.3 million – are at risk of poverty, making it one of the region's most pressing and persistent challenges [46]. This persistent economic vulnerability fuels youth emigration, as younger generations see limited opportunities for decent work, social mobility, or long-term stability. In this context, claims of “resilience” risk overstating progress: while poverty rates may be declining on paper, the lived reality reflects persistent insecurity, inequality, and constrained prospects, highlighting the urgent need for policies that move beyond surface-level statistics to improve real economic and social well-being.

Additionally, climate change has heightened vulnerabilities in WB cities, which face natural hazards, extreme heat, and poor air quality [47].

Risks are growing faster than they are being reduced, driven by poverty, climate change, rapid urbanization, and environmental degradation [48]. People remain highly exposed to numerous risks, such as floods and earthquakes, as well as other forms of instability. Social protection systems are obsolete and have not been reformed in line with the increasing multidimensional risks. According to the World Bank (2023), social assistance spending in the WB remains very low – below 2% of government budgets in most countries – with only Kosovo (4.4%) and Bosnia and Herzegovina (2.7%) spending slightly more [49].

From the perspective of an illiberal social contract, the high poverty risk is a powerful indicator of the state not fulfilling its obligations in relation to human security, welfare, and equal opportunity. A well-functioning society relies on two key pillars: accountability and trust. If one is lacking, the other will eventually deteriorate. Losing both can lead to societal collapse, which can only be rebuilt by reestablishing at least one of these fundamental principles within the society [50].

Growing accountability gaps in delivering core services – health care, public transportation and infrastructure, law enforcement, emergency response, housing, defense, social protection, public order, water, education, energy, and food – further diminish the trust of citizens in governance and public institutions. When governments fail to provide access to services equally, or when essential public services are either uninstitutionalized, non-existent, or insufficient, citizens turn to private alternatives – driving them deeper into inequality, as they can increasingly secure reliable services only if they have financial resources or connections within these structures. Additionally, this cycle is compounded by entrenched corruption, gross mismanagement of publicly allocated funds, and systemic inefficiencies that distort the uptake of services in legitimate, non-discriminatory ways. Weak mechanisms of checks and balances, along with limited oversight, ensure that taxpayer resources continue to be wasted and abused, leaving citizens with limited funds and a weakened government public outreach capacity. Collectively, these failures signal a rupture in the reciprocal expectations that hold the relationship between the state and citizens together: citizens can no longer see the state as the guarantor of fairness, protection, and the distribution of values, while governments govern without the trust and consent of their people. The widening gap between governing and consent could not come at a worse time, fueling disillusionment and even greater democratic backsliding in the region.

4. Rethinking the EU's Western Balkans strategy: Democratic legitimacy, citizen engagement, and future commitments

For a long time, EU engagement in Southeast Europe, especially the WB, has been built on democratic resilience due to chronic declines in fundamental democratic freedoms, the rule of law, political accountability, and struggles to implement EU norms in the WB region. Ethnic divisions, political polarization, and identity politics have also complicated the political trajectory toward democratic consolidation. Perhaps the approach used has been misleading for a long time because, as Nikolovski et al. (2023) observe, the EU's approach has prioritized the preservation of political stability over strict adherence to democratic standards, thereby contributing – intentionally or not – to the consolidation of so-called stabilitocratic regimes in a region often portrayed as conflict-prone and on the periphery of “European” identity [51]. The EU has

interacted mainly with political elites and institutional leadership rather than engaging and empowering citizens and grassroots actors. By emphasizing “stability” instead of the steady application of democratic standards, it has sometimes tolerated or legitimized leaders who undermine the same democratic norms.

Throughout this long process, citizens have gradually distanced themselves from political processes, perceiving both domestic authorities and international partners as disconnected from their everyday concerns. Such distance represents a security issue for the EU as it continuously exacerbates political disengagement, disillusionment, and, in most cases, vulnerability to destabilizing influences.

This dynamic has created an environment where visible or apparent advancements in specific policy areas mask more profound structural deficits that keep societies in an extended transition, frustrating citizens. These challenges are not limited to the domestic environment. The WB region is a point of intersection where governance deficits, social inequality, institutional fragility, and foreign malign interference transcend borders with ease, leading to stability ramifications that spill beyond the region. In this regard, disinvestment in basic services, growing levels of poverty, “labor exploitation affecting both local and migrant workers” [52], and weak accountability are not simply regional issues – they have a direct impact on the EU’s enlargement agenda and its credibility as an advocate of growth and reform. Weak governance and deep poverty in the region create vulnerabilities to external influences, organized crime, and social instability – all of which may manifest within the EU as well. Furthermore, the very incorporation of societies with longstanding structural deficits into the EU carries risks to the EU’s cohesion policies and solidarity mechanisms due to the costs associated with enlargement, making enlargement a geopolitical imperative and a significant test of the internal stability of the EU’s future.

The EU cannot apply uniform standards to diverse EU aspirational states. As Wertheimer (2024) suggests, the EU needs flexible frameworks that reflect cultural and political differences, despite the complexity. European unity rests on fragile foundations, with many countries carrying split or overlapping cultural-political orientations that complicate integration [53]. On the other hand, without credible accountability mechanisms and a reinforced state-society relationship, reforms undertaken through the EU may, in fact, amount to “paper integration,” that is, rules and frameworks may be written into formal requirements without any true transformation whatsoever. Such a regression would not only undermine the prospect of democratization in the WB, but it would further affect the EU’s strategic goals and contribute to the broader delegitimization of enlargement approaches.

A recalibration of the debate is required – one that rethinks, reconstructs, and revitalizes the pillars of the social contract, particularly the communication channels and mechanisms through which citizens or interest groups can influence political decision-making. In authoritarian or semi-authoritarian contexts, these procedures, structures, and practices are often weak or merely performative, offering little genuine participation or responsiveness to societal demands. Suggested revisions could mean different things, but in this case, they mean securing trust, ensuring accountability, realizing EU norms in domestic governance, and making these governments more responsive to the needs of citizens. Such a transition also entails reinforcing citizens’ political rights and obligations, making the EU’s normative power materially relevant to the everyday functioning of democracy.

Among the actions taken in the past two years is the EU Growth Plan, introduced by the European Commission on November 8, 2023, which aims to reinvigorate the

economies of the WB countries so they can “benefit from EU membership earlier, before full integration” [54]. However, internal issues still need to be considered in the region’s economic, social, and political contexts. Such issues are also directly related to the EU’s internationalization imperative to increase its own growth rates from 1.5% to 2.5%, as this is perceived as a necessary step to maintain its geopolitical role and address the social vulnerabilities that remain part of the European project and identity. Furthermore, the assumption of greater international responsibilities that comes with enhanced power will inevitably entail significant costs [55].

Additionally, short-term unintended consequences may also affect the effectiveness of the Growth Plan because some WB governments may see the Growth Plan as an alternative to the enlargement process. This mindset risks undermining commitments to reform. Structural flaws in economic and social policy, as illustrated by practical examples in this paper, may already limit the plan’s efficiency objectives. There are implementation issues as well: for example, while the EU began disbursing pre-financing payments in March 2025 to countries such as North Macedonia and Albania, further access to these payments is contingent on the adoption of “National Reform Agendas” with reform commitments. Such obligations are based on the idea that a reform agenda is only efficient if it employs a “whole-of-society approach,” underlining the need for inclusion and partnership to achieve success [56]. This assumption is not wholly realistic in a region where almost no countries follow this path. Moreover, the EU Growth Plan for the WB is explicitly complementary to the advancement of the Regional Common Market. It is not clear yet if a regional market can truly develop without deeper integration at the continental level. In addition, due to complex inherited relations, the persistent pressure to cooperate economically with their neighbors, as Vujanović notes, may pose significant challenges to the harmonization of regional policies and initiatives in this regard [57].

It is necessary to take into consideration how the EU Growth Plan aims to address some of the realistic obstacles that exist by providing financial and policy incentives tied to structural and governance reforms. Yet, the effectiveness of these measures depends on the capacity and willingness of the states to implement them and to cooperate with each other. As Vujanović emphasizes, small market size, persistent non-tariff barriers, underdeveloped regional value chains, border delays, and limited economic diversification constrain trade and investment within the WB [57]. According to the European Commission and HISP (2025), Western Balkan countries face low public sector efficiency, as weak institutional capacity, complex state structures, and underfunded local governments hinder accountability and policy implementation, undermining social protection and the quality of public services. [58] Additionally, as is already evident, weak regional cooperation – characterized by bilateral disputes, entrenched ethnonationalist tensions, highly polarized political rhetoric, and unresolved conflicts – might further exacerbate the effectiveness and efficiency of the Growth Plan.

Hence, a deeper integration in common regional market (CRM) and then into the EU single market is imperative, but that cannot be achieved by relying only on the top-level actors. A citizen-centered approach to strengthening democratic resilience requires a comprehensive strategy. The elimination of clientelism, allowing

governments to serve citizens rather than simply perpetuating elite networks, must be a precursor to stability in the region and legitimate European integration.

5. Conclusion(s)

WB societies are already facing significant challenges regarding fundamental freedoms. In this context, leveraging contemporary opportunities – such as access to technology and digital literacy, digital inclusion policies, open data initiatives, the potential impact of AI on employment, income inequality, and the need for reskilling programs and entrepreneurship – has become essential rather than optional for meaningful participation in modern society. These elements should be considered common sense for a social contract to be based on, despite addressing the fundamental deficiencies mentioned in this chapter. Despite numerous widespread and often intense protests across the WB, the persistence of political stagnation underscores a grim reality: governments have effectively closed their circle of control. By manipulating electoral processes, dominating media narratives, and entrenching patronage networks, ruling elites continuously distance and silence independent checks and balances. This shrinking democratic space leaves citizens caught in a paradox – either powerless to effect meaningful change or co-opted into sustaining the very system they oppose. The repeated failure of protests and demands to catalyze reforms signals not only the strength of authoritarian resilience but also the depth of the broken social contract between governments and their populations. Together, these practices signify not simply institutional weakness but a conscious top-down strategy through which elites extend their dominance beyond the institutional anchor of governance and into the social infrastructure of democracy. Thus, restoring genuine democratic accountability requires dismantling these interlocking mechanisms of control, expanding civic space, and empowering horizontal actors to revitalize democratic participation and responsiveness.

In its current form, the liberal social contract is perpetually hollowed out: citizens retain the formal trappings of rights and procedures while losing the substantial freedoms, independence, and pluralistic guarantees necessary to exercise agency. Real change additionally requires not just mass mobilization but also strategic institution-building, media pluralism, an independent judiciary, functioning democracy within political parties, and sustained political alternatives.

Hence, without restoring the relationship between the state, government, citizens, and horizontal actors who continuously monitor the situation under current political systems, the EU will find it extremely difficult not only to render these democracies more resilient but also to improve overall security conditions. Citizens, civil society, and media play an irreplaceable role in raising awareness among people about how these societies are governed. They need to be incentivized and supported through capacity building and technical assistance. They are the agents that can restore trust and accountability between top-down and bottom-up levels.

In the present circumstances, due to the closed loop of governance and the remoteness governments place themselves in within their “ivory towers,” these actors are largely unable to rattle or challenge consolidated powers, even through electoral processes.

To stimulate stability and a credible integration process, it is necessary to tackle “clientelism” and reinforce independent institutions and government structures that channel the needs of those they govern, rather than those of an elite network of citizens or groups. Some initiatives may stimulate healthy competition (such as a Growth Plan), but only in relation to inclusive governance, transparency, and the genuine information provided to citizens.

Moreover, given that patronage, clientelism, and corruption represent core governance deficits, EU engagement and domestic reforms should prioritize strengthening independent oversight institutions, enhancing public procurement transparency, and guaranteeing the integrity of the justice system.

Media instrumentalization represents a key node in the cycle. Addressing media pluralism and regulatory independence is essential to contend with elite control of public discourse. Effective policies are crucial to addressing issues of poverty, unemployment, and dysfunctional welfare systems, which deepen citizen disillusionment. These policies should focus on inclusive economic growth, stronger social protections, and youth employment strategies to reduce the exit option (migration).

For the EU to be a credible partner in the WB, enlargement conditionality must be applied consistently and transparently, without selective leniency, which would perpetuate cycles of illiberalism. Conditionality, in its current technocratic form, inherently carries the risk of being perceived as distant and procedural, thereby losing much of the EU’s normative quality and effectiveness in implementation. Therefore, the EU must be able to apply not only democracy-related standards but also improve its understanding of local societies, political environments, cultures, and norms. Addressing real-context concerns – such as economic insecurity, youth emigration, ethnic and political divisions, or the erosion of civic trust – would ground conditionality in the lived experiences of citizens and make democratic standards more resonant and sustainable.

To advance the CRM in the WB, policymakers must understand and address underlying structural challenges such as small market size, persistent non-tariff barriers, low economic diversification, and weakly developed regional value chains. The EU Growth Plan must be strategically utilized to support these efforts by linking financial and technical assistance to reforms that promote infrastructure development, regulatory harmonization, and cross-border value chain re-adjustment and integration. By linking CRM initiatives with EU-supported programs, governments can enhance regional cohesion, build institutional capacity, and create the prerequisites for sustainable economic growth in alignment with broader EU objectives.

Practically speaking, accomplishing current initiatives or plans in place demands strong political will, administrative prowess, and intergovernmental coordination – all of which WB governments have traditionally found difficult. Although the EU Growth Plan offers incentives and guidance, the effectiveness of national-level policies, regional alignment, political will and commitment, cross-border cooperation between businesses, local governments, and communities to create regional value chains, the development of innovative solutions through consultations with citizens, communities, and horizontal actors, and careful implementation monitoring are all necessary for success. Specific barriers to democracy, such as unresolved disputes, hate speech, ethno-nationalist responses to governance, and lack of genuine participatory governance, need to be addressed in a way that fosters tangible democratic reform rather than mere surface adjustments.

The covert consolidation of an illiberal social contract in the WB is much more than just a challenge of governance at a regional level; it is a significant test of the EU's ability to translate its normative commitments into democratic resilience in practice. Restoring trust in civic action and political agency at the community level requires investment in civic education, participatory processes, and funding for grassroots civil society that opens options for citizens and counters disengagement. Unless citizens are genuinely empowered, there will be no force capable of demanding institutional accountability, ensuring transparency, or sustaining reforms with real social and political impact. Without this engagement, European norms risk remaining empty ideals – abstract principles that lack tangible relevance in people's daily lives. At the same time, the challenge of instability in the region could seep into the wider Union itself.

Ultimately, the EU will realize its long-term payoff for the continuation of European standards' implementation and embodiment across the continent, as well as its own internal resilience, if it can convert the WB from a space of managed stability to a region of democratic legitimacy.

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Conflict of interest

The author declares no conflicts of interest.

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Perspective Chapter: Towards an Inclusive European Union – Societal Readiness and Responsible Innovation

Cinzia Leone and Angela Celeste Taramasso

Abstract

The European Union (EU) stands at a historic crossroads, with its future depending not only on strategic responses to global challenges but also on its ability to deepen its fundamental values. This chapter argues that the EU can preserve and strengthen its democratic and political foundations only by embedding the principles of equality, diversity, and inclusion at the core of its policy framework. These principles must be grounded in a commitment to respecting cultural differences, upholding shared values, and promoting unity through pluralism. Building an inclusive Europe requires more than economic recovery or technological leadership; it demands inclusive innovation, socially responsible growth, and meaningful citizen participation. Addressing these values alongside the responsibility for innovation offers the EU a unique opportunity to foster social cohesion. As the Union moves towards a digital and green future, its ability to become a truly global democratic actor depends on policies that promote fairness, ownership, and collective well-being for all. Drawing on the authors' extensive experience and by examining relevant research and projects in Europe on equality, diversity, and inclusion, the chapter introduces the concept of establishing a stable and robust assessment of societal readiness levels within the European research and innovation landscape.

Keywords: EDI, European Union, SRL, TRL, societal readiness, inclusive innovation

1. Introduction

Building on the premise that the European Union's future depends on its ability to align innovation with its core democratic values, this chapter is organised into four interconnected sections. The first examines the European context, tracing the evolution of values, policy frameworks, and persistent challenges related to equality, diversity, and inclusion (EDI). The second section analyses why EDI is essential for strengthening Europe's innovation capacity and scientific excellence. The third introduces the concept of Societal Readiness Level (SRL) assessment as a tool for evaluating the social impact and acceptability of innovation within the EU,

complementing, reinterpreting, and extending the concept of Technology Readiness Level (TRL). Finally, the concluding section reflects on how these elements together shape a vision of European identity grounded in social responsibility, inclusive growth, and democratic resilience.

2. The European context: Values, policy frameworks, and challenges

The principles of Equality, Diversity, and Inclusion (hereinafter EDI) encompass various dimensions, such as gender, disability, race/ethnicity, religion, sexual orientation, age, and their intersections. EDI is becoming increasingly important in academia, where there is a growing belief that universities should create inclusive communities in which individuals can see their identities recognised, respected, and celebrated, and contribute more broadly to the transformation of society [1]. To this end, the key principles of accessibility and inclusiveness must permeate the university as a whole, affecting institutional and organisational culture as well as research, teaching, and learning [2]. While the importance of these aspects is increasingly recognised – as confirmed by the European Union’s push towards gender/EDI mainstreaming – the greatest challenge is the practical application of this transformative paradigm to academic institutions, which acknowledge that they are not as inclusive or accessible as they could be [2–4].

The challenge has been fully embraced by the European Union, which has positioned itself as a significant driver and accelerator of this change, undertaking various strategies and actions to encourage the adoption of an intersectional perspective and practices to facilitate accessibility in research organisations [5]. This approach is also evident in the programmatic documents adopted by the EU on these issues, which consistently devote particular attention to the research sector, starting with the Framework Programmes for research and innovation funding [6]. However, it is important to emphasise that the challenge remains open and that it is not sufficient to rely solely on formal requirements or legal provisions [7].

The author’s experience, based on more than 10 years of participation in European project design and implementation [8], is that European research and cooperation projects are a clear driver of social, scientific, cultural, and economic growth in the European Union and, at the same time, can be a concrete tool for inclusion, thanks to specific programmatic actions aimed at overcoming cultural gaps and biases in our societies, particularly regarding EDI, disability, and accessibility.

The public/private, international, and cross-sector dialogue that always develops in research projects contributes significantly to encouraging universities to come down from their ivory towers and engage with the wider world, finally addressing issues that have previously been neglected, such as EDI. This greatly strengthens both research and the transfer of its results, as well as the European Union, which, in this way, demonstrates its usefulness and its responsiveness to the needs of citizens.

All of the above affirms how European projects can be a powerful driver for change, facilitating cultural transformation in the communities and societies where they are implemented, but only if they succeed in forging strong links with citizens, non-experts, and those who are not already informed or active in research or scientific domains.

Furthermore, European projects represent important opportunities because: a) they increase networking opportunities; b) they amplify the visibility of individuals

and organisations; c) they provide economic foundations for activities that our university may not be able or willing to invest in; d) they facilitate citizen engagement and citizen science; e) they make our universities more appealing; f) they spread the principles of Open Science.

From the millennial generation onwards, the EDI factor is becoming increasingly decisive in choosing both educational and career paths, and this should not be underestimated or overlooked [9–11].

Nor should we underestimate the importance of interdisciplinary research projects, which seek to draw on the strengths of different disciplines. The best results come from so-called atypical and innovative interdisciplinary projects that bring together different sectors, even diametrically opposed disciplines, people of different cultures, backgrounds, geographical origins, and education, distant countries, and varied national situations, thus reaching thousands of people.

In conclusion, there is still a long way to go to make our universities and institutions, in general, less ableist and more inclusive and accessible, but it is important to continue working towards institutions that are based on EDI principles in their daily activities, which will naturally enable them to attract more students if they prove themselves to be so. Times are changing, and the European Union must be a driving force for change, including through the consistent and lasting affirmation of EDI, which must not remain merely a formality.

In this context, EDI is not a peripheral concern but a structural pillar for the Union's resilience and future competitiveness. Only by grounding innovation and policymaking in inclusive values can the EU consolidate its role as a democratic actor, reinforce its social contract, and respond effectively to the complex challenges shaping its trajectory.

This chapter will briefly discuss these points and how innovation can be technologically advanced, particularly when it includes a formal assessment of the degree of social acceptance.

3. Why EDI matters for European innovation capacity

This chapter provides brief answers to the following fundamental questions:

- (1) Is it necessary to introduce EDI into research, research projects, and scientific activity?
- (2) Can mainstreaming EDI contribute to scientific excellence?
- (3) If the answers to the above are yes, how do innovation and technology transfer in the EU landscape benefit from this?

Until the end of the last century and the beginning of the present one, EDI themes and their comprehensive application in Europe and in specific research projects received intermittent attention [12]. It has already been noted elsewhere [13, 14] that, in Europe, the most widespread and dominant approach to EDI has primarily focused on gender equality [15, 16]. In recent decades, the European Commission (EC) has emphasised gender mainstreaming at various stages [17, 18], at one point requiring the integration of a gender perspective into every funded project, to the extent of making a Gender

Equality Plan (GEP) mandatory for public sector organisations seeking funding. In particular, from 2022 onwards, to access European funding under Horizon Europe, organisations must already have a formally approved GEP in place. A few years after the introduction of GEPs, there is now open debate about whether to retain them in the next European framework programme for research and innovation funding and across the entire range of European funds [19, 20].

Critical issues regarding the GEP requirement have emerged since its initial introduction [21, 22], and to date, there has been no further formal audit or verification by the EC of the actual implementation of GEPs in organisations that have adopted them. From the outset, doubts arose as to whether the presence of formally approved GEPs was simply a means of accessing European funding [23]. In many cases, especially in organisations without a historical culture of inclusion and equality, the approval of the GEP has remained an instrumental action, not followed by the implementation of concrete measures or genuine institutional and cultural change, thus preserving the resistance and status quo that previously existed. In other cases, this has provided an opportunity for the introduction of gender and EDI policies [8].

The broader theme of EDI, applied to scientific domains in European research and innovation projects, briefly discussed here, arises from a macro-level approach based on intersectionality and participation [24, 25]. Today, to achieve a more equitable and inclusive research environment, it is widely believed [26] that a balance must be struck between science itself and the values it represents. In this context, European research projects can serve as models to be applied across various scientific fields and in diverse geographical, socio-cultural, and anthropological settings [27].

Beyond being a central theme for achieving social and scientific justice [28], embedding EDI principles into research agendas at the European level is both a strategic and ethical imperative. Addressing structural inequalities in knowledge production and recognising diverse lived experiences not only advances fairness but also ensures that research outcomes are relevant, equitable, and socially legitimate. Furthermore, an EDI-driven approach enhances research excellence by widening participation, incorporating diverse perspectives, and reducing systemic biases that have historically excluded or marginalised certain groups or geographical areas. Thus, applying EDI to research is not merely a compliance exercise but serves as a mechanism for expanding Europe’s intellectual capacity, strengthening trust between institutions and citizens, and ensuring that innovation benefits society as a whole [29]. Beyond research, the benefits of mainstreaming EDI in all areas of European policy are outlined in **Table 1** below. This table highlights the strategic importance of EDI as a key driver of Europe’s future. Beyond ethical considerations, EDI strengthens the

Argument	Supporting logic
Economic	Diversity improves problem-solving, creativity, productivity
Democratic legitimacy	Innovation must serve all citizens equitably.
Geopolitical competitiveness	Social cohesion intended as European resilience
Talent attraction	Younger generations and global researchers prioritise inclusion

Table 1.
Why EDI matters for Europe’s future.

EU's innovation capacity [30], increases public trust in democratic institutions [31], and enhances its resilience and global competitiveness [32, 33]. By fostering socially cohesive environments and attracting diverse talent, Europe positions itself to lead in a rapidly changing global landscape [34].

Ultimately, the evidence leads to a clear conclusion: systematic integration of EDI into research and innovation is essential for securing Europe's scientific excellence, societal cohesion, and global competitiveness in the coming decades. Therefore, the question is no longer whether EDI should be integrated into European research and innovation, but how effectively and consistently institutions will implement it to shape a more equitable, resilient, and future-proof European knowledge ecosystem.

4. Social impact of innovation and assessment of technological and societal readiness level

The experience with GEPs is particularly instructive here, as it demonstrates how well-intentioned policy tools can become formalistic, compliance-driven exercises when their underlying purpose is not fully understood or embraced. In contrast, the Societal Readiness Level (SRL) framework discussed below is not intended as a successor to GEPs or as a bureaucratic add-on, but as a broader, integrative approach that places societal engagement, inclusion, and responsibility at the heart of research and innovation processes. Unlike the checkbox dynamics that have sometimes undermined GEP implementation, SRL cannot be achieved through mere documentation: each level requires demonstrable societal interaction, iterative validation, and evidence of alignment between innovation and public values. For this reason, SRL should not be viewed as a burden or as a 'task for sociologists', but as a foundational component of high-quality innovation – one that concerns researchers, technologists, and institutions alike. Using the GEP experience as a point of comparison helps clarify the chapter's central message: SRL moves European research and innovation beyond formal compliance towards a culture of meaningful societal readiness, relevance, and impact.

To complement existing technology-readiness and innovation-readiness frameworks measured by the Technology Readiness Level (TRL) scale [35], this chapter proposes adopting the SRL scale [36]. SRL assesses the extent to which research and innovation processes align with societal expectations, including equality, diversity, accessibility, inclusion, and participation in the innovation production and implementation process. Unlike TRL, which measures technological maturity, SRL evaluates public trust, inclusiveness, social legitimacy, and the cultural embeddedness of innovation. If accepted and extended, this framework will position societal participation not as an optional or additional dimension, but as a core criterion of European scientific and technological sovereignty [36].

TRL was first established by the American National Aeronautics and Space Administration (NASA) towards the end of the 1990s [37] to measure the level of technology deployed in space [38, 39]. Later, this measurement was also adopted by governmental bodies in Australia for similar purposes and extended to defence domains.

The structure and progression of the original scale are shown in **Figure 1**, highlighting the staged evolution from early-stage research to full operational application.

TRL	Definition
9	Actual System Proven Through Successful Mission Operations
8	Actual System Completed and Qualified Through Test and Demonstration
7	System Prototype Demonstration in Relevant Environment
6	System/Subsystem Model or Prototype Demonstration in Relevant Environment
5	Component and/or Breadboard Validation in Relevant Environment
4	Component and/or Breadboard Validation in Laboratory Environment
3	Analytical and Experimental Critical Function and/or Characteristic Proof-of-Concept
2	Technology Concept and/or Application Formulated
1	Basic Principals Observed and Reported

Figure 1.
NASA TRL scale. Source: Sauser et al., 2006, p. 3.

In parallel, in Europe, the implementation of TRLs enabled the identification of distinct organisational configurations and investment models aligned with specific stages of technological progress within particular interest groups. Consequently, since 2012, TRL has been formally introduced by the EC to assess the maturity of technological innovation in the Key Enabling Technologies (KETs) [38].

While technology readiness has been assessed through indicators such as the TRL – currently used as a standard model in the European research and innovation domain – societal uptake follows a different logic and depends on cultural, social, and contextual variables operating at local and regional levels. SRL is, therefore, shaped by a constellation of micro- and meso-level factors that influence public acceptance, trust, and engagement throughout the innovation cycle. Recognising these contextual and environmental dimensions is essential for designing meaningful engagement strategies, communication pathways, and inclusion mechanisms that ensure innovations are not only technically viable but also socially welcomed and grounded.

Building on prior conceptual work in the field and drawing from Obrien et al. [35], **Figure 2** presents the conceptual framework underpinning SRL and its multi-level determinants.

The proposed model as per the above figure identifies five interrelated dimensions that shape societal responses to innovation:

- (1) Community engagement and participation,
- (2) Public attitudes and perceptions of value and risk,
- (3) Cultural, historical, and behavioural norms,
- (4) Perceived impacts on wellbeing, the environment, and social cohesion,
- (5) Policy, governance, and regulatory frameworks.



Figure 2.
 SRL and factors that impact local dynamics and societal perspectives. Source [40], p. 3.

Together, these elements reflect the social fabric within which innovation occurs and show that technological advancement alone does not ensure adoption [41]. Instead, the legitimacy, perceived usefulness, and societal compatibility of an innovation are crucial to its long-term success [42–44].

The SRL framework and its corresponding corollaries are presented in **Table 2**. The table outlines the SRL scale together with the interpretation of the concepts provided by the authors of this chapter, based on the literature [45] and direct field experience. In particular, an additional column was introduced in the final version, proposing specific qualitative and quantitative indicators, as well as criteria applicable within the European context and adaptable to individual national or regional settings.

The above table is based on the cited source and has been further revised and elaborated by the authors of this chapter. We have also introduced three corollaries to complement the Societal Readiness Levels. By ensuring that innovation not only reaches society but does so responsibly, inclusively, and sustainably, Corollary A establishes ethical, legal, and accessibility safeguards from the outset. Corollary B guarantees long-term institutional and societal embedding, while Corollary C ensures continuous accountability, adaptive governance, and sustained engagement with diverse communities. Corollary C also affirms that integrating the SRL assessment into innovation processes enhances societal trust, accelerates user adoption, and strengthens market fit.

Corollary E affirms that integrating societal readiness into innovation processes reduces the risk of product failure due to low acceptance by consumers or end users [32]. When SRL and TRL progress in dialogue, the development pipeline avoids the costly launch of technologies lacking legitimacy, usability, or perceived value in real communities. Instead, early-stage participation, co-design, and structured engagement with diverse stakeholders ensure that innovation addresses genuine needs, reflects social expectations, and incorporates ethical, diversity, and inclusion principles from the conceptual stage [43, 46, 47]. This alignment between technological maturity and societal endorsement enhances economic sustainability, accelerates adoption, and maximises the social and market return on public and private investment.

By embedding public acceptance, inclusiveness, and co-creation throughout the innovation lifecycle, new solutions gain higher legitimacy, reduced market friction, and greater economic sustainability. Together, these factors transform the SRL

SRL	Description	Key indicators/Criteria
1 – Awareness and intention: identifying the problem and societal readiness	Problem and societal needs identified; awareness of ethical, social, inclusion, and accessibility dimensions begins.	Preliminary reflection on societal impact; recognition of EDI relevance; initial stakeholder mapping.
2 – Concept alignment with societal values	Formulation of the problem, proposed solutions and potential impact, expected societal readiness; identification of relevant stakeholders for the project.	EDI goals included, conceptually; intersectional considerations identified; reference to EU values and legal frameworks.
3 – Stakeholder identification and preliminary dialogue	Key stakeholders identified; exploratory engagement begins: initial testing of proposed solutions with relevant stakeholders.	Preliminary consultations; ethics frameworks referenced; specific needs identified.
4 – Problem validated through pilot testing in a relevant environment to substantiate the proposed impact and societal readiness. Co-design and participatory planning	Solutions piloted in real contexts; feedback loops with diverse communities; iteration.	Number of tests; fairness evaluations; user feedback from diverse populations; and adjustments made.
5 – Proposed solutions validated by relevant stakeholders in the area	Demonstration phase includes relevant stakeholders in the reference area. Participatory methods integrated into planning; inclusive governance mechanisms established.	Demonstrator projects; EDI impact assessment; participatory evaluation; mitigation of biases and gaps.
6 – Pilot Testing with Social Feedback	The demonstration phase includes diverse user groups and measures social impact. Solutions are demonstrated in the relevant environment and in cooperation with relevant stakeholders to obtain initial feedback on potential impact.	Demonstrator projects; EDI impact assessment; participatory evaluation; mitigation of biases and gaps.
7 – Adoption and trust-building	Innovation scaled with demonstrated social acceptance, trust, EDI, and accessibility. Refinement of the project or solution, and if necessary, retesting in the relevant environment with relevant stakeholders.	Broad user adoption; public-trust indicators; inclusion in institutional practices; social licence to operate. Co-creation sessions; lived-experience input; inclusive team composition; citizen science or civil society involvement.
8 – Proposed solutions and a comprehensive, qualified plan for societal adaptation. Demonstration in real-world settings	Innovation scaled with demonstrated social acceptance.	Road user adoption, public trust indicators, inclusion in institutional practices, and a social licence to operate.
9 – Full societal integration and proven impact: actual project solution(s) proven in relevant environments.	Actual project solution(s) proven in relevant environments and implemented at scale, with demonstrable long-term social acceptance, inclusion, and accessibility impact.	Evidence of sustained societal benefit; long-term inclusivity and EDI outcomes; adoption by diverse user groups across contexts; independent societal validation; continuous improvement mechanisms; and accountability structures.

SRL	Description	Key indicators/Criteria
<i>Corollary A</i> Ethical, legal, social, and accessibility integration	EDI and accessibility requirements are incorporated into design, methodologies, and implementation plans.	Intersectional EDI plan; gender and inclusion data; accessibility strategy; compliance with EU ethics and open science standards.
<i>Corollary B</i> Systemic integration and societal institutionalisation	Innovation is mainstreamed; contributes to societal resilience, democratic participation, and inclusive growth.	Policy integration; long-term community engagement; evidence of equality impact; contribution to EU missions, and democratic innovation.
<i>Corollary C</i> Sustainability, Accountability & Adaptive Governance	Continuous monitoring, transparency, and adaptive governance ensure that inclusive practices and societal engagement are sustained over time.	Ongoing ethics & EDI audit mechanisms; transparent reporting; continuous stakeholder co-creation; adaptive feedback loops; public accountability and long-term impact tracking.
<i>Corollary D</i> Socio-economic value and market acceptance amplification	New solutions achieve higher legitimacy, reduced market friction, and greater economic sustainability.	Early and sustained evidence of user acceptance; increased adoption rates; measurable socio-economic returns; reduced deployment barriers; citizen-driven demand signals.
<i>Corollary E</i> Prevention of individual product failure due to non-acceptance by consumers or end users	SRL and TRL dialogue prevents the launch of products or innovations that are not accepted and represents a failure from an economic and other perspectives.	Participation, co-design, and inclusion of stakeholders from the initial design stage. Application of EDI-related parameters from the initial design or concept stage.

Table 2.
Societal readiness levels (SRL) framework and their corollaries. Source: Innovation Fund Denmark, 2019¹ and authors' elaboration.

framework from a deployment model into a societal transformation model [48]. They recognise that innovation in Europe must be socially legitimate, democratically grounded, and continuously evaluated to remain aligned with collective values, public trust, and evolving societal needs. Increasing the acceptability of innovations significantly enhances the impact of technology transfer. Economically, there is an advantage linked not only to the technological but also to the societal impact of innovation, resulting in a better match with actual needs and greater acceptance of technology, innovation, and new products.

This aligns with the call for a shared path towards the ‘European growth model for a prosperous, responsible and resilient economy’, as advocated by European President Ursula von der Leyen in many official documents and policies, including her speech at the ‘Beyond Growth Conference’ in the European Parliament in May 2023².

This approach is based on the coexistence and interpenetration of SRL and TRL and can be easily scaled and operationalised within the European innovation ecosystem. By integrating SRL alongside the established TRL scale, the European Union can complement assessments of technological maturity with a rigorous

¹⁰⁹https://ec.europa.eu/commission/presscorner/detail/it/speech_23_2761 Last accessed 3 November 2025.

understanding of societal maturity. TRL primarily evaluates the technical progression of a solution towards market deployment – proof of concept, prototyping, demonstration, and testing phases – yet does not capture readiness in terms of social demand, community acceptance, accessibility, or alignment with European values. Embedding SRL within EU research and innovation programmes would enable institutions, policymakers, and innovators to pursue technological advancement and societal benefit in tandem, ultimately accelerating responsible market uptake and strengthening Europe’s competitive and ethical leadership in global innovation.

5. Operational alignment between SRL and EU treaty values

While the reasons for proposing the introduction of innovation assessment using the SRL method are clear, it is also evident that this approach does not impose any burden on the process of introducing innovation; rather, it facilitates it. The SRL supports innovation from its conception to its introduction to the market and, to varying degrees, affirms European Union values in the research and innovation sector, which cannot and must not be overlooked, as follows.

The proposed Societal Readiness Levels framework closely aligns with the foundational principles of the European Union as set out in the Treaty on European Union (TEU), particularly Articles 2, 3, and 10, which emphasise human dignity, equality, inclusiveness, social justice, participation, and democratic legitimacy.

The early SRL stages (1–3) operationalise Article 2 by ensuring that awareness of societal needs, alignment with EU values, and inclusive stakeholder dialogue underpin any innovation process. The mid-level stages (4–6), focused on co-design, participatory planning, and iterative feedback, reflect Article 10 TEU’s commitment to participatory democracy and citizen involvement in decision-making.

The advanced SRL stages (7–9), which emphasise trust-building, real-world implementation, and full societal integration, directly support Article 3 TEU by fostering social cohesion, sustainable development, and high-level protection and improvement of the quality of life across Member States.

The corollaries developed by the authors of this chapter, addressing ethics, institutionalisation, accountability, socio-economic value, and prevention of market failure, further reinforce this alignment by translating EU principles into operational safeguards. Together, the SRL framework and its corollaries provide a structured pathway to ensure that innovation is not only technologically viable but also democratically legitimate, socially inclusive, and fully consistent with the EU’s normative foundations.

Of course, we are discussing a proposal that differs from the status quo, so the establishment of the SRL system alongside the TRL should be tested and, if necessary, adapted to the political, cultural, and productive contexts present in the diverse European Union. What is certain is that the innovation process would be enhanced and improved, as participatory demands that increasingly reflect the actual needs of citizens and end users are gradually gaining ground throughout the EU and cannot be ignored. Moreover, ignoring these demands would not be economically viable.

On the other hand, the EU introduced TRL assessment several years ago, and there has been no resistance from either the research community or the manufacturing sector. This raises the question: why not be more daring?

Of course, the above is not intended to be exhaustive, nor does it seek to draw hasty conclusions. It will certainly be the subject of further publications and research.

6. Conclusions: EU identity, innovation and social responsibility

In this short chapter, we have presented some emerging ideas at both European and international levels regarding innovation, social acceptability, and European identity and values related to research and innovation. We have then addressed the three initial research questions and can, therefore, conclude that there is a genuine need to apply EDI to research and scientific activity in general, deepening and moving beyond the simple affirmation of gender equality or gender mainstreaming. Furthermore, EDI can contribute significantly to scientific excellence, which the EU is pursuing through various funding measures and the promotion of scientific cooperation at the European level. Ultimately, there are clear benefits to addressing EDI issues, which concern not only social justice but also holistically encompass the economic and political aspects of the EU as a whole and of the individual countries that comprise it.

The systematic application of SRL reveals the inherent trade-offs between rapid technological deployment and the need for inclusive, participatory, and socially attuned innovation processes. Accelerating the rollout of new technologies often prioritises efficiency, competitiveness, and market timing, but this speed can come at the cost of overlooking social expectations, excluding vulnerable groups, or neglecting long-term societal consequences. In contrast, a full SRL assessment requires early engagement, co-design, iterative testing with diverse communities, and careful alignment with ethical and cultural values – processes that may hypothetically slow deployment but ultimately strengthen legitimacy, trust, and sustained adoption. Thus, SRL functions as a balancing mechanism: it encourages innovation pathways that remain ambitious and timely while ensuring that technological progress does not compromise inclusion, fairness, or public confidence.

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Author contributions

Cinzia Leone (CL) and Angela Celeste Taramasso (ACT) worked on conceptualisation; CL worked on methodology, investigation, and original draft preparation; CL handled resources, writing-review, and editing; ACT supervised. All authors have read and agreed to the published version of the manuscript.

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Chapter 6

Perspective Chapter: Beyond Borders – Can European Citizenship Build a Shared Identity?

Andreas Sobisch

Abstract

Since its introduction in the Maastricht Treaty (1992), European Union (EU) citizenship has offered rights of free movement, residence, employment, and political participation across member states. Yet, beyond these legal provisions, the question of whether EU citizenship has fostered a genuine shared European identity remains unsettled. While many citizens embrace the opportunities of integration and mobility, others continue to anchor their loyalties primarily in the nation-state. This chapter examines how legal rights intersect with emotional belonging, especially among younger generations who have grown up in an increasingly integrated Europe. It also analyzes contemporary challenges – including Brexit, rising Euroskepticism, migration debates, and democratic backsliding – that test the resilience of EU citizenship. Drawing on policy analysis, case law, survey data, and current debates, the chapter evaluates whether European citizenship has advanced a sense of solidarity or remains a largely legal construct. Ultimately, it argues that EU citizenship should be understood not as a finished condition but as an evolving project, one that must continue to adapt if it is to strengthen belonging across borders.

Keywords: EU citizenship, shared identity, mobility and rights, Euroskepticism, integration and belonging

1. Introduction

The introduction of European Union (EU) citizenship in the Maastricht Treaty (1992) marked a constitutional innovation without precedent in international law. For the first time, an international organization established a direct legal bond with individuals, supplementing but not replacing their national citizenship. Article 8 of the Treaty on EU declared that “every person holding the nationality of a Member State shall be a citizen of the Union.”[1] This seemingly simple formula embodied a far-reaching ambition: to transform a community founded on coal, steel, and markets into a political union of citizens. Yet, three decades later, the question

persists: has this legal status fostered a genuine sense of belonging, or has it remained largely a technical add-on to national citizenship? Citizenship is never only a bundle of rights. It also implies membership in a community bound by solidarity, shared values, and common destiny. Classical theory, from T. H. Marshall's [2] tripartite model of civil, political, and social rights to Benedict Anderson's [3] notion of the "imagined community," underscores that citizenship fuses legal entitlements with identity and affect. A passport or a voting right is only part of the story; citizenship must also resonate with collective meaning.

The EU has delivered impressive legal rights. Union citizens may live, work, and study across borders, participate in European and local elections in their state of residence, and claim protection from other member states abroad. In a continent once scarred by war and divided by walls, these freedoms are historically significant. Yet, public opinion reveals persistent ambivalence. In Eurobarometer surveys, attachment to national identity consistently outpaces attachment to Europe. In 2022, 89% of respondents reported feeling attached to their country, compared to 57%. In 2024, 91% of respondents reported feeling attached to their country, compared to 61% who felt attached to the EU [4]. Scholars disagree on how to interpret this. Thomas Risse [5] argues that multiple identities can coexist in "nested" form, allowing individuals to feel both national and European without contradiction. Jürgen Habermas [6], however, contends that Europe cannot rely on cultural identity, given its diversity. Instead, he advocates "constitutional patriotism": attachment to democratic principles and rights that transcend national traditions. Michael Bruter [7] distinguishes between civic identity, grounded in institutions and rights, and cultural identity, rooted in symbols and emotional bonds. By his measure, the EU has been more successful in building the former than the latter. These frameworks highlight the stakes of the question. If European citizenship remains a thin legal construct, the EU risks appearing technocratic and vulnerable to nationalist backlash. Brexit, the surge of Euroskeptic parties, and disputes over migration all suggest that solidarity within Europe cannot be taken for granted. At the same time, younger generations, raised with Erasmus exchanges, low-cost flights, and digital networks, often experience Europe as a lived space of opportunity.

This chapter assesses whether European citizenship has moved beyond law into identity. It begins with a historical overview of its development, situating the concept within the broader trajectory of European integration. It then turns to the lived experience of rights, the dynamics of identity and belonging, and the contemporary challenges that test the resilience of the project. Ultimately, the analysis probes whether European citizenship can cultivate not only legal protections but also an inclusive sense of belonging across borders.

2. The origins and foundations of European citizenship

This section traces the creation of EU citizenship, beginning with Maastricht in 1992 and developing through case law, constitutional crises, and symbolic integration.

2.1 Origins, development, case law

The roots of EU citizenship lie in the freedoms of movement and residence granted to workers under the Treaty of Rome of 1957. Initially, these were economic

rights, reflecting the founding logic of a common market that prioritized economic integration over political identity. The right to move was limited to workers and their families, excluding large swathes of Europe's population from cross-border benefits. Nevertheless, the seeds of citizenship were present: the notion that rights could derive directly from supranational law, enforceable against member states, was a profound departure from traditional international arrangements. By the 1970s and 1980s, the Court of Justice had expanded these rights incrementally, often broadening categories of beneficiaries. Cases such as Levin (1982) [8] and Cowan (1989) [9] extended protections to part-time workers and even tourists, establishing that market freedoms implied a wider set of personal entitlements. At the same time, political leaders grew increasingly aware that economic integration alone could not sustain legitimacy. Jacques Delors [10], in particular, pushed for a more "people-centred" Europe. These pressures culminated in the Maastricht Treaty of 1992, which established EU citizenship as a legal status additional to national citizenship. It was a revolutionary move: for the first time, an international organization created a transnational citizenship binding individuals directly.

The Maastricht Treaty codified four core rights of EU citizenship, later expanded by subsequent treaties and directives:

Mobility and residence: All EU citizens gained the right to move and reside freely across member states, subject to conditions related to resources and public policy. This was later consolidated in Directive 2004/38/EC, which clarified the rights of permanent residence after five years and the conditions under which states could restrict access [11]. This marked a decisive shift from economic status to universal entitlement: students, retirees, and jobseekers were now included.

Political participation: Citizens could vote and stand in municipal and European Parliament elections in their country of residence, irrespective of nationality. This challenged traditional notions of political community tied exclusively to nationality, although voting in national elections remained off-limits.

Diplomatic and consular protection: EU citizens abroad could seek help from any member state's embassy when their own was not represented. Although rarely used, this provision reinforced the idea of a shared European bond beyond national frontiers.

Accountability and petition rights: Citizens could petition the European Parliament, appeal to the Ombudsman, and correspond with institutions in any official EU language, symbolizing responsiveness and inclusivity at the supranational level.

These rights distinguished EU citizenship from other forms of dual nationality or residency permits. They created a direct legal relationship between the EU and individuals, an innovation in international governance.

The Court of Justice of the EU (CJEU) played a central role in transforming citizenship from a symbolic add-on into a substantive legal status. In the case of Martínez Sala (1998), the Court ruled that a lawfully resident EU citizen could not be denied child benefits available to nationals, establishing a principle of nondiscrimination that applied irrespective of economic activity [12]. In the case of Grzelczyk (2001), the Court famously declared that "Union citizenship is destined to be the fundamental status of nationals of the Member States," affirming its constitutional importance [13].

Later cases expanded these principles. In the case of García Avello (2003), the Court ruled on cross-border family naming rights, signaling the extension of

citizenship into private law [14]. In the case of *Chen* (2004), the Court held that a child with Irish citizenship (and thus EU citizenship) conferred residency rights on her non-EU mother, demonstrating the doctrine's reach into family life [15]. In the case of *Baumbast* (2002), the Court extended residence rights to non-economically active citizens with sufficient resources and health insurance, a landmark in defining the substance of EU citizenship [16]. In the case of *Rottmann* (2010), the Court intervened in nationality law, ruling that member states must respect proportionality when withdrawing nationality if it would deprive individuals of EU citizenship [17]. In another case, *Zambrano* (2011) further extended protection, preventing the expulsion of non-EU parents of EU citizen children as this would undermine the children's rights [18]. In the case of *Coman* (2018), the Court recognized same-sex spouses' residence rights under EU law, showing the evolving reach of citizenship in line with human rights norms [19]. In another case, *McCarthy* (2011) and *Dereci* (2011), however, signaled a retrenchment: the Court ruled that citizenship rights could not be used to circumvent national immigration laws unless expulsion threatened the "genuine enjoyment of the substance" of EU citizenship [20, 21].

These cases underscore the evolving nature of citizenship jurisprudence. While the Court empowered individuals and extended rights into sensitive domains, it also introduced limits, demonstrating that EU citizenship is both a constitutional innovation and a site of political contestation.

2.2 Crises and symbols

The early 2000s marked a period of constitutional ambition and crisis. The Charter of Fundamental Rights, proclaimed in 2000, consolidated civil, political, and social rights, many overlapping with the rights of EU citizenship [22]. The 2004 draft Constitutional Treaty sought to enshrine these principles, but its rejection in French and Dutch referenda highlighted the fragility of a shared European identity. In France, opponents mobilized fears of neoliberal globalization and loss of sovereignty, while in the Netherlands, concerns focused on democratic accountability and migration. The double rejection shook the Union, halting integration and feeding Euroskepticism. Media coverage framed the verdicts of the referenda as a popular backlash against elites, widening the gap between European institutions and public opinion. Critics argued the treaty lacked democratic legitimacy, while supporters lamented the missed opportunity to anchor citizenship in a broader constitutional order.

The Lisbon Treaty (2007/2009) salvaged much of the content, confirming in Article 9 TEU that "Citizenship of the Union shall be additional to and not replace national citizenship." [23] It also gave the Charter binding force and introduced the European Citizens' Initiative (ECI), enabling one million citizens to request new legislation. Although the ECI's impact has been limited in practice, it represented an attempt to link EU citizenship with participatory democracy. The Lisbon settlement reaffirmed the derivative nature of EU citizenship: it was still rooted in national membership but increasingly shaped by supranational principles and rights. The episode also highlighted the fragility of political identity: while elites viewed citizenship as a unifying force, publics remained skeptical of ceding sovereignty.

Beyond legal provisions, citizenship also operates symbolically. EU passports, Erasmus exchanges, and the euro currency function as visible markers of integration.

For many young Europeans, Erasmus mobility in particular has provided a formative experience of Europeaness, creating transnational friendships and networks [7]. The Erasmus+ expansion further diversified opportunities, extending mobility beyond universities to apprenticeships, volunteering, and schools. The euro, circulating (as of 2025) in 20 member states, embodies shared sovereignty and is often cited as the most tangible sign of integration in daily life. Even symbols like the EU flag, anthem, and Europe Day have become part of a common repertoire, though they resonate unevenly across societies.

Comparisons with federal systems highlight both achievements and limits. In the United States, citizenship entails common taxation, welfare, and military service – institutions that foster solidarity. Switzerland blends multiple languages and cantonal autonomy within a federal citizenship supported by redistribution. Canada, meanwhile, offers a model of citizenship rooted in multiculturalism, where diversity is institutionalized within a federal framework. William Kymlicka's [24] work on multicultural citizenship is particularly instructive here. He argues that inclusive recognition of diversity can reinforce, rather than weaken, shared citizenship. This helps explain how the Canadian model balances unity and pluralism – a dynamic that offers a useful comparative lens for the EU's evolving citizenship framework. By contrast, EU citizenship lacks robust fiscal and welfare dimensions, making solidarity harder to sustain in times of crisis. Jo Shaw [25] aptly calls EU citizenship a "laboratory" for experimenting with identity beyond the state, but it remains an unfinished experiment.

Symbolism has also been contested. Euroskeptics deride EU symbols as artificial impositions, while pro-Europeans view them as crucial in fostering attachment. Media representations, cultural programs such as Creative Europe, and cross-border media projects like Arte have attempted to construct a European cultural space. The uneven reception of these initiatives illustrates both the promise and limits of symbolic integration. In Central and Eastern Europe, EU symbols are often associated with modernization and prosperity, while in parts of Western Europe they are seen as distant or bureaucratic. Beyond Europe, regional organizations such as Mercosur and the African Union have experimented with free movement and symbolic integration, but none have created a comparable legal citizenship. This underlines the EU's uniqueness: it stands alone in granting transnational citizenship, yet struggles to imbue it with emotional depth.

3. Rights in practice: Mobility, participation, and belonging

Here, we turn to how EU citizenship works in practice – mobility, residence, education, political participation, and the sociological dimensions of identity.

3.1 European citizenship in practice

Of all the rights attached to EU citizenship, the freedom of movement and residence has been the most consequential in everyday life. Originally conceived in the Treaty of Rome as an economic right for workers, Maastricht generalized it as a right for all citizens. The Citizens' Rights Directive (Directive 2004/38/EC) codified and expanded these provisions, guaranteeing EU citizens and their family members the right to reside in another member state for up to three months without

conditions, and longer if they are workers, students, or have sufficient resources and health insurance [11]. The scale of mobility is striking. By 2020, more than 13.7 million EU citizens were residing in another member state, around 3% of the Union's total population [26]. Germany, the United Kingdom (before Brexit), Spain, Italy, and France attracted the largest numbers of intra-EU migrants, while Romania, Poland, and Bulgaria saw significant outflows. The enlargements of 2004 and 2007, which admitted twelve new member states from Central and Eastern Europe, intensified these trends. Between 2004 and 2015, the number of Polish nationals in the United Kingdom increased from fewer than 100,000 to over one million [27].

Mobility is often celebrated as a cornerstone of integration, but it has also generated friction. Wealthier states have expressed concern about “welfare tourism,” the idea that migrants move primarily to access social benefits. While empirical research suggests that most intra-EU migrants move for work or study rather than welfare, the issue has been politically salient, especially in debates leading up to Brexit [28]. Sending countries, meanwhile, worry about brain drain and demographic imbalances. Romania and Bulgaria, for example, have seen large shares of their skilled labor force emigrate, creating shortages at home [29]. In this context, the CJEU has played a crucial role in balancing rights and restrictions. In the case of *Collins* (2004), the Court held that jobseekers could access financial benefits under certain conditions [30]. In the case of *Bidar* (2005), it extended student maintenance grants to non-nationals with sufficient integration in the host state [31]. Conversely, in the case of *Dano* (2014), the Court upheld restrictions on benefits for economically inactive migrants, signaling limits to solidarity [32]. These rulings confirm the dynamic nature of EU citizenship: a status defined not only by treaty texts but by ongoing judicial interpretation.

Educational mobility embodies the ideal of citizenship “beyond borders.” The Erasmus program, launched in 1987 and expanded into Erasmus+, is one of the most visible and popular initiatives of the EU. By 2021, more than 10 million Europeans had studied, trained, or volunteered abroad under its auspices [33]. Surveys consistently find that Erasmus alumni are more likely to identify as European, more open to intercultural exchange, and more likely to vote in European elections [34]. Michael Bruter [7] describes Erasmus as fostering a “cultural infrastructure of identity,” in which transnational experiences reshape how young people imagine Europe. Christof Van Mol’s [34] research shows that Erasmus alumni tend to maintain cross-border social networks and to be more mobile in their careers, reinforcing long-term European engagement. Politicians often invoke the “Erasmus generation” as a symbol of integration, suggesting that it represents the lived experience of EU citizenship. Yet access to Erasmus is uneven. Participation is concentrated among middle-class students from better-resourced universities. Barriers of language, finance, and institutional capacity limit involvement from disadvantaged groups and smaller institutions. Moreover, mobility is not always a positive experience: some students face isolation, discrimination, or administrative challenges. Thus, while Erasmus promotes European identity, it risks reinforcing inequalities if participation remains stratified.

EU citizenship also confers political rights. Citizens residing in another member state may vote and stand in local and European Parliament elections under the same conditions as nationals. This innovation is significant: it recognizes residence as a basis for democratic participation, decoupling rights from nationality. In practice, however, uptake has been limited. Turnout in European elections has historically

lagged behind national elections, though the 2019 elections reversed a long decline, reaching 50.6% – the highest in two decades – driven partly by young voters [35]. Mobile citizens' participation is especially low, often due to a lack of information, language barriers, or administrative complexity [25]. In some countries, mobile EU citizens represent a significant share of the electorate, yet their impact on outcomes remains limited. The scope of political rights is also constrained. Mobile citizens may not vote in national parliamentary elections in their state of residence, nor in referenda. This creates what Richard Bellamy [36] calls “partial membership,” where EU citizens enjoy some political inclusion but remain excluded from core national decision-making. Proposals to deepen political rights, such as transnational lists for European Parliament elections, remain politically controversial [37].

The practice of EU citizenship highlights inequalities of access and experience. Mobility is shaped by class, gender, and region. For many Western Europeans, citizenship enables cosmopolitan choice – studying abroad, second homes, lifestyle migration. For many Eastern Europeans, it means economic necessity – long-term labor migration, often in low-wage sectors. These contrasting experiences foster divergent perceptions of Europe: opportunity for some, precarity for others [38]. For instance, the Erasmus student completing a semester in Barcelona embodies Europe's cosmopolitan promise – mobility as self-fulfillment and cultural exploration – while the Polish construction worker on a long-term contract in Belgium illustrates mobility as necessity, accompanied by uncertainty and limited rights. Juxtaposing these experiences underscores that the freedoms of movement, though universal in law, are highly stratified in practice.

Gender dynamics also matter. Women are more likely to participate in short-term educational mobility but less likely to migrate for long-term employment, partly due to care responsibilities. Class divides are evident in Erasmus participation, where middle-class students dominate. Thus, the benefits of EU citizenship are not equally distributed.

3.2 Identity and belonging

Does EU citizenship nurture a shared identity? Empirical data suggest a complex picture. Eurobarometer surveys since the 1990s show that most citizens feel both national and European, but national identity is stronger. In 1996, only 36% of respondents reported feeling attached to Europe; by 2021, the figure had risen to 57%, though still below attachment to the nation (89%) [39]. The European Social Survey similarly records dual identities, with considerable variation across states [40]. Generational divides are striking. Younger people, especially those who studied or worked abroad, are more likely to identify as European. This “generational replacement” effect suggests that European identity may strengthen over time as cohorts socialized with mobility and digital connectivity become dominant [41].

The “Erasmus generation” has become emblematic of European identity. Erasmus alumni often describe themselves as more cosmopolitan, more tolerant, and more European. Political leaders, from José Manuel Barroso to Emmanuel Macron, have celebrated the program as proof that European identity can be cultivated through practice [42]. Yet Erasmus also reveals the limits of identity-building. Participation remains a minority experience, and its effects are strongest among already privileged groups – not to mention that not all mobility

experiences are positive. For labor migrants, especially in low-wage sectors, cross-border mobility can breed resentment rather than belonging, as experiences of discrimination undermine identification with Europe [43].

European identity is uneven across the continent. In Benelux countries, long-standing integration and high mobility foster strong identification. Southern Europeans often express pro-European sentiment linked to structural funds, modernization, and the role of EU in stabilizing democracy after authoritarian rule. In Central and Eastern Europe, enthusiasm is often instrumental: EU citizenship is valued as a gateway to jobs and rights abroad, while national identity remains primary [44]. The United Kingdom exemplified the fragility of European identity. Despite strong support for Erasmus and mobility among younger populations, the Brexit referendum revealed that, for many, EU citizenship carried little emotional weight compared to national sovereignty. Millions surrendered EU citizenship rights in exchange for reaffirmed national control, underscoring that legal entitlements alone cannot anchor identity.

A persistent theme is the gap between utilitarian benefits and emotional belonging. Many citizens appreciate rights to travel, work, or study abroad but do not translate these into deeper identification. As Neil Fligstein [45] argues, the EU has created “a common set of opportunities” but not necessarily “a common people.” For some, EU citizenship is valued as a toolbox of rights; for others, it is distant and abstract. Michael Bruter’s distinction between civic identity (attachment to institutions and rights) and cultural identity (emotional and symbolic attachment) is helpful. The EU has achieved more progress on the former than the latter [7]. Without emotional resonance – symbols, narratives, solidarity – citizenship risks remaining technocratic. Brexit, the Eurozone crisis, and the migration crisis revealed how quickly utilitarian attachments can unravel when costs appear to outweigh benefits.

3.3 Theoretical perspectives

Theoretical debates add to this picture. As mentioned earlier in the “Introduction,” Thomas Risse’s [5] concept of nested identities suggests that European identity can coexist with national and local identities, layered rather than mutually exclusive, while Jürgen Habermas [6] insists that cultural identity is unattainable in such a diverse continent; instead, Europe must cultivate constitutional patriotism – loyalty to shared democratic principles. At the same time, Claus Offe [46] warns that solidarity requires more than principles: it demands redistributive practices that remain underdeveloped at the EU level, while Antje Wiener [47] emphasizes the contested nature of European norms, arguing that identity is not fixed but constantly negotiated through practice. Together, these perspectives highlight that European identity is both fragile and dynamic. It emerges unevenly, shaped by mobility, symbols, and lived experience. EU citizenship has created the legal infrastructure of belonging, but whether it can foster solidarity remains an open question.

4. Challenges and contestations

This section reviews the challenges to European citizenship: Brexit, migration, Euroskepticism, inequality, populism, and crises of solidarity.

4.1 Contemporary challenges

The United Kingdom's withdrawal from the EU exposed a paradox at the heart of EU citizenship: its rights are robust at the individual level, yet collectively vulnerable to political rupture. On January 31, 2020, British nationals ceased to be EU citizens, save for limited protections under the Withdrawal Agreement for those already resident across borders [48]. Campaigns such as "British in Europe" documented everyday losses – work qualifications that no longer traveled, family reunifications slowed or blocked, and students priced out of continental education markets [49]. The Leave campaign's "take back control" slogan distilled a potent counternarrative: sovereignty as emotional belonging, trumping the functional benefits of mobility. As several scholars note, Brexit demonstrated that legal architectures cannot substitute for affect; in the absence of a strong emotional attachment to Europe, citizens will prioritize national identity when pressed to choose [50, 51]. For the EU, Brexit was both a caution and a catalyst. It reminded the public what could be lost, reinforcing the visibility of citizenship rights. But it also highlighted a vulnerability: supranational citizenship is mediated by national membership. If a state exits, millions lose status in one stroke. This contingency complicates the Court of Justice's claim that EU citizenship is "destined to be the fundamental status" of Member State nationals; the status is fundamental, but not inalienable [13].

Euroskepticism is neither monolithic nor static. In northern Europe, skepticism often targets perceived moral hazard (fiscal transfers, shared debt); in western economies, anxieties focus on welfare competition and migration; in the east, it mixes cultural conservatism with claims of "uneven integration." Parties such as the AfD (Germany), Rassemblement National (France), Fidesz (Hungary), and Lega (Italy) leverage these frames differently but converge on narratives that cast EU citizenship as diluting sovereignty and blurring communal boundaries [52]. Paradoxically, Euroskepticism coexists with persistently high support for membership itself. Eurobarometer surveys after 2016 recorded a rebound in the view that EU membership is "a good thing," even in states with strong populist parties [39]. The tension is instructive: citizens may value the EU's problem-solving functions and the insurance of the single market while resisting the symbolic claims of supranational belonging. In other words, they are "functionally European, emotionally national."

Moreover, the generational dimension of Euroskepticism deserves attention. For citizens who have grown up with Erasmus mobility, digital communication, and the absence of border checks, the idea of Europe as a lived social space is largely taken for granted. This younger cohort – the aforementioned "Erasmus generation" – engages with the Union less as a distant authority and more as an everyday framework of opportunity. By contrast, older generations who remember a pre-EU Europe interpret crises through a sovereignty-based lens. These divergent memories help explain why the same events – the Eurozone crisis, Brexit, or migration debates – resonate differently across age groups and why European identity remains an evolving project.

Beyond Euroskepticism lies the deeper concern of democratic backsliding – the systematic erosion of rule-of-law safeguards, judicial independence, and media pluralism in some member states. These developments, visible in Hungary and Poland, test not only the EU's legal mechanisms but also the normative foundations of European citizenship itself. As Habermas's notion of constitutional patriotism

suggests, a shared European identity should be anchored in allegiance to democratic principles rather than ethnic or cultural homogeneity. When member governments weaken these principles, they undermine the civic basis on which a European identity might rest, revealing the fragility of postnational solidarity.

The 2015–16 “refugee crisis” forced the Union to articulate who belongs – and on what terms. Intra-EU free movement affirmed an expansive notion of internal membership, while the simultaneous struggle to share responsibility for refugees exposed hard edges at the external boundary. Some governments resisted relocation quotas, framing asylum as a civilizational test rather than a legal obligation, and securitized borders became emblems of national protection [28, 53]. The juxtaposition produced a “fortress Europe” paradox: openness inside, guardedness outside. This duality reverberates back into the meaning of EU citizenship. For some, the sharp boundary at the external frontier consolidates a sense of common European space. For others, it undermines the Union’s universalist claims, suggesting that citizenship is a “club good,” not a civic ideal. The ongoing reform of the Common European Asylum System (and efforts to balance solidarity with border management) will shape how credibly European citizenship can present itself as inclusive rather than merely exclusionary [54].

The Eurozone crisis (2009–12) revealed how thinly stretched solidarity can become when macroeconomic adjustments bite. Emergency mechanisms and conditionality helped stabilize the currency, but they also entrenched narratives of virtuous creditors and profligate debtors. For many in Southern Europe, austerity measures felt imposed by distant institutions, straining the legitimacy of supranational governance [46]. Citizenship rights continued to function – students moved, workers relocated – but the emotional economy of belonging suffered.

By contrast, the pandemic response demonstrated a more solidaristic turn. After messy early border closures, the EU organized joint vaccine procurement and, crucially, launched NextGenerationEU, a large-scale recovery instrument financed by common borrowing to support national reforms and investment [55]. Alongside SURE (temporary Support to mitigate Unemployment Risks in an Emergency), these measures suggested that EU citizenship might be buttressed by shared risk-sharing institutions, not only by mobility rights [56]. Whether these innovations endure – and are felt by citizens as fair – will determine if solidarity can be institutionalized beyond crisis moments.

Russia’s full-scale invasion of Ukraine in 2022 precipitated the EU’s swift activation of the Temporary Protection Directive (2001/55/EC), granting millions of displaced Ukrainians immediate residence, work, education, and social assistance across Member States [57]. The speed and scale of this response contrasted sharply with the hesitancy of 2015–16. Two lessons for European citizenship stand out. First, solidarity is not a fixed resource but politically elastic: when threat perception is high and cultural proximity is perceived, protection expands. Second, rapid, uniform rights for non-EU nationals can coexist with EU citizenship without diluting it; indeed, such inclusivity can reinforce the Union’s civic self-understanding. The challenge is to sustain equitable support as the war drags on and attention wanes.

Citizenship is imagined and reproduced in public spheres. Europe’s is increasingly digital, fragmented across languages and platforms. Transnational media initiatives exist, but the day-to-day consumption of news – and the circulation of symbols – remains nationally segmented. Disinformation campaigns and platform incentives amplify polarizing narratives about migration, sovereignty, and

identity, often outpacing institutional communication [58]. The EU's regulatory turn (Digital Services Act, Code of Practice on Disinformation) signals recognition that the health of a European public sphere matters for citizenship's legitimacy [59]. Without shared narratives and trusted cross-border fora, the legal status of citizenship will struggle to translate into a felt community.

5. Futures of European citizenship

This section considers possible trajectories for EU citizenship, including democratic reform, social solidarity, enlargement, and symbolic integration.

Deepening democracy: European Parliament elections have long been treated as “second-order,” with lower turnout and national issue framing. Proposals for transnational lists seek to create a genuinely European electoral contest by allocating a portion of seats to EU-wide slates, incentivizing parties to campaign across borders and articulate continental programs [37]. A stronger “Spitzenkandidaten” (top-of-ticket candidates) process, tied credibly to the Commission Presidency, could also clarify democratic stakes [60]. Critics warn of a legitimacy gap if citizens feel detached from distant campaigns; proponents counter that only practice builds habit. A *demos* rarely preexists its institutions – it is often co-produced by them. Complementary reforms involve portable party membership, EU-wide citizens' panels feeding into the legislative agenda (as piloted in the Conference on the Future of Europe), and a leaner ECI procedure with stronger follow-up obligations for the Commission. Each increment – if made visible – can shift citizenship from technocratic to participatory. Each of these measures not only refines democratic procedure but also strengthens the sense of political belonging central to European identity by demonstrating that participation at the EU level can be meaningful and responsive.

Improving the social foundations: A durable identity rests on fairness, not just freedom. Proposals for a European Unemployment Reinsurance Scheme or a modest European Social Union aim to cushion asymmetric shocks and reduce the perception that mobility redistributes burdens inequitably [61]. Such fiscal instruments could also transform monetary solidarity into affective solidarity: when citizens perceive that being European means tangible protection in times of crisis, identification with the Union deepens. Even calibrated floors on child benefits, minimum income schemes, or training rights could give EU citizenship a tangible social baseline. The politics are delicate – fear of permanent transfers remains strong – but the pandemic proved that limited common borrowing and conditional grants are feasible when designed as investments in resilience.

Completing free movement: EU citizens who move can vote locally and in European Parliament elections, but not in national parliamentary elections of their state of residence. Extending limited voting rights (for long-term resident EU citizens) in national elections is controversial, yet it would close a democratic gap for millions who pay taxes and are subject to national law. Short of that maximal step, the Union and Member States can standardize registration, simplify information for mobile voters, and mutually recognize candidacies to reduce administrative friction [25]. The Court's case law (e.g., Rottmann) already constrains arbitrary denationalization; generalized principles on dual nationality and consular protection can further stabilize the status of mobile citizens [17]. Making citizenship more

inclusive expands who counts as “European” in practice and widens the emotional boundaries of belonging.

Making citizenship more inclusive: The EU’s identity claims ring truer when rights extend beyond insiders. Strengthening the Long-Term Residents Directive, harmonizing family reunification, and creating clearer intra-EU mobility for third-country nationals would align practice with civic ideals [62]. Targeted EU-level residence permits for graduates of European universities or key sectors could address skill shortages while making the European space more permeable. Such policies would not erase the distinction between EU citizens and others, but they would mitigate the impression that citizenship is a closed club.

Civic fabric and symbolic infrastructure: Institutions alone do not sustain belonging; rituals and shared experiences help. An EU civic service (voluntary, short-term, transnational) could give young people a common formative experience beyond Erasmus – open to vocational tracks and non-university youth [41]. Expanding cross-border media consortia and supporting multilingual civic education materials would strengthen the symbolic infrastructure of citizenship. Even small design choices – clearer EU labeling on social investments or a digital “EU rights wallet” – can translate abstractions into tangible “this is for me” touchpoints.

Further enlargement: Prospective enlargement to the Western Balkans, Ukraine, and Moldova raises difficult questions. A larger Union not only tests solidarity and decision-making but also validates citizenship as a living project. Differentiated integration (variable geometry) is likely to expand: deeper core commitments for some, tailored opt-ins for others. The risk is stratification of rights; the opportunity is to keep the promise of membership credible while preventing paralysis. Designing minimum citizenship guarantees that travel across all configurations can preserve the integrity of belonging, even in a more complex polity.

6. Conclusion: Citizenship as an unfinished project

Has European citizenship built a shared identity? The evidence points to a layered answer. Legally, EU citizenship remains transformative. It has reconfigured the relationship between individuals and states, securing mobility, political participation beyond nationality, and a degree of equal treatment across borders. Sociologically, it has changed lives – most visibly for the young, the mobile, and those embedded in transnational networks. Symbolically, it projects a horizon of community beyond borders. But affectively, belonging is uneven. National identities remain stronger, and the European layer waxes and wanes with context. Brexit showed how swiftly a functional attachment can yield to emotive sovereignty. The Eurozone and asylum crises revealed how solidarity frays when burdens feel asymmetric. Conversely, the pandemic response, the Ukraine temporary protection regime, and the green–digital recovery point to a more solidaristic repertoire: when citizens see fair burden-sharing and tangible benefits, identification strengthens. This dynamic is especially visible among younger Europeans (Erasmus generation), whose lived experience of integration may transform utilitarian attachments into deeper affective bonds over time. Their perspective underscores that European identity is not static but generationally renewed through participation and mobility.

The path forward is not to replace national identities but to complement them. Three priorities stand out. First, deepen democratic practice so that citizens

experience Europe not only as a rights dispenser but as a forum where their voice matters. Second, build social foundations – limited, credible risk-sharing that renders mobility fair and cushions shocks. Third, invest in the civic fabric – education, service, media, and symbols that translate abstract belonging into lived routines. European citizenship, then, is best understood as a project rather than a finished condition: a legal status that has already altered the grammar of membership, and a political promise that will be fulfilled only if institutions, social policies, and shared narratives move in tandem. The question is not whether European citizenship can supplant national loyalties; it is whether it can anchor a broader circle of solidarity sufficient to sustain Europe's experiment in postnational democracy. That answer remains open – but it will be decided less by courtroom doctrine or treaty recitals than by whether citizens feel that the Union protects, empowers, and includes them in the ordinary cadence of their lives.

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Chapter 7

The Status of Public Sector Secondary Level Teachers in Romania as an EU Democracy

Irina-Ana Drobot

Abstract

The purpose of this chapter is to bring attention to the status of teachers in EU countries and the way it influences the status of democracies, using Romania as a main case study. Democracy, liberalism, and European Union values and principles are presented as interacting in order to lay the grounds for today's society mindset, to which we all need to adapt. Teachers develop critical thinking, media literacy, civic engagement, and tolerance. With individualism, their role is that of supporting everyone to find their place, but also to relate to the others. In Romania, the economic and political conditions have led, in 2025, to discussions over measures about lowering salaries and increasing working hours in pre-university level schools, lower-secondary and upper-secondary levels, in the public, not private, sector. Discussions consider that teachers' work is undervalued and underfunded, even if their work means intellectual and emotional effort and plays a role in promoting democratic values for students. Romanian online social media includes discussions about the role of teachers in society, focusing on their vocation, but also on their need to be supported financially by the state. EU initiatives support teachers through programs such as Erasmus+ and the European Education Area, which ensure professional development and international collaboration. Teachers support the values of the EU, among which values associated with democratic societies are at the core. Sustainable education funding, higher salaries aligned with EU standards, reduced bureaucracy are proposed policy solutions, emphasizing that investing in teachers means investment in democracy.

Keywords: democracy, human rights, tolerance, identity, critical thinking, civic engagement

1. Introduction

The role of the teacher in society is, and has always been, a frequently discussed topic. The school years have always been considered among our formative years, not only in terms of knowledge but also in terms of how we begin to acquire and share the values of our society at a certain time in history. We are well familiar with the image of teachers as guiding figures and mentors throughout our school years.

The theoretical framework of the chapter is interdisciplinary, consisting of democratic theory, educational sociology, and European policy studies. Based on the theory provided by Dewey [1], who understands education as a foundation for democratic life, we can consider teachers to be central to cultivating civic competence, critical thinking, and participatory values. Teachers are understood as transmitters of democratic values, as well as of social cohesion, if we rely on the Council of Europe's Charter on Education for Democratic Citizenship and Human Rights Education [2]. A citizen who represents values of engagement and tolerance is the result of these theoretical perspectives. In addition, we can consider the European Union Framework, presenting teachers in the context of EU democratic values. There are EU initiatives such as Erasmus+, the European Education Area, and the EU's Key Competences for Lifelong Learning [3], which present education as a tool for strengthening European identity, together with intercultural understanding and democratic values. According to these EU frameworks, teachers are seen as cultural mediators who represent EU values of tolerance, equality, and inclusion. The European Commission's Communication on the European Education Area [4] also underlines the important role of teachers regarding a shared European civic space. If we consider a sociological perspective on the status of teachers [5–7], we notice how there is a contrast between the symbolic moral and civic shaping role of teachers and their material conditions in the case of Romania.

The chapter refers to lower-secondary and upper-secondary school levels, as well as to the Romanian school system and situation. These school years are particularly related to the psychological development of students and the influence exerted by their teachers. In primary school, students are still children and tend to obey their teacher, wishing to please him or her. However, in lower-secondary and upper-secondary levels, students are close to or in their teenage years, making the teachers' task more difficult and important. Having an impact during these students' age groups is a complex task, as teachers need to adopt the right attitude to motivate them, influence them, shape their values, and help them adapt to the current mindset of their society. It should be mentioned that the chapter refers to the public, not private, education system in Romania, as well as in other EU countries. Public schools are funded by the state, while private schools are tuition-based. State-funded schools are free for families, and teacher salaries are paid by the state, not by the institutions. Regarding the curriculum, public schools follow a national curriculum, while private schools may follow both national and optional or foreign curricula. In terms of prestige, the top public schools are highly respected, whereas private schools are often seen as elite or socially prestigious institutions. Public schools differ in that they depend on the current reforms and ideology of the state for their functioning and image.

In Romanian literature, we have novels and films supporting the view of teachers as mentors and guides toward our ethical values during the high school years. Here we can mention novels such as *Çișmigiu et Comp.* (1942) and *Bună dimineața, băieți!* (1973) by Grigore Băjenaru, as well as *Liceenii* (1992) by George Șovu, (1992). Romanian films about high school students include the following: *Liceenii* (1986), *Extemporal la dirigentie* (1988), and *Liceenii Rock'n'Roll* (1991), all of them directed by Nicolae Corjos. These novels and films are important landmarks in Romanian culture, as they show the inspirational role of the teacher for high school students. Students are motivated both to learn and to understand and share the important moral values which lie at the basis of the society they live in. The high school years are represented in Romanian culture as being the most beautiful time of someone's life, when friendships established during

this time can last for an entire lifetime. Teachers are portrayed as both mentors and as highly empathetic persons, guiding and also understanding their students. Such novels and films show that the role of the teacher lies in his or her vocation and natural gift for connecting with his or her students, and making them internalize moral values and also acquire basic notions from the subject they teach. The way in which a subject is taught becomes crucial to the way in which a student can accumulate knowledge about it. Students are very much influenced until and including their high school years by the way a subject is taught and by the personality of their teacher in order to decide whether or not they are attracted to a certain domain and subject in the curriculum. The high school years represent the years of adolescence, where physical and psychological development take place at a very high rate. This is the time when students struggle with philosophical questions related to what the meaning of life is and who they are.

In a democratic society, which is the society we currently live in and expect to live in once our country becomes a member of the European Union, we expect the teacher to be able to form students with democratic values. The democratic values are supposed to be taught alongside moral and ethical values, as well as alongside critical thinking. Alongside values such as respect, responsibility, empathy, and moral integrity, students should be taught skills such as problem-solving, questioning the present state of affairs, and taking into consideration multiple perspectives on the same issues. Students are expected to be taught during their school years to be and to think independently, as well as to become useful to society through their sense of responsibility.

Teachers, thus, have the role of forming new citizens, alongside offering them basic knowledge in various subjects, such as mathematics, geography, history, foreign languages, and others. Teachers transmit to their students notions about their culture, their history, as well as their social norms, helping them gain a sense of cultural identity, as well as knowledge about other cultures. Understanding other cultural mindsets is one of the values of European Union society, which leads schools and teachers to have the role of helping students live in social harmony with members of other cultures. Teachers help students adapt to the values of the society they live in. Since they live in a multicultural society, they are expected to be allowed to understand its values and to act as expected. Teachers need to adapt themselves to new educational methods and technologies, as well as to the needs of present-day society, helping students adapt to them as well. Living in an individualist society leads to teachers needing to help students discover what they are good at and to guide them toward the right careers based on their skills and interests. Once teachers realize we live in a democratic society, making students aware of the social inequalities in the world they live in is a significant step. Teachers can help change the social mindset by teaching students inclusivity and social justice alongside equality, which are values promoted by the democratic society they are expected to live in.

Any school curriculum is meant to be constructed in such a way as to make the subjects taught have practical relevance to the present-day requirements of employers and society at large. School is supposed to have a strong relevance to the real, everyday life world students are going to live in, and the values of a society, once taught and adopted, can help students easily fit in, both as individuals and as citizens. Next to the family setting, school is supposed to help individuals internalize shared social norms and values, which provide common ground for understanding among individuals.

The society we live in, within the space of the European Union member countries, relies on values such as freedom, democracy, and multiculturalism, to which the slogan "Unity in diversity" can be added in order to suggest how each and every individual,

though unique, can find his or her place in a society that is tolerant. The world we live in is individualistic, a trait specific to Western societies and cultures. We can also add to all these values and mindsets specific to our world today liberalism, according to which individual freedom, equality, together with limited government, are the main significant aspects. The protection of individual rights, as well as civil liberties, democracy, and the rule of law, are among the foundational values of liberalism.

We rely on a model for teacher training in which teachers are encouraged to become intellectuals involved in the community. Involved intellectual teachers are those whose professional identity relies on robust intellectual self-esteem, a culture of actively caring about other people, awareness of social activism, and commitment to public activity [8].

We can notice from the above quotation how much teachers rely on a strong connection to society and community, being actively involved in their public lives. A teacher cannot live in isolation from society and its values, as he or she should be interested in modeling the personalities of his or her students, which in turn requires knowledge of the present needs of society. A teacher should, thus, be committed to public life and help students become like this as well. In order to help others adapt to everyday life in accordance with its current values, as well as to professional life, teachers should be familiar with and adapted to these themselves. In this way, teachers can serve as genuine role models, since they become believable to students once they honestly believe in the values they teach.

A close look at the common basis of values in our present-day Western culture's society can make us see clearly the way in which the teachers are expected to interact with these values and how they are seen as representing them.

Section 2 of this paper discusses the interaction among democracy, liberalism, and European Union values and principles in relation to teaching activity. Section 3 examines the difference in status regarding the profession of teachers in Romania compared to the same profession as perceived in the EU. The conclusion aims to offer some guidelines related to possible policy making measures and solutions to address the current situation of teachers in Romania within the EU context.

2. Democracy, liberalism, and European Union values and principles: A significant overlap and interaction

We tend to refer to democracy and liberalism interchangeably in everyday speech, without actually considering their definitions. We refer to these notions intuitively, having in mind keywords such as freedom and justice. To these terms, we add another one: that of the European Union, which is associated with democracy and freedom. We frequently come across these terms in protests. These words appear most often in what the participants in the protests claim, in spoken words and in written words, on their signs and posters. Posts and comments on online social media referring to various protests also include these keywords. They are presented as being associated with common references and values, and those arguing for their rights and protesting show that these values are a strong part of our mindset.

We can see how the values of democracy, liberalism, and the European Union have a common core, as they overlap and interact, making us understand why mentioning them and related values has such a great impact when it comes to protests and defending the rights of the individual and of the group.

Nowadays, when we say *democracy*, we think about personal freedom and personal rights. Democracy refers to the “process of collective decision-making in which all or nearly all the members of the permanent adult population of the society have effective rights to participate as equals in a crucial stage of the decision-making” [9]. The term is extended to everyday life situations where members of any group are allowed to equally express their opinions and make decisions about a certain situation. In our minds, democracy means and includes justice, freedom of choice, freedom of expression, equal rights, and a very small degree of interference from an authority figure. These associations with democracy are a reflection of the aims and values of the European Union [10]. The values listed on the EU site are the following: human dignity, freedom, democracy, equality, the rule of law, and human rights. Human dignity is understood as forming “the real basis of fundamental rights” [10]. Freedom refers to respect for the values and rights of the individual, such as “respect for private life, freedom of thought, religion, assembly, expression and information” [11]. Equality refers to “equal rights for all citizens before the law” [10]. The rule of law refers to the fact that “Everything the EU does is founded on treaties, voluntarily and democratically agreed by its EU countries” [11]. Human rights refer to examples such as “the right to be free from discrimination on the basis of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, the right to the protection of your personal data, and the right to get access to justice” [10].

The features of democracy and the values of the European Union resonate and overlap with the mindset of an individualist society, which comes in opposition to a collectivist one. An individualist society emphasizes the interest of the individual over the interest of the entire group, encouraging the individual to be different and not to be pressured by society to be like the others and to conform to rigid social rules and conventions. An individualist society has a relaxed relationship with authority, in the sense that individuals are expected to be allowed to negotiate and express their opinions freely. Such a society encourages creativity and innovation. These features are visible in the family, in schools, universities, at the workplace, as well as in various institutions. Power distance in individualist societies is low, meaning that individuals have a related relationship with authority. They are not expected to always do as they are told, as in high power distance societies.

One problem in today’s society, as far as the relationship with authority is concerned, is the degree of intervention by the state, as a symbol of authority and control, in the lives of individuals. In a democratic society, citizens can negotiate with political leaders through voting and protests. They can express their opinions, although at some point, they may feel powerless and that they do not have much control over what those in power are deciding.

Here we can introduce the term liberalism, which “is associated with nonauthoritarianism, the rule of law, constitutional government with limited powers, and the guarantee of civil and political liberties” [12]. This is the application of the mindset and values to political life. In addition, we identify within liberalism the freedom of speech associated with democracy and the tolerance, non-discrimination, as well as human rights supported by the EU values: “A liberal society is tolerant of different religious, philosophical, and ethical doctrines and allows individuals to freely form and express their conscientious convictions and opinions on all matters and live according to their chosen purposes and life paths” [12]. Once individuals are free to express their opinions, it means that they are allowed to hold on to and practice the values that they believe in. This,

in turn, means that they are allowed to be themselves and that they are not pressured to change in order to conform to an imposed set of values which is not presented as belonging to them.

Freedom lies at the core of liberalism: “Liberalism is the term for a broad family of political theories united by the belief that the protection or promotion of liberty is the primary purpose of the government” [13]. Freedom is, thus, commonly agreed upon among citizens and made possible by the very law. This leads us to form a larger picture as to why citizens, once they decide they have to protest, are entitled to do so, since the government should support their freedom. Once citizens feel that their freedom has been put aside in favor of other interests, they believe that this is not right and that they need to do something in order to ask for justice. They feel that the government is responsible, together with the political leaders, to ensure their freedom and, thus, their well-being and individual rights. At the same time, we notice that freedom becomes a problematic and vague notion. We cannot simply do anything we please when we live in a community, as we also need to take into account not only the rights of others but also the larger picture, keeping in mind the way in which the state can function and the way in which our country is situated at the international diplomatic level in relation to other countries. Here, we have in mind the benefits enjoyed or not by various professions regarding their salaries. Depending on the overall political and economic conditions, salaries may be cut during moments of crises. This has been the case with the measures frequently taken for pre-university level teachers’ salaries, among other measures usually implemented during crises and their consequences. The present paper refers to the particular case of Romania. Teachers have, on various occasions throughout the years and during various moments of economic crises, stood for their rights through protests, believing that they are entitled to be respected in society and that their contribution to society is important. They have understood the reduction of their salaries not only as having the consequences of hard living conditions but also as a sign of disrespect toward their profession and contribution to society. In addition, they have believed that the entire values of education and sense of ethics, as well as the possibilities to become good citizens supported by the influence of teachers over their students, were in danger. Teachers have felt that not only their personal and professional integrity were under attack but also the very value of education in society. They believed that education would be looked down upon in society from now on, with support from the political leaders, which would lead to an alteration of values associated with the foundation of knowledge and moral formation received during the school years. Education should remain a priority in Romanian society – this is the direct and implied message of all the protests and discussions in online social media regarding the image of the teacher in Romanian schools and society.

If we consider the value of equality promoted by the EU, and the associated value of reducing inequality, values which are also part of liberalism, we realize that education is one means of reducing inequalities, alongside welfare and healthcare. Here we have a very good reason to consider the perceived attack on education through measures of economic crisis as an attack on the core values of a democratic, liberal society. Since these values of democracy, liberalism, justice, and other associated ones are part of the law and supported by the government through laws, it clearly seems unfair and wrong for the government to go against not only its promises but also the very laws and values it claims to support. The rule of law, which is part of the EU's values, is expected to be

followed by everyone, and those in power are no exception. According to the rule of law, laws protect individual rights and must be applied fairly.

We may consider two types of liberalism: classical and social, or modern, liberalism. For classical liberalism, we have the focus on individual freedom and limited intervention by the government. Among the representative thinkers, we find John Locke, Adam Smith, and John Stuart Mill. Social, or modern, liberalism emphasizes individual freedom and social justice. It supports the intervention of the state when it comes to addressing the issue of inequality and providing public services, including education and healthcare. Among the representative thinkers of modern liberalism, we can find T.H. Green, John Dewey, and John Rawls. Education, thus, is a public service that represents a core EU democratic and liberal value of reducing inequality, which is made less efficient or even sabotaged by the very mechanisms of the state that should support it. The austerity measures from 2025 have sparked discussions over the role of teachers and education in society. Stopping investment in education has become a standard economic crisis measure, and the 2025 economic crisis brought about by the war in Ukraine, which is supported by the EU, Romania being an EU member, was no exception. In general, the budget for education in any state is small compared to the budget allocated to other domains. Debates on whether this is correct or not can be found in Romanian online social media. Parties such as DEMOS and related members' campaigns have tried to support education and culture, to which the amount of budget allocated has always been small in Romania. This support for education, alongside the protests of teachers against austerity measures regarding salary cuts, raises awareness of the necessity to stand up for EU values. Education, being a means to reduce inequality and bring equal opportunities, becomes a way to support and reinforce EU values in Romanian society.

3. The status of the teacher in the EU vs. in Romania

The low salary problem for teachers in Romania, brought up recently by the situation of austerity measures in 2025 due to the economic crisis caused by support for Ukraine in the war with Russia, is more than just a salary issue. It is a question of status, prestige, and being acknowledged for their role in society. It is, thus, not just a matter of economics but also of social status that is at stake in the 2025 protests and online media discussions.

As a member of the EU, Romania can only aspire to be among the countries with the best conditions. The EU has as its objective to reduce inequalities of various kinds, and education is one area where this could happen, together with better living conditions for its citizens.

If we look comparatively at the situation of teachers in Romania and other EU countries, we notice that there are sets of countries where the general tendency is higher salaries. These are the Western and Northern European countries, which include Germany, the Netherlands, Luxembourg, and Finland. The lower salaries, compared to the national average pay, are found in Eastern and Southern European countries, such as Bulgaria and Greece, a category that also includes Romania. Based on the findings of the European Commission (Eurydice Network), the general situation of teacher salaries is that, at the beginning of their teaching careers, they are

below the national average income, while they are expected to grow slowly after working and gaining professional experience over the years.

Romania, as a country that joined the EU in 2007, has been continuously aspiring to become a democracy like the other, more developed EU countries, with all the advantages these can ensure for various professions, such as those of teachers, their status, and living standards. In addition, Romanian teachers aspire to enjoy the high social status of teachers in Finland. Public respect for teachers is believed to be lower in countries where the education system is confronted with funding challenges [8]. Indeed, in Romania, teachers' salaries have gone through significant lowering phases during the times after the 1990s, and respect for schools and the teaching profession has also significantly decreased. Freedom due to the democratic regime has been misunderstood by students, who believe they do not need much education in order to be successful. In addition, teacher authority has begun to be strongly questioned by students, leading to discipline problems. While some ages may be associated with rebellion – and here we have in view the teenage years – and we may consider this a normal part of development, other issues related to challenging the authority of teachers may be connected to negative social perceptions of school as an institution, which has been considered outdated and uninteresting. Issues regarding an old system of teaching and learning, and an irrelevant school curriculum for ensuring the current professional skills required when students are applying for their first jobs, have often stood out as far as Romanian schools are concerned. There have been constant efforts to change what has been called an outdated education system in Romania, which relies too much on theory and rote learning of certain notions and too little on practical applications. Nowadays, teaching skills are constantly emphasized in relation to the education system in Romania, and they are often brought to attention and taught in teacher training programs and workshops, as well as discussed in articles presented during scientific sessions. Critical thinking and developing competencies for students, as well as active participation of students during classes, are constantly discussed and practiced. Curricula are constantly being developed at all levels of the educational system in Romania to align with EU teaching and learning standards. These standards can be found on the EU site, just as the standards for various professions, e.g., translator and interpreter, which are strongly related to the way in which the values of the EU are promoted and to the official languages of the EU. A number of foreign languages are included in school and university curricula as part of aligning with EU standards.

Since students are taught to think critically regarding certain subjects of study and topics, and to consider issues such as environmental care and volunteering for various social issues, to which they are made sensitive during their school years, we can notice how teachers have a major role in preserving and passing on democratic values. Critical thinking, civic education, as well as democratic engagement, are part of the EU objectives, and, in particular, of the EU Citizenship Education frameworks [14]. Human rights, respect for diversity, anti-discrimination, and environmental awareness, as values of the EU, use education as an ideological tool to teach and reinforce them. The connection between ideology and education becomes a beneficial one, as EU countries form their citizens through the way in which these values are present in the curricula and through the way in which they are presented at the level of all cultural products. The books that are recommended for reading for students of a certain age are also part of the ideological promotion and reinforcement. Citizens are educated in the spirit of a European, democratic, liberalist, individualist, and

nationalist society. The EU also encourages a society of welfare, where equal chances for development are promoted with respect to school and education. Teachers are expected to reinforce social cohesion, in addition to democratic values.

However, problems continue to exist in spite of the wishes and efforts to adapt to EU levels and standards. There are problems in other countries in the EU as well, not just in Romania, with the small number of teachers in rural areas, despite the efforts to diminish social inequalities. This is why conferences such as those organized by Enformation try to popularize the special efforts of teachers and students in schools, particularly in rural areas or in cities other than the capital. Special efforts to rely on EU funds to buy educational resources for laboratories for various subjects, as well as cooperation in school activities with other schools in the EU, are among the examples that are highlighted. These cases suggest the way in which such teachers and schools become the standard and models for others to aspire to and understand as reflecting EU standards. Innovation and creative efforts in teaching activities are highly appreciated, and these cases presented in the series of Enformation conferences confirm this. The conference series also emphasize students' individual merits and performances. The innovation, creativity, and achievements of both students and teachers are a defining feature of an individualist society. In turn, the individualist society is facilitated by democracy. Freedom to do as we want and to become what we want is well-known from the American rags-to-riches myth, from a country that relies on the basic values of freedom and self-achievement. Such achievements by individual teachers of a certain subject in certain schools, who manage to adapt to the current technological realities of present-day society, are examples of how knowledge of the subjects that are taught is intertwined with vocation.

The standard image of the teacher in all cultures is an idealized one: a person who possesses both knowledge of the subject and a vocation for making it attractive to students. In addition, the teacher is expected to be empathetic, an intuitive psychologist, and a guide for students in their personal development and in discovering what they are best at, alongside helping them develop their moral values.

The vast amount of effort put into preparing lessons and investing in the formation of students, which also includes empathy and understanding for a certain student's problems, is left unknown to those not working in the domain of education. The 2025 austerity measures in Romania have brought to light the issues regarding what is not known or taken for granted in the work of teachers. There is a lot of work that is not seen by the public in the area of teaching. While, at surface level, it seems an easy job, teaching implies extensive preparation, emotional effort, and additional activities such as Olympic exams, which are not paid. These unnoticed activities were brought to light in online social media discussions and articles. Those practicing other professions believed that teachers have a very comfortable life, with long vacations, yet even these beliefs were proven wrong. While the students enjoy their vacations, teachers use this time for administrative work or sit for exams that can decide whether or not they will have a tenure position in the future. While a teacher does not go to work at a job like other members of society, with a fixed work schedule every day from a certain time to a certain time, he or she does not work fewer hours than others. The time spent in school does not equal the time spent working. The teachers' work continues at home, and the boundaries between work and personal life are not clearly drawn as they continue to correct tests, homework and prepare future lessons and study materials for their classes. In addition, some teachers may continue to communicate with students' parents about their children's issues and provide them with information regarding their

activities and discipline problems. The work of a teacher may not stop during the time they are at home and not at school, unlike the work of other professionals. The time spent in institutions such as schools, therefore, does not overlap with the time they spend working, considering the scope of their responsibilities. Furthermore, at some point, in online social media discussions, particularly on Facebook, the work of teachers was compared to the work of surgeons. The argument set forth by one user was that surgeons save lives, and a human life depending on them is by far a more stressful job than that of a teacher having to discipline a class of students while also focusing on teaching the material prepared for their subject. Such comparisons prove that the work of teachers is not considered one of major significance to society. However, we may argue that every profession is important. Yet, with economic crisis measures, some sectors of activity benefit from a smaller portion of the state budget than others. This suggests a sense of hierarchy among professions, and the profession of teaching is perceived as being situated below others due to the way salaries are lowered as a result of economic crises.

Education reforms during the 2025 austerity measures certainly did not favor teachers. Previously, prior to the economic crisis and the associated measures, teachers had received cards from the EU that allowed them to purchase, within a budget limit, necessary items for the teaching and professional development process, such as books, online and face-to-face courses, training sessions, workshops, and conferences. They could also buy materials for teaching activities within the limits of products available in various online and offline stores, e.g., technological gadgets such as tablets, phones, and smartwatches.

For some brief periods of time, teachers received support for formation and material resources; yet, afterward, those advantages were taken from them. It was announced that the benefits brought by the EU card for teachers would be revoked. Scholarships for students were cut off and done away with. In addition, teachers could not secure tenure positions and would continuously need to sit for the tenure position examination. Even if they took the exam, a tenure position would not be available to them. Furthermore, it was brought to public attention that, in order to fulfill the required number of classes, teachers might have to teach in multiple schools, not just one. These were significant issues highlighted by online social media, once the austerity measures for 2025 were introduced. Many uninformed individuals believed that teachers did not put in much effort and that the salary cuts were justified. The amount of work behind teaching and the challenges faced by teachers in their profession, particularly in securing tenure positions, were not publicly exposed until the 2025 budget cuts due to austerity measures.

Since the teachers' job could not ensure the basic resources and comfort for everyday living, teachers have always had to supplement their income through private lessons. Such a practice was condemned, and eventually, people outside the education system believed that teachers should declare the income from private lessons to the state, as it was not fair for them to gain so much additional money.

High workloads, including administrative work, as well as emotional stress, are reported by teachers, yet remain unnoticed by those outside the education system. With the issues raised by the 2025 austerity measures, these problems surfaced and were brought to public attention. Individual accounts of teachers began to express solidarity as they shared their agreement and opinions about the excessive amount of work expected of them, with no recognition, let alone any additional pay.

However, political leaders from Romania expressed their opinions that investing in education proved to be wrong, as the general results of the students were poor. The teachers' efforts are not visible.

The EU offers support for teachers in the form of programs such as Eurydice and ET2020/ET2030, which are frameworks that support cooperation among EU member countries on improving teacher education, mobility, and overall education. Other programs including Erasmus+ offer teachers opportunities for mobility and professional development, while the European Education Area (EEA) aims to make the teaching profession more attractive throughout the EU by 2025 and afterward.

With such programs, opportunities for teachers align Romania with EU standards and help teachers benefit from various opportunities for professional development. While they teach in exchange programmes, Romanian teachers can benefit from resources and infrastructure designed to help them practice their profession in a highly attractive manner.

One of the main issues with teaching in Romania stems from the absence of resources. However, as we have seen, once they access EU funds and projects, they can benefit significantly from them. Romanian schools may become equipped with EU-standard technology in this way. Thus, the EU offers support for teachers in all member countries, recognizing the gaps in development and conditions among schools in various countries.

The support of the EU has been a major factor in deciding to vote for Nicusor Dan, the candidate promising to align with EU values during the 2025 presidential election campaign. The other candidate, George Simion from the AUR party, was associated with nationalist tendencies and rejection of the EU. Many teachers supported Nicusor Dan and considered him to be the candidate representing their interests. He is also a Math teacher, thus a teacher himself. However, quite soon afterward, Nicusor Dan imposed austerity measures, which included budget cuts to the education sector, affecting teachers' salaries as well as their working conditions. Classes were supposed to have a higher number of students, and teachers were expected to work two additional hours without being paid for them. This sparked revolt among the teachers of Romania, and a series of protests followed. Eventually, after explaining how their working conditions were going on, teachers said that they did not want higher salaries but wanted classes to have the usual number of students so that they could work properly with them.

The teachers in Romania, therefore, are left to aspire to working conditions in the EU as ideal working conditions, especially during times of crisis, when austerity measures are in effect.

4. Conclusion

The concept of democracy in Romania remains problematic, especially in times of economic crises, when there are many restrictions and budget cuts for various professions, including that of teachers. The teaching activity does not benefit from much of the state budget, and other citizens practicing other professions are not aware of the amount of effort put into the work of a teacher. The austerity measures for 2025, which had consequences on the salaries and working conditions of teachers, were an occasion for raising awareness toward what is not visible regarding the teaching activities in pre-university level schools.

While the teaching activities may not involve the effort of physical labor or life-saving in the medical field, and while the profession of a teacher may not mean spending fixed working hours in an institution, the work of a teacher does indeed involve a high amount of effort. The effort is intellectual, as the teacher needs to prepare their materials and correct homework and tests. In addition, the effort is also emotional, as they need to take into account the personalities of so many different students and their emotional needs, especially at pre-university levels when they work with students of very young ages and with high-school students, who are facing complex psychological development issues and dilemmas specific to their age.

Teachers try to reinforce the democratic mindset in their class activities by promoting active participation on the part of the students, team work, and having them work independently without the authority of a teacher, with the teacher being instead a facilitator and guide. The teacher tries to create a democratic mindset in the classroom setting through practical activities, while also trying, him or herself, to answer all the needs of present-day society.

Since we realize the issues related to secondary education in Romanian society, we may think of policy recommendations in this case. While teachers play an important civic role in the transmission of democratic values (e.g., tolerance, civic engagement, critical thinking, etc.), their professional and economic status is vulnerable with respect to political and economic pressures. Salary reductions, together with extended working hours, which are, until now, the results of the situation of Romanian teachers in 2025, reflect the tensions between teachers and the decisions of the state.

Romanian policies could consider the following solutions, starting with allocating a sustainable budget for education, even during austerity measures, considering that investing in education should be understood as a strategic investment in democratic values. In this sense, teacher salaries in Romania should be raised to match those practiced based on the standards of EU member states. In addition, the administrative and bureaucratic work of teachers should also be reduced, so that they can focus on teaching activities. There should also be a focus on professional development opportunities aligned with EU standards. Furthermore, EU-level funding mechanisms could help ensure professional training and mobility programs for teachers from lower-income member states, including Romania. EU-level institutions can also offer opportunities to address inequalities in teacher status across member states based on the European Education Area and Erasmus+. Considering and finding such solutions would reflect the preoccupation with the education sector and with the status of teachers in our contemporary world.

Conflict of Interest

The author declares no conflict of interest.

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Section 3

The EU as a Global Actor

Chapter 8

Perspective Chapter: Contesting Sovereignty – The EU’s Strategic Turn and the Geopolitics of Peace

Aistė Deimantaitė

Abstract

This chapter examines how strategic sovereignty has evolved within the European Union and why it has become a contested geopolitical language of peace. Drawing on discursive institutionalism and critical geopolitics, it analyses how EU institutions and national leaders legitimise new instruments and competences, and how these claims are anchored in spatial imaginaries such as core Europe, the eastern frontline, peripheries, and buffer zones. The genealogy begins with Emmanuel Macron’s 2017 Sorbonne speech and follows three moments: a pre war phase where sovereignty functioned mainly as an integrative aspiration; a 2022 operational turn after Russia’s full scale invasion of Ukraine, when sovereignty justified defence, energy, and industrial measures; and a 2023 to 2025 phase in which peace re enters the vocabulary through reconstruction, neighbourhood stabilisation, resilience support, and conflict prevention. Empirically, the chapter maps speeches and policy documents to show how sovereignty is enacted through defence industrial policy, common procurement, sanctions, energy diversification, and capability planning. It develops a typology linking sovereignty stances to competing peace narratives: an integrationist position that treats EU level sovereignty as a collective capacity to secure peace; a conditional camp split between procedural and budgetary control and eastern deterrence priorities; and a sceptical position that equates sovereignty with the right to abstain and seeks rapid de escalation. The chapter concludes that strategic sovereignty is not a fixed doctrine but an arena where autonomy and interdependence, peace and deterrence, are continually negotiated, with consequences for coordination under unanimity and for governance tools such as sovereignty stress tests.

Keywords: strategic sovereignty, European union, integration, security, peace, critical geopolitics, discourse analysis

1. Introduction

The idea of European strategic sovereignty was introduced forcefully by French President Emmanuel Macron during his 2017 Sorbonne speech, where he argued that “only Europe can ensure true sovereignty” [1]. Initially met with skepticism, particularly from northern and eastern EU member states, the term has since evolved

from rhetorical ambition to strategic imperative, especially following the war in Ukraine, growing tensions with China, and uncertain transatlantic ties during the Trump administration. What began as a French call for greater European autonomy became, by 2022–2025, a language through which EU actors justified new defence, energy, industrial, and foreign policy instruments.

Several EU leaders, including Ursula von der Leyen, President of the European Commission, argue that European integration should align with the goal of achieving European sovereignty: the EU must be able to protect its security, regulate its dependencies, and act in its neighbourhood [2]. This emerging narrative links sovereignty to concrete policy instruments – joint procurement, defence industrial policy, sanctions, energy diversification – and frames them as collective European assets rather than as the sum of national capabilities. At the same time, member states are far from unified on what such “European sovereignty” should mean in practice, or how far it should go.

The war in Ukraine made this disagreement impossible to ignore and raised questions about peace and its models, which directly influence the evolving meaning of strategic sovereignty. This includes considering whether to pursue peace through force and deterrence, to adopt a stance of accommodation or “appeasement” toward the aggressor, or to strive for a form of “positive peace,” understood as a durable, just, and institutionally guaranteed order [3] Galtung, 1969). These options reflect conflicting geopolitical visions about Europe’s borders, who represents Europe, and who is perceived as vulnerable, protected, or expendable. In other words, appeals to “peace” are not neutral; they are part of the struggle over who has the authority to speak and act “for Europe.”

This situation leads to a critical question: does European strategic sovereignty reinforce or erode national sovereignty at both legal and political levels? The concept of European sovereignty implies a deeper level of EU integration, which has sparked significant debate and criticism. Member states can be broadly grouped into three approaches: (1) support for deep integration and EU-level sovereignty, where the EU acts as a strategic subject; (2) conditional acceptance of a stronger EU role while retaining primary decision-making power, especially in defence and escalation control, within member states; and (3) outright rejection of an empowered EU in matters of war and peace. These are not simply policy preferences; they are competing narratives about authority, responsibility, and the spatial boundaries of Europe.

The purpose of this chapter is to explore the actualization of the concept of EU strategic sovereignty and its main directions within the Union, particularly in the context of the war in Ukraine. It aims to present arguments from both supporters and opponents of EU-level sovereignty, as well as to analyse how different visions of “peace” shape that debate. Additionally, it draws conclusions on the political feasibility of strategic sovereignty and offers policy-oriented reflections.

Analytically, the chapter combines Discursive Institutionalism – to examine how leaders justify new instruments, competences, and responsibilities as both necessary and legitimate – and Critical Geopolitics, which is used here to show how those justifications are anchored in spatial imaginaries such as “frontline,” “core Europe,” “periphery,” or “buffer zone.” This makes it possible to see strategic sovereignty not only as an institutional ambition in Brussels but also as an ongoing struggle over the mapping of Europe’s security space.

The war in Ukraine has had a significant and transformative impact on the European Union’s approach to strategic sovereignty. It exposed vulnerabilities in

defence, energy, and economic resilience, and accelerated a drive to act more independently and decisively on the global stage. At the same time, it also amplified internal frictions. In this sense, the war functioned less as a single turning point than as an accelerator that made underlying tensions visible.

Therefore, the main objectives of the article are to: 1) briefly discuss existing research on the topic of the European Union's strategic sovereignty; 2) present the research model; 3) discuss the evolving discourse on strategic sovereignty among top-level politicians, from Macron's Sorbonne speech to the context of the war in Ukraine, including the perspective of peace; and 4) assess the political feasibility of European strategic sovereignty and discuss its implications.

The chapter is structured into four parts. The first part revisits the genealogy of "strategic sovereignty" in the EU and shows how the notion moved from rhetorical ambition to strategic imperative. The second part outlines the analytical framework, combining Discursive Institutionalism and Critical Geopolitics to explain how sovereignty is articulated, spatialised, and legitimised. The third part traces the transformation of the discourse across three moments – pre-war, the initial phase of the Russian invasion of Ukraine, and the current phase in which "peace" re-enters the vocabulary of sovereignty. The fourth part develops a comparative typology of member state positions and reflects on internal tensions within and between these positions. The conclusion separates theoretical contributions from policy implications and discusses the political feasibility of European strategic sovereignty.

2. Literature review

Macron's speech at the Sorbonne introduced the idea of "European sovereignty" to the EU agenda, presenting it as essential for enabling Europeans to take control of their own destiny amidst global challenges [4]. Bickerton and his co-authors have noted that this concept immediately sparked new conflicts regarding sovereignty, which manifested in foundational (who holds ultimate power), institutional (at what level are decisions made), and territorial (which areas fall under "sovereignty") dimensions [5]. He conceptualises "shared sovereignty" as central to contemporary European integration, arguing that it creates institutional ambiguity and new forms of sovereign conflict within member states [6]. This reconceptualization supports the idea that strategic sovereignty is becoming a key element of EU identity, transcending traditional intergovernmental boundaries. The EU is not only functioning as a political union but also striving to become an autonomous geopolitical actor.

Deimantaitė previously argued that the relationship between national and European sovereignty is not a zero-sum game; rather, it is a dynamic process that involves continuous negotiations. The text highlights that while states aim to maintain their legal and political authority, they recognize that "true sovereignty" in addressing global challenges like climate change, international trade, or security can only be achieved through the EU [7]. This analysis is further supported by Bickerton et al. [8], who conclude that EU integration presents fundamental challenges regarding the source of ultimate authority. However, *Achieving Strategic Sovereignty for the EU* [9] emphasizes that strategic sovereignty is not about autarky but about managing dependencies, particularly in economic and technological realms. Poli [10] examines EU initiatives in technology, such as the Chips Act, noting that these efforts highlight the necessity for close coordination between states.

Following the Russian invasion of Ukraine, the concepts of “strategic autonomy” and “strategic sovereignty” began to merge, with the defence dimension becoming the focal point of both [11]. Similarly, Helwig [12] asserts that after the invasion, strategic autonomy transitioned from a rhetorical concept to an actionable project aimed at strengthening practical capabilities. He underscores the “gap between ambitions and capabilities,” which compels the EU to develop new instruments. Genini [13] analyzes the implementation of mechanisms like the European Peace Facility, noting their limitations due to the principle of unanimity, which hampers the effectiveness of actions. Perotto [14] shows that PESCO, EDF, and CARD have established a new defence ecosystem, with its effectiveness relying on coordination among member states.

Dalby [15] and Ó Tuathail [16] point out that geopolitical discourses often utilize spatial metaphors (e.g., “core,” “frontier,” “periphery”) to legitimize political decisions. These categories are evident in the EU context, particularly regarding the war in Ukraine, where the “Eastern Border” is framed as a security buffer, and Central Europe is portrayed as a “core” where power should be consolidated. This spatial imagination not only shapes EU policies but also reinforces the narrative of a common threat and the necessity for united action.

3. Methodological and theoretical approach

This chapter adopts an integrated methodological and theoretical approach to examine how the idea of “strategic sovereignty” in the European Union is articulated, contested, and spatially justified. Rather than treating sovereignty as a fixed legal category, the chapter understands it as a discourse: a set of claims about authority, responsibility, and security that different actors try to normalize. Two complementary perspectives guide the analysis. First, Discursive Institutionalism (DI) is used to trace how political leaders justify new instruments, competences, and modes of action as both necessary and legitimate. Second, Critical Geopolitics (CG) is employed to analyse how these justifications rely on particular spatial imaginaries – who is imagined as the “frontline,” who speaks for “Europe,” which territories are framed as buffers, and how “peace” itself is mapped.

3.1 Discursive institutionalism (di)

Discursive institutionalism, as defined by Vivien A. Schmidt, is the fourth strand of “new institutionalism,” focusing on the content of ideas and discursive processes in political and institutional contexts [17]. Unlike rational choice, historical, or sociological institutionalism, DI posits that institutions are not merely sets of rules but also contexts filled with meanings and ideas shaped by “thinking and speaking agents” [18]. Seen to DI, ideas exist at three levels – policies, programs, and philosophies – and can be categorized as cognitive (defining what actions to take) or normative (defining what is considered right) [17]. Discourse is the process through which these ideas circulate.

DI distinguishes between coordinative discourse and communicative discourse [17]. Coordinative discourse refers to the way policymakers, institutional actors, and national leaders negotiate and align their visions with one another (for example, when EU institutions and national governments attempt to define common instruments for defence or energy security). Communicative discourse refers to how these same actors publicly present and legitimise their ideas to citizens and partners (for example, framing strategic sovereignty as necessary for survival, responsibility, or peace).

This framework is particularly relevant in the EU context, where sovereignty is multi-layered and where tensions between supranational authority and national control are explicit. By analysing how “strategic sovereignty” is articulated – as defence capacity, energy autonomy, economic resilience, or a European “duty” to stabilise its neighbourhood – DI helps reveal the justifications that leaders use to make certain choices appear both necessary and legitimate. It also helps explain why some governments argue that sovereignty must be exercised at the EU level, while others insist that sovereignty remains primarily national and that European-level action must remain conditional and reversible. For example, in Hungary’s discourse, sovereignty is explicitly framed as a normative obligation to keep the country out of war: national leaders present refusal to escalate as a responsible act of protection, and portray pressure for deeper alignment with EU or NATO positions as an external intrusion into sovereign decision-making.

The chapter therefore uses DI to trace how strategic sovereignty is: (a) introduced to the agenda by key leaders (for instance, Macron’s Sorbonne speech in 2017 as a case of communicative discourse [19]); (b) coordinated between EU members and institutions (for example, in policy instruments such as the Strategic Compass [20]); and (c) reframed in crisis conditions after the invasion of Ukraine, when questions of defence production, escalation control, and “peace” became central to how sovereignty was argued for and against [21].

3.2 Critical geopolitics (cg)

Critical geopolitics emerged as a reaction to traditional geopolitics, which has often been dominated by the dynamics of great power competition and territorial control [15]. Drawing on the work of Simon Dalby and Gearóid Ó Tuathail, critical geopolitics explores how spatial representations and discourses legitimize political practices [16].

At the same time, critical geopolitics scrutinizes how geopolitical knowledge and spatial imaginaries are constructed and mobilized to justify policy decisions. The concept of strategic sovereignty is not only institutional but also geopolitically performative, framing who is considered a threat, who is a partner, and who is entitled to protection or autonomy.

As Dalby notes, geopolitical thinking in politics often relies on the construction of “taken for granted” categories [22], such as “Europe,” “Eastern Front,” and “strategic periphery.” Critical geopolitics deconstructs these narratives, revealing that they are not neutral; they shape collective identities and political choices. It also highlights how the concept of peace is constructed differently across geopolitical narratives – whether as deterrence (in the Baltics), solidarity (in Southern Europe), or institutional balance (in Germany and the Netherlands).

In this chapter, CG is used to analyse how EU and national leaders situate strategic sovereignty in space. References to “core Europe,” the “Eastern frontier,” “frontline states,” and the “strategic periphery” do not simply describe geography. They position certain territories – especially the Baltic states, Poland, and other eastern flank countries – as spaces of risk and sacrifice, and others (often Western European capitals and EU institutions) as decision-making cores. They also assign political meaning to partners and adversaries. Russia is repeatedly named as an existential threat; NATO is invoked as a guarantor of deterrence; the EU is increasingly described as an actor that must protect, stabilise, or rebuild [23, 24]. In

this sense, strategic sovereignty is narrated not only as a legal or institutional project but as a geopolitical ordering project.

Crucially, the chapter treats the discourse of “peace” itself as geopolitical. “Peace” is invoked in different and sometimes incompatible ways across the EU. For Baltic and Polish actors, peace is articulated through deterrence, forward defence, and the credibility of escalation – peace through strength on the frontier. For many southern and western actors, peace is framed as Europe’s responsibility to stabilise its neighbourhood, rebuild Ukraine, and act as a regional security provider – peace through European capacity to act. For Hungary and other sceptical voices, peace is articulated as immediate de-escalation and refusal to be drawn into war – peace through national insulation and negotiated settlement. These are not only moral preferences; they are different spatial imaginaries of Europe, each implying a different allocation of authority. In this sense, “peace” is not outside the debate on sovereignty; it is one of the key ways in which sovereignty is claimed, limited, or resisted.

This explicit linking of peace discourse to spatial narratives responds directly to the analytical goal of this chapter. It shows how, through competing invocations of peace, member states contest who speaks “for Europe,” where Europe’s borders of responsibility lie, and what kind of strategic sovereignty is considered legitimate.

3.3 Integrated approach

By combining DI and CG, the chapter is able to show that “strategic sovereignty” is both an institutional-political construct and a discursive-geopolitical one. DI helps identify how political elites justify institutional change, frame new instruments (e.g. defence industrial capacity, joint procurement, common energy policy) as necessary, and seek to legitimise shifts in the balance between EU-level authority and national prerogatives. CG, in turn, shows that these justifications depend on particular spatial narratives: who is designated as a “frontline state,” who claims to provide “peace,” and where Europe imagines its obligations to extend. In this way, “strategic sovereignty” is revealed not as a single agreed project, but as an ongoing struggle between different sovereignty claims and different geopolitical mappings of Europe.

This perspective is also used to interpret divergences among EU member states. For example, when Baltic leaders describe themselves as “frontline states,” they construct an image of Europe in which sovereignty means deterrence and forward defence. When French leaders frame sovereignty as Europe’s capacity to “act as a power for peace,” they construct an image of Europe as a regional stabiliser and security provider. When Hungarian leaders insist that sovereignty means the right to “stay out,” they construct an image of Central Europe as a buffer zone whose role is to resist escalation rather than enforce deterrence. Each of these articulations performs sovereignty differently.

3.4 Typological integration: Peace and sovereignty

Building on these frameworks, the chapter proposes a discursive typology that links each member state’s sovereignty stance to its dominant peace discourse. The aim of this typology is not to lock member states into fixed boxes, but to clarify which logics are in tension. Broadly speaking, three positions emerge.

One position an integrationist position (e.g. France, and parts of Southern Europe) presents European sovereignty as something that should be exercised at the EU level and links peace to Europe’s capacity to act as a collective geopolitical actor.

In this view, sovereignty and peace are mutually reinforcing: Europe needs more sovereignty to be able to guarantee peace.

A second position, what was initially treated as a single “conditional sovereigntist” position is, in practice, internally divided. In one version (often associated with Germany, the Benelux countries, and parts of Northern Europe), sovereignty is acceptable if it remains institutionally and financially controlled, and if integration proceeds in ways that protect national prerogatives over expenditure, escalation, and industrial benefits. In another version (visible in Poland, the Baltic states, Romania and others along the Eastern flank), sovereignty is acceptable only insofar as it reinforces NATO, accelerates deterrence, and recognises Russia as an existential threat. Both versions resist full supranationalisation, but for different reasons: one on institutional and budgetary grounds, the other on strategic and military grounds. Making this internal division explicit addresses the conceptual over-breadth of the “conditional sovereigntist” category and helps explain why coordination within this camp is often fragile. It also shows that what appears as a shared “conditional” position in practice masks strategic disagreement between, on the one hand, states seeking procedural and budgetary control over integration, and, on the other, states prioritising hard deterrence and rapid escalation credibility.

A third position, a sceptical position (e.g. Hungary, and at times Slovakia or Austria in neutrality terms) resists deeper EU-level strategic sovereignty, frames peace as immediate de-escalation and negotiated settlement, and defends national control over decisions of war and peace. Here, sovereignty is narrated as the right to withhold participation.

By linking sovereign claims to peace narratives in this way, the typology shows that “peace” itself is contested: it can mean deterrence, managed stability, or de-escalation. It also shows that strategic sovereignty is imagined through different geographies – Europe as power, Europe as shield, Europe as buffer – rather than a single shared map.

3.5 Methodological design

The research is qualitative and interpretive. It combines Critical Discourse Analysis (CDA) of elite political speeches (for example, Macron, von der Leyen, Scholz, Orbán), EU strategic texts (such as the Strategic Compass, REPowerEU, and defence/industrial coordination initiatives), and national security statements from key governments, including Baltic and Central European perspectives. These materials are analysed both as coordinative and communicative discourses in the sense of DI, and as geopolitical mappings in the sense of CG.

In addition, a process-tracing sensibility is applied to link discursive shifts to external shocks, especially the 2022 Russian invasion of Ukraine. Rather than assuming a clean break, the chapter follows how arguments about sovereignty move from 2017 to 2025: first as an aspirational project associated with French-led calls for “European sovereignty”; then as an urgent, even existential, matter at the start of the full-scale war; and finally as a framework through which different national leaders articulate different models of “peace.” This makes it possible to see not only convergence (for instance, around the need for defence industrial capacity and energy autonomy), but also deepening divergence (for instance, over who decides on escalation, who defines peace, and who is allowed to speak “for Europe”).

Finally, the typological analysis is used to organise these discourses comparatively across member states. Its function is analytical, not prescriptive. It is

meant to clarify fault lines – between those who frame sovereignty as integration, those who frame it as conditional alignment, and those who frame it as national insulation – and to demonstrate that strategic sovereignty is now both a policy objective and a contested narrative space within the European Union.

4. The evolution of strategic sovereignty: From macron’s sorbonne speech to the war in Ukraine

The concept of strategic sovereignty within the European Union (EU) has undergone a significant transformation over the past decade, driven by external threats and internal political tensions. This chapter analyzes how the understanding and implementation of this idea have evolved in three phases: before the war, after the invasion of Ukraine, and during the ongoing conflict, when a discourse on peace emerged, using discursive institutionalism (DI) and critical geopolitics (CG) approaches.

4.1 Strategic sovereignty before the war: From macron’s vision to skeptical reactions

As mentioned above, Macron introduces the concept of “strategic sovereignty”, but he goes even further, insisting that Europe must become “a power that protects” and should no longer behave as “a junior partner” to others. In Macron’s reading, sovereignty was no longer something that could be exercised exclusively at the national level; it had to be elevated to the European level so that Europe could act as a strategic subject in its own right. This position framed the EU not only as a market or regulatory power, but as a future geopolitical actor able to deter threats, stabilise its neighbourhood, and defend its model [1]. Looking at this through the prism of Discursive Institutionalism (DI), we see that this was a communicative discourse aimed at redefining legitimacy: Europe, not just France, was presented as the scale at which protection, resilience, and strategic choice should reside.

This line of argument did not remain purely French. Southern member states such as Spain and, to a significant extent, Italy engaged with the language of “European sovereignty” in ways that linked it to external stability and regional order rather than only hard defence. In these narratives, the EU was imagined as a security provider in its surrounding neighbourhoods – the Mediterranean, the eastern flank – and as an actor responsible for post-conflict reconstruction and political stabilization[25]. Sovereignty here did not mean exiting alliances; it meant Europe acquiring the capacity to act collectively, to manage crises around it, and to “produce peace” as a form of regional governance. This Southern/Mediterranean reading already anticipated what would later be called “Europe as a power for peace”: peace not as passive non-escalation, but as active European engagement and capacity-building beyond its borders. In Critical Geopolitics (CG) terms, this positioned Europe as an outward-looking geopolitical centre, entitled to shape stability in its periphery.

However, this proposal was not embraced uniformly. Before the full-scale Russian invasion of Ukraine in 2022, several member states – particularly in Northern and Eastern Europe – remained sceptical of any move that sounded like “European autonomy” in security affairs. For the Baltic states and Poland, strategic security was anchored in NATO and, crucially, in the United States. From their perspective, “strategic sovereignty” as proposed by Paris risked diluting or

duplicating NATO, and therefore weakening the only credible deterrent against Russia. In their discourse, security sovereignty meant credible collective defence through NATO, forward presence, and hard deterrence – not an abstract European capability controlled in Brussels [26–28]. In Critical Geopolitics (CG) terms, these governments already cast themselves as “frontline states,” positioned on the eastern edge of the Euro-Atlantic space, and they mapped threat as immediate, existential, and Russian. In that view, “Europe” was not yet a military subject; it was a territory to be defended.

Germany occupied a different but equally important position in the pre-war phase. Berlin cautiously adopted the vocabulary of “European sovereignty,” but attached it to economic interdependence and institutional stability rather than to strategic autonomy from the United States. Angela Merkel famously stated in 2017 that “we Europeans must really take our fate into our own hands,” adding that Europe could “no longer completely rely on others” and therefore had to “fight for our own future ourselves” [29]. That framing is revealing: it invokes self-reliance, but not in the sense of transferring hard military authority to Brussels overnight. Germany’s pre-2022 posture combined high energy interdependence with Russia, a deep commitment to export-oriented industrial security, and continued reliance on NATO for hard defence. German officials tended to describe sovereignty in pragmatic terms – “resilience of supply, energy security, industrial capacity”. That position implied that strategic sovereignty should not be equated with a rapid transfer of defence authority to Brussels, nor with an overt “European army,” but with strengthening Europe’s economic and technological base while keeping escalation control at the national level. In DI terms, this reflects a coordinative discourse: German leaders could accept talk of sovereignty so long as it was tied to industrial capacity, fiscal prudence, and incremental institutional adaptation, rather than a sudden supranationalisation of defence. In CG terms, Germany did not frame itself as a “frontline” actor but as part of a decision-making “core Europe,” whose responsibility was to guarantee stability, prevent escalation, and preserve economic security.

What this early phase already revealed is that “strategic sovereignty” was never a neutral or shared concept even before the war. Different governments attached different meanings to who should act, where, and on whose authority. For France, and for much of Southern Europe, sovereignty meant empowering the EU to act externally as a geopolitical power capable of stabilising its neighbourhood and shaping post-conflict outcomes. For Germany and several northern states, it meant controlling strategic dependencies and industrial capacities while preserving national discretion over defence and escalation. For Poland and the Baltic states, it meant retaining the primacy of NATO and treating Russia as an existential threat, not a manageable partner. These were more than tactical disagreements. They were competing narratives about where Europe’s security space actually lies – is it Brussels, Berlin, the eastern flank, or the Mediterranean neighbourhood? – and about who has the right to speak “for Europe.”

Importantly, this pre-war phase also shows that “peace” already carried different geopolitical meanings, even if it was not yet named as openly as it would be later. In the French and Southern European narrative, Europe had to become capable of producing stability (“peace”) in its surrounding regions through coordinated diplomatic, economic, and security instruments – peace as managed region order. In the Baltic and Polish narrative, “peace” was inseparable from deterrence and

forward defence: peace meant preventing Russian aggression through visible force and credible escalation. In the German narrative of the late 2010s, peace was still strongly linked to stability through interdependence, dialogue, and controlled economic entanglement – an assumption that structured energy and industrial choices. In other words, well before 2022, member states were already imagining different “peace orders,” and those peace orders mapped directly onto different visions of European sovereignty.

Therefore, it can be said that the disagreements that became explicit after 2022 did not come out of nowhere. The core cleavage – between strategic sovereignty as EU-level agency and regional stabilisation, strategic sovereignty as conditional/nationally controlled capacity, and strategic sovereignty as NATO-backed deterrence – already existed. The war in Ukraine would not create these positions, but force them into open confrontation

4.2 Strategic sovereignty at the beginning of the invasion: From rhetoric to necessity

On February 24, 2022, the Russian invasion of Ukraine significantly altered the discourse within the European Union. Strategic sovereignty shifted from being merely a vision to becoming an existential imperative. This moment served a dual purpose: it acted as both a “wake-up call” and a “catalyst,” leading to transformative changes in the EU’s defence, energy, and foreign policies.

In 2022 German Chancellor Olaf Scholz delivered a historic speech in the Bundestag, framing the moment as a “Zeitenwende” (turning point). “Wir erleben eine Zeitenwende. Das bedeutet: Die Welt danach ist nicht mehr dieselbe wie die Welt davor” (We are experiencing a turning point, indicating that the post-war world will be fundamentally different from what it was before) [30]. Germany’s reaction illustrated how rapidly the centre of gravity shifted: the Chancellor announced a €100 billion special fund for the Bundeswehr and committed to meeting NATO defence spending benchmarks [31]. This was both coordinative and communicative: internally, it signalled a willingness to reconfigure long-standing defence and industrial constraints; externally, it justified that shift as unavoidable. Importantly, Scholz did not frame this move as abandoning NATO, but rather as Germany assuming responsibility within it. Strategic sovereignty here was articulated as the capacity to act, resource, and sustain deterrence – but still under nationally controlled escalation authority. according to Berlin presented measures as logically and morally necessary, however, the process itself was very slow. In Critical Geopolitics terms, Germany began to reposition itself from a purely “core Europe” stabiliser toward an active security contributor.

Meanwhile, the Baltic states reiterated the importance of NATO while simultaneously advocating for a strengthened European defence. Lithuanian Prime Minister Ingrida Šimonytė stated in 2023 that while Lithuania’s security is ensured by NATO, enhancing the European dimension of defence is crucial [32]. This reveals a dual discourse. On one level, it confirms that NATO remains the core guarantor of deterrence – a coordinative discourse toward allies in which national leaders reassure partners that collective defence commitments are intact. On another level, it publicly normalises the argument that the EU must develop its own defence capacity – a communicative discourse aimed at European publics, in which “European defence” is presented as something legitimate and necessary, not as a threat to NATO. In other

words, Šimonytė is doing two things at once: keeping NATO central while widening the accepted meaning of “sovereignty” to include an EU pillar.

Estonian Prime Minister Kaja Kallas makes this move even more concrete in defence-industrial terms. In her annual speech, she emphasised: “One of the priorities of the Estonian government’s European Union policy is the increase of Europe’s defence readiness. In order to increase the production capacity of the European military industry, we launched the initiative of one million artillery shells... Of course, more defence industrial capabilities are needed for war and deterrence” [26]. Here, sovereignty is articulated as production capacity, not just as high-level rhetoric. Kallas links sovereignty directly to the material ability to generate weapons (“one million artillery shells”) and to maintain deterrence. She also explicitly places this at the EU level (“the Estonian government’s European Union policy”), which frames Brussels not only as a regulatory centre but as an operational actor in defence readiness. Based on the theory of Discursive Institutionalism, this attempt aims to legitimise new EU competences by presenting them as both necessary (“needed for war and deterrence”) and already in motion (“we launched the initiative”). From a Critical Geopolitics perspective, it is also spatial: Estonia speaks as part of the exposed edge of Europe and claims the right to define what “European defence readiness” must mean.

Latvian politicians, such as Valdis Zatlers, refer to the region as a “frontline state,” which underscores a distinct approach to security in the face of the perceived Russian threat [27]. Calling oneself a “frontline state” does more than describe geography. It defines who is authorised to speak about threat and urgency. It implies that the eastern border – the Baltic states and, increasingly, Poland – is the place where “Europe” is physically (and materially) defended. A similar attitude is emerging in Poland [28]. This indicates that Baltic and Polish leaders view NATO as the primary security structure while recognizing the EU as an additional tool. In Critical Geopolitics terms, they are mapping Europe around a physical line of confrontation (“frontline”), and in so doing they claim the status of security definers rather than security recipients.

At the same time, Western and Southern leaders advanced a different reading of sovereignty and peace. French President Emmanuel Macron emphasized his position at the onset of the war by discussing “Europe puissance” (“Europe as a power”), noting that the EU’s collective action is vital for ensuring peace and security. He stated, “Notre Europe doit devenir une puissance de paix” (“Our Europe must become a power of peace”) during a speech in Strasbourg in May 2022 [25]. This is not only a moral appeal to peace. It is a geopolitical framing of the EU as an actor that has the responsibility and legitimacy to shape outcomes beyond its borders. By calling for Europe to become “a power,” Macron defines sovereignty as Europe’s capacity to act as a stabilising force and security provider in its neighbourhood. At the same time, by calling this a “puissance de paix,” he presents the projection of European power – including military and industrial measures in support of Ukraine – as compatible with, even required by, a narrative of peace. This is classic communicative discourse: he links deeper EU-level agency to a normatively attractive goal (“peace”), thereby justifying the EU’s strategic role to domestic and European audiences.

Another position became visible in Budapest. Hungarian Prime Minister Viktor Orbán expressed on February 27, 2022, that “Hungary’s interest is to stay out of the military conflict between Ukraine and Russia... we would not send weapons to

neighboring Ukraine, but would help all refugees from there” [33]. This statement highlights a coordinated and explicitly delimited sovereignty claim. Hungary draws a red line against military involvement and even against weapons transit. Orbán frames that limit not as selfish obstruction but as a duty of protection: Hungary’s sovereign responsibility is to “stay out.” In Discursive Institutionalism terms, this is a normative appeal to domestic legitimacy (“our interest is to stay out”) paired with a coordinative message to partners (“we will not send weapons”). In Critical Geopolitics terms, Hungary refuses both identities that others in the Union adopt. It does not claim to be a “frontline state,” and it does not claim to be “a power of peace.” Instead, it positions itself as a buffer that must not be drawn into escalation: peace here is understood as de-escalation and containment, not deterrence or projection.

Consequently, Russia’s aggression acted as a catalyst that accelerated the reframing of strategic autonomy into strategic sovereignty, and made security capacity – defence production, force posture, energy resilience – appear as urgent rather than optional. A 2022 European Parliament study highlighted that the war has expedited the EU’s shift toward energy sovereignty [34]. This matters because “sovereignty” started to be invoked not only in relation to arms and deterrence, but also in relation to gas, oil, supply chains, and industrial dependency. In other words, sovereignty became a comprehensive language of vulnerability reduction.

In this context, a Critical Geopolitics perspective helps explain how EU discourses began to clearly differentiate between “friends” and “enemies.” Russia was identified as a threat (with Hungary standing out as a partial exception to the confrontational framing), while NATO was described as the essential guarantor of deterrence [16]. This goes beyond a standard security policy debate and becomes a shared spatial imagination that is, however, uneven and contested: the “Eastern border” (Baltic states and Poland) is narrated as the frontline that absorbs and deters the threat, while “core Europe” (Germany and France) is articulated as the centre of strategic stability and decision-making authority. What emerges is not one understanding of strategic sovereignty, but several incompatible sovereignty projects. These are not stylistic differences. They are competing maps of who Europe is, where Europe’s borders of responsibility lie, and who is entitled to define “peace.” These are not rhetorical nuances; they are incompatible strategic projects.

4.3 Strategic sovereignty in the context of war continuity and peace

As the war moved from an acute emergency to an extended condition, the language of strategic sovereignty also shifted. It was no longer limited to deterrence and resilience; it began to include an explicit “peace” dimension – reconstruction, stabilisation and post-war order-building. The EU began to discuss not only resilience but also the “perspective of peace.” In her annual speech in 2023, Ursula von der Leyen emphasised, “This is a question of European sovereignty.” She highlighted the need for Europe to become more sovereign, not only in defence but also in energy, technology, and the economy. This entails stimulating innovation and creating a unified EU market for defence equipment. In the same address, she noted that Europe must complete its defence union and position it as a peace project, prepared to rebuild Ukraine and shape a rules-based order [35]. This reflects a shift in the communicative discourse: strategic sovereignty is now presented to citizens not only as a means of protection, but also as a way to restore peace. Sovereignty

becomes not just the ability to defend, but the ability to rebuild – to define, in advance, the post-war order.

A few years later, the rhetoric strengthened with the assertion, “We must buy more European. Because that means strengthening the European defence, technological, and industrial base. That means stimulating innovation and creating an EU-wide market for defence equipment” [36]. Here, von der Leyen connects industrial policy directly to security and to sovereignty. This illustrates a communicative discourse that highlights the multidimensional nature of strategic sovereignty: defence production, technological capacity, energy autonomy, and market integration are all reframed as parts of one strategic project. Through the lens of Discursive Institutionalism, this is an attempt to legitimise deeper EU-level competencies by presenting them as common sense (“we must”), beneficial (“stimulating innovation”), and urgent. Through the lens of Critical Geopolitics, this marks the EU as an actor that is preparing not just to survive a war on its border, but to structure the security environment that follows it.

Also in 2023, Spanish Prime Minister Pedro Sánchez stated in Strasbourg, “In this world of giants, to prosper we must be more united than ever, more integrated internally, and more coordinated in the face of the external challenges we face” [26]. Though his remarks are not explicitly framed in terms of “defence” or “peace,” they imply that European sovereignty relies on both unity and integration, aligning with the idea that it encompasses peace-building, not just defence. Sánchez’s formulation casts Europe as a collective actor that must be capable of positioning itself among “giants.” In other words, sovereignty here is not described as withdrawal or insulation, but as the capacity of the EU to act outwardly, shape its environment, and provide stability. Peace, in this narrative, is not just “no fighting”; it is Europe’s ability to function as a stabilising power. In this phase, “peace” is no longer invoked only as an ethical horizon; it is framed as an administrative responsibility that Europe must be equipped to carry out – reconstruction, stabilisation, and post-war order-building.

However, not all countries share this vision. Hungarian Prime Minister Viktor Orbán further strengthens the “withdrawal” position. He has indicated through legislative initiatives aimed at “protecting national sovereignty” that Hungary is unwilling to relinquish control over its decisions regarding peace and war in response to European political dynamics [37]. His position: Hungary accepts the language of solidarity and humanitarian assistance but rejects deeper military integration, framing this refusal as a sovereign duty. In Discursive Institutionalism terms, this is a coordinative discourse that sets explicit red lines for partners (“we would not send weapons”) and a communicative discourse that portrays non-involvement as moral responsibility (“Hungary’s interest is to stay out”). In terms of critical geopolitics, Hungary wants to stay outside the boundaries of escalation, sometimes imitating Peacemaking. Peace, in this case, is understood as rapid de-escalation and non-entanglement, not deterrence or projection towards Europe.

By 2023–2025, what is called “strategic sovereignty” has therefore evolved into a multifaceted concept. Germany and France see it as a means of deepening integration, including industrial defence policy, energy autonomy, and a stronger EU role in the post-war order. The Baltic states and Poland view it as a complement to NATO. They have increasingly argued for moving toward dramatically higher defence-spending targets – up to 5% of GDP – while strengthening the EU’s defence-industrial base. This discussion has gained urgency due to the United States’

changing stance on European issues and the ongoing conflict in Ukraine. For them, sovereignty is measured in credible forward deterrence and hard defence, but they are increasingly willing to see parts of that deterrence managed at EU level, as long as it reinforces rather than replaces NATO. Southern European countries interpret strategic sovereignty as a peace initiative: sovereignty is Europe's capacity to act collectively as a stabiliser, to organise reconstruction, and to demand a say in the regional order after the war. Meanwhile, Hungary, and often Slovakia as well, treat strategic sovereignty as a potential threat to their national interests, especially if it implies ceding escalation control to Brussels or accepting collective decision-making on war and peace. In other words, sovereignty has become a site of open contestation: it no longer means one thing.

These divergences are not only policy disagreements; they are rooted in rival geopolitical imaginaries. Seen to Critical Geopolitics the vision and conviction are further strengthened that the eastern border (the Baltic states and Poland) is framed as the "frontline," the physical line that absorbs and contains the threat. "Core Europe" (Germany and France) is described as the centre of strategic stability and economic capacity. Southern actors (such as Spain or Italy) imagine Europe as a "power of peace," a regional organiser of order and reconstruction. Hungary defines itself as a sovereign buffer that must not be dragged into escalation. In this context, Russia is seen as the primary enemy, while Europe (with exceptions like Hungary and occasionally Slovakia), Canada, and the US are perceived as allies, especially in their support for Ukraine [16]. Despite shifts in the US position under Donald Trump, it has maintained its status as a friend, although that status has oscillated, further enhancing the discourse around European sovereignty, particularly in the military and defence sectors. The war thus sharpened the explicit friend/enemy line, and with it, the expectation that Europe should act as a political subject – even if no consensus exists on what that subject should look like. In other words, strategic sovereignty is not only about capabilities; it is about who gets to draw the map of Europe.

The trajectory from 2022 to 2025 also changes the internal meaning of "peace." European leaders no longer speak only about survival, but about the kind of post-war order they want to inhabit and lead. For actors like von der Leyen and Sánchez, peace becomes a mandate for more integration: a European "defence union," an EU-wide defence market, and a capacity to rebuild Ukraine. For actors on the eastern flank, "peace" continues to mean credible deterrence: peace is guaranteed by strength at the border, not by premature negotiation. For Hungary, peace is the imperative to end the war quickly and avoid further entanglement. These are mutually incompatible definitions of peace, and each of them is tied to a specific model of sovereignty.

Seen this way, the concept of EU strategic sovereignty has evolved through three interlinked stages. First, it emerged as a largely rhetorical vision under Macron (2017–2021), where "European sovereignty" and "Europe as a power" were introduced discursively as ambitions for the future. Next, it became an existential imperative following the start of the invasion (2022), when leaders such as Šimonytė, Kallas, and others on the eastern flank articulated sovereignty in terms of deterrence, front-line defence and survival. Finally, it developed into a multifaceted discourse amid the ongoing war, where a dimension of peace also emerged (2023–2025), as von der Leyen, Sánchez, and others argued that sovereignty must include the capacity to reconstruct, to guarantee order, and to act as a geopolitical provider of stability.

From the perspective of discursive institutionalism, this phase shows how communicative discourses – represented by figures like Macron, von der Leyen, and Sánchez – interact with coordinative discourses from governments such as those of the Baltic states and Poland, Scholz's Germany, and Orbán's Hungary. Communicative discourses present sovereignty as legitimate and desirable to publics ("a power of peace," "more united than ever"), while coordinative discourses set operational limits and obligations ("NATO is essential," "we will not send weapons," "5% of GDP," "we must stay out"). Critical Geopolitics, meanwhile, shows how these discourses attach themselves to space: to the "frontline state," to "core Europe," to "Europe as a peace power," or to "national buffer." Through this interplay, the war in Ukraine has transformed the notion of the EU's strategic sovereignty from a theoretical ambition into an urgent political reality.

Nevertheless, the concept of strategic European sovereignty remains contentious. There are differing views on whether to pursue a European federation or to maintain national states with their distinct identities and decision-making powers. This contradiction highlights that strategic sovereignty is not a fixed concept but a dynamic discourse shaped by both warfare and visions of peace. Most countries choose the position of conditional sovereigns, but with different requirements for the sharing of sovereignty (see Annex 1). In practice, this means three recurring narratives in the contemporary EU. The first one is an integrative narrative (e.g., France, Italy), which views peace as a collective goal achievable only through shared sovereignty. The second is a conditional position (e.g., Germany, Poland), which acknowledges the importance of peace but insists on maintaining national control – either over escalation and defence spending, or over how deterrence is implemented. This "conditional" camp is not internally coherent: for Germany it is about procedural and budgetary control over integration, while for Poland and the Baltic states it is about accelerating deterrence and escalation credibility. These are not the same priorities, and they frequently pull in different directions. The third is a sceptical narrative (e.g., Hungary), which considers peace as a necessity for quickly ending the war and therefore opposes strategic autonomy if it risks dragging the state further in. The peace discourse is therefore not a consensus slogan, but a battleground: different actors attempt to define both what "peace" means and who has the authority to deliver it. Through the lens of discursive institutionalism, peace acts as a "nodal point" – a concept that competing actors fill with different strategic content. For some, it is a value that must be defended with force; for others, it is a rationale for seeking autonomy from the US/NATO; and for a third group, it is a rationale to avoid deeper integration.

5. Conclusions and recommendations on the political feasibility of strategic sovereignty

This chapter traced how the meaning of European "strategic sovereignty" has changed across three phases: the pre-war period after 2017, the initial shock of Russia's full-scale invasion of Ukraine in 2022, and the ongoing wartime moment in which "peace" itself becomes a contested political objective. Strategic sovereignty in the EU is no longer only a slogan or aspirational formula. It now functions as a field of struggle in which governments justify authority, define responsibility, and redraw the political geography of Europe.

5.1 Strategic sovereignty is not a single project, but a contested discourse

“Strategic sovereignty” is filled with different content by different actors. One understanding presents it as deeper integration at the EU level: Europe as an autonomous geopolitical actor capable of stabilising its neighbourhood, rebuilding Ukraine, shaping regional order, and acting as a “power for peace.” A second understanding, more prominent on the eastern flank, places the emphasis on hard deterrence and military credibility at the border with Russia. Here strategic sovereignty is inseparable from NATO, but EU-level industrial, logistical, and financial capacity is increasingly accepted as necessary to sustain deterrence. A third understanding, visible in Hungary and echoed in other sceptical or neutral positions, frames strategic sovereignty as the right of the nation to refuse escalation, to avoid being drawn into decisions on war made elsewhere, and to defend this refusal as a responsible act of protection. In this reading, sovereignty is invoked both to demand more Europe and to legitimise opting out.

Taken together, these positions suggest that European strategic sovereignty should be understood not as a coherent doctrine but as an arena in which competing claims are made about who should act, on whose mandate, and toward which goals.

5.2 The war in Ukraine made these claims operational and urgent

Before 2022, strategic sovereignty largely circulated as rhetoric: Europe should become more autonomous, less dependent, more capable. After 2022, the concept began to justify immediate policy shifts: exceptional defence funding, pressure to reach higher defence spending levels, accelerated diversification of energy and technology supply, and the creation or expansion of EU-level defence industrial instruments. In effect, sovereignty moved from language to practice. It became normal to argue that sovereignty required ammunition production capacity, credible air and missile defence, energy security, and safeguards against technological dependence. Sovereignty ceased to be purely constitutional (“who decides?”) and became material (“what can actually be done?”).

5.3 “Peace” became central, but not consensual

A key finding is that “peace” is no longer treated as a neutral or shared end-state. Instead, it is mobilised to advance different and often incompatible strategic visions.

- For integrationist actors, peace is something Europe must be able to produce. Here peace legitimises a stronger EU role, including reconstruction, stabilisation and post-war order-building in the neighbourhood.
- For the eastern flank, peace is inseparable from credible forward deterrence. Peace in this understanding means preventing aggression through visible force and readiness.
- For sceptical actors, peace is defined primarily as de-escalation and non-entanglement. Remaining outside escalation is framed as a sovereign duty.

These models do not describe minor tonal differences. They assign different meanings to peace and different owners to peace. As a result, “peace” itself has become a site of contestation within which actors seek to define who has the authority to speak and act in the name of Europe. These are not rhetorical nuances; they are incompatible strategic projects.

5.4 The so-called “conditional” camp is internally split

Debates on EU sovereignty often refer to a broad “conditional” camp: states that accept strategic sovereignty but only under certain terms. This label conceals a deep fracture. On one side, states such as Germany and other economically central members tend to support the strengthening of European capacity, but only if escalation decisions and budgetary control remain tightly managed at national level. Their condition is institutional and financial: Europe can do more, but only within procedures they consider safe. On the other side, states along the eastern flank accept additional EU-level instruments only if these instruments accelerate deterrence rather than slow it down. Their condition is strategic and temporal: Europe can do more, but it cannot become a brake.

These are two distinct logics that do not always align. The first is designed to prevent over-integration; the second is designed to prevent under-deterrence. This suggests that even within what appears to be one “conditional” camp, the centre of gravity is neither unified nor stable.

5.5 Sovereignty has been spatialised

Strategic sovereignty is now narrated through explicitly spatial roles. Member states increasingly describe themselves and each other in geopolitical terms: “frontline states,” “core Europe,” “power for peace,” “buffer,” “protector,” “decision-maker.” These are not neutral descriptors. Calling oneself a “frontline state” is a claim to define what security requires. Presenting one’s own position as the “core” is a claim to manage escalation and provide industrial depth. Describing oneself as a “power for peace” is a claim to shape post-war order and reconstruction. Defining oneself as a “buffer” is a claim to legitimise non-involvement as responsible sovereign conduct. In other words, strategic sovereignty is not only about capabilities; it is about who gets to draw the map of Europe and speak in Europe’s name.

5.6 Institutional constraints remain decisive

Even as expectations increase for the EU to “act strategically,” existing rules still allow individual governments to block foreign, security and defence measures. This creates what can be described as an ambition gap: the Union is increasingly expected to perform as a geopolitical subject, but it is still procedurally organised as a coalition of veto players. The result is that attempts to speak “for Europe” are routinely contested by other member states that claim an equal or superior mandate.

Overall, strategic sovereignty has become a normative demand (“Europe must act”), an institutional project (defence instruments, energy autonomy, technology resilience), and a geopolitical narrative (frontline/core/peace power/buffer). Its political feasibility depends on whether these competing claims can coexist without paralysing collective action. In other words, the veto itself has become one of the ways sovereignty is publicly performed inside the Union.

6. Implications for feasibility and practice

The analytical findings above point to several implications for the political feasibility of strategic sovereignty in the EU.

6.1 Strategic sovereignty can be framed as shared resilience rather than centralisation

A major source of internal tension is the fear that “strategic sovereignty” equals the transfer of decision-making power to Brussels. This can be reframed. Instead of treating sovereignty as constitutional transfer, it can be treated as pooled resilience. That includes jointly financed stockpiles of key capabilities, interoperable air and missile defence layers, shared protection of critical infrastructure (energy networks, cyber, logistics), and coordinated crisis response. Such an approach allows eastern members to obtain credible protection while allowing all member states to retain visible political control. Sovereignty in this view is less about giving power away and more about building pre-agreed mutual guarantees.

6.2 Strategic sovereignty can be understood as peace infrastructure, not only as war readiness

Current usage often links strategic sovereignty to defence investment, energy autonomy and technological independence. The analysis suggests that it is also being reframed as the capacity to sustain peace. In this sense, “peace” is not treated as a purely moral claim but as an institutional one: reconstruction funding, neighbourhood stabilisation, resilience support, and conflict prevention in states around the EU. This implies that peace needs to be treated as infrastructure – something that is planned, funded, and defended – rather than as an abstract future objective.

6.3 Divergent sovereignty narratives should be acknowledged rather than suppressed

The Union now contains several competing sovereignty narratives: deterrence on the frontline; controlled escalation and industrial depth in the core; Europe as a peace-producing regional power in the south; and the claim to remain outside escalation in sceptical capitals. Attempting to fold these into a single rhetorical line tends either to erase real security concerns or to delegitimise dissent. A more realistic path is to formalise these positions as legitimate regional logics and make them politically visible, rather than hiding them behind lowest-common-denominator statements. In this sense, plural sovereignty narratives are not a weakness to be eliminated, but a condition that has to be managed.

6.4 “Sovereignty stress tests” could become a routine governance tool

Just as the financial sector operates under regular stress tests, the Union could institutionalise strategic sovereignty stress tests. These would examine not only military scenarios but also escalation authority, weapons transit permissions, common air defence activation, energy coercion, and crisis messaging. The purpose would be to expose in advance where political red lines lie, who can say “no,” who

can say “yes,” and how fast. Testing these questions routinely would turn strategic sovereignty from an aspirational label into an operational habit.

6.5 Strategic sovereignty needs to be linked to everyday life

At present, the language of strategic sovereignty risks sounding technocratic or elite-driven. Its long-term political viability depends on whether it is understood at the level of households. The elements are already there: more secure and affordable energy, industrial jobs kept in Europe, credible physical defence for border regions, and a managed migration and border regime in the south. Making these links explicit is essential. Otherwise, the term “sovereignty” will be monopolised by actors who present the EU as a threat to national protection, rather than as a multiplier of it.

6.6 Limited procedural reform is required to close the ambition gap

The Union is now expected to act quickly on questions of war, deterrence, reconstruction and energy security, but unanimity rules still allow a single member state to halt a common position. Full federalisation is neither likely nor necessary. However, moving toward qualified majority voting in defined areas of foreign, security and defence policy, or designing structured opt-outs that do not paralyse the rest, would lower the risk of systemic veto. Political credibility requires at least some capacity for collective decision under pressure.

The evidence discussed here suggests that “strategic sovereignty” is already doing political work. It is used to demand resources, authority and recognition. It is also used to defend limits, to withhold participation, and to assert priority in defining what counts as security, stability and peace. The central question for the coming period is therefore not whether Europe “has” strategic sovereignty, but whose version of strategic sovereignty will become structurally embedded in EU practice.

For a comparative overview of EU member states’ positions on strategic sovereignty across phases, see Annex 1 (Comparative Table of EU Member States’ Positions on Strategic Sovereignty).

Appendix

Annex 1: Comparative Table 1 of EU Member States’ Positions on Strategic Sovereignty

This annex presents a comparative coding of EU member states’ (or grouped regions’) positions on strategic sovereignty and their associated peace discourses. The table complements the main analysis in the text. References in the main chapters direct the reader here for detailed evidence.

Commentary

The table demonstrates three broad clusters across EU member states. First, Integrationists (notably France and parts of Southern Europe) consistently framed strategic sovereignty as a project of deeper European integration, linking peace with EU puissance, re-industrialisation and solidarity. Second, Conditional Sovereignists (Germany, Baltics, Nordics, Poland, Benelux, Romania/Bulgaria) positioned NATO as indispensable while treating EU integration as a necessary multiplier, particularly after February 2022. Third, Skeptics (Hungary, Austria, Malta, and Slovakia post-2023)

Group / Country	Representative actors	≤ Feb 24, 2022 — Position	≤ Feb 24, 2022 — War/Peace framing	2022 (Invasion) — Position	2022 (Invasion) — War/Peace framing	2023–25 — Position	2023–25 — War/Peace framing	Method codes	Notes
France	Emmanuel Macron (President)	Integrationist	EU as a 'power for peace'; sovereignty via deeper integration	Integrationist (accelerated)	Just peace through EU power + deterrence; 'Europe puissance'	Integrationist	Complete a 'defence union'; sovereignty across defence/tech/energy	[DI-Comm] [CG-Core]	Sorbonne/Strasbourg speeches; pushes EU defence market & capability build-up
Germany	Olaf Scholz (Chancellor)	Conditional Sovereigntist	Balance. NATO-centred security; EU initiatives as complement	Conditional Sovereigntist (fortified)	'Zeitenwende': deterrence + support for Ukraine; EU-NATO complementarity	Conditional Sovereigntist	Deterrence + industrial ramp-up; support EU ammo/air-defence efforts	[DI-Comm] [DI-Coord] [CG-Core]	Zeitenwende speech; support for EDIRPA/ASAP; air-defence coalitions
Benelux (Belgium, Netherlands, Luxembourg)	Alexander De Croo; Mark Rutte/Dylan Yesilgöz govt → Dick Schoof; Luc Frieden	Conditional Sovereigntist (Lux: Integrationist-leaning)	Deterrence via NATO; EU industrial cooperation	Conditional Sovereigntist	Robust support to Ukraine; F-16 coalition (NL/DK); EU bonds debate (BE)	Conditional → Integrationist (industrial)	Deterrence + 'open strategic autonomy'; EU defence market deepening	[DI-Coord] [CG-Core]	NL leads F-16 training/delivery; BE backs EU defence bonds; LU pro-EU integration
Baltics (Estonia, Latvia, Lithuania)	Kaja Kallas; Ingrida Šimonytė; Valdis Zatlers (ex-Pres.)	Conditional Sovereigntist	Deterrence-first; 'frontline' self-identification	Conditional Sovereigntist (hardline)	Just peace = Ukrainian victory; accelerate EU defence & industry	Conditional Sovereigntist	Deterrence + EU defence production (e.g., IM shells push)	[DI-Comm] [DI-Coord] [CG-Frontline]	Kallas EU priorities; 'frontline states' discourse

Group / Country	Representative actors	≤ Feb 24, 2022 — Position	≤ Feb 24, 2022 — War/Peace framing	2022 (Invasion) — Position	2022 (Invasion) — War/Peace framing	2023-25 — Position	2023-25 — War/Peace framing	Method codes	Notes
Nordics (Denmark, Finland, Sweden)	Mette Frederikse; Petteri Orpo; Ulf Kristersson	Conditional / (DK: CSDP opt-out; FI/SE non-NATO)	Deterrence; strong NATO partnership; EU as complement	Conditional Sovereigntist (step-change)	FI/SE join NATO; DK ends EU defence opt-out; robust Ukraine support	Conditional Sovereigntist	NATO-anchored; active in EU defence & F-16 coalition (DK)	[DI-Coord] [CG-Northern flank]	FI NATO Apr-2023; SE NATO Mar-2024; DK referendum Jun-2022
Visegrád split: Poland	Donald Tusk (PM)	Conditional Sovereigntist	Deterrence; NATO-first; EU as force multiplier	Conditional Sovereigntist (hardline)	Victory framing; rapid rearmament; push for EU-wide air defence	Conditional Sovereigntist	Common EU air-defence; surge defence industry; Ukraine aid	[DI-Comm] [DI-Coord] [CG-Frontline]	Calls for EU air-defence 'umbrella'; >4% GDP on defence
Visegrád split: Czechia	Petr Fiala (PM); Petr Pavel (President)	Conditional Sovereigntist	Deterrence; NATO-centric	Integrationist-leaning (pragmatic)	Lead EU/intl ammo procurement for Ukraine	Integrationist-leaning (industrial coalition-builder)	'Just peace' via sustained support; shells initiative continues	[DI-Coord] [CG-Frontline]	Czech-led 300k→500k+ shells from outside EU; coalition of ~20 states
Visegrád split: Slovakia	Robert Fico (PM, since 2023)	Conditional Sovereigntist (pre-2023 govts)	Deterrence; NATO-EU complementarity	Conditional Sovereigntist (pre-election)	Support incl. S-300 transfer (pre-Fico); debate domestically	Skeptic (under Fico)	Ceasefire/ 'peacemaker'; halt official arms for Ukraine	[DI-Comm shift] [CG-Central]	Fico halts arms; skepticism on sanctions; domestic polarisation

Group / Country	Representative actors	≤ Feb 24, 2022 — Position	≤ Feb 24, 2022 — War/Peace framing	2022 (Invasion) — Position	2022 (Invasion) — War/Peace framing	2023–25 — Position	2023–25 — War/Peace framing	Method codes	Notes
Visegrád split: Hungary	Viktor Orbán (PM)	Skeptic	'Stay out'; neutrality/sovereignty; peace rhetoric	Skeptic (obstructionist at EU level)	Immediate ceasefire/negotiations; opposes arms transfers	Skeptic	Ceasefire-first; national sovereignty vs EU integration	[DI-Comm] [DI-Coord] [CG-Central]	Calls for immediate ceasefire; veto/bargaining on EU aid packages
Southern Europe (Spain, Portugal)	Pedro Sánchez; Luís Montenegro (since 2024)	Integrationist-leaning	Peace/solidarity; strategic autonomy primarily economic/industrial	Integrationist-leaning	Support Ukraine; 'open strategic autonomy'; gradual defence rise	Integrationist-leaning (industrial)	Peace through European capacity; 2% path; EU tech/defence sovereignty	DI-Comm] [CG-South]	OSA priority (ES 2023); PT endorses EU 'strategic autonomy' while NATO-aligned
Southern Europe (Italy)	Giorgia Meloni; Antonio Tajani	Conditional Sovereignty	NATO-EU complementarity; solidarity framing	Conditional Sovereignty	Firm Ukraine backing; EU defence as complement to NATO	Conditional Sovereignty	Deterrence + industry; support FCAS/Eurofighter paths	[DI-Comm] [DI-Coord] [CG-South]	Meloni/Tajani: EU defence must complement NATO; industry projects continue
Greece, Cyprus, Malta	Kyriakos Mitsotakis; Constantinos Kombos; Malta PM Robert Abela	Conditional (GR/CY); Skeptic-neutral (MT)	Peace/mediation emphasis (South); Malta constitutional neutrality	Conditional (GR/CY); Skeptic-neutral (MT)	GR ringtausch to Ukraine; CY sanctions alignment; MT humanitarian focus	Conditional (GR/CY); Skeptic-neutral (MT)	Deterrence regionally (GR); peace/mediation (CY); neutrality (MT)	[DI-Coord] [CG-South/East Med]	GR BMP-1 swap; CY backs EU sanctions; MT neutrality debated but maintained

Group / Country	Representative actors	≤ Feb 24, 2022 — Position	≤ Feb 24, 2022 — War/Peace framing	2022 (Invasion) — Position	2022 (Invasion) — War/Peace framing	2023-25 — Position	2023-25 — War/Peace framing	Method codes	Notes
Romania & Bulgaria	Klaus Iohannis/ Marcel Ciolacu; Nikolay Denkov/ Dimitar Glavchev	Conditional Sovereigntist	Deterrence; NATO-frontline logistics	Conditional Sovereigntist	Solidarity Lanes; initial BG debates on arms	Conditional Sovereigntist	Constanța grain corridor; BG parliamentary approvals for aid	[DI-Coord] [CG-Frontline/Black Sea]	RO boosts Danube/Constanța throughput; BG parliament approves multiple aid rounds
Croatia & Slovenia	Andrej Plenković / Zoran Milanović; Robert Golob	Conditional (HR gov) / Mixed; Conditional (SI)	Deterrence and solidarity (gov); HR president skeptical	Conditional (HR gov) / Mixed; Conditional (SI)	Govs pro-Ukraine; HR president opposes heavy arms	Conditional (SI); Mixed in HR (gov vs president)	SI 'just peace' + Ukraine security pact; HR president: ceasefire/neutral tone	[DI-Comm] [DI-Coord] [CG-Adriatic]	HR president slams tank deliveries; SI-Ukraine security agreement (2024)
Ireland	Micheál Martin / Simon Harris	Skeptic-neutral (triple-lock)	Peacekeeping/ neutrality; UN-centered legitimacy	Skeptic-neutral → Conditional (debate opens)	Support Ukraine; neutrality review; consultative forum	Conditional (evolving)	Considering triple-lock reform; peacekeeping readiness for Ukraine	[DI-Comm] [DI-Coord] [CG-Atlantic]	2023 security forum; gov proposes easing triple-lock while keeping neutrality
Austria	Karl Nehammer	Skeptic (military neutrality)	Neutrality/mediation; humanitarian aid focus	Skeptic (neutral)	No lethal aid; diplomatic outreach to Moscow; EU sanctions support	Skeptic → Conditional-lite (joins ESSI)	Neutrality maintained; selective EU defence cooperation (air defence)	[DI-Comm] [CG-Central/Neutral]	Neutrality 'not up for debate'; joined European Sky Shield; humanitarian focus

Table 1

resisted deeper EU defence sovereignty, emphasising neutrality, ceasefire discourses, or sovereignty in opposition to Brussels.

From a temporal perspective, the Russian invasion of Ukraine (24 February 2022) sharpened divides: frontline states (Baltics, Poland, Czechia) adopted hard-line Conditional Sovereigntist positions with just peace defined as Ukrainian victory, while Hungary doubled down on Skepticism with immediate ceasefire rhetoric. By 2023–2025, most EU states converged on a Conditional model, actively supporting EU defence-industrial initiatives while keeping NATO central. France and Spain remained the key Integrationist voices, pressing for a full EU defence union.

Peace discourses show similar variance: Integrationists promote peace through EU strength and sovereignty, Conditionals emphasise deterrence and solidarity, while Skeptics frame peace as immediate de-escalation or mediation. This illustrates the multiplicity of European strategic sovereignty narratives, and the political contestation over its relationship to war, peace, and integration trajectories.

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Perspective Chapter: How Can the European Union Gain Geopolitical Influence? Latin America and Science Diplomacy

Carlos Cruz-Infante

Abstract

Global competition for influence is sharper than ever. The number of states with “significant influence” has expanded considerably. Latin America and the Caribbean (LAC), long a contested space for global powers, remains at the center of this struggle. China and the United States continue to exert the broadest sway in the region. Russia, though less dominant, maintains a cost-effective presence. By contrast, the European Union’s (EU) footprint has diminished. This chapter examines the soft-power strategies of China, Russia, and the United States to distill lessons for the EU. China’s influence is built on massive investment in infrastructure, pragmatic “just-business” diplomacy, and its Belt and Road Initiative. Russia leverages targeted propaganda, military ties, and fertilizer diplomacy to maximize low-cost reach. The US once relied on institutional and epistemic influence through financial institutions, universities, and trade agendas, but its model is fraying amid regional disillusionment and domestic political shifts. However, the EU still holds reputational capital in environmental protection, human rights, and social values. Yet these assets are insufficient to counter the pragmatic appeal of rivals. We argue that “science diplomacy” offers the most promising path: engaging LAC in technology, climate, and renewable energy partnerships, while aligning with local priorities to rebuild trust and relevance.

Keywords: European Union, Latin America, science diplomacy, soft power, geopolitics, EU, LAC, narrative

1. Introduction: Global superpowers, competition, and the European Union

Global competition for influence has never been as pronounced as it is in 2025. According to the Global Peace Index [1], the number of countries with “significant influence” over others in bilateral relationships, including economic, political, and

military dimensions of influence, has increased from 5 countries in 1960 to 34 in 2024, including emerging economies such as Turkey, Vietnam, the United Arab Emirates, South Africa, Indonesia, and Brazil.

The fields in which influential countries exert significant influence are scattered throughout the so-called Global South [2], including Africa, most of Asia, and Latin America and the Caribbean (LAC). We will focus on the latter. Indeed, Peru and Chile have been “high-competition scenarios” for world powers uninterruptedly since the 1960s, while Brazil and Colombia were added to the list in 2011 [3].

Amidst competition, the European Union’s ascent has declined in the region. As of 2023 [3], the United States was the most influential power in LAC, with significant sway over 32 countries. China followed, exerting influence over seven countries. The largest EU economies had gravitational pull over 19 Latin American countries, as follows: Germany (5), France (5), Spain (4), the Netherlands (4), and Italy (1). However, as the number of countries exerting influence has grown, the power dynamics have shifted. Since 2013, China has gained influence over two LAC countries. Meanwhile, the EU’s most powerful nations have tended to decrease their reach. Spain lost influence over two countries, while Germany and Italy lost influence over one country each. Only the Netherlands expanded its dominance, gaining influence in two new countries.

In addition to the former, a long-delayed Mercosur-EU trade agreement [4] has undermined the confidence of LAC countries in the European bloc’s commitment to engaging thoughtfully with the region on a long-term basis [5]. Consequently, there may be little enthusiasm on the Latin American side to invest effort in a deeper relationship.

Why is it essential for the EU to regain its sway in LAC? Firstly, because the region contains 45% of the world’s biodiversity, which could be crucial for the EU’s bioeconomy (agritech, cosmetics, and pharmaceuticals) and food security in the long run [6]. Secondly, because LAC possesses critical materials for the energy transition, such as copper, lithium, cobalt, and rare earths, which the EU primarily imports [7]. And thirdly, because LAC’s relatively low clean-energy production costs [8] may help the EU achieve energy autonomy by developing biofuels [9] or green hydrogen, for instance [7].

Against this backdrop, throughout the chapter, we will delve into China’s and the US’s historic strategies to build their influence throughout LAC, as they are the two most influential nations in the subregion. Additionally, we will analyze Russia’s strategy. Although it has lost dominance in the area since 2013, with only one country remaining, the Kremlin employs a clever and relatively low-cost deployment that is worthwhile to review. Lastly, based on those strategies, we will recommend a strategic path for the EU.

The path suggested for the EU relies on science diplomacy, understood as the intersection between scientific, diplomatic, and economic interests among two or more parties converging around a common goal [10]. From our perspective, science diplomacy can be a source of soft power, conceived as the diplomatic persuasion of one party – the EU – by another – LAC – through attractive resources such as values, culture, policies, and know-how [11]. Since persuasion – rather than coercion, as in hard power – is involved, the narrative employed will be essential. We include two promising initiatives by the EU in the chapter that may serve as examples for future actions.

2. Analyzing the superpowers' soft-power strategies in Latin America: China, Russia, and the United States

China, Russia, and the US have consistently implemented deliberate strategies to build, expand, or maintain their influence throughout LAC. As its reach diminishes, the EU could draw some lessons from those strategies to at least slow the erosion of its soft power across the region.

2.1 China: The “just-business” narrative

In May 2025, China and the Economic Commission for Latin America and the Caribbean (ECLAC, a UN agency for the region) signed a Joint Action Plan covering several strategic issues, including trade, infrastructure, technology, and energy resources [12]. Some experts believe this initiative seizes the opportunity left by the Trump administration after it reduced aid to LAC [13]. Several steps within a defined strategy occurred prior to this declaration of influence, as outlined below.

In 2021, China reached a historic milestone, surpassing the EU as the second-largest LAC trading partner [14]. Moreover, as of 2022, “China [was] a bigger trading partner than the United States for all the main Latin American economies except Mexico and Colombia” [15], and as of 2025, it is currently South America’s leading trading partner [16]. This has undermined the EU’s positioning in the region: “While the EU has focused more on neighboring countries like Libya, Syria and Ukraine over the past decade, China increased its investments in Latin America 26-fold between 2000 and 2020” [17].

Beyond its weight as a trader, China has penetrated LAC in much more profound ways. As of May 2025, the People’s Republic of China had attracted 22 regional economies to its Belt and Road Initiative (BRI), among them Argentina, Chile, and Peru, and more recently, Colombia [18]. Mexico, a pivotal trading partner of the US is not part of it. Brazil, which has carefully maintained its autonomy since the Fernando Henrique Cardoso administration in the 1990s [19], has agreed to “establish synergies” with the BRI without formally joining it [20].

Why is the BRI so tempting for LAC economies? Some of their main bottlenecks and policy problems are due to poor logistics and strategic facilities. As the IDB shows, the region “needs to invest USD 2,220.7 billion in water and sanitation, energy, transportation, and telecommunications infrastructure.” Additionally, 41% of that “should go to maintaining existing assets and replacing assets that are obsolete” [21].

Although the BRI sounds promising for LAC governments, it could bring certain disadvantages. For instance, opponents of China have made allegations regarding the BRI’s lack of transparency and the incipient and unsustainable debt risk for recipient countries [22].

Conversely, the People’s Republic is an essential lender for left-populist and left-autocratic governments in the region, leveraging them and catalyzing operational continuity and stability [23]. Under the BRI policy umbrella, China finances vital infrastructure, which could easily be used for military purposes in the near future [24].

In what is to come, “One of the more interesting developments overshadowed by BRI is the creation of the Beijing-based Asian Infrastructure Development Bank (AIIB) – with China still a developing nation by WTO standards – as its largest

shareholder and benefactor” [25]. China has designated Argentina, Brazil, Chile, Ecuador, Mexico, Peru, and Venezuela as “comprehensive strategic partners” – the highest status of this kind available – and Bolivia and Uruguay as strategic partners [26].

Another remarkable point of China’s strategy in LAC is its just-business approach. The government complements the infrastructure-financing tactic with trade openness. For instance, in the 2000s, Chile and Peru – two of the high-competition scenarios – preferred deepening their trading bonds, so China signed Free Trade Agreements with Chile in 2006 and Peru in 2009. Uruguay expressed its willingness to sign such an agreement, but its membership in the Mercosur bloc has been an obstacle to that [27]. Indeed, Chile’s President Boric depicts this straightforwardly. When asked about China’s presence in LAC, he replied that “when you talk to Chinese people, they don’t talk about the difference between their culture and the United States. When they talk to you, they talk about what they can do to have more investment, how they can help on this or that (...) China is effectively having a stronger position [in Latin America], and I think that is because they are doing a better job [than the US]” [28].

China’s growing political influence in LAC goes beyond its role as a trader and strategic investor. The Chinese government has established surveillance positions in the region to monitor its citizens living there, a practice that some European countries, such as the Netherlands, have banned. LAC governments, however, may hesitate to take such actions due to the significant economic implications [29]. As Benjamin Gedan claims that “this kindness is also due to fear” [30]. Gedan illustrates this by recalling how China shied away from commercial deals with Lithuania due to its relationship with Taiwan, and how it acted similarly with Australia for criticizing China’s management of the Covid-19 pandemic.

China has also established media offices in Brazil to disseminate its propaganda. This trend has caught the attention of Freedom House, which, in 2022, reported that China’s global media influence is “notable” in Brazil [31]. Similarly, according to the China Index 2024 [32], Chile ranks 8th among the economies where China holds significant influence. Panama is in the 12th position, followed by Argentina in the 15th and Venezuela in the 17th. Both Peru and Brazil are among the top 40.

Some claim that “[Sino] Critics are worried about Beijing’s investments in the region, but a closer look shows they barely exist, much less pose a threat” [33]. Indications to the contrary abound. China’s influence in LAC is expected to continue growing. “Prior to 2016, LAC represented less than 3% of China’s annual FDI outflows. Now, its share has likely grown to between 5% and 10%” [23]. Similarly, in 2024, China’s trade with LAC reached USD 518 billion, and “it could exceed USD 700 billion by 2035” [23]. More recently, in 2024, the Chinese state-owned COSCO Shipping built and now operates Peru’s Chancay Port. This highly strategic logistics facility gives China significant influence over the South American Pacific coast [34]. Likewise, in 2025, COSCO bid for a high stake in the Panama Canal, another critical maritime route in Central America that connects the Pacific and Atlantic Oceans [35].

By combining China’s substantial investments, pragmatic stance, and propaganda deployment, as of 2021, Latin Americans perceived it as the world leader in science, education, and technological development, surpassing both the US and the EU [36].

2.2 Russia: The most cost-effective and silent approach

In 2022, Central America shifted its UN Assembly votes on the Russian invasion of Ukraine. The ballots of Nicaragua, Honduras, and El Salvador did not condemn Russian actions in this regard [37]. Similarly, former Argentine President, Manuel Fernández, who had disapproved of Putin's invasion of Ukraine, "did not think sanctions could serve as an efficient instrument to search for a peaceful solution to the conflict in Ukraine" [38]. Russia's BRICS ally, Brazil, voted against Putin's actions in the war at the UN Assembly. However, the Brazilian president and one of BRICS's founders, Lula da Silva, declined former German Chancellor Scholz's call to send ammunition to Ukraine in January 2023 [39]. Moreover, in May 2025, Lula visited Moscow to discuss a strategic partnership with Russia over nuclear energy, defense, and space [40].

What mechanisms were employed by Russia to elicit political support from the LAC governments? The Global South, including LAC, has been part of Russia's Foreign Policy Concept since 2016, the Federation's international strategy to secure its national security and interests [41]. In 2023, the Kremlin emphasized LAC's strategic importance [42]. Despite its relatively low bilateral trade with LAC (US\$10.8 billion a year, about the same as the EU's trade with Chile or the entire Caribbean) [43], Russia has built and maintained sway over LAC. We will discuss five of the tactics the Federation has employed successfully while spending relatively little.

In the first place, since the end of the Cold War, the Kremlin has developed intricate ties with the dictatorships in LAC [43], mainly Cuba, Nicaragua, and Venezuela [44, 45]. It has also been a relevant supplier of military knowledge and equipment, generating an absolute strategic dependence. For instance, "42% of new military helicopter sales in the region are Russian," states security expert Dr. Evan Ellis [43].

However, Russia does not limit its influence to authoritarian regimes. Moreover, it has been training the Peruvian military since the 1970s, and Putin even signed an agreement with former Peruvian President Alan García [24, 46]. Likewise, the Kremlin has a long-standing military relationship with Brazil [47], and Mexico is the most crucial territory for Russian spies [48].

A second key success factor is the well-thought-out Russian communication deployment in the region. It has been substantial and practical. As of 2022, "Russian narratives [were] ubiquitous across social media in Latin America (. . .) RT en Español's 18 m followers [were] more than twice the original RT English version's (7.5 m), and even outpace CNN's Spanish edition (14.6 m)" [49].

Sophisticated targeting enhances Russia's communication effectiveness. "RT programming for the region includes topics that focus specifically on its Latin American audience, and it is more successful in getting new viewers than any other foreign channel" [44].

In addition to the RT Spanish version, Sputnik is also an influential media outlet in the region. Both media outlets attempt to delegitimize the US across LAC and whitewash Russia's role in the Ukraine war – despite the latter effort not having worked [45].

In addition, some claim that the Kremlin's propaganda has interfered with LAC politics. In that regard, former US SOUTHCOM General Laura Richardson states that "Disinformation from Russian media sources is also prevalent in the region, with spikes of activity during times leading up to critical elections" [50]. Accordingly,

Russian media also misinform their nationals. “Russian activities in Latin America provide the Russian mainstream media with opportunities to portray Russia as a rising world power capable of establishing its presence even in the United States’ backyard.” President Putin does this to compensate for his country’s inability to afford a significant military presence in LAC [44].

In third place, Putin has made a few bold but worthwhile moves in the region. On the one hand, there is Roszarubezhneft, the Kremlin-owned company that is now Venezuela’s most influential oil controller, hampering the entry of Western influences [43]. On the other hand, Russia’s Rosatom started operating in August 2022, establishing the first nuclear research center in the remote Bolivian city of El Alto, 4,000 meters above sea level [51]. Although official statements claim the center will generate medical products, in October 2022, Russian Deputy Foreign Minister Alexander Grushko commented on the US-NATO nuclear plan with the following: “We cannot ignore the plans to modernize nuclear weapons, those free-fall bombs that are in Europe” [52]. Beyond coincidence, it seems convenient for Putin’s government to have a nuclear arsenal on the same continent as the US.

A fourth factor that has endeared Russia to some LAC governments was its vaccine diplomacy during the COVID-19 pandemic. The Russian Direct Investment Fund (RDIF) surpassed the US and the EU in distributing COVID-19 vaccines, with significant efforts in Africa [53] and Latin America [54, 55]. Although the share of Sputnik V within total vaccination was relatively low in LAC, early contracts were crucial. It was of some importance for Peru and Argentina. Moreover, it accounted for half of Venezuela’s doses and constituted the entirety of Guatemala’s jabs [55].

In the fifth and final place, Russia considers the three largest LAC economies – Argentina, Brazil, and Mexico – strategically important [47]. To demonstrate this, Putin has orchestrated a compelling strategy toward LAC agriculture. Russia supplies enormous amounts of nitrate-based fertilizers to these three Latin American giants [43]. Fertilizers are critical; for instance, Brazil imports as much as 85% of the fertilizers it uses in agriculture. Putin is well aware that the agricultural sector is vital [56] to these countries’ economies [57], as well as their culture and politics [58].

This Russian strategy aspect, which centers on one economic sector and one of its strategic resource accesses – fertilizers, may be strengthened by Putin’s invasion of Ukraine. Before the war, Ukraine supplied 30% of global wheat. In the face of the shortage, “Brazil and Argentina have found new markets for exports to northern Africa, for example” [59].

In sum, Russia’s strategy in LAC has been far less costly than China’s. This is due, of course, to the military dependence that Russia has built, which allows it to enjoy strong positions in Brazil (military and the BRICS), Mexico (the spy network), Venezuela (oil control), and Bolivia (nuclear research). Nevertheless, Putin’s success so far resides in his careful targeting tactics. The Kremlin has reached many Latin Americans through customized content and media. It has also moved closer to its strategic priorities by exploiting a culturally and socially crucial sector for them: agriculture. Although Russia’s “significant influence” is relatively low [3], its strategy exhibits a clever approach for those aiming to gain sway in LAC.

2.3 United States: The institutionalized and now-worn-out relationship

Despite a historically close relationship, the ties between LAC and the US have been far from smooth. The US became the leading trading partner of several large

economies in the region before World War I, replacing the United Kingdom's once-dominant position [60]. However, for this analysis, the most significant part of this relationship begins in the second half of the twentieth century during the Cold War. During this period, the US either openly or covertly supported various military regimes and *coup d'états* throughout the region [61]. For example, after Chile's democratically elected president, Salvador Allende, was overthrown in 1973, "the United States had turned Latin America into a testing ground for its Cold War ambitions, which became particularly pronounced following the failed Bay of Pigs invasion in Cuba in 1961" [62, 63]. Even after the Soviet Union's influence in the region began to decline, the US continued to fear the "communist threat" [61]. By this point, LAC was experiencing high inflation, a lack of fiscal responsibility, and near-crippling closed economies due to a devastating debt crisis [64, 65]. Poverty and inequality were widespread.

In that context, the US economic foreign policy turned to LAC. The so-called economics-centered 1990 "Washington Consensus" set the base for the bond [66]. A little later, the 1994 First Summit of the Americas in Miami – also branded the "Miami Consensus" – consolidated the relationship [67]. LAC's brand-new democratically elected presidents shared more than a market economics vision with the US. "There was a broad consensus across most of Latin America on the desirability of free trade, market reform, representative democracy, and 'good governance'" [67].

"Washington's approach to exerting influence in LAC was strategic and multifaceted" [63]. US President Truman's Point Four plan, deployed in the late 1940s, emphasized "self-help," private investment, and community-allocated assistance for LAC economies [63, 68]. In return, the US gained new investment and trading opportunities and worked to prevent the spread of European communism. This approach was cost-effective for the US, as it relied on private investment and supranational loans rather than direct government investment. The World Bank [69] and the International Monetary Fund [70] acted as watchdogs, overseeing LAC countries' macroeconomic promises and strengthening institutional relationships. However, some argue that this approach limited the US's domestic and governmental interests in LAC countries. For instance, "the IMF as a bureaucracy with its own bureaucratic interests, (...) do not always coincide with the interests of the U.S. government" [70].

Having to deal with these institutions, LAC governments and intellectual elites turned to US universities to train a generation of technocrats – professional policy-makers fluent in the bargaining jargon of US-based capital-lending institutions. This generated an "epistemic community" of highly technical economists pushing for market liberalization and international openness [71]. Although this dual institutional-epistemic alliance prospered for a while, this soft-power approach eventually reached its limit.

After LAC governments pressed the Clinton administration during the 1994 Summit to form a Pan-American trading community [72], the US proposed a Free Trade Area of the Americas (FTAA), creating a trading nucleus that would expand progressively throughout LAC, from Chile in the southern extreme of the continent to the north. However, by 1997, the plan failed, partly due to the rise of Mercosur, a South American trading bloc that currently comprises Brazil, Argentina, Uruguay, and Paraguay as active members, and with which Chile signed a Free Trade Agreement. Additionally, the Clinton administration's inability to

compel the US Congress to stay on track with the FTAA [72] was another contributing factor.

Apparently, Latin Americans became frustrated by not seeing the whole “benefit package” of the North American societal model, despite having to adopt strict economic measures to obtain financial aid from Washington. For instance, Argentina’s Menem administration essentially pursued the Miami-Consensus policy agenda throughout the 1990s. These free-market economic policies ended in a severe crisis in 2001–2003, for which the US-proposed measures were mainly blamed [64].

Another example is Chile. As a renowned local scholar [73] asserts, “(…) as a result of capitalist modernisation, there is a culture inspired by the meritocratic fantasy, according to which the fairest society is the one whose distribution is in proportion to personal effort but which, in many aspects, resists doing so.”

Likewise, regarding the most recent political crisis in Peru in 2022, an analyst states that “the fury over Castillo’s dramatic ouster is deeply bound up with issues of identity, stark economic inequity, and the long-term failure of Peru’s radically laissez-faire economic model to fairly distribute the benefits of its boom of the last two decades” [74].

In conclusion, the free market was poorly implemented in some LAC countries, and, as Acemoglu and Robinson argue, this was the case in practically all of them [75], leading to widespread dissatisfaction. As a consequence, anti-imperialist discourse gained force [76], with many LAC countries electing leftist presidents, such as Gustavo Petro in Colombia, Andrés Manuel López Obrador (AMLO) in Mexico, Gabriel Boric in Chile, Pedro Castillo in Peru, and Lula da Silva in Brazil – the so-called “second pink tide” [77].

Nowadays, the LAC–US relationship is frayed. In contrast to China, whose diplomacy has been highly effective, the Biden administration took months to appoint several ambassadors to its nearest regional partner [15] and missed the opportunity to deepen the integration of the Americas during the 2022 regional summit in Los Angeles [71].

More recently, President Donald Trump’s second term has strained the US’s bond with LAC countries. Trump withdrew from the Trans-Pacific Partnership (TPP), the most comprehensive Asia-Pacific trading agreement that includes several LAC economies. The aggressive tariffs on LAC commodities have added to the tensions as well. The White House has also curtailed its security cooperation with the region, and the anti-immigration rhetoric, which particularly affects the US’s southern neighbors, has further undermined the already weakened relationship [78].

The estrangement between LAC and the US is well-known, and China and Russia are expected to fill the gap [79]. China is becoming a major lender in the region, surpassing institutions like the World Bank and the Inter-American Development Bank [80].

Despite the strained relationship, the US’s influence is deeply rooted in LAC. As of 2021, 47% of Latin Americans had the “best opinion” of the US compared to other world powers (Germany, China, and Russia). When compared to other global powers, the US led as the most beneficial in terms of foreign investment, with 64% of mentions – China followed with 57%. Lastly, the US secured the top position as the most preferred development model among Latin Americans, with 44% of preferences (Germany ranked second with 41%) [36].

2.4 Lessons for the European Union

As we mentioned earlier, we can obtain valuable insights for the EU based on other superpowers' geopolitical influence strategies in LAC (see **Figure 1**). Each country we analyzed chose a different path and deployed various means to achieve it:

China's approach is based mainly on heavy direct or indirect investment in critical development catalysts for Latin Americans. Due to the LAC governments' low state capacities [81] and the way their politics function [82], most lack the capital to develop strategic infrastructure and exploit their natural resources. China has realized the importance of both factors. LAC authorities need their vast, underpopulated territories to be well-connected [58] and require the economic means to increase their countries' GDPs and improve their citizens' well-being.

Russia's grand design underscores a clever, segmented communication strategy. It understood the complexities and nuances of LAC and acted accordingly. Firstly, the Kremlin maintained solid relationships with the region's autocracies. Secondly, it identified three primary countries of interest – the three largest economies – and focused on a paramount issue for them – agriculture. Lastly, Putin complemented this plan with a robust and targeted propaganda campaign.

The US adopted another bright path: institutional and epistemic influence. Beyond any cost-efficiency analysis, two elements of the North American strategy stand out. First is the epistemic community it created around its universities and know-how, which leveraged the US's impact in LAC. The second was the long-term policy that, despite alterations resulting from changing administrations, remained consistent for decades.

3. The European Union and the recommended positioning strategy in LAC

As noted at the beginning of this article, the EU's influence in LAC is declining. Notably, the EU's economic diplomacy faces significant risks in the region. We must consider the stalled EU-Mercosur and long-delayed trade agreement in this context. According to Nolte, "Only a handful of optimists still seemed to believe it would be passed" [83]. Although both parties signed the deal in 2019, the European Parliament has yet to ratify it. On the European side, some countries – France among them – have rallied around environmental concerns and agricultural interests to oppose the ratification of the treaty.

On the Latin American side, the agreement may face difficulties if implemented. "The bloc often is less about opening up but actually about protecting Brazilian and Argentine industries from global competition" [84]. So, is the trade dimension the real way for the EU to gain influence across LAC? Below, we provide some recommendations to enhance the EU's positioning in the region.

3.1 Listening to your partner: Latin Americans' perceptions of the EU

A 2021 survey of 12,000 Latin Americans about their perceptions of some global powers [36] showed that, when compared with China and the US, the EU ranks the lowest in terms of economic, military, and science diplomacy. Only 11% of LAC inhabitants think the EU is the world's leading economic power (China is ahead

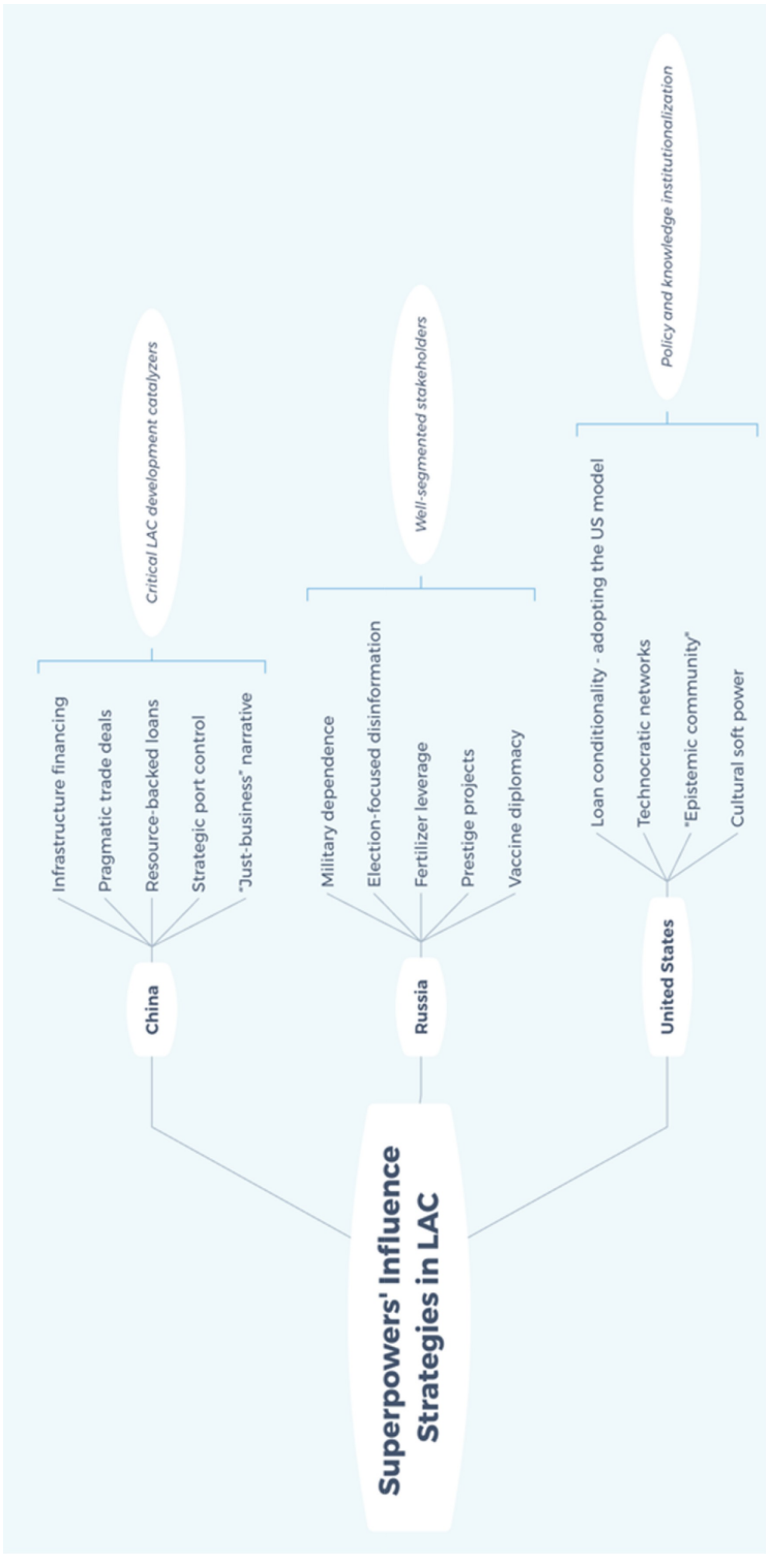


Figure 1. What strategies have China, Russia, and the US deployed in LAC.

with 43%). Similarly, only 7% believe the EU holds the top position as a military power (the US leads with 64%), and a meager 5% see the EU as the leading technological power (76% think China is).

In contrast, the European bloc dominates regarding social issues and values-based concerns – environmental protection (59%), human rights defense (58%), world peace promotion (57%), and the fight against poverty and inequality (52%). Indeed, 64% of Latin Americans would like to partner with the EU instead of China or the US to protect the environment. Similarly, 54% think that the bloc is the best partner to fight poverty and inequality across the region. These data confirm, as shown in China's strategy in the area, that what seduces LAC leaders are not these moral issues but more pragmatic and policy-related ones. Some argue that migration, climate disruption, evolving organized crime, and economic resilience are the most pressing issues [6, 85]. Others add food insecurity – related to climate disruption – and inequality [86]. Latin Americans affirmed in 2021 that extreme poverty (73% of mentions), climate change (71%), and human rights violations (65%) were the most worrying global problems to them [36]. In contrast, Hamburg-based GIGA's Professor Nolte [83] indicates that "Major actors within the EU have for too long embraced a moralistic protectionism instead of engaging geopolitically with the aim of strengthening Europe's strategic autonomy and build strategic partnerships." Similarly, the EU's paternalistic approach should shift to locally adapted tactics in line with each LAC country's priorities [5, 87].

In this context, Germany is the best-positioned EU member in LAC [36, 88]. The country was perceived in 2021 as Europe's best development model by Latin Americans, with 41% of preferences, followed by Sweden with only 20% of mentions. Similarly, 74% of LAC inhabitants viewed Germany as having the highest degree of leadership within the EU, followed by France (63%).

Following this chapter's analysis, **Table 1** summarizes and contrasts the main findings regarding the positioning and strategies of the EU, China, and the US in LAC.

3.2 EU-LAC: Science diplomacy as the most promising soft power strategy

"Science diplomacy" is a novel concept that was defined as recently as 2010. It refers to the engagement of both scientific communities and the governments of two or more countries to tackle major challenges [10]. It has garnered significant efforts around climate change, biodiversity, ocean governance, and food and energy security – all topics mentioned earlier as LAC's priorities. Although LAC countries have recently adopted it at quite a diverse pace, they are starting to realize its importance and potential. The EU, on the other hand, probably has the most advanced frameworks and institutions to deploy this kind of diplomacy [10].

Beyond climate-related issues, there are more medium-term oriented areas where the EU could act to regain its influence in LAC. For example, the OECD and other organizations have found that only 15% of workers in Latin America receive any form of training, compared to 56% in OECD countries [6]. Conversely, access to technology in Latin America is highly unequal [87], and as a result, the region is not benefiting from the productivity increases that technology can produce. Only 37% of LAC companies use the Internet in their supply chain, which is about half the rate of OECD countries. LAC has lower productivity than the OECD average, and

Dimension	European Union (EU)	China	United States (US)
Overall influence in LAC (2023)	Significant sway over 19 countries (Germany: 5, France: 5, Spain: 4, Netherlands: 4, Italy: 1). Trend: decaying.	Significant influence over 7 countries. Trend: growing.	Most influential power with significant sway over 32 countries. Trend: fraying.
Primary strategy	Values-based and institutional: environmental protection, human rights, and norms. slow approach via trade agreements (e.g., stalled Mercosur deal).	Pragmatic and investment-led: “just-business” narrative. Massive investments through the Belt and Road Initiative (BRI) in infrastructure, trade, and resources. A key lender.	Institutional and epistemic: historical influence through the IMF, World Bank, trade, and US-trained elites. The model is now under strain.
Economic and trade influence	Position eroding. Was the 2nd-largest trading partner until China overtook it in 2021. Trade agreements exist (e.g., Chile, Peru), but momentum has been lost.	Dominant in South America, China is the leading trading partner as of 2025. Trade with LAC reached \$518 billion in 2024, and China continues to invest in ports and infrastructure across the region.	Historically dominant but now challenged, still a major partner but surpassed by China in most of LAC except in Mexico and Colombia.
Military and strategic presence	Minimal; not a strategic focus.	Growing presence. Investing in dual-use infrastructure (e.g., ports) and establishing surveillance positions abroad.	Deep-rooted but resented. A history of cooperation and intervention. A strong security role, but it faces an anti-imperialist backlash.
Soft power and perception	Strong on values, weak on pragmatism. Seen as a leader in: environmental protection (59%), human rights (58%) fighting poverty (52%) weak on economy (11%) and tech (5%).	Seen as a pragmatic partner. Perceived as a world leader in: Technology/science (76%) economy (43%) Influence exerted through economic dependency and fear of retaliation.	Mixed but deeply embedded. In 2021, 47% had “best opinion” of the US (2021). It was seen as: top military power (64%) for investment (64%) preferred model (44%).
Key tools and partnerships	Stalled Mercosur deal Science diplomacy (proposed) Digital Alliance & Global Gateway National diplomacy (e.g., Germany, etc.)	Belt and Road Initiative (BRI) “Comprehensive Strategic Partnerships” State-owned firms (e.g., COSCO) Propaganda and media targeting.	– IMF and World Bank – Historical trade deals – Epistemic networks (US-trained elites) military cooperation.
Notable vulnerability	Seen as unreliable and moralistic, delays on agreements (e.g., Mercosur) damage trust. The values-based model is not aligned with urgent LAC needs.	Accused of debt-trap diplomacy, opaque deals foster dependency, and governments fear backlash from Beijing.	History of interventionism: recent inconsistencies (e.g., the Trump era) and the imperialist image weaken trust.

Source: own elaboration.

Table 1.
Comparison of geopolitical influence – EU, China, and US in Latin America and the Caribbean.

the competitiveness of its MSMEs accounts for only 6% of that of large companies (compared to 66% in Europe). Moreover, when a LAC company integrates technology from its European equivalent, its competitiveness could increase by as much as 700% [89].

Another common-interest area for the EU and LAC is the environment. The latter has been disproportionately affected by the consequences of climate change: “13 of the 50 countries most affected” [6] by climate change worldwide are in the region. The average number of extreme climate-related weather events in LAC increased in most countries between 2001 and 2022, compared to the previous two decades [6]. Correspondingly, the EU’s concern about climate change is well-known in LAC – as discussed earlier, 59% of Latin Americans perceive it as an environmental protection champion. Consequently, the EU already has an advantage in this area, which it could capitalize on by framing it within a broader science diplomacy framework.

3.3 Promising EU initiatives in LAC

We want to emphasize that the EU has made efforts in the areas mentioned above. These efforts could be studied and disseminated by both the European Commission and the most prominent EU economies, namely Germany, France, Italy, and Spain.

3.3.1 The EU-LAC digital alliance

This alliance was announced at the EU-ECLAC bi-regional roadmap 2022–23 [90]. Although it initially started as a blurry, abstract policy (e.g., “promoting cooperation, good governance, dialogue”), it took a more concrete form in October 2024 [91]. At that time, the European Commission committed to expanding the number of LAC countries included in the BELLA Program. This initiative connects Europe and Latin America through the “EllaLink” 6,000-km submarine cable. BELLA remains part of the EU’s Global Gateway initiative, which aims to extend its reach across the global south [92].

Also, the European Commission committed to establishing two Copernicus data centers in LAC – one in Panama and one in Chile [91], deploying strategic infrastructure that otherwise would most likely have been deployed by China.

3.3.2 The German green-hydrogen science diplomacy in Chile

Probably prompted by Germany’s dependence on Russian fossil fuels [93] and President Putin’s invasion of Ukraine in 2022, the then-German Chancellor Scholz toured South America – including Chile – in 2023 to secure future energy sources and critical minerals for the energy transition [88]. Additionally, Scholz’s visits corresponded with a federal initiative for science diplomacy, including critical minerals and green hydrogen [94], which allows such efforts to maintain continuity throughout different political cycles. Indeed, “between 2014 and 2021, Chile engaged in at least eight cooperation agreements with Germany encompassing science, innovation, and renewable energy” [7]. First highlight: the federal government and its highest authority were involved in the science diplomacy strategy.

A second remarkable aspect of the strategy was the coordination with the German private sector. For instance, Siemens and Porsche demonstrated a strong commitment to developing green hydrogen in Chile’s Patagonia while benefiting the local communities [95].

Lastly, German science diplomacy convened central Chilean and German institutions from academia and civil society. One example was the 2025 tour to Bavaria, Germany, by Chilean enterprises interested in developing green-hydrogen-related initiatives. The initiative gathered Invest Bavaria, the Chilean Ministry of Energy, and the Chilean-German Trading Union [96]. Another example is Power-to-MeDME, which combines efforts by the Chilean-German Trading Union, Chilean universities, and the German Ministry of Education and Research [97].

4. Conclusions

The EU's geopolitical influence has declined globally, including in LAC. Such a decline may hinder the EU's goal of achieving energy independence not only from Russia but also from fossil fuels – resources that LAC could help provide through renewable energies and clean-produced fuels, such as biofuels and green hydrogen.

Despite the sway lost, the bloc could utilize a soft power strategy that no other world power has yet deployed in LAC: science diplomacy. At least since 2015, deficiencies in human capital formation and education have become critical issues for LAC [98]. The former has resulted in significant productivity stagnation since 2010 [99]. Therefore, should the EU frame its science diplomacy narrative within the “better jobs, better lives, greater growth” umbrella, both Latin American governments and citizens would likely embrace it.

Regarding the former, many LAC sectors may benefit from such cooperation. For instance, intensifying the exchange of technical higher education between the EU and LAC would enhance the latter's human capital while allowing the former access to new and challenging experiences, such as studying-by-doing agriculture and climate risk management in the desert, the Amazon, and the Andes. Additionally, those more complex economies [100] in LAC, like Brazil and Mexico, would greatly benefit from technical cooperation in machinery, where the EU has a robust industry. Lastly, the EU's citizens could also learn from successful experiences implemented in LAC. Copper mining in Chile would be an example. Despite having some of the best technicians in the field, the country has not become attractive enough to draw European students to Chilean universities [101].

Additionally, it is important to note that the successful implementation of this recommendation will require clear communication and messaging from the EU and its institutions (see Russia's strategy). Furthermore, it is advisable to engage with local experts and stakeholders in LAC countries to ensure that the EU's science diplomacy efforts are well-aligned with local priorities and needs.

Acronyms and abbreviations

AIIB	Asian Infrastructure Development Bank
BRI	Belt and Road Initiative
ECLAC	Economic Commission for Latin America and the Caribbean
EU	European Union
FTAA	Free Trade Area of the Americas
IMF	International Monetary Fund
LAC	Latin America and the Caribbean

OECD	Organisation for Economic Co-operation and Development
RDIF	Russian Direct Investment Fund
TPP	Trans-Pacific Partnership
US	United States
US SOUTHCOM	US Southern Command
WTO	World Trade Organization

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The post–Cold War beliefs that once sustained the European project have unraveled. Economic integration no longer guarantees political harmony. Also, soft power by itself does not secure a continent. In an era of hard-edged rivalry, the European Union faces a stark paradox: it is a global regulatory superpower, yet increasingly strained by internal fragmentation. How can the EU endure when its founding certainties fade? *European Union: Ideas for the Future* moves beyond the stale binary of “more or less Europe” to confront the defining dialectic of the mid-2020s: the tension between strategic unity abroad and democratic legitimacy at home. The book presents nine scholarly perspectives spanning governance, democracy, and geopolitics. It explores the EU as a geopolitical actor, its democratic capacity to defend cohesion against illiberal drift, and how science and innovation can be harnessed in a multipolar world with pressing climate and digital challenges. Written for scholars, policymakers, and citizens who refuse to accept the fraying of the European project, this book offers a bold vision of a Europe capable of wielding power without sacrificing legitimacy, combining the protection of a superpower with the intimacy of local democracy.

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