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EU'S CRISES AND ITS FUTURE

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At present, five problem areas can be singled out in the EU. These are crises of: internal political leadership and solidarity; the stability of a single currency and economic growth; normative leadership; immigration and the terrorist threat; and finally, legitimacy. The order of their enumeration is not accidental; the first crisis provokes three subsequent ones (in the economic sphere, ideological rivalry and immigration/terrorist threat), which, in their turn, call into question the EU's legitimacy. Let's look at the EU's present situation through the prism of these five crises, analyzing their essence, causes and development dynamics, as well as the presence of a Russian factor in them (if any). In conclusion, we will consider the implications of these crises for Russia's relations with Brussels.

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The Crisis of Leadership and Solidarity

Two leadership models have historically evolved in the EU. The European Commission (EC) provides the first model. This institution was the most influential at the start of European integration (1950s), as well as during the presidency of Jacques Delors (1980s), when a common internal market emerged and the transition toward a single currency began. Its main asset was technocracy, as well as the reputation and charisma of the EC president. The second leadership model is embodied in the Franco-German tandem, where Paris exercised political leadership while Germany guaranteed sustained economic growth. The alliance harmoniously combined the federalization of the EU and the preservation of its member countries' specifics, a free market and dirigisme. In this context, the consensus between Paris and Berlin responded to the demands of all other EU members. The main asset of this model was its capability to accommodate different interests, combined with crisis management experience.

None of these models is viable today. At present, the EU is dominated by one state, Germany. Based on its economic achievements, Berlin is also laying claim to political leadership. A contributing factor here is the vacuum of leadership potential in EU institutions and the weakness of national leaders in the Old World. Despite the ambitions of its current president, Jean-Claude Juncker, the EC effectively plays the role of Berlin's secretary while France acts as its tried and true armor bearer (in the Normandy format, François Hollande creates the illusion that the Franco-German tandem is still at the helm). The Germanization of the EU, which, from a currency and economic union, has spilled over to other integration areas, naturally irks EU members. Angela Merkel's pledge to provide refuge to all those in need, thousands of whom are entering the Old World by sea, has aroused strong opposition in the majority of EU countries, especially those that became full members this millennium in the hope of an easy and carefree life and who did not expect to have to deal with the problems of third countries.

The Germanization of leadership does not mean that all decisions are beneficial solely to Berlin. Solidarity within the EU does exist, even though it regularly comes under rhetorical diatribes from outside players, downgrading it as the lowest common denominator or as a ceremonial (not substantive) end in itself. In particular, solidarity with Central European countries became a factor in the hard line that Germany took in relation to Russia. This was in fact the price that Berlin had to pay for the recognition of its EU leadership by new members (especially Poland and the Baltic countries). That they have reached a consolidated position on Russia has also shown again that EU solidarity is formed and demonstrated more effectively in the face of an external threat, existential or perceived. The rhetoric regarding the possibility of bringing the EU's Russian-speaking community into play or Russia's military maneuvers near the EU's borders were, without a doubt, stimulating factors.

Solidarity does not mean that EU member countries are willing to forsake their interests, for example, in the regulation of the financial sector or intellectual property, family law or immigration or the granting of asylum. Therefore, the EU will evidently see a rise in flexible collaboration, i.e., collaboration whereby not all countries assume equal obligations with regard to integration (for example, some countries move more quickly while others lag behind). This strategy, however, does not apply to the integration core (the internal market, i.e., the free movement of goods, services, capital and people), making this collaboration stable. Essentially, leadership and solidarity in the EU are sufficient

to consolidate the decisions that have already been made, but not sufficient enough to take radical steps required to deepen integration.

A case in point is the UK. It not only stays outside currency integration, the Schengen agreements and full-scale police collaboration but is also planning to downgrade the level of its cooperation following the June 2016 referendum in which the majority of Britons voted for Brexit. By all appearances, negotiations on specific exit terms will drag on indefinitely, as evidenced, among other things, by statements coming from the British political elite. It is up to London to officially launch the exit process (Article 50 of the EU Treaty provides for two years to complete the formalities), and it is in no hurry. It is not ruled out that additional approval may be required from the UK Parliament, where the majority [of MPs] are against the exit.

However, if exit negotiations begin, their results will be subject to approval by the British Parliament (which may not agree with the decisions made), and a repeat referendum may be needed. Finally, it is still not clear exactly what the UK would like to get as a result. From all indications, new agreements with the EU will differ but little from the terms of London's EU membership today. Even the most fervent advocates of Brexit have already announced their intention to "remain in Europe" and maintain the closest possible trade and investment ties, as well as freedom of movement for EU and UK nationals for employment purposes. In addition, the kingdom is faced with the challenge of preserving national unity. After all, Scotland, Northern Ireland and Gibraltar voted to stay and the City is still the powerful economic force lobbying for the preservation of EU membership. Under these circumstances, the specific parameters of London-Brussels collaboration will most likely undergo minimal change. Denmark can serve as an example. First, it does not recognize Schengen legislation as EU law and regards it as international law (London may adopt the same position on EU law). Second, Greenland is part of Denmark but not of the EU and the same status could be applied to England and Wales whereas Scotland, Northern Ireland and Gibraltar will remain in the EU, which will make it possible to preserve the UK's integrity. These models seem to be more realistic as a model than the EU's relations with Norway, Switzerland, Canada and Turkey or the terms of the Trans-Atlantic trade and investment agreement that are being proposed by experts.

The greatest danger to the EU and its solidarity is posed not by Brexit but by the current uncertainty that can last for years. What's more, if the Foggy Albion leaves the EU the Union's internal unity could strengthen. The undecided Central European countries would lose a true euro-skeptic while the integration core, the old members, would seek to make the exit an extremely unpleasant option, which would be impossible for countries that cannot match the UK's global economic and political weight. Nevertheless, at present, the kingdom's quick and complete exit from the EU is unlikely.

EU solidarity is also open to interpretation. For example, Germany finds it hard to accept the fact that its support for the development of Central European countries and their position on Russia were not balanced by the new members' consent to take in refugees, i.e., by return solidarity. Central European countries, however, are wondering what happened to solidarity when Angela Merkel stated that the EU was open to refugees without consulting others. Italy is puzzled by the fact that the abandonment of the South Stream project for natural gas supplies from Russia led to the promotion of the second line of Nord Stream

(i.e., the consolidation of gas supplies to the EU via Germany, which turns the latter into a convenient gas hub). Greece also has quite a few gripes over the draconian measures that were taken against it to stabilize the euro zone (while, for example, the German car industry developed for years, among other things, at the expense of the Greek market). Besides, assistance to Athens, and now to Rome, in managing the flow of refugees is also limited even though their only problem is their geographic position while the majority of old EU members benefit from the Schengen agreements (including the fact that they do not need to protect their national borders). Differences in the interpretation of solidarity are the reverse side of discontent with the EU's leadership model and its inability to take into account the union's entire range of interests and problems.

Lately, Russia and its policy have been actively used as a bogeyman, i.e., as an external threat factor, to strengthen solidarity. This provides an additional mobilization incentive in the EU that is necessary for making particular decisions. Specifically, it was used to push through decisions on association with Ukraine in the course of the Dutch referendum and the anti-Brexit campaign. This move works as a distraction from leadership and solidarity issues in favor of the external threat factor, making it possible to consolidate in the short term but not deal with long-term problems. EU countries use contact with Moscow more for tactical purposes, to bargain for better terms in exchange for the demonstration of European solidarity, not for abandoning this solidarity in principle. Nor should the EU be expected to change its position on anti-Russia sanctions any time soon following the results of the Brexit referendum.

The Economic Crisis

The economic crisis in the EU is of a complex nature. In 2008, a banking crisis erupted in the Old World, which required the additional capitalization of financial institutions (de-facto infusion of public funds). The slowdown of credit flows and negative business and consumer expectations caused a decline in the GDP in 2009. Government spending on the additional capitalization of banks and the slowdown in growth rates led to a sovereign debt crisis in the euro zone. Greece was especially hard hit (it was saved from default in 2010, 2011–2012 and 2015) and Ireland, Cyprus, Spain and Portugal were also affected. France and Italy ended up on the brink. The year 2013 was marked by a new economic crisis resulting from a decline in production and rising unemployment. In 2015, another Greek bailout issued a warning that the single currency was not yet out of the woods.

There are several reasons for the euro zone crisis. The first is the abandonment by members of the single currency zone of a monetary instrument to influence the market, coupled with the preservation of freedom of action in formulating their own fiscal policy, labor costs and social policy. This freedom was only limited by the toothless Stability and Growth Pact,

which did not provide any effective measures to impact euro zone members. The situation was compounded by an imperfect national financial control system that opened the way to falsification. More generally, this cause can be described as the striving to take member countries' specifics into account while exhibiting maximum flexibility in the macroeconomic sphere and the shortsightedness of this approach amid the great diversity of EU economies.

The second problem is the lack of harmonization among euro zone members in competition, labor productivity and labor costs, and the insufficient synchronization of their economic cycles. One manifestation of this problem is the decision to admit Greece to the euro zone. The transition from the drachma to the euro led to higher labor costs but not labor productivity, which made production unprofitable and forced the country to refocus toward imports and higher government spending (with subsequent external borrowing). There is another serious issue in this context. The euro stymied the industrial development of Italy, Spain or Portugal, whose economies were driven by low labor costs.

Single currency problems were compounded by the massive social security system, conservatism of the Old World and insufficient collaboration between research institutions and the business sector. As a result, the EU loses competition with the US in the postindustrial economy and compensates for this with pinpricks such as lawsuits against Microsoft or Google.

The reluctance of all the countries, even in a critical situation, to delegate additional powers to a supranational level certainly makes it more difficult to overcome the crisis. Another impediment is the EU's top-heavy bureaucratic machine. It spends a lot of time to streamline mountains of regulations that it has generated and to watch the behavior of all member countries in spheres that have already been coordinated. There is no time left to put forward any new initiatives.

The EU has made great progress in economic stabilization since 2008. Two packages of legislation and the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union were adopted, which tightened budgetary discipline and macroeconomic coordination. A banking union was created, which broke the vicious circle between guaranteeing stability in the financial sector through state intervention and sustainability of EU member states' national budgets. In the past several years, average economic growth rates in the EU were maintained at about 1.5 percent. National budget deficits in the euro zone countries were significantly reduced.

Nevertheless, the GDP growth is uneven. After a long period of decline, Ireland set new records (6.9 percent, 4.5 percent and 3.5 percent in 2015, 2016 and 2017, respectively). The Greek GDP continues to decline but it is expected to grow 2.7 percent by 2017. Germany maintains steady growth at 1.8 percent. Unemployment remains high. Until 2017, it will be over 10 percent in the euro zone, fluctuating around 9 percent in the rest of the EU. Indicators in individual countries are significantly worse. In Cyprus, unemployment should fall by 2017 to only 13.2 percent; in Italy, to 11.3 percent; in Spain, to 18.9 percent and in Greece, to 22.8 percent. Finally, by 2017, the debt to GDP ratio in the euro area will be only 91.3 percent (i.e., above the 60 percent benchmark and slightly below today's 92.1 percent). Furthermore, in Greece, it will remain at an alarming level (181 percent of the GDP), Italy 131 percent,

Portugal 127 percent and Spain 100 percent. Thus, southern European countries will continue to be plagued by serious spending problems.

The EU's economic crisis and the difficulties involved in overcoming it are not only important in and of themselves. Stable GDP growth, the rising standards of living and the attractiveness of the market are important factors in the EU's legitimacy in the eyes of its permanent residents. Economic achievements were used to reconcile France and Germany and to stabilize the Old World after the Cold War. Finally, the economy remains the EU's main asset in international relations. In a crisis situation, the EU is simply unable to assume responsibility for its neighbors or for the resolution of global problems. Moreover, economic failures and the inability to overcome the protracted crisis effectively undermine the external legitimacy of the EU. This aspect is particularly important for Moscow as the EU's economic failures are used in a bid to downgrade it as Russia's partner and belittle its (normative) authority.

At the same time, euro zone members have maintained stable GDP growth. They have demonstrated their ability, in a difficult situation, to come to terms and deepen bilateral ties to save the integration project, including the euro. This happened every time their crisis situations came to a head (for example, in Greece). All these steps showed that there is an understanding that the disintegration of the EU or the euro zone is fraught with far greater problems. In fact, the historical course of events has strengthened confidence in the currency union. The euro has not become a high-risk investment currency; the euro economy lost technological competition with the United States and industrial competition with China. Nevertheless, the conservatism and stability of the single currency, like a solid pension security system, continue to serve as the EU's key appeal, including in the foreign policy area.

Crisis of Values and Normative Leadership

The essence of the crisis of leadership in the EU is that while preaching the values of democracy, human rights and the rule of law in the world, Brussels is not always successful in securing them at the national level among member states. What's more, the EU's willingness to ensure respect for particular values depends on what impact this will have on its interests. Finally, following the recent string of terror attacks, now there is also talk about how the values of democracy, human rights and the rule of law prevent the EU from guaranteeing security to its citizens.

National failures are exemplified by amendments to foundational laws passed in Hungary and Poland to benefit ruling elites (including restrictions on the judiciary). Another example is the problem of stateless persons in the Baltic countries, which the EU prefers to ignore. We can also recall the rising popularity of extreme right parties that often reject tolerance and openness toward people from other countries, ethnic groups and religions.

There are numerous causes for the crisis of values in the EU. The principal one is the lack of established democratic standards in some new EU member countries. An additional cause is that, having proclaimed values as its core, the EU has not put in place viable tools to oversee its members. Of course, the EU Treaty makes it possible to suspend their participation in the union's main institutions (primarily in the EU Council) but the present-day climate and a plethora of foreign policy problems are not conducive to this. (An attempt to invoke this provision was made only once, with regard to Austria.) The rising popularity of rightist forces is related to the changing context and new problems (such as immigration), where traditional political parties are unable to propose credible solutions that address the concerns of their fellow citizens.

Regarding the aforementioned Dutch referendum, there are big question marks over the decision of the national legislature to ignore its outcome, and there are similar calls from certain experts and politicians. Arguments to the effect that only 32 percent of the Dutch people and less than 1 percent of EU residents voted are hardly acceptable (although this is up to EU citizens to decide). First, turnout in the 2014 European Parliament election was less than 40 percent but this did not affect the recognition of its results. Second, citizens of other member countries were simply not offered an opportunity to vote on the issue. What the UK authorities will eventually do about the Brexit referendum results may also become a problem. Meanwhile, over 30 other initiatives to hold national referendums in 18 different countries are being lobbied for in the EU. On the whole, however, European leaders have fallen into their own trap. It is common knowledge that citizens rarely understand what issue they vote for in a referendum but the expression of the people's will is increasingly used in political struggles (as in the Netherlands or the UK). However, when the outcome is different from what was expected, political elites start talking about the negative aspects of referendums and try to annul their results or at least to downplay them.

Another problem is that while promoting a deontological approach toward values for its partners (all or nothing; values contrary to all interests and the logic of events), the EU itself favors a relativist approach, i.e., a selective application of norms. Both the Dutch and German cases demonstrate the desire of the EU and its members to decide when to apply democratic laws and norms and when not. Nevertheless, the EU continues to lay claim to the role of judge for third countries. As a result, the EU's own normative power is declining, since it is clearly directed more outward than inward. Essentially, it is turning into soft power, as the rhetoric of human rights violations, democracy and the rule of law is becoming a foreign policy tool, whereas normative power is supposed to influence others by its own example, through socialization into values.

The 2015 Greek referendum on whether to remain in the euro zone is noteworthy as well. It exemplifies a utilitarian approach toward democracy and the popular vote, and using it to secure preferential EU membership terms (in this case, retaining the single currency). As a matter of fact, Greek citizens were not confronted with the choice of leaving the single currency; a "no" vote on honoring their euro debt obligations would not have led to any serious consequences for them. What's more, the Greeks blackmailed the EU by warning that without their country as the motherland of democracy, democracy in the EU would be inconceivable. This resulted in the formal and rhetorical improvement of terms

for keeping Greece within the euro zone. Such a utilitarian use of referendums, however, de facto deprives the EU of the ability to criticize referendums in third countries. Similar populist referendums can evidently also take place in Hungary and Poland on the issue of taking in refugees (or on easing the burden for Greece and Italy, where asylum seekers initially arrive).

The EU's value crisis is compounded by the fact that Brussels constantly has to choose between conflicting values. The most recent case in point is the issue of refugees and the trouble that they cause. Should priority be given to guaranteeing EU citizens' rights (including the right to privacy and security) or to humanitarian logic and the accommodation of refugees? Can citizens take action against refugees who cause trouble or should they patiently wait for police to arrive as they observe atrocities committed by newcomers? Is it necessary to guarantee freedom of information for EU citizens (including information about disturbances triggered by immigrants) or should this information be suppressed for the sake of public calm? Such questions arise every day and the EU's response to them is not always consistent.

Finally, the crisis of values and normative leadership also manifests itself in the EU's foreign policy. A case in point is Ukraine, as well as the entire perimeter of the southern Mediterranean, where the promotion of democratic norms, human rights and the rule of law has led to civil wars, ineffectual government institutions and even the de facto disintegration of states. Another example is the freezing of sanctions against Belarus where the situation with the opposition has not changed in any way. Both cases illustrate the inconsistency of the EU's position.

A conflict of values is unlikely to result in the breakup of the European Union. Nevertheless, it will constantly provoke challenges to the EU both at home and abroad. Member countries will use EU norms in increasingly utilitarian ways while the states outside EU (in particular Russia) will highlight the weakness of this fundamental EU principle and challenge Brussels. In addition, normative weakness and inconsistency will handicap EU elites; they will have to explain away internal problems and conflicts in order to continue to criticize third countries. True, EU institutions are well versed in this kind of rhetoric. Nevertheless, normative weakness and inconsistency will undermine the EU's legitimacy in the eyes of its own citizens and citizens of third countries. Even so, there will be no serious change in the application of what Russia refers to as "double standards."

At the same time, Moscow, which challenges the West's right to a unilateral interpretation of values, of good and evil, will remain the target of choice for the EU's normative exercises. Paradoxically, Moscow challenges not values as such but its own inequality in situations where they are applied to specific present-day realities. Meanwhile, ISIS¹ and other terrorists seek to undermine these values and drastically revise them. However, the reluctance of the West to abandon its exclusive right to interpret values makes Western-Russian collaboration in fighting fundamental threats difficult to achieve.

¹ *Banned in Russia.* – **Ed. note.**

Crises of Immigration and Terrorism

The flood of refugees and the growing terrorist threat are closely interconnected. The flow of refugees to the EU began to rise sharply in 2011 and between 2014 and 2015 the number of people seeking to resettle in the EU effectively doubled. Most of this inflow comes from Syria, Afghanistan and Iraq, where hostilities broke out in 2014–2015 or even earlier while state institutions degraded (370,000, 180,000 and 130,000 people in 2015, respectively). None of the EU states in particular, nor the EU as a whole were prepared for this turn of events.

The main flow of immigrants moves either through Turkey and then Greece (creating additional problems for Athens, which has already fallen on hard times), or through the Mediterranean to Italy, whose economy is also plagued by serious problems. The pressure on its budget, as well as on government agencies responsible for helping refugees, has also sharply increased. This has aggravated the issue of distributing the burden of refugees in the EU, where the Schengen agreements, which eliminate internal borders between member states while strengthening and harmonizing control of external borders, have been in effect since the 1990s. (The issue arose during the 2011 Arab Spring, when a flow of refugees entered the EU via Italy. The problem recurred in Greece in 2014. In 2016, it came to a head on the Apennine Peninsula again.) According to the current rules (Dublin Regulation), asylum should be granted in the country of first entry to the Schengen zone. However, countries located on the periphery, especially in the south, bear a disproportionate burden both in terms of protecting the Schengen borders and accepting refugees.

As a result, Greece started to allow refugees to cross its territory to Balkan countries that are not EU members, from where refugees again “first entered” Schengen territory (through Hungary and Slovenia). Italy also threatened to start issuing refugees Schengen visas enabling them to move to an EU country of their choice. Also, refugees are not always willing to apply for asylum in Greece, where social guarantees are still Spartan. This leads to what is known as “asylum shopping,” the practice by asylum seekers of applying for asylum in several states or seeking to apply in a particular state after transiting other states.

The fact that after all their trials and tribulations, facing death in pursuit of a better life, refugees lack social restraints common to Old World residents creates additional problems. They readily engage in theft, violence and public disturbance. The situation is compounded by pressure from human rights organizations that call for helping people who have suffered as a result of war and humanitarian disaster. Finally, as mentioned earlier, there are conflicting rights that have to be upheld (EU citizens’ rights to security vs. refugees’ rights), as well as the unilateral invitation to refugees that Angela Merkel issued, counting on EU solidarity that failed to materialize. So far the EU has failed to reach a consensus on the distribution of refugees while asylum seekers continue to come, oftentimes drowning before they reach European shores. The only tangible shift has been the EU’s intention to create a border control agency, but it will take months or even years to be put into practice.

Finally, the situation escalated following a series of Muslim-orchestrated terror attacks in France and Belgium in 2015 and 2016. Some of the perpetrators had lived in the EU for a long time while others had just arrived, including with the flow of refugees. As a result, the issue of the immigration of Muslims, who poorly integrate in the Old World, was compounded by the threat that they posed to the security of the entire population. There were also lapses

in domestic security and the almost complete lack of collaboration between relevant agencies both in Belgium and between EU countries.

Instead of searching for a coordinated solution to deal with the flood of refugees and prevent terrorist attacks, EU countries began to restore old pre-Schengen borders, closing themselves off from their integration partners. This created serious difficulties, primarily for citizens of the EU and third countries who are legally present on EU territory. It also undermined the main symbol of European integration, i.e., the free movement of people, which triggered talk of disintegration. Solidarity norms were sidelined, with 20 of 28 EU countries doing nothing to help refugees.

The Russian factor was also visibly present in this crisis, above all the claims that Russia's military operations in Syria have caused the flow of refugees to EU territory, which is out of tune with reality in terms of timing and cause and effect.

Furthermore, Moscow stood accused of facilitating the transit of refugees from Syria to Finland and Norway through its territory (airports). Moscow retaliated with a campaign centered on two points. First, the refugee issue illustrates the unacceptability of interfering in the internal affairs of states and regime change. Second, the inability of the EU and its members to meet a basic public need, i.e., security, and the unacceptability of prioritizing human rights rhetoric over security needs. These developments also essentially became the focus of an information war between Moscow and Brussels, which is weakening the opponents, whereas essentially they are natural allies in the face of the deluge of refugees and terrorism.

The flood of refugees and terror attacks are the most serious problems for the EU, bordering on existential. To preserve the achievements of integration, above all the freedom of movement of EU citizens and citizens of third countries, it is necessary to deepen integration in immigration policy and collaboration between police and special services. Furthermore, it is essential to reinforce EU border protection agencies and share the refugee burden among EU countries. All of these are highly sensitive issues in terms of national sovereignty (it is noteworthy that the inviolability of EU member countries' sovereignty was specially stressed in the recent decision to establish an additional agency to protect EU borders). So far, EU countries, especially new EU members, prefer to ignore these problems. Meanwhile, a painstaking search continues at the national level for a new balance between civil liberties and security. The search for a balance between national interests and the interests of integration, as well as between human rights and public security, will take a very long time and the EU will most likely encounter new terror attacks before an effective response can be found.

At the same time, the situation is not nearly as apocalyptic as it is portrayed in the Russian media. The worst outcome – the restoration of internal borders, which has, to a certain degree, already happened – is bound to inconvenience EU citizens and guests; it will also increase the cost of goods and services that have to be moved across the border. The EU's international reputation will also decline somewhat. Nevertheless, the EU is unlikely to fall apart for this reason. What awaits Brussels is a long search for consensus on integration measures that will come later than they should to effectively respond to the issues of refugees and terrorism.

Legitimacy Crisis

The issue of the EU's legitimacy is as old as the Union itself. Its essence – citizens' refusal to recognize the legitimacy of a particular event or regulation – is related to the increasing delegation of powers from the national to supranational level (i.e., to the EU) whereby member countries lose control over various spheres in favor of a not always comprehensible system of institutions and bureaucratic decision-making. The problem was aggravated by the founding of the European Union in 1992. The situation is compounded by the tendency of national governments to blame all problems on Brussels and attribute all achievements to themselves. Finally, the EU's legitimacy is undermined by economic crises, which affect the living standards of EU residents; normative leadership problems; the flood of refugees and the threat of new terror attacks.

The legitimacy crisis has already led to numerous attempts to make the decision-making process in the EU more transparent, get citizens involved in consultations and in determining the paths of its development, and clarify the separation of powers between the EU and its member countries. However, these moves produced only limited results. Experts also engaged in long, drawn-out disputes over the extent to which the norms of direct and representative democracy can be applied to the EU, and whether it should be replaced by a model of ultimate democracy, i.e., taking into account the interests of all and improving the situation of the majority of citizens and corporate entities. However, it is difficult to prove that this solution would be effective.

There are plenty of reasons why powers are gradually transferred to the supranational level. Areas of joint activity that have already been coordinated require coordination in related spheres. For example, the single currency requires the harmonization of macroeconomic policy, while a common trade policy requires consensus on foreign policy priorities. In addition, as a result of globalization, member countries often lose control over particular spheres and integration is the only means to preserve at least some measure of regulation. This applies, for example, to internal market regulation, standards and environmental protection. Communitarization is often the only way of carrying out unpopular reforms on the national level, shifting the responsibility for this to supranational institutions and anonymous bureaucrats.

The legitimacy crisis manifests itself today primarily in the growing public skepticism of integration. This is evidenced by the low turnout in the 2014 European Parliament election (on average about 40 percent in the EU and less than 20 percent in some countries) and the growing number of MEPs from ultra-right parties who are skeptical of integration. A case in point is the Dutch referendum on the EU's association agreement with Ukraine, as well as, of course, the Brexit referendum in the UK. It's no secret that on April 6, Dutch people voted not on what should be done about Kiev but against their government's EU policy. It is also known that Foggy Albion's subjects had an equally foggy idea about the EU (it was no coincidence that after the referendum results were announced Google reported a record number of "What is the EU?" searches from the British Isles). National politicians are sensitive to the public mood, especially concerns that migrants will take jobs from locals, and they try to convert these sentiments into political capital (true, as the Dutch and UK referendums show, this process is increasingly slipping out of their control, and playing with fire can hurt the players).

What are the possible implications of the legitimacy crisis? The disintegration of the EU is unlikely. Nevertheless, after the UK, some other members may demand to revise the terms of their membership in the EU. The trend toward consolidation of EU achievements can be balanced by making integration somewhat more flexible. However, the change would be mostly rhetorical and declarative in nature. These initiatives will have little impact on decisions that have already been made. More likely, they will clarify the guarantees that are already in place and calm the public. It is also obvious that progress of certain directives and regulations in the European Parliament and the Council may slow and horse-trading between member countries will intensify.

Debating the correctness and legitimacy of a particular course of development is a legitimate and inherent part of the democratic process, making it slower but more stable. The clarification of decisions, the accommodation of those who disagree and the stabilization of decisions that have been made also has been part of the normal political process in the EU over the past several years. It is far more dangerous to reject signals coming from society and attempt to downplay the growing popularity of ultra-right forces, ignore referendum results and initiate repeat votes.

It is noteworthy that both in the case of the Dutch and UK referendums, the Russian factor was actively exploited. In the former case, the proponents of the association agreement with Ukraine used the thesis that a “no” vote can only benefit Russia but not the Dutch people. The campaign against Brexit was also based on the argument that EU problems and the weakening and disintegration of the EU could only benefit Russia. The same contention was present in numerous commentaries on the UK referendum results. Thus, the Russian (i.e. external threat) factor is used as an argument for recognizing the legitimacy of the present state of affairs. It is the same desire to use an external threat for the sake of consolidation that was previously noted with regard to the leadership and solidarity crisis. Paradoxically, this trend is characteristic of both Russia and the EU.

Conclusions

The numerous crises broiling the EU can be divided into the five groups identified above. The Union is far from ideal. The criticism of the EU stems from unfulfilled (and often overly optimistic) expectations both about the Union itself and about collaboration with it. However, what Dag Hammarskjöld said about the UN, which “was not created in order to bring us to heaven, but in order to save us from hell,” is fully applicable to the EU. Neither crises nor criticism mean that the EU will fall apart. It will maintain its stability even though it will be engaged, not in building a new house and not even in major repairs but in patching up and papering over the cracks. This is the first conclusion of this paper. Brussels will focus on consolidating what has been achieved, which will require pinpoint harmonization in particular spheres

(strengthening macroeconomic coordination, collaboration in the immigration sphere, closer cooperation between special services, and so on). In some instances, like with the euro zone crisis, the EU will have to hit rock bottom before it can begin recovering.

At the same time, the aforementioned difficulties seriously impair the EU's ability to resolve international issues. Its principal tools, namely, its economic appeal and values-based leadership, have been discredited – the former by slow GDP growth, the loss of its competitive position and problems with the single currency, and the latter by the growing trend toward a selective interpretation of norms. The increasing rivalry between Russia and the West in the security sphere makes EU member countries (especially Poland and the Baltic countries) more interested in NATO than the EU. Thus, the EU is being pushed back not only by its own crises but also by the international situation in general. Russia's game of upping the ante in the security sphere is bringing NATO out of the shadows. Meanwhile, Moscow's appeals to the EU's economic interests and its attempts to play up to the business community with the aim of breaking transatlantic unity are not bearing any tangible results in this context.

Second, there is a well-known metaphor comparing the EU to riding a bicycle: To keep your balance, you must keep moving. To ensure integration, it needs new targets and goals and deeper collaboration among all members. However, European integration has become an objective reality and the same goes for European states. So the EU does not have to prove its *raison d'être* by constantly moving toward a new goal but, rather, promote consolidation and a joint search for ways to respond to existing challenges.

The EU's challenges are similar to those faced by all modern states, specifically the crisis in the current model of relations between society and the state. This is precisely what is being called into question by ISIS and terrorism at large. This accounts for non-establishment parties in the majority of Old World countries that defy the customary division between right and left. However, a return to the nation state in Europe would be a step backward, an attempt to drive a horse-drawn carriage into an age of space technology and aircraft: It's beautiful and flashy but out of sync with present-day realities. Even Brexit leaders have already partially backtracked after landing positions in the government.

Third, flexible collaboration, i.e., collaboration in which only some EU countries are involved, could intensify. However, in the majority of cases there will only be a semblance of it (as in the case of Denmark, the Schengen or Brexit); some bureaucratic or media guarantees will be adopted that will change nothing in substance. These pseudo changes are part of normal politics in the modern world, not an EU invention, nor something extraordinary. As a result, flexible collaboration will manifest itself mainly in rhetoric and pointed gestures. (Incidentally, another example of this phenomenon is the virtualization of conflicts, rivalry and hostilities, which sometimes obscure the real danger of armed clashes.) In this respect, the EU's development is far more predictable and stable than commentators on Brexit and the recent terror attacks have suggested.

Fourth, it is wrong to underestimate the EU's ability to consolidate, especially when it or its members are faced with an obvious threat from the outside. This role today

is played by the flow of refugees and immigrants and the terrorist threat. EU politicians are also trying to cast Russia as the same kind of threat, since this helps consolidate internal unity and ignore certain complexities in domestic politics. Sometimes, the EU gets caught up in witch hunts and looks for a Russian hand in everything. This leads to a transformation similar to the one that is happening in Russia: Foreign policy begins to trump domestic policy, to which Brussels is more accustomed. The EU's ability to consolidate is significantly weaker in the absence of an external enemy. At the same time, however, external threats distract the EU from its crises of leadership, legitimacy, economic development and problems with normative domination. This kind of consolidation only delays essential reforms.

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