

# Centripetal and Centrifugal Forces in the European Union\*

György Szapáry

*The economic crises of the 21st century have challenged the unity of the European Union. The initially strong centripetal forces started to be weakened by new, unexpected centrifugal forces. What does the future hold for the European Union, and how can it face the unforeseen challenges? Currently the most important divisive, centrifugal forces within the EU include the management of mass migration, the debates surrounding the EU budget, the lack of a common foreign policy and the issue of sovereignty versus federalism. The essay addresses these topics one by one, because a strong, influential and unified Europe cannot exist without a solution to the migration crisis which is accepted by all Member States, a more coordinated fiscal and foreign policy and an explicit, uniformly accepted interpretation of the sovereignty of nation states. These areas are likely to remain divisive, centrifugal forces hampering the progress of European integration for years to come, but they should be discussed to identify the most important things to do.*

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## 1. Initial centripetal forces

In 1945, Europe was in ruins, reeling from the Second World War. When the war years ended, they left behind millions of orphans, starving citizens forced to leave their homes, and bombed-out cities. Everyone hungered for peace. This collective wish for peace was the most important cohesive force that initiated the European integration process. Although the continent experienced peace again, Europe was split in two, with Eastern Europe forced into the tyranny of the Soviet communist dictatorship and, on the other hand, a strengthening, democratic and economically rapidly developing Western Europe.

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György Szapáry is a Chief Adviser to the Governor of the Magyar Nemzeti Bank. Email: szaparygy@mnk.hu

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At the proposal of Robert Schuman, the European Coal and Steel Community was established in 1951, to make war “*not merely unthinkable, but materially impossible*”, to quote Schuman, thereby making it impossible to arm for a new war. The proposal that later became known as the Schuman Declaration, began as follows:

*‘World peace cannot be safeguarded without the making of creative efforts proportionate to the dangers which threaten it. The contribution which an organized and living Europe can bring to civilization is indispensable to the maintenance of peaceful relations. [...] Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity. The coming together of the nations of Europe requires the elimination of the age-old opposition of France and Germany.’<sup>1</sup>*

The centripetal, cohesive force stems from this declaration which laid the foundation for the drive toward European integration with today’s achievements: the four freedoms, i.e., the free flow of goods, services, capital and labour, the Schengen Area and the common currency. However, the road leading to ever closer integration has not been without conflicts. One need only recall French President de Gaulle’s double veto on the United Kingdom joining the European Economic Community (the forerunner to the EU), the ‘empty chair’ politics by the French, when de Gaulle boycotted Council meetings for six months, or the debates surrounding the euro introduction and the Eastern enlargement. The ‘empty chair’ policy is worth recalling because it is related to an important issue that is currently one of the primary centrifugal forces: the clash between sovereignty supporters and federalists. The French boycott was intended to block the federalist initiative that the Council should make its decisions based on majority voting. France achieved that important decisions can only be made unanimously, a practice that has continued to live on in the Council until today. But the issue has become a hot topic once again, because more and more Western European countries wish to change this, and one of the main drivers behind it is the Eastern enlargement. This is discussed in more detail later.

As the four freedoms are now ensured and the common currency has been introduced, the age of centripetal forces seems to have ended, and new centrifugal forces have emerged. As pointed out by *Kiran Klaus Patel (2021)*, even *Jean Monnet* talked about European integration progressing “by zig and by zag”, and the need to use every crisis to strengthen integration. The past 15 years have seen many crises. The 2007–2008 Great Financial Crisis and the Covid-19 crisis brought to the fore issues that the European Union of 27 member countries (28 before

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<sup>1</sup> The full text of the Schuman Declaration is available on the European Union website: [https://europa.eu/european-union/about-eu/symbols/europe-day/schuman-declaration\\_hu](https://europa.eu/european-union/about-eu/symbols/europe-day/schuman-declaration_hu). Downloaded: 9 November 2021.

Brexit) had not been forced to face so far. In their book on creative destruction, *Philippe Aghion et al. (2021:312)* write, among other things, about the future of capitalism. The slowdown in economic growth, the rapidly widening inequality in the distribution of income, the anxiety caused by climate change and the emerging issues related to globalisation seem to call into question the belief in the efficiency of a capitalist economy. Capitalism has of course its drawbacks, it can cause financial crises, cannot ensure job security, and it is unable to provide a good solution to income inequalities. According to the authors, capitalism is now in the midst of an existential crisis, and the same goes for the European Union. As the achievement of the promised welfare has become uncertain, resistance to the political and social transformation entailed by integration has strengthened, and the viability of international cooperation based on compromises has become questionable (*Patel 2018:279*).

All in all, the initial cohesive force – the maintenance of peace – has become diluted over the decades. For most current policymakers and the public, the Second World War is distant history. For example, French President Emmanuel Macron was born in 1977, 32 years after the Second World War drew to a close. While he is committed to strengthening the European Union, this does not hold true for every country – one need only think of Brexit.

Eastern enlargement also brought with it a new dimension. The often and rightly cited 70 years of peace that the EU brought for Europe sounds differently for the 100 million people who spent 40 of these 70 years under Soviet rule, deprived of the opportunity to live freely, build democracy and prosper economically like people in Western Europe. The citizens of the post-Soviet satellite states are rightly proud of having gained their independence on their own, without any special assistance from the West. Moreover, certain Western European countries were initially worried about German reunification. Back then the saying that ‘I love Germany so much that I want two of them’ was still alive. On the contrary, post-Soviet countries were keen to support German reunification, and Hungary played an unquestionably key part in this. As German Chancellor Helmut Kohl said, Hungary knocked the first brick out of the Berlin Wall. Citizens suffering under Soviet rule knew that Europe would see no permanent peace without the reunification of Germany and the integration of Eastern European countries into the European Union.

Several authors have addressed the question of European identity, including *János Martonyi (2018)*, *László Trócsányi (2021)*, *Thierry Chopin (2018)*, *Uğur Tekiner (2020)* and *Szabolcs Janik (2021)* to name but a few of the latest publications. The thinking revolves around the issue of ‘shared identity’, in other words how a shared European identity can go hand in hand, or be reconciled with, national identity and how the latter can be defined. Thinking about European identity has changed over time as integration progressed and enlargement waves occurred.

The thinking was different when the community only consisted of the six founding members than it is in today's European Union comprising 27 Member States. At the time of the EU's founding, the question of European identity hardly interested decision-makers at the political level, and public opinion was not much preoccupied by it. The focus then was on the measures of economic integration, the 'European identity' in itself was not contested, and national identity was never called into question. The northern and southern enlargement revived the identity issue, which culminated in the failure of the planned constitution for Europe and the debate around the Treaty of Lisbon. The Eastern enlargement, i.e., the integration of the countries torn away from the West for 40 years, added new momentum to this debate, which is also one of the drivers behind the emergence of centrifugal forces as will be demonstrated. "We shall never forget that we remain diverse in being European", *Trócsányi (2021)* warns.

## **2. The emergence of centrifugal forces**

A large part of the issues dividing the European Union today are rooted in problems that were brought to the surface by the above-mentioned crises: different growth and unemployment rates, which determines fiscal dependency; mounting income inequalities, which increases social tensions and discontent; different healthcare systems and differences in the state of public health, which influence the management and the success in overcoming the pandemic. In poorer developing countries the effects of crises are much worse, and this – coupled with a war-torn environment – triggered a wave of mass immigration. These facts all generated divisive forces within the European Union which are multidimensional, spanning across traditional East-West and North-South divides. Four centrifugal forces are discussed: migration, fiscal policy, foreign policy and sovereignty.

### **2.1. Migration**

Illegal mass migration is one of today's most pressing divisive factor. This is strongly influenced by the varying historical experiences. The attitude of colonising countries has been shaped by centuries of experience in welcoming migrants from far away. The overwhelming majority of Western European countries had colonies, including the United Kingdom, France, Spain, Portugal, Belgium, the Netherlands, Italy, and even Germany before the First World War. These countries had a chance to familiarise themselves with the people and culture of their colonies. Immigrants primarily came from former colonies, first the more highly skilled who already spoke the language of the colonising country, later followed by the less highly skilled. This was a gradual process, and the public had time to get used to the presence of immigrants. Furthermore, immigrants from South Asia, Southeast Asia and Africa or their descendants earned the respect of the host nation because of their achievements in business, sports, music and literature, even reaching top

leadership positions in politics. Today this process is not void of tensions, due to mass immigration over the past decade. Yet, the countries that used to have colonies are more welcoming of immigrants, which is probably influenced by not only historical experiences but also a sense of responsibility felt by colonisers.

On the other hand, Central and Eastern European countries had no colonies, their population did not mix with immigrants from afar, they had no experience of gradually familiarising themselves with very different cultures. They were suddenly faced with huge masses of immigrants crossing or trying to cross their borders. Naturally they resisted. Following Hungary, Poland and the Baltic states have also started to construct fences to protect their borders. This divides the community of the EU, because the richer countries, where the immigrants are headed to, call for a compulsory distribution of migrants among EU Member States. In fact, the fences protect the richer Western European countries. The countries with coastlines are also in favour of compulsory distribution because it is more difficult, and more delicate from a humanitarian aspect, to stop immigrants at sea than on land routes, which, incidentally, are preferred by migrants because they are safer. The management of mass migration creates a centrifugal force rooted in the different historical experiences and is substantially influenced by the different standards of living in Western and Eastern European countries. The masses of people trying to enter Europe from war torn areas and drought stricken countries on the African continent caused by climate change will continue to be a divisive factor in the political discussions of the European Union for years to come. Europe is rich and appears unprotected, making the continent attractive for migrants from poorer countries.

## 2.2. Fiscal policy

The cohesion of the European Union is threatened by the large differences in unemployment rates and the room for fiscal manoeuvre. The average unemployment rate in the euro area is 8 per cent, but it is around 16 per cent in Greece and Spain<sup>2</sup>, for example. (*IMF 2021*). While government debt significantly exceeded the Maastricht criterion of 60 per cent of GDP in only six countries in 2007, 14 countries are projected to cross this threshold in 2021. There are huge differences here as well: the euro area average is 100 per cent of GDP, but in the countries with high unemployment, such as Greece, Spain and Italy, government debt is much higher, reaching over 200 per cent in Greece (*IMF 2021*)<sup>3</sup>. A common monetary policy would have to be coupled with a certain degree of common fiscal policy but that is non-existent, there are only fiscal rules, which have been mostly breached. It has been easy to find exceptions to the relevant rules citing changed circumstances and waive penalties for countries that have been under excessive

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<sup>2</sup> Forecast for 2021

<sup>3</sup> Forecast for 2021

deficit procedures for years. The possible changing of these rules is back on the agenda.

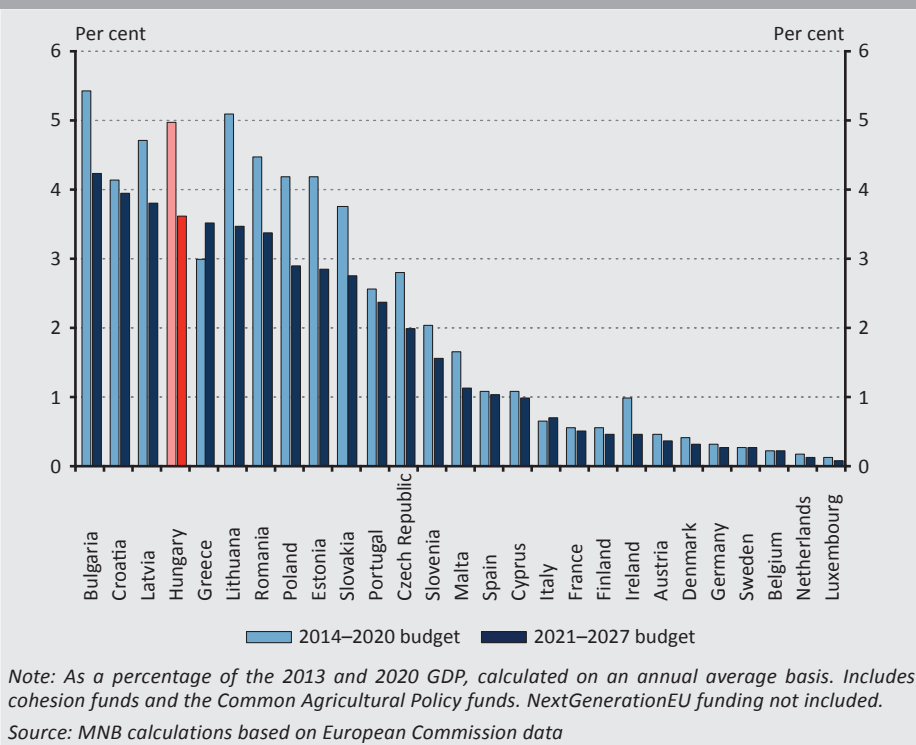
If a fiscal union existed, which is currently appears a utopian idea, automatic fiscal stabilisers would be able to partly manage the issues arising from the differences in unemployment rates, and the inevitable austerity measures could be eased, since a countercyclical fiscal policy tool would be at play. Currently, crutches are needed to provide external help. Here another centrifugal force can be detected, i.e., the newly emerging northern-southern conflict of interest, a clear sign of which is the successful demand of the ‘frugal four’ (Austria, the Netherlands, Sweden, Denmark) that the share of loans to the beneficiaries of the NextGenerationEU recovery fund should be increased at the expense of grants. This is a definite indication that the conflict of interest between richer and poorer countries will continue to accompany the EU’s integration efforts. This blocks or hampers any further steps on the road towards bolstering economic integration, such the establishment of a European bank deposit insurance scheme or the replenishment of the bank resolution fund, because richer countries, especially Germany, worry that they will have to finance the losses of other countries’ banks. More affluent countries emphasise risk reduction, while others are interested in risk sharing. Although the NextGenerationEU recovery fund has a redistribution aspect in the sense that the countries that suffered more due to the pandemic receive proportionately more, this only intensified the conflicts of interest between richer and poorer countries.

The original proposal was to offer to eligible Member States EUR 500 billion as grants from the recovery fund of EUR 750 billion and EUR 250 billion as loans. The ‘frugal four’ managed to change these shares to EUR 390 billion and EUR 360 billion, respectively, which is a significant shift from the original proposal. A new aspect is that Member States assume joint guarantee for the EUR 750 billion (at 2018 prices) to be raised on the market by the Commission. At current prices, Hungary is eligible for EUR 8.6 billion in grants<sup>4</sup> and EUR 9.7 billion in loans from the NextGenerationEU recovery fund. Out of the 2021–2027 seven-year EU budget, which is already smaller than the previous one due to Brexit, Hungary will get a smaller amount from the Cohesion Fund (*Figure 1*), because the formula determining the amount of cohesion funds has changed in favour of countries where the per capita income of their poorer regions is low. There are several Member States where the per capita income is lower in their poorer regions than the Hungarian average.

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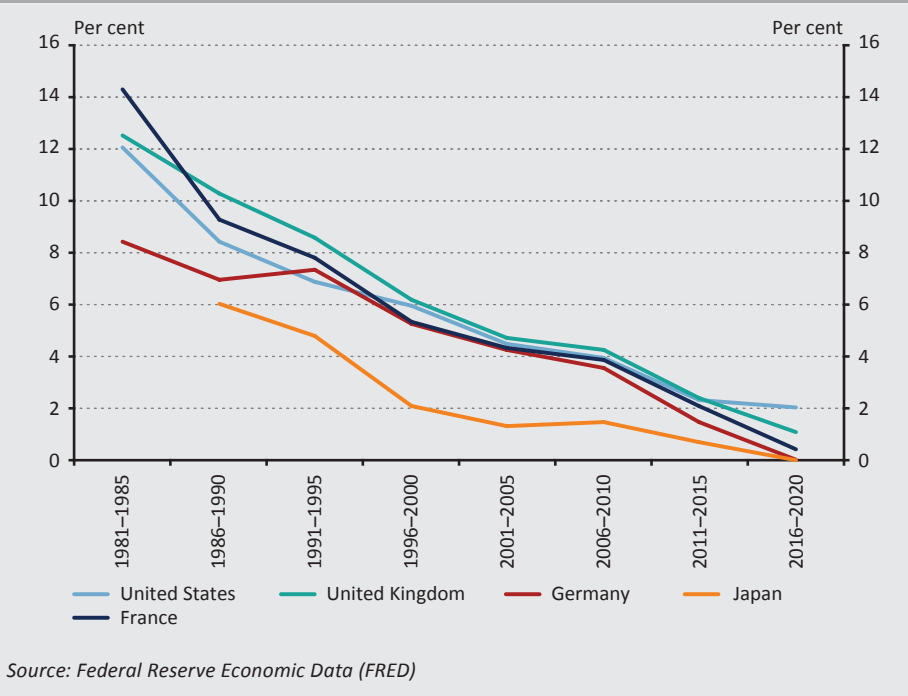
<sup>4</sup> EUR 7.2 billion from the *Recovery and Resilience Facility* (RRF) and EUR 1.4 billion from other funds. MNB calculations based on European Commission data

**Figure 1**  
Subsidies from the 2014–2020 and 2021–2027 EU budget (as a percentage of GDP)



The topic of government debt should be revisited briefly. Undoubtedly, budgetary spending had to be increased and may need to be increased in the future to manage the crises, maintain jobs, reduce unemployment and fight the pandemic. This led to a surge in government debt. Some well-known economists (*see, for example, Blanchard 2019*) have argued that government debt was not that important an issue in advanced countries, since a declining trend in long-term government bond yields can be observed due to structural reasons, (*Figure 2*). These economists maintain that even under an adverse scenario GDP growth will exceed this low interest rate level in developed countries, and government debt will melt away (*Szapáry – Hardi 2021*).

**Figure 2**  
Nominal yield on 10-year government bonds (1981–2020, 5-year average, %)



While this is true mathematically, it is dangerous to assume that this trend will continue in the future. Interest rates may diverge from the trend if confidence in the solvency of a country is undermined, precisely because of high government debt or current account deficit. There are many examples for this. To quote another well-known economist, “the world of finance could become dangerous if governments were to believe that we live in the wonderland where the budget constraint does not bite” (Wyplosz 2019).

### 2.3. Foreign policy

The European Union is divided on its foreign policy towards Russia and China. The annexation of Crimea and military intervention in eastern Ukraine has put Russia at loggerheads with NATO. Consequently, the European Union imposed sanctions on Russia, which was supported unanimously by the Member States. However, there was disagreement within the European Union. Poland and the Baltic states, which have borders with Russia, and possibly have had even more painful experiences with the Soviet Union than other socialist countries, expect the EU to take a tough stance. This view finds fertile ground in certain Western countries, although this attitude is not without ambivalence if one considers the understandably solid German support for the Nord Stream 2 project. While Germany suspended the approval process for



gas transport, it only did so temporarily. Hungary pursues a more nuanced policy towards Russia because it has experienced that when great powers clash over her head, Hungary suffers in the end. Moreover, Hungary's gas supply depends on Russia, even though the country seeks to diversify the sources of gas. Hungary shapes its Russia policy based on the logic of mutual respect. That is why certain Western European politicians started to say that Hungary was Mr Putin's Trojan horse in the European Union. Such narrative, like the attitude to mass migration, only serves to sharpen East–West conflicts and strengthens centrifugal forces.

The EU has rightful grievances against China. The lack of reciprocity in trade and investments and the country's attitude toward the protection of intellectual property have attracted harsh criticism from the European Commission and certain large Western European Member States. Central and Eastern European countries try to take full advantage of their trade and investment opportunities with China, which are much smaller than in the case of Western countries. The Chinese Belt and Road and 16+1 initiatives (which Lithuania recently left) have earned distrust from Western EU Member States, thinking that the post-Soviet countries are paving the way for China's political influence in Europe. This belief will probably strengthen as China's trade, investment, scientific and cultural ties will become stronger with many Central and Eastern European countries. The Western European stance is divisive on this issue as well, since the volume of trade and investments between China and Western Europe far exceeds that of Eastern European countries.

#### **2.4. Sovereignty**

Sovereignty versus federalism is the most hotly contested issue. It was already a key debate in de Gaulle's time. Brexit was also fuelled by this issue, as 'global Britain' envisioned the country reclaiming its full sovereignty. One might argue that this is the most important centrifugal force that, like a dormant volcano, erupts from time to time, it's lava causing damage to its environment the future effects of which are difficult to assess. Nowadays, the rule of law question in Poland and Hungary is causing a stir. Both countries claim that the European Union wants to use its institutions to make decisions about issues that were not transferred to the European Union by the Member States. These include for instance the protection of families and the compulsory distribution of immigrants which would change the cultural and religious mix of the population. The end result of this conflict is still uncertain. Although in the past other countries, in particular Germany, advocated the inviolability of constitutional identity, disputing the absolute and unlimited primacy of European law over Member States' legal systems, a conflict of views between East and West can be detected in the above-mentioned two cases. There are several reasons why some parts of Eastern Europe are concerned about Brussels' growing influence in topics considered domestic issues by the Member States which the latter claim not to have transferred to the EU. First, Eastern European countries

were not, and could not be present when the foundations for the EU were laid down, they did not take part in the discussion about it, they were only present when the Treaty of Lisbon was created, but that was not without antecedents. Second, the concerns are increased by the negative experiences with Moscow's rule. Finally, the rapid achievement of welfare, promised by European Union membership, has failed to be realised, which may also increase resistance to Brussels. These are feelings that cannot be measured by statistics, but they shape politicians' thinking nonetheless, even though most Eastern European citizens envision their future within the EU. The alliance between the East and the West is further hindered by statements by influential Western politicians, directed at certain Eastern European countries, that the European Union is not an ATM, or that Hungary should be brought to its knees. One knows that such statements are mostly directed at the politicians' own voters back home, but they highlight an important centrifugal factor, namely that Eastern European countries can, and should, be lectured.

There is no strong, unified European Union without new Member States being considered equals. The 'ever closer Europe' cannot be achieved without the assent of Member States and their citizens. There is unity in diversity, as it is often claimed, but differences are often not understood or welcomed. A nation lives in its language as well as its history and culture. Eastern Europeans' curricula include learning about the history of Western Europe. It is the author's personal experience, that people in the West know very little about the history or social composition of, say, Hungary, Romania, Bulgaria, or Croatia.

It is once again contested whether the best way forward towards a closer democratic European integration with more solidarity is a structure built on a federal state or one based on sovereign nation states. I argue that nation states do not threaten this integration. On the contrary, the European wars of liberation in the 20th century and the resistance to communist dictatorships show that strong European nation states are the best possible units or communities devised so far that can create the confidence and commitment for protecting freedom and democracy. The French resistance fighters and the Polish soldiers fighting on the side of the Allies during the Second World War were killed in action as French and Polish patriots loyal to their homeland. The people revolting against the Soviet rule in 1956 in Hungary were Hungarian patriots fighting for the independence of their country. These examples show the strength of national identity. Only strong and dynamically growing nation states can guarantee a powerful European Union.

### 3. Where to next?

The most important and most popular integration measures have already been taken: single market, Schengen, common currency. However, there are still major steps to be made that would strengthen economic integration and the European Union's resilience against future crises as well as its preparedness for new challenges. These steps include the completion of the banking union, further liberalisation of services and capital markets, harmonisation of fiscal policies on a more reasonable basis within the euro area and managing climate change. Closer cooperation should be sought in research, education and, *horribile dictu*, foreign policy, as well. As China rises and America's geopolitical influence visibly declines and its strategic attention turns towards Asia, only a strong and more unified Europe can maintain its competitiveness and influence in the emerging new world order (Szapáry – Plósz 2019). There are new calls for the EU to build a rapid deployment military force. Although common defence policy had been a key question for years, the conflicts of interest have prevented the creation of a European fighting force, the German '*Schuldkult*' might have played a role in it. The current geopolitical changes will hopefully convince politicians to bolster Europe's defence capacity.

Beyond the economic interests, Europe no doubt possesses a cohesive force, rooted in its shared though tumultuous history and the Christian roots of its society. Unfortunately, the newly emerging divisive forces discussed above distract attention from the crucial reforms and use up the energy necessary for implementing them. There have always been and will always be debates in a community like the European Union, in which members have different languages and culture and partly different history. The only thing necessary for a strong Europe is for everyone to acknowledge and respect these differences. It is well established that Germany and France are the engines of European integration, and the European project does not progress without their strong alliance. And no strong and unified Europe can exist without acknowledging the equality of Central and Eastern European countries, based on joint thinking and a mutual understanding of each other's history and culture. As János Martonyi (2018:109), the former foreign minister of Hungary put it: '*Central Europe is undeniably part of Europe... Central Europe is a more intense and denser Europe. A Europe at higher revolution speed.*' To quote French philosopher Henri Bergson: "*The future is not what will happen, but what we will do*".

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