

# The Next Stage of Federalization of the European Union

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*Today, from the distance of time, it is clear that during the last 15 years, the European Union and Euro-Atlantic unity have been under attack from the revived nationalist movements in the member-states. It is difficult to name their direct “sponsor”, but the external and internal threats to the European Union are certainly growing, most visibly after the barbarian attack of Russia over Ukraine a year ago.*

*The manuscript analyses some aspects of European federalism in comparison with the American and Canadian models and what is the way forward for the EU. After the United Kingdom’s departure became obvious that the economic convergence of a member-state is insufficient for sustainable European integration.*

*The process of Europeanisation of Europe is been analyzed with the view of the EU enlargement and the achievements of the first phase of federalization of the European Union. The main questions for the author are what the political future of the EU is and how to strengthen its unity to deal more efficiently with today’s challenges.*

*Keywords: Europeanization, European policies, European Federalism, EU enlargements, EU integration*

## **INTRODUCTION**

The external and internal threats from the last 15 years have seriously raised the question about the way forward of the European Union. The refugee and migration crisis from the Middle East, the Covid 19 pandemic, and the growing new wave of refugees escaping from the war between Russia with Ukraine are a few of the new challenges for the European Union. With constant external risks, it is even more necessary to speak about the political future of Europe and what is the way forward of the European Union. Currently, the largest debate organized by the European Commission about the future of Europe is where citizens call for more Europe in their daily lives. They also perceive the Union as a guarantor of individual rights, protection of the rule of law and their incomes, and the citizens from the corrupted elites who act in their interest.

Further, Brexit showed that the high level of socio-economic convergence of a member state is not sufficient to achieve an irreversible and sustainable integration into the European Union. After the United Kingdom departs from the EU in 2020, there are no sufficient studies about the factors and “lessons learned”.

The current paper compares the progress made in the economic and political consolidation of the EU, analyses the evolution of the idea of the United States of Europe, reviews some of the concepts for

federalism of the leading Western democracies, and the concept of Europeanisation of Europe as the first phase of federalization of the European Union.

At the same time, during the analyzed period in most of the former socialist states, the nationalist and populist movements have revived advocating loudly about the European Union of sovereign states and completely rejecting any further political integration of the European Union.

Lastly, the author has looked to answer the question of what is the way forward of the European Union.

### **Political and Economic Consolidation of the European Union**

The political process in the European community began immediately after the signing of the Treaty establishing the European Coal and Steel Community between France and Germany in 1951, known as the Treaty of Paris. In the same year, the six founding member-states (France, Germany, Italy, and Benelux) established a Parliamentary Assembly, the predecessor of the European Parliament, to work together to achieve common objectives. The Treaty of Paris shows that the European Community of six countries would have common economic goals, which soon after led to the forming of the common European market (COM) established with the Roma Treaty (1957).

Compared to the progress of the common economic market, European political consolidation has been slower in terms of institutional building, democratic functioning, other European policies' implementation and the creation of European identity.

The first stage of the federalization of the EU started in 1951 and finished with the adoption of the Maastricht treaty in 1993. The progress was very intensive until 1977 with the institutional establishment of the Court of Justice (1952), the European Economic and Social Committee (1957), the European Assembly (1958), the Council of the European Union (1967), the European Commission (1968) and the European Court of Auditors in 1977. The European institutional building in 1993 when the Maastricht treaty created the Committee of Regions and finished in 2009 with the adoption of the Treaty of Lisbon, strengthening significantly the European Parliament's political powers including the election of the European Commission President. Further, the Lisbon Treaty adopted two new objectives for "territorial cohesion", and "Europe closer to citizens" which in practical terms, empowered the regional and local communities to initiate economic or social policies and legislation.

The political impact of the first enlargement is in the economic mainstream that became dominant after 1972 and the European Community continued functioning more as an economic rather than a political community until 2000 when the member states finished the establishment of the common economic and monetary union with the adoption of European currency (euro).

Concerning the political objectives, the member states have reached a consensus about the next enlargements, a common market, joint policies for food supply and socio-economic cohesion of regions, and a common fiscal redistribution system.

Over the years, the powers of European institutions have evolved and become more representative, and democratic. For example, the European parliament extended its supervisory and legislative power after 1979, when the citizens vote directly for the members, every five years. With the Treaty of Brussels (signed in 1975), the Parliament acquired the right to scrutinize the EU accounts at the end of each year and assess whether the Commission has wisely and correctly spent the EU budget. The Single European Act (1986) has ensured that Parliament's assent is mandatory before a new country can join the EU. The Amsterdam Treaty (signed in 1997) gave a much stronger position to the Parliament in co-legislating with the Council on consumer protection, the ability to work abroad, and environmental issues.

The strengthening of the political process of the European Union is as planned and it is accidental due to the unprecedented release of the "Santer" Commission. In 1999, the European Parliament interrupted the mandate of the European Commission early during a meeting of the budget committee due to reports of violations and corruption. Under very difficult conditions, the European Parliament adopted a decision for the European Commission to continue implementing the Program 2000 "For an enlarged and stronger European Union", and the negotiations on the fifth enlargement with the former communist countries from Central and Eastern Europe. To exercise constant control, the Parliament expanded its monitoring and supervision functions over the activities of the European Commission. (Ringe, 2003, page 21) Most analysts

note that this is a period of strong political polarization between the left and the right in the European Parliament, which makes it difficult to work between the institutions as a whole.

The economic union is one of the biggest accomplishments of the European Union finalized with the establishment of the common monetary and banking system in 2001, while the political consolidation continued until 2009 with the adoption of the Lisbon Treaty. The Treaty of Lisbon endorsed a new political paradigm for the territorial development of the EU and strengthened citizens' participation in the European institutions. One year later, the Treaty for Functioning of the European Union (2010) integrated the territorial dimension in the socio-economic objective 1 of the EU, and a year later, the European Commission included the integrated objective in the Services of General Interest (SGI) Quality control system as a model for development.

### **Evolution of the Idea of the United States of Europe**

The idea about the European United States is rooted in the philosophical and political minds from the 18th and 19th centuries. Under the influence of the Enlightenment, the citizens' leadership replaced the principle of the monarchical sovereign with the principle of the sovereignty of the people. The adoption of the American constitution in 1787, which began with the address "We the People", has inspired many philosophers and democratic statesmen in Europe for many years later.

In 1831, Wojciech Jastrzebowski presented the concept of the "United States of Europe" as an international organization, not a super state, in the paper "For Eternal Peace among Nations". A few years later, in 1849, Victor Hugo, also prophesied the infamous United States of Europe, defining it as a closely integrated group of nations based on peace, open trade, and shared ideas. Later in his essay "Eternal Peace", Emanuel Kant has written: "The only future ahead for Europe is a federation of republican states that ensures equal participation of all citizens". (Matlak, 2017, p.1; OIDE, 2008, p.4)

In the next century, after the destruction of WWII, the idea about the United States of Europe was reborn and presented by Winston Churchill, during his speech delivered at the University of Zurich as "building a kind of United States of Europe" (Churchill, 1946, p.1). He addressed the way forward after the tragedy of post-war Europe outlining that "our constant aim must be to build and fortify the United Nations Organisation. Under and within that world concept we must recreate the European family in a regional structure called, it may be, the United States of Europe, and the first practical step will be to form a Council of Europe. If at first all the States of Europe are not willing or able to join a union we must nevertheless proceed to assemble and combine those who will and who can". (Churchill, 1946, p.3) Five years later France and Germany united their coal and steel industries, which formally established the European community with the Treaty of Paris, in 1951. The same Treaty was signed by Belgium, France, Italy, Luxembourg, and the Netherlands which formally started the process of Europeanisation and federalization of Europe. During the same period, Adam Mickiewicz wrote about the ideological foundations of Europe and the importance of building its own identity. According to his romantic perspective, it steps on three pillars: Christian religion, Christian morals, and National dogma to promote its constituted nations (OIDE, 2008, p.11).

### **The Concepts of Federalism**

The different political systems that call themselves federal differ in many ways. Some characteristics and principles are common to all. The general characteristic of "federalism is the co-existence of national and provincial entities to deal respectively with matters with general and of local interest" (Rogers, 1937, p. 337). According to the Encyclopedia Britannica, the concept of federalism is a way of political organization that unites individual states or other political structures within a comprehensive political system that allows everyone to maintain their integrity. The federal systems do this by formulating and implementing basic principles through negotiation in some form so that all members can participate in decision-making and implementation. The political principles that revive federal systems emphasize the primacy of agreed coordination between several centers of power. They emphasize the merits of scattered centers of power as a means of protecting individual and local freedoms.

The Canadian system defines the term federalism as a political system in which the “government power and responsibility is divided between a federal legislature and state or provincial legislatures”. In the Canadian case, the federal system has control over the entire state, and the individual provinces have powers only within their territory. “The federal government has jurisdiction over the entire country. Each provincial government has jurisdiction over its portion of the population and region”. (McIntosh & Stevenson, 2020) The Canadian model of federalism recognizes the individual identity right and the Canadian citizenship is not unilateral.

American federalism from the political point of view provides more sovereignty to the individual States, which are united by their constitution. Regarding citizenship, the United States of America is a Unitarian state which differs from the Canadian and the European Union models of federalism. The American model is “a system of government in which the power is divided between central and regional governments in the United States. Both governance levels possess a large measure of sovereignty” (W. W. Norton, 2022).

The power of the US government is constrained by the separation of powers and checks and balances between branches. The founding fathers of the United States of America adopted a federal rather than a unitary system because the States had “well-established and already-functioning political institutions and because of the popular attachments during the eighteenth century of ‘Americans’ to their states” (W. W. Norton, 2022).

European federalism is closer to America in the aspect of the sovereignty of the member-states and closer to Canada in citizenship. The member-states of the European Union have rather a high level of sovereignty and at the same time dual citizenship which includes one national accompanied by European citizenship. The Treaty of Maastricht introduced European citizenship, allowing citizens to reside in and move freely between the Member States.

The first phase of European federalism has been established with the Maastricht treaty in 1992. The Treaty has also established a common foreign and security policy with the aim of “safeguarding the common values, fundamental interests and independence of the Union” and defined the close cooperation on justice and home affairs as a joint sphere of action that ensures the safety and security of European citizens. Not less importantly, the Treaty laid down the foundations for the Euro and adopted the socio-economic cohesion in the EU as the first objective of the Member States.

In summary, the Treaty has established the four main characteristics of a federal union, which include a common constitution, common institutions, common policies, and a fiscal redistribution system.

Different definitions of federalism slightly differ one from another. The concept of efficiency federalism views it from the perspective of decentralization of powers. It gives more rights to the decision-making process and access to resources for local people while maintaining national unity. It occurs when a culturally “homogeneous but geographically large nation wishes to improve democratic representation and accountability by decentralizing power and giving greater control over resources and policies to local people while maintaining national unity and the ability to act coherently in matters of national policy (e.g., Germany, Argentina)” (Bulme, 2017, p. 4). The European Union has implemented it through the principle of multi-level governance and decentralization of powers to the national states.

Another concept of federalism is the so-called Identity federalism which occurs when two or more culturally, linguistically, religiously, or otherwise distinct national communities have enough commonality and interest to make a common identity “They want to live together, but enough distinctiveness of interest or identity to make them demand substantial autonomy within that policy (e.g., Canada, Switzerland)”. (Bulme, 2017, p. 5) The European Union respects individual identity rights and the European citizenship is a second citizenship for all citizens having national citizenship of any of the member-states.

The advantages of federalism vary for the member-states and may be listed as democratization, pluralism, and protection of individual rights, values, and human rights and freedoms “the resources are shared and capacities are built” (Bulme, 2017, p. 10). Regarding the disadvantages, some of the studies outline that these are: the overlapping competencies of institutions and “empowering local elites who misuse power and instability and the threat of democracy and ineffective governance because of lack of capacity” (Bulme, 2017, p. 11).

Others explain the crises in the EU with “the shortcomings of the current EU governance system”. (AFCO, 2020) The weak common European identity is another shortcoming of the current European Union. Most member-states capitalize on their national strengths rather than on the European identity.

#### *The Federalization of the European Community*

Current analysis accepts the view that the process of Europeanisation has prepared the accomplishment of the first stage of the federalization of the European Union with the adoption of the Maastricht treaty in 1993. The sixth enlargements are the main instruments of the European community that have prepared the federalization of the European community. In the strict sense, the euro integration process is a result that formally ends with a country’s membership in the EU, after which the process turns into the internal Europeanization of the member-state. In this sense, the concept of Europeanization includes the term European integration, without being limited to it. According to the Cambridge dictionary, the word “integration means an act or process of successfully joining or mixing with a different group of people”. Another rather technical definition of the term “integration” sees it as the collection of small elements that combine different systems and data into one whole or one common system. “Integration is the act of merging smaller components into one system that functions as a whole Integration refers to the result of a process that aims to combine different, often different subsystems, so that the data contained in each, to become part of a larger, more comprehensive system”. (Ehrens, 2015)

The concept of Europeanisation is defined as a process of diffusion, which includes many internal and external aspects of the actions and results of the European Union. The broad definition of the term is “policy that includes all objects: beliefs, norms, rules, institutions, paradigms, styles, procedures and routines. The potential goals of Europeanisation are equally broad and are aimed at all participants and structures in the EU member states, but also at the candidate countries through the diffuse process of Europeanization of the EU” (Matlak, 2018, p. 8). According to various studies, the term “Europeanisation” can be seen conceptually as a process and as a result. The first group of analysis considers Europeanisation both as a process and an outcome in which the European Union spreads its values, policies, and structures beyond its borders.

The process of Europeanisation in the EU can be analyzed from a conceptual or resultative point of view. The conceptual view defines it as a process of spreading European policies and values in countries and regions outside the EU: “non-EU countries are oriented towards certain policies and implement them to the same extent as those implemented in the Union”. (Matlak, 2018, p. 8)

Part of the conceptual view is another group of studies that look at Europeanization as a result. In this sense, it can be measured by the European integration or accession of a country to the European Union. In this sense, the process of EU enlargement and the accession of a country to the EU are both sides of a process that leads to the same result - European integration and the Europeanization of new countries. Thus, Europeanisation is a result of a successful process of European integration of the member-states into the European Union.

The process of EU enlargement did not begin with the establishment of the EU as an economic and political union. It started before the phase of early Europeanization of the member-states:

1. The first enlargement: Denmark, the United Kingdom, and Ireland (1973);
2. The second Enlargement: Greece (1981);
3. The third enlargement: Spain and Portugal (1986);
4. The fourth enlargement: Finland, Sweden, and Austria (1995);
5. The fifth enlargement in three steps:
  - a. Estonia, Cyprus, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Hungary, the Czech Republic, in 2004, and two more steps:
  - b. Bulgaria and Romania, in 2007;
  - c. Croatia, in 2013;
6. The sixth EU enlargement - forthcoming, with countries from the Western Balkans.

The current candidates’ countries are: Montenegro, Northern Macedonia, Albania, Serbia, and Turkey, and potential candidates are Bosnia and Herzegovina and Kosovo. This designation is without prejudice to positions on the status of Kosovo and is in line with UNSCR 1244/1999 and the International Court of

Justice (ICJ) Opinion on the Kosovo Declaration of Independence. Preparations of the sixth enlargement began in 1996 when the countries from the Western Balkans and the states from the South-Eastern Europe: Slovenia, Bulgaria, Romania, and Croatia became part of the EU's stabilization and association process. The political process that has begun is accompanied by trade preferences for Albania, Northern Macedonia, Bosnia and Herzegovina, Croatia, and Serbia. In 2003, the European Union reaffirmed its strong commitment to the Western Balkans at the EU Thessaloniki Summit. "The EU reaffirms its unequivocal support for the European perspective of the Western Balkans. The future of the Balkans is within the European Union" (European Commission, 2003). The European Commission has set a date for the membership of the Western Balkan countries in 2024, with a visible prospect of membership for Northern Macedonia and Albania.

Each of the five enlargements of the EU is important not only for the process of Europeanisation but also for accelerating the process of internal consolidation, harmonization, and socio-economic cohesion between the Member States.

### *Some Aspects of European Federalism*

"The birthplace of the European Union is Maastricht" in the Netherlands (European Council, 2022). The Maastricht Treaty which established the European Union, paved the way for the single currency: the euro, consolidated the Union's legislation and adopted EU citizenship. "The EU is an economic and political union established in 1993, following the ratification of the Maastricht Treaty, which has since expanded to include more Central and Eastern European countries". (Enlargement of Europe, n.d.) The internal federalization of the European Union is a process in which the Member States harmonize their legislation and policies, build common institutions, implement the principle of multi-level governance, and have their fiscal redistribution system.

More broadly, harmonization means the implementation of European values, standards, and policies to the same extent as they have been applied in the EU. Any of these four elements is important because contributes to the sustainable and irreversible integration of the member-states into the EU.

The Treaty on the Functioning of the European Union defines the five types of legal acts as following "regulations, directives, decisions, recommendations, and opinions". (Consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union, 2016) Depending on their applicability in the member-states, regulations are directly applicable and bind all member-states. The second type of legal act is the directive. They leave to the national authorities the choice of form and methods for implementing them. The third type of legal act is the decisions, which bind the entirety of the member-states. If the decision specifies a member-state or a group of member-states, it binds only to them. The last two types of legal acts are recommendations and opinions. They have no binding force for the member-states.

The Constitutional supremacy of the European Constitution is another aspect of the European Union's federalization. In this regard, the case of Poland is interesting because the Polish Constitutional tribunal for the first time has challenged the primacy of the Treaty on European Union (TEU) over the Polish constitution. It happened in 2021 when the Polish Tribunal decided that Articles 1 and 2 of the Maastricht Treaty were incompatible with the Polish Constitution. Despite the decision of the Court of Justice of the European Union (CJEU) that denounced it, the Polish officials have continued to make the topic disputable. The Polish judgment has been widely criticized by the many Member States and considered by some as a nuclear option that may ultimately lead to "Polexit". In such context, the President of the European Commission, Ursula von der Leyen, released a statement (October 2021), vowing to use all Treaty powers available to ensure the principle of primacy of the TEU over the Polish constitution. "All rulings by the European Court of Justice are binding on all Member States' authorities, including national courts. EU law has primacy over national law, including constitutional provisions. This is what all EU Member States have signed up to as members of the European Union. We will use all the powers that we have under the Treaties to ensure this". (Lasek-Markey, 2021) These political tensions between the Government of Poland and the European Union have shown that the political union is alive and functioning.

The other important aspects of the European Union's federalization are its common policies, common institutional setup, and European citizenship. The adoption of the Treaty of Maastricht in 1993 inaugurated three pillars of the European Union. These are the European Communities; Common Foreign and Security Policy (CFSP); and Police and Judicial Co-operation in Criminal Matters (PJCC) (formerly Justice and Home Affairs) (Shaw, 2007, p. 75).

The earliest common European policies were adopted with the Treaty of Rome in 1957. It laid down the foundations of the common European market, joint agricultural policy, and the establishment of financial instruments for regions with structural problems, namely the European Social Fund and European Investment Bank. The preamble of the Treaty emphasizes that the Member States are "eager to strengthen the unity of their economies and ensure their harmonious development through reducing the existing differences between the individual regions and the backwardness of the most disadvantaged regions". (Treaty establishing the European Economic Community, p.2) The most important contribution of the Treaty is that it sets the stage for the European Economic Community and adopts the rules for the functioning of the common European market. It is concerning these rules that Member States recognize that the European Community (EC) can take a regional approach to protect poorer regions and pursue "appropriate regional economic policies in lagging and problem areas" (Treaty establishing the European Economic Community, p.34) without distorting the market and competition. The Treaty of Rome states for the first time that in lagging (less developed) regions with particularly low living standards, state aid is compatible with the common market. "The following can be considered compatible with the common market: (a) aid to promote economic development in areas where the standard of living is unusually low or where there is serious unemployment" (Scott, 2009, p.656).

Thus, from the beginning of the creation of the single European market, Community action to support lagging regions is been defined as acceptable in the Common European Market (COM) and in line with the Member States' vision to reduce economic inequalities.

Regarding the common policies, one of the biggest achievements is the common European market, which made possible the free trade, and movement of people, goods, and capital. The common market has the highest impact on the growing prosperity of the European Union and achieves concrete political and social objectives of Bulgaria (Shikova, 2011, page 14). With the adoption of the common currency (2001), the EU has accomplished the Banking and Monetary union. Bulgaria joined the ERM II and the Banking Union in 2020, which is one of its highest achievements. (Simeonov, 2020, page 12).

After the first enlargement in 1973, the member-states established the second Structural fund, the European Fund for Regional Development (ERDF) to intervene in the regions with structural, economic, demographic, or geographical problems.

The third fund financing the same policy was established in 1993 with the Maastricht treaty, namely the Cohesion Fund to finance large-scale projects from environmental, transport, and energy sectors that provide the functional connectivity of Western with Eastern Europe.

In 2010, the Treaty of Lisbon adopted the new political concept and paradigm for territorial cohesion in the EU. After the economic and social cohesion, the objective for territorial cohesion of the EU becomes part of Objective 1 for socio-economic cohesion of the Structural and Cohesion funds. The operationalization of the new territorial paradigm has continued with the adoption of another common policy known as the Services of General Interest (SGI). In 2011, the European Union adopted a Framework for the Quality of Services of General Interest (SGI), which endorsed the importance of lagging and less-developed regions. The adopted framework has guaranteed that all citizens in the EU are provided with equal access and quality to basic services, regardless of their location in the EU.

The Framework has outlined the following tasks for the Services of general interest:

- Achieving harmonious development of all territories;
- Ensuring equal opportunities for communities living in territories with low population density, including the development of entrepreneurship and innovation;
- A balanced distribution of human activities on the territory of the entire EU with fair access for all citizens and organizations to services of common interest.

The provision of Services of Common Interest (SGI) in the EU is a fundamental model by which the Union develops. The Services can be of an economic or non-economic nature. Transport connections fall under the SGI with economic interest. In the same group of common economic services are the postal services health care services, and others. The non-economic services are police, justice, and social security schemes. Social services meet the needs of vulnerable citizens and regard the principles of solidarity and equal access.

Another important common policy is the Banking and Monetary Union. The adoption of the Euro in 2000 has removed the obstacles to trade in poorer and less developed communities. However, the monetary union is not part of the instruments of the cohesion policy and achieving the EU's vision for territorial balance development.

The European Union's institutional setup is relatively well established moreover the decision-making system is constantly evolving. There are 7 main institutions of the EU, 4 of which are the decision-making institutions that lead the EU's administration. These institutions collectively provide the EU with policy direction and play different roles in the law-making process. They are:

- the European Parliament (Brussels/Strasbourg/Luxembourg);
- the Council of the European Union (Brussels/Luxembourg);
- the European Commission (Brussels/Luxembourg/Representations across the EU);
- the Court of Justice of the European Union (Luxembourg);
- the European Court of Auditors (Luxembourg);
- The Committee of Regions (Brussels);
- The European economic and social committee (Brussels);

Their work is complemented by other institutions and bodies, which include:

- the European Central Bank (Frankfurt);
- the European Council (Brussels);

There are 7 other EU bodies and over 30 decentralized agencies spread across the EU. In terms of administration, there are a further 20 EU agencies and organizations, which carry out specific legal functions and four inter-institutional services, which support the institutions.

The Maastricht treaty has promoted European citizenship "as those persons holding the nationality of the Member States which is symbolical because it is part of traditionally protected areas of national sovereignty, which are concerned with the organization of the political system on a democratic basis" (Shaw, 2007, p. 2250).

At the same time, in the late 1990s, the European Union has been widely criticized as an "exceptionally weak federation" (Moravcsik, 1998, p. 186). The main critics are related to its "democratic deficit", in terms of "citizens' participation and representation" (Moravcsik, 1998, p. 187). During the next 10 years, the European Union has extended the role of the European Parliament and the voice of citizens in this regard. The reform made by the European Parliament has strengthened the citizens 'political representation'. However, the lower participation rate in the European elections provide is another issue of the low credibility of the European parliament. An even bigger issue is that they sit by political families and the civil society organizations do not have quotas. The institutional representation of European civil society in the decision-making process is low or absent not only in the EU parliament but also in all European institutions because they have not elaborated a mechanism for the participation of non-political, citizens, or business organizations. Further, in European institutions such as the Committee of Regions and the European Economic and Social Committee, the members are either elected officials locally or appointed after being proposed by the Governments.

The Lisbon Treaty, which came into force in late 2009, made the voice of citizens, stronger. As the only EU institution directly elected by citizens, the Parliament has the powers and responsibility to hold the EU institutions accountable. The Parliament is the guardian of the Charter of Fundamental Rights, embedded in the Lisbon Treaty, as well as the newly established right of the citizens' initiative, which allows people to ask for new policy proposals if one million people have signed a petition asking for it. The Lisbon Treaty increased the ability of the EU and its Parliament to act and deliver. It extended Parliament's full legislative

power to more than 40 new fields. Parliament also gained the power to approve the entire EU budget together with the Council. The Lisbon treaty not only gave the Parliament the same law-making powers as the Council but also granted it the clout to set Europe's political direction. "According to the treaty changes, it is the Parliament that elects the head of the Commission, the executive body of the EU, and this decision must reflect the results of the European elections and, therefore, the voters' choice" (European Parliament, n.d.).

The other two aspects of the European Union federalism are the multi-level governance and the fiscal redistribution. The multi-level governance of the European Union is a political concept that the modern political relations within the EU interpret, as Europe "consisting of overlapping bodies and competencies at supranational, national, subnational and regional levels". (Scott, 2009, p.649).

It is the principle that allows more regionalization and strengthening of the role of regions in the European political process and the programming of European investment. In line with the multilevel governance approach, the European Commission together with the Member States is involved in drawing up the framework partnership agreements, for the implementation of different common policies as the cohesion and the common agricultural policies within every multi-annual financial framework. Following the Maastricht Treaty (1993), the Committee of the Regions is consulting measures and actions, at least once a year, giving an opinion on each of the funds. In this regard, an element of multilevel governance in the EU is the joint programming of investments from the EU. The majority of analyses conclude that the general characteristic of "federalism is the co-existence of national and provincial entities to deal respectively with matters with general and of local interest" (Rogers, 1935, p. 337).

The multi-level governance originates in the concept of regionalism. Regionalism is a political concept from the 1980s that advocates for strengthening the role of regions in the EU's political process. According to regionalists, regionalism is a process of dividing national territories into national sub-units with independent representation to protect the interests of individual regions or groups of regions. The modern dimension of the concept is the European territorial groups and Euro-regions. The Declaration on Regionalism states, "Differences between regions are not due to their specificities but to different rates of economic growth" (Dermenjjeva, Doikov, 2014, p.10).

Regionalization is an increasingly relevant element of multilevel governance that strengthens democratic governance, putting it in the focus of the regions. In the center of regionalism lays the "region". The Regionalists of the 1980s define the "region" as a "sub-national" territory with its own regional and administrative institutions and different powers in public policy on certain subnational and cross-border issues. "Regions in Europe can be understood as sub-national (subnational) territories where ethnic, linguistic, cultural and/or passive (a sense of common identity)". (Scott, 2009, p. 642). A characteristic of the "region" is its population which defines it as a homogeneous area with people who share common traditions, culture, and historical characteristics, different from other regions. In both cases "the regions are supported by powerful regional organizations such as NATO, which makes the modern political view very relevant" (Dermenjjeva, 2014, p.117).

When the regionalists speak about more regionalization, they mean strengthening the political representation of the regions. After Brexit and COVID-19, more and more studies consider the regions as the most economical territorial unit that can achieve more effective governance and management of EU investments. Above all, this is an opportunity guaranteed by the principle of multilevel governance of shared management policies in the EU. Regionalization advocates for the idea of stronger regions in the EU's political process.

The political representation of regions is been given with the Treaty of the European Union in 1992. The Treaty of Maastricht has established the Committee of the Regions, which is the voice of regions in the EU. It guarantees their political representation and has their voices heard "on five spheres of common policies in the European Union". (Commission of the European Communities, 2000) The Committee of the Regions releases opinions and makes proposals on its initiative in five areas of mandatory consultations defined in the Maastricht Treaty (Article 198a): 1. Economic and social cohesion; 2. Trans-European infrastructure networks; 3. Healthcare; 4. Education and 5. Culture. The Treaty of Amsterdam (1999) has included five new topics: 6. Employment; 7. Social policy; 8. Environment; 9. Vocational education; 10.

Transport. Thus, ten new topics have been added to the three areas of shared competence between the Union and the Member States, such as the internal market, social policy, and economic, social, and territorial cohesion, that are subject to mandatory consultation with the regions and the Committee of the Regions.

Regionalism views the EU as composed of national territories, divided into sub-national units with independent representation to protect the interests of individual regions or groups of regions. Political advocacy for more regionalization of the European Union can be seen “and interpreted as an attempt to reconcile seemingly antagonistic tendencies of centralization and more local self-government while promoting the idea of an integrated European social, economic, political, and cultural space”. (Scott, 2009, p. 656). The EU Declaration on Regionalism states that “differences between regions are not due to their specificities, but to different rates of economic growth” (Dermenjieva, 2014, p.10).

Regionalization means that the decision-making is taken closer to the communities and citizens concerned. The main argument of the regionalists who pledge to straighten the region’s participation in the decision-making process is that it is beneficial both for the member-states and local communities. Regional diversity is seen as a driving force of European integration over the years because it guarantees a good knowledge of local specifics and potential and has real benefits for the economic and social prosperity of the EU. This is all the more important in the context of fewer post-Brexit resources and the adverse effects of the COVID-19 pandemic. It also means more responsibility, expertise, multilateralism, and consensus on regional policies that achieve the EU’s objectives of economic and social cohesion and balanced territorial development. Further, the concept of regionalization increases its importance because the multilevel governance in the EU includes the European regions in the decision-making process of the EU. It is even more important for Bulgaria because by 2027 the country will apply the principle of partnership in the implementation of EU-funded projects. The pan-European approach to more regionalization is being strengthened across the European Union in the programming of cohesion funds under the Sixth European multi-annual financial framework (2021-2027) with the adopted fifth Objective “Europe of citizens”. It guarantees that EU investments will arrive in the regions that need them the most.

Another aspect of European federalism is fiscal redistribution. The term “fiscal redistribution” means “the redistribution of resources generated by the economy”. (Inchauste, 2019, p.1) There is a proportional relationship between the percentage of public resources (investments) and the weight of the public sector in the economy. The European Union’s full fiscal autonomy is an arrangement whereby the member-states raise all of their financial resources “through their taxes, charges, fees, and loans, and they each pay for their administrative costs and public services out of their budgets”. (Bulmer, 2017, p. 30). Then the typical fiscal arrangements in the EU are the member states “raise all of their revenues and make payments to the European Union budget to pay for common services”. (Bulmer, 2017, p. 42). The budget of the European Union is multiannual, called the Multiannual financial framework. The current budget is the sixth for the EU, and its length is seven years, starting from 2021 and ending in 2027. The Union has good programming of the multiannual budget, but concerning its controlling mechanisms needs improvements and more civil monitoring and involvement. The European Prosecutor’s Office founded in 2017, has powers to investigate financial frauds and crimes and may be the key agent for future positive change.

The last aspect of European federalism is political pluralism represented by the European parliament. The 705 members of the European Parliament are directly elected from 7 political families: Group of the European People’s Party (EPP), Group of the Progressive Alliance of Socialists and Democrats (S&D), Renew Europe, Greens/European Free Alliance (Greens/EFFA), European conservatives and reformists (ECR), Identity and Democracy (ID) and the left. The main issue of the Parliament is its low political representation of European citizens due to their low participation rate in the European elections. Further, the citizens are unrepresented in the other European institutions because the member states have not elaborated mechanisms for citizens participation in the EU institutions.

All existing institutions of the EU are filled in with individuals nominated by the national governments. Civic participation, and political representation of European citizens is important in order their voices to be heard. The credibility of civil society have proven its credibility after the invasion of Russia in Ukraine. With the aggression of Russia, became obvious that the citizens, business and non-government organizations are significant power, which influenced the decisions of Governments to condemn Russia’s

invasion, providing ongoing and continuous support to Ukrainian refugees. The current one-sided political opinions and absence of citizens' voice in the decision-making process has to be overcome and citizens' powers in the EU institutions has to be strengthened.

Finally, the high credit of trust of the European citizens to the European Union gives a promising perspective of the future of the European Union. With the last conference on the future of the EU, most citizens concluded that they wish more Europe in their everyday lives. They also, envisage the EU as a defender of the common values and individual rights that guarantee personal growth, prosperity, and opportunities. According to Forbes "the Germans and the French, support the European United States the most". Citing a survey by YouGov, the poll Forbes summarized that 30% of respondents in Germany and 28% of French people say they "supported the idea of a United States of Europe. Not surprisingly, the most skeptical were the British with only 10% - yes". (Coppola, 2017). How actual is the narrative for further federalization of the European Union today?

## CONCLUSION

Following the completion of the first phase of the federalization and the new threats, it is time for the European Union to consolidate further and strengthen its powers on all levels, focusing on the regions and local communities. Without being comprehensive, the actions may include building regional institutions, endorsing mechanisms for monitoring the regional and local impact of European policies, and the inclusion of citizens in the decision-making process. All these will improve the transparency, efficiency, and trust of citizens in the EU institutions. It is important for the EU to finish the legal definitions of the economic and non-economic Services of General Interest (SGI) which will guarantee European citizens equal access to basic services in the poorer not only in richer regions. This means upholding the principle of multilevel governance in the EU through more regionalization and better control over the spending of member-states from the European multilevel financial framework.

Finally, after the departure of the UK, the post-Covid challenges, and the war of Russia with Ukraine have changed completely the situation in the EU. The new situation in Europe requires deeper and broader political unity between the member-states from the growing threats. The political views for further federalization of the European Union today and the Trans-Atlantic unity are not only relevant but the only way forward for the Union.

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