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# Challenges to Future Integrity and Cohesion of the EU

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# Challenges to Future Integrity and Cohesion of the EU

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The EU has its list of goals on its website. These include promoting peace, promoting scientific progress, respect cultural and linguistic diversity, and enhance economic, social, and territorial cohesion among its member states, among several others.<sup>1</sup> These are all very noble goals, but also very vague. The EU most certainly promotes peace and scientific progress, but then again which states or coalitions of states do not (at least in their own minds)? There is plenty of cultural and linguistic diversity, but who defines what constitutes *respecting* this diversity? The cohesion goal, while still relatively vague, is much easier to track and visualise, and perhaps is why it is the goal seemingly facing the most challenges.

The biggest challenge facing cohesion is the differing goals, views, and values of the 27 member states. This is quite noticeable when observing the attitudes of the various member states towards topics like the *Nord Stream 2* pipeline, Huawei and China's role in establishing a 5G network in Europe, and the *New Green Deal*. Regarding *Nord Stream 2*, the division is over whether or not the potential economic benefits outweigh the potential security risk of increased Russian presence in the EU. On the topic of Huawei and China, the debate is once again over the potential security risks of allowing China to play such a large role in establishing a 5G network in Europe. Finally, the *Green Deal* has divided Europe over its terms and conditions, particularly relating to funds. All this being said, what is the role of the EU itself in these disputes? Should the EU establish a hivemind, where everyone thinks alike? Then this risks diversity, but if the EU allows the member states to have their own strong opinions and beliefs, they risk fragmentation and losing cohesion.

## The Division over *Nord Stream 2*

One of the most controversial topics in recent memory, not just in the EU, is the construction of the *Nord Stream 2* pipeline connecting Russia with Germany through the Baltic Sea. While this pipeline would provide numerous financial benefits,<sup>2</sup> it also poses significant security risks in the eyes of many EU members as well as the US. Poland has been quite vocal about its disapproval of the pipeline, in part because it stands to lose a significant amount of money, as now less gas will be flowing through Poland resulting in fewer tariffs, but also due to its concern over Russian influence in Europe and as a threat to European energy security.<sup>3</sup> Poland is far from alone in this regard: Estonia, Latvia, Lithuania, and Poland, all signed a joint letter calling the pipeline “an instrument of Russian state policy”<sup>4</sup>. Former Foreign Minister of Estonia Sven Mikser even called the pipeline “incompatible with the objectives of EU energy policy”<sup>5</sup>.

On April 30<sup>th</sup>, 2020 Italian company Saipem agreed to the construct the Baltic Pipe. This pipeline will ultimately send gas from Norway to Poland via Denmark, and Saipem will build the pipe connect Denmark to Poland. This will allow Poland to reduce their dependence on

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<sup>1</sup> European Union. *The EU In Brief*. [https://europa.eu/european-union/about-eu/eu-in-brief\\_en](https://europa.eu/european-union/about-eu/eu-in-brief_en)

<sup>2</sup> Gunther, Malik, and Volker Nissen. *Gas Flow and Gas Price in Europe: What is the impact of Nord Stream 2*. 2019 Dresden: Enerday. <https://tu-dresden.de/bu/wirtschaft/bwl/ee2/ressourcen/dateien/enerday-2019/Paper-Guenther.pdf?lang=en>

<sup>3</sup> Barteczko, Agnieszka. *Poland and Lithuania see Nord Stream 2 as threat to energy security*. 2019: Reuters. <https://www.reuters.com/article/us-poland-lithuania-nordstream2/poland-and-lithuania-see-nord-stream-2-as-threat-to-energy-security-idUSKBN1W2oTQ>

<sup>4</sup> Quoted in Coelho, Carlos and Wojtek Grojec. *Pipeline from Hell? Nord Stream 2 and Why It's so Contentious*. 2018, Radio Free Europe <https://www.rferl.org/a/29486007.html>

<sup>5</sup> Toots, Liisa. “Foreign Minister Mikser: Nord Stream 2 is primarily a political project”*t*. Tallinn: Ministry of Foreign Affairs of Estonia. <https://vm.ee/en/news/foreign-minister-mikser-nord-stream-2-primarily-political-project>

Russian gas while also becoming a gas-hub (the Baltic Pipe will send an estimated 10bn cubic meters of gas per year to Poland) in Eastern and Central Europe further reducing the dependence on Russian gas in the region. In a press conference on May 4<sup>th</sup>, Polish president Andrzej Duda said, “if we are talking about full diversification of gas supplies to Poland, if we are talking about full independence of Poland as a recipient from Russia, this is the milestone on the road to independence”<sup>6</sup>. The Baltic Pipe is scheduled to launch on October 1<sup>st</sup>, 2022, and Poland’s current contract with Gazprom is set to expire on December 31<sup>st</sup>, 2022. If all goes according to Poland’s plan, starting January 1<sup>st</sup>, 2023 there will be no more Russian gas in Poland.

Since Poland will soon become no longer dependant on Russian gas, Russian officials believe that Poland has ramped up the pressure to delay the Nord Stream 2 project. Alexander Perov, the head of Russia’s national energy security fund said, “the fact is that Poland intends to completely abandon Russian gas, so they can now behave more boldly with our gas monopolist”<sup>7</sup>. Gazprom is being forced to pay \$1.5 billion to Poland’s gas company PGNiG as a result of overcharging for gas since 2014.<sup>8</sup> Gazprom has not yet paid, and as a result Polish Deputy State Assets Minister Janusz Kowalski said that Poland could seize the European assets of Nord Stream 2. Kowalski acknowledged that this would further delay construction of Nord Stream 2.<sup>9</sup>

Germany is by far the most vocal supporter of *Nord Stream 2*. Germany has repeatedly and emphatically called the project purely economical and not political in any way. This is probably because Germany stands to benefit the most if the pipeline is completed. Austria has also voiced their support; in February 2020 the Austrian ambassador to Russia said “Austria supports the Nord Stream 2 project, as it is considered important for reliable and efficient gas delivery, and, therefore, for European energy security”<sup>10</sup>. While other countries recognise the potential economic benefits, they also recognise the geopolitical risks associated with the project. Many EU countries have avoided taking a hard stance one way or the other. Slovakia and the Czech Republic have avoided taking sides and upsetting either the Polish or the Germans<sup>11</sup>, and French officials have stated that France is “neither for or (sic) against”<sup>12</sup> the pipeline. This has led to the divide of Germany and Austria vs the Baltic states and Poland, while most the rest of the EU stands on the side-lines watching.

## Role of Huawei and China in establishing a 5G network

While not yet as controversial and hot a topic as *Nord Stream 2*, the EU member states still have differing views and thoughts on what role Huawei plays in creating a European 5G network. Huawei has been accused of being a tool of espionage for the Chinese government.

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<sup>6</sup> President of Poland, Andrzej Duda. *Prezydent: Baltic Pipe to milowy krok ku pelnej dywersyfikacji dostaw gazu*. Press Conference, 2020, <https://www.prezydent.pl/aktualnosci/wypowiedzi-prezydenta-rr/wystapienia/art.1043.prezydent-baltic-pipe-to-milowy-krok-ku-pelnej-dywersyfikacji-dostaw-gazu.html>

<sup>7</sup> Baltnews. *Сможет ли Польша прибрать к рукам «Северный поток-2»?* Baltnews, 2020 [https://lv.baltnews.com/severnyy\\_potok\\_2/20200428/1023865767/Smozhet-li-Polsha-pribrat-k-rukam-Severnyy-potok2.html](https://lv.baltnews.com/severnyy_potok_2/20200428/1023865767/Smozhet-li-Polsha-pribrat-k-rukam-Severnyy-potok2.html)

<sup>8</sup> Abbasova, Vusala. *Poland Puts Pressure on Russia Through Nord Stream 2 Gas Pipeline*. Caspian News, 2020, <https://caspiannews.com/news-detail/poland-puts-pressure-on-russia-through-nord-stream-2-gas-pipeline-2020-4-29-39/>

<sup>9</sup> Baltnews, 2020

<sup>10</sup> Shabbir, Fahad. *Austria Opposes US Sanctions on Nord Stream 2 – Ambassador to Russia*. 2020, Urdupoint. <https://www.urdupoint.com/en/business/austria-opposes-us-sanctions-on-nord-stream-2-849716.html>

<sup>11</sup> Jirusek, Martin. *The Visegrad 4 and Russian pipelines: An imaginary unity*. 2019: Euractiv. <https://www.euractiv.com/section/energy/opinion/the-visegrad-4-and-russian-pipelines-an-imaginary-unity/>

<sup>12</sup> The Local FR. *France backs down over Nord Stream II gas pipe*. 2019, The Local FR <https://www.thelocal.fr/20190209/france-backs-down-over-nordstream-ii-gas-pipe>

Many countries believe that using Huawei technology is a serious risk to national security, including the United States who are pushing for their allies to not use Huawei. The vast majority of European telecom operators are presently dependent on Huawei technology for providing a 5G network. Poland, thus far, is the only member state to make a firm stance on evaluating and vetting foreign companies involved in network building, although it has yet to outright ban Huawei from 5G networks.<sup>13</sup> Others, like Sweden, Germany, and the Netherlands have begun discussing the risks that Huawei poses. Still, in Portugal, Hungary, and Finland Huawei has already deployed its 5G equipment.<sup>14</sup>

Currently, the divide on the role of Huawei in the EU is minor. However; as more information comes to light, the risk of fragmentation within the EU over this topic could rise. Should Germany, for example, determine that Huawei poses a significant security risk (like the US has determined), then how do they proceed with relations with Hungary? If Huawei has permeated 5G networks in Hungary, Germany in this scenario would likely be quite reluctant to share information and to cooperate with them. How could the EU proceed if the member states are not confident enough in each other's cybersecurity to cooperate?

This division over Huawei is even seen *within* some member states. An example of this is the Czech Republic, where in 2018 the Czech National Cyber Security Agency (NUKIB) warned of security threats from Huawei and ZTE. Prime Minister Andrej Babiš banned the use of Huawei in the office of the Czech government shortly thereafter.<sup>15</sup> In May 2019, the Czech government and Foreign Ministry would sponsor a conference on 5G security which would lead to the so-called "Prague Proposals" on 5G network security, and the trustworthiness of some 5G vendors (Huawei was not directly named) signed by 32 countries.<sup>16</sup> However, in April 2019 Czech President Miloš Zeman seemingly went against the intelligence report by NUKIB and showed support for Huawei and the use of Chinese technology in Czech networks during a meeting with Chinese President Xi Jinping.<sup>17</sup>

## The New Green Deal

Like *Nord Stream 2*, the *Green Deal* has created a fair amount of controversy among the EU members. Most of this revolves around finances and allocation of funds. Once again, Poland is contentious although it is not alone. As part of the *Green Deal* a Just Transition Mechanism (JTM) was set up to help the EU member states move from carbon intensive energy to low-carbon energy, the JTM is a €100 billion investment over 2021-2027. There is only €7.5 bn in the JTM that is actual, tangible, fresh money. The goal of the *Green Deal* is for the EU to have 50% of 1990 emissions by 2030 and carbon neutrality by 2050. Poland remains the only member state to not sign-on.

Poland was set to receive €2 bn of the initial €7.5 bn from the JTM if they agreed to the 2050 goal, but they could not. Poland said that it will not be possible for them to make the 2050 goal, but they could do 2070. This was not initially acceptable to the European Commission, and

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<sup>13</sup> Sink, Justin and Sebenius Alyza. *U.S. and Poland ink 5G security Agreement Amid Anti-Huawei Campaign*. 2019, Bloomberg. <https://www.bloomberg.com/news/articles/2019-09-02/u-s-poland-ink-5g-security-agreement-amid-anti-huawei-campaign>

<sup>14</sup> European Think-tank Network on China. *Europe in the Face of US-China Rivalry*. 2020 [https://www.ifri.org/sites/default/files/atoms/files/etnc\\_report\\_us-china-europe\\_january\\_2020\\_complete.pdf](https://www.ifri.org/sites/default/files/atoms/files/etnc_report_us-china-europe_january_2020_complete.pdf)

<sup>15</sup> Furst, Rudolf. *The Czech Republic's Pragmatic China Policy: Balancing Between the EU and the US*. European Think-tank Network on China, 2020, pg 41-45. [https://www.clingendael.org/sites/default/files/2020-01/Report\\_ETNC\\_Europe\\_US\\_China\\_Rivalry\\_ETNC\\_January\\_2020.pdf](https://www.clingendael.org/sites/default/files/2020-01/Report_ETNC_Europe_US_China_Rivalry_ETNC_January_2020.pdf)

<sup>16</sup> Ibid

<sup>17</sup> Ibid

there is a proposal to cut Poland's JTM funds in half.<sup>18</sup> Other states also have issues with the JTM, including the Czech Republic, Slovakia, Hungary, and Bulgaria. The JTM funds cannot be used for nuclear power, something these states rely on to make the transition to carbon neutrality. Bulgaria has said that it will need €33 bn from the JTM (by the current plan it will receive roughly €6 bn total) in order to start heading towards the *Green Deal* goals, and that it cannot accept a 2030 goal of higher than 40%.<sup>19</sup>

If the European Commission were to insist on not budging on the goals and allocation of funds for the *Green Deal*, then member states like Poland and Bulgaria would feel alienated and left behind. There is already a large amount of tension between Poland and the *Green Deal* proponents, as well as between the states that support nuclear energy and those that do not, and there is no need to exacerbate these tensions.

## Coronavirus Pandemic

Adding to the challenge of integration is the ongoing COVID-19 pandemic. This has created a few problems in the Union. One of these problems that created tensions among the member states was medical supplies. Member states were competing to compete with each other in acquiring supplies like ventilators and masks from outside the EU. At the height of this tension, the Czech Republic seized 680,000 masks in Lovosice after the company that was selling these masks to Czech health facilities sharply increased the prices. Roughly 100,000 of these were meant to go to Italy from China, and it was unclear how they ended up in Lovosice.<sup>20</sup> While the Czech Republic would go on to send the 100,000 masks to Italy, and all was forgiven, the tensions between the two were momentarily quite tense as masks were, and still are, a very hot commodity and Italy was the country most affected by coronavirus in Europe at the time. Member states across the EU had even banned exporting protective equipment, even to other EU members. This gave China the opportunity to step in and be the hero for Italy. European Commission President Ursula von der Leyen said it best, "when Europe really needed an 'all for one spirit, too many initially gave an 'only for me' response".<sup>21</sup>

While competing for each other for medical supplies was enough to raise tensions among the member states during the initial stages of the pandemic, the bigger challenge is what comes next and how to recover economically from the pandemic. This is again causing a divide among EU members. The southern EU members like Italy, Greece, and Spain are likely to be more harshly affected economically by the pandemic because these states have tourism as a higher share of GDP than others, and seeing as for the foreseeable future borders will mostly be closed and travel limited these states will suffer.

The Eurogroup has agreed on a €540 billion coronavirus recovery fund. Much to the dismay of Spain, and Italy, this fund is not "bonds" (pooling mutual debt) but rather loans. Germany and the Netherlands both opposed having the fund be bonds. To the poorer EU countries, it may seem like the rich countries have turned their backs on them. These states "are the ones

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<sup>18</sup> Kosc, Wojciech. *EU Proposes slashing Poland's coal transition money to €1bn*. 2020: bne Intellinews. <https://www.intellinews.com/eu-proposes-slashing-poland-s-coal-transition-money-to-1bn-176856/>

<sup>19</sup> Nikolov, Krassen. *Bulgaria wants €33 billion to start implementing the Green Deal*. 2020, Euractiv. <https://www.euractiv.com/section/energy-environment/news/bulgaria-wants-e33-billion-to-start-implementing-the-green-deal/>

<sup>20</sup> Soukenikova, Eva and Zdislava Pokorna. *Italy: Czech Republic confiscated our face masks*. RMX, 2020, <https://rmx.news/article/article/italy-czech-republic-confiscated-our-face-masks>

<sup>21</sup> Chadwick, Lauren. *'The future of the European Project is at stake' EU in crosshairs of coronavirus pandemic*. Euronews, 2020, <https://www.euronews.com/2020/03/27/the-future-of-the-european-project-is-at-stake-eu-in-crosshairs-of-coronavirus-pandemic>

that need to borrow most, but they're in the worst position to do so"<sup>22</sup>. After countries disagreed on bonds vs loan, Spanish Prime Minister Pedro Sanchez said, "the future of the European project is at stake, we must choose between a coordinated and united EU or individualism"<sup>23</sup>.

## EU Goals and division

The EU always has, and always will be, divided in some regards. There is nothing inherently wrong with that, the EU's motto is *united in diversity* after all. Where these divisions become a problem, is when they begin to threaten the integrity and cohesion of the EU itself. When Poland becomes such an antagonist that there is a real possibility that they are left out of something as large as the *Green Deal*, this is a significant challenge. Challenges can strengthen the cohesion and integration of the EU – as the challenges are successfully conquered, the cohesion of the EU becomes stronger and the better the EU can deal with challenges in the future.

Adaptation is key to the future of the EU and its cohesion. If Poland refuses to take part in the *Green Deal*, then the EU must adapt the *Green Deal* around this rather than force Poland to take part. The EU adapting to this challenge can be seen in the 2050 goal of the *Green Deal* becoming an EU-wide goal, rather than a goal for each individual member state; this allows Poland to aim for 2070 (as they wanted) to become carbon-neutral, because by 2050 some member states are expected to be carbon-negative, thereby making up for Poland lagging behind. Tamas Szemler, professor at the National University of Public Service in Budapest says: "differences between the Member States' positions... should not be treated as irreversible. Rather, they must be seen as challenges that once again require us to find good responses that will enable development"<sup>24</sup>. The goal of the EU should not be to force an agenda on its member states, but to adapt EU mechanisms to allow integration and cohesion to continue moving forwards even when faced with challenges from stubborn member states.

## Recommendation:

- Integration and cohesion should not be forced, but rather occur naturally as part of working and cooperating. Do not concede points of contention to appease a contentious member state, but rather adapt the mechanism or policy in question to be a better fit within all member states goals and values



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<sup>22</sup> Mai, HJ. *The coronavirus could tear the EU apart*. Vox, 2020, <https://www.vox.com/world/2020/4/21/21228578/coronavirus-europe-eu-economic-crisis-eurozone-debt>

<sup>23</sup> Chadwick, 2020

<sup>24</sup> Szemler, Tamas. "Challenges to European Integration: Missions and Instruments". 2018, Politics in Central Europe <https://content.sciendo.com/view/journals/pce/14/1/article-p77.xml?lang=en>

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