Basic information

2018/2093(INI) INI - Own-initiative procedure	Procedure completed
Differentiated integration **Subject** 5.20.01 Coordination of monetary policies, European Monetary Institute (EMI), Economic and Monetary Union (EMU) 7.90 Justice and home affairs 8 State and evolution of the Union	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AFCO Constitutional Affairs	DURAND Pascal (Verts/ALE)	21/03/2018
	Shadow rapporteur PREDA Cristian Dan (PPE) BRESSO Mercedes (S&D) MESSERSCHMIDT Morten (ECR) SELIMOVIC Jasenko (ALDE) SCHOLZ Helmut (GUE/NGL) CASTALDO Fabio Massimo (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	GOERENS Charles (ALDE)	23/04/2018
ECON Economic and Monetary Affairs (Associated committee)	FRUNZULICĂ Doru-Claudian (S&D)	31/05/2018

European Commission

Commission DG	Commissioner
Migration and Home Affairs	AVRAMOPOULOS Dimitris

Key events

Date	Event	Reference	Summary
14/06/2018	Committee referral announced in Parliament		
14/06/2018	Referral to associated committees announced in Parliament		
21/11/2018	Vote in committee		
27/11/2018	Committee report tabled for plenary	A8-0402/2018	Summary
17/01/2019	Decision by Parliament	T8-0044/2019	Summary
17/01/2019	Results of vote in Parliament		
17/01/2019	Debate in Parliament		
17/01/2019	End of procedure in Parliament		

Technical information	
Procedure reference	2018/2093(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	AFCO/8/13345

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.719	02/08/2018	
Amendments tabled in committee		PE627.843	17/09/2018	
Committee opinion	BUDG	PE625.420	07/11/2018	
Committee opinion	ECON	PE627.770	15/11/2018	
Committee report tabled for plenary, single reading		A8-0402/2018	27/11/2018	Summary
Text adopted by Parliament, single reading		T8-0044/2019	17/01/2019	Summary

Differentiated integration

2018/2093(INI) - 27/11/2018 - Committee report tabled for plenary, single reading

The Committee on Constitutional Affairs adopted the own-initiative report by Pascal DURAND (Greens/EFA, FR) on differentiated integration.

The Committee recalled its conclusions that intergovernmental decision-making structures and processes increase complexity of institutional responsibility, reduce transparency and democratic accountability and that the **Community method is best** for the functioning of the Union. It considered that differentiated integration should reflect the idea that Europe does not work to a **one-size-fits-all** approach and should adapt to the needs and wishes of its citizens. Members believed that differentiation:

- may sometimes be required for the purposes of **embarking on new European projects** and **overcoming the deadlock arising from national political circumstances** unrelated to the common project;
- should be **used pragmatically** as a constitutional tool to **ensure flexibility without undermining the general interest of the EU** and the **equal rights and opportunities of its citizens;**
- should only be conceived of as a **temporary step** on the path towards more effective and integrated policymaking.

The committee reiterated its conviction that differentiated integration must remain, as provided for under **Articles 20 and 46 TEU**, open to all Member States and must continue to serve as an example of deeper European integration where no Member State remains excluded from a policy in the long run, and should not be seen as a means to facilitate *à la carte* solutions that threaten to undermine the Union method and the EU's institutional system.

It affirmed that any form of differentiation initiative that leads to the creation of first- and second-class Member States of the Union, or to a perception thereof, would be a major political failure with detrimental consequences for the EU project. Any **future model** of differentiated integration should be **designed to provide incentives for and fully support** Member States aspiring to 'opt in' in their efforts of economic development and conversion aimed at meeting the necessary criteria in a reasonable timeframe.

Members considered that one appropriate answer to the need for flexible tools is to tackle one of the roots of the problem. They called therefore, for a further shift in Council voting procedures away from unanimity and towards qualified majority voting, by making use of the "passerelle clause" (**Article 48 (7) TEU**).

The committee believed that differentiated integration should always take place within the Treaty provisions, should maintain the unity of EU institutions and should not lead to the creation of parallel institutional arrangements or arrangements that indirectly contravene the spirit and the fundamental principles of EU law, but should instead **enable specific bodies to be established where appropriate**, without prejudice to the competences and role of the EU institutions.

It emphasised that differentiated integration should not lead to more complex decision-making processes that would undermine the **democratic accountability** of the EU institutions.

It considered Brexit an opportunity to move away from models of "opting out" towards non-discriminatory and supportive models of "opting in". Members stressed that these "opting in" models would not limit progress towards "ever closer union" to the lowest common denominator of a one-size-fits-all solution but would allow the necessary flexibility to progress while leaving the door open to Member States that are both willing and able to fulfil the necessary criteria.

The committee calls for the next revision of the Treaties to bring order to the current process of differentiation by ending the practice of permanent opt-outs and exceptions from primary EU law for individual Member States, as they lead to negative differentiation in primary EU law, distort the homogeneity of EU law in general and endanger the social cohesion of the EU.

It acknowledged, however, that some **transitional periods** may be necessary for new members on a strictly exceptional, temporary and case-by-case basis but insisted that certain clear and enforceable legal provisions be introduced to prevent the perpetuation of these periods.

EU membership would therefore require full compliance with primary EU law in all policy areas, while those countries desiring a close relationship with the EU without being willing to commit to full compliance with primary law and which either will not or cannot join the EU should be offered some **form of partnership**. Members considered that this relationship should be accompanied by **obligations corresponding to the respective rights**, such as a contribution to the EU budget, and should be **contingent on** adherence with the **EU's fundamental values, the rule of law** and, when it comes to internal market participation, the **four freedoms**.

The committee stressed that differentiation should not be possible in policy areas where non-participating Member States could create **negative externalities**, such as economic and social dumping. It demanded that the Commission carefully examine the potential centrifugal effects, including in the long term, when it submits its proposal for enhanced cooperation.

It suggested the establishment of a **special procedure** that would allow, after a certain number of years, when enhanced cooperation is launched by a number of states representing a qualified majority in the Council and after Parliament's consent has been obtained, the integration of the provisions of enhanced cooperation into the EU *acquis*.

Lastly, it underlined the fact that flexibility and differentiation should go hand in hand with reinforcing common rules in core areas to ensure that differentiation does not lead to political fragmentation; considers, therefore, that a future European institutional framework should include ineluctable European Pillars on political, economic, social and environmental rights.

Differentiated integration

2018/2093(INI) - 17/01/2019 - Text adopted by Parliament, single reading

The European Parliament adopted by 446 votes to 138, with 19 abstentions, a resolution on differentiated integration.

The concept of differentiated integration refers to a range of different mechanisms each of which can have a very different impact on European integration; whereas one can distinguish between time differentiation, or a multispeed Europe, where the goals are the same but the speed required to achieve them varies, manners differentiation, or Europe à la carte, and space differentiation, often referred to as ‘variable geometry’.

A secondary option and not a strategic priority

Members recalled that differentiation is a stable feature of European integration, not only in areas falling within the Union's competence, but also in other areas, and that it has sometimes allowed the deepening and enlargement of the EU to take place simultaneously. However, they refused to consider differentiation as an innovative way forward for the future of the Union.

Parliament insisted that the debate surrounding differentiated integration should not be about pro-differentiation versus anti-differentiation, but the best way to operationalise differentiated integration – which is already a political reality – within the EU’s institutional framework in the best interests of the Union and its citizens.

Members argued that any form of differentiated integration should reflect the idea that Europe does not work to a one-size-fits-all approach and should adapt to the needs and wishes of its citizen. This differentiation:

- may sometimes be required for the purposes of embarking on new European projects and overcoming the deadlock arising from national political circumstances unrelated to the common project;

- should be used pragmatically as a constitutional tool to ensure flexibility without undermining the general interest of the Union and the equal rights and opportunities of its citizens;

- should only be conceived of as a temporary step on the path towards more effective and integrated policymaking.

Members confirmed that any form of differentiation initiative that leads to the creation of first- and second-class Member States of the Union, or to a perception thereof, would be a major political failure with detrimental consequences for the EU project.

Differentiated integration should not be seen as a means of promoting tailor-made solutions that could compromise the Union's method and its institutional system. Also, it should always:

- remain open to all Member States and continue to serve as an example of deepening European integration;

- be considered in such a way as to fully encourage and support Member States wishing to participate in their economic development and reform efforts with a view to meeting the necessary criteria within a reasonable period of time;

- be done within the framework of the provisions of the Treaties and preserve the unity of the Union's institutions without leading to more complex decision-making processes that would reduce the democratic accountability of the Union's institutions.

In order to meet the need for flexibility tools, Members called for the Council's voting procedures to continue to move from unanimity to qualified majority voting, using the 'passerelle clause' provided for in Article 48(7) of the EU Treaty.

Revision of the Treaties

According to Parliament, the next revision of the Treaties should bring order to the current process of differentiation by ending the practice of permanent opt-outs and exceptions from primary EU law for individual Member States.

Brexit could be an opportunity to move away from models of ‘opting out’ towards non-discriminatory and supportive models of ‘opting in’; stresses that these ‘opting in’ models would not limit progress towards ‘ever closer union’ to the lowest common denominator of a one-size-fits-all solution.

Parliament insisted on the following points:

- accession to the Union should imply an obligation for Member States to respect the primary EU law in all policy areas;

- countries that wish to have a close relationship with the EU without committing themselves to full compliance with primary law and that will not or cannot join the EU should be offered some form of partnership;

- differentiation should not be allowed (i) when it comes to respect for existing fundamental values and rights enshrined in Article 2 of the EU Treaty; (ii) in policy areas where non-participating Member States could create negative externalities such as economic and social dumping.

In order to ensure that differentiation does not lead to political fragmentation, Parliament considered that a future European institutional framework should include ineluctable European Pillars on political, economic, social and environmental rights.