

# **A Union of Unions: Pragmatic Federalism as Multidimensional Project for the EU Reform**

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## **1. Executive Summary**

The demise of the Liberal International Order (LIO) — the placenta of European integration — imposes the EU to undergo a paradigm shift. In a fragmented global arena, Europe risks marginalisation and paralysis leaving Europeans “truly alone together, squeezed between the United States and China”<sup>1</sup>. The emergence of Pragmatic Federalism (PF) reflects an urgent push to counter decline and reform European integration. As a proactive political project, PF aims to bypass the EU’s slow decision-making and unanimity traps. Championed by Mario Draghi, it is framed as the only viable path for Europe “to act with the speed, scale and intensity of other global powers”<sup>2</sup>, amid a lack of central governance in strategic fields. Ultimately, PF seeks to revitalise the Union by using flexible, issue-oriented coalitions to achieve federalist ends.

This paper analyses the Europeanist rhetoric for EU renovation through a political and institutional lens across four stages. Section 2 maps the structural problems PF addresses. Section 3 conceptualises PF as a modular method for strategic autonomy, built on a network of sectorial coalitions around a reformed, Brussels-based federal core – a model termed “Union

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<sup>1</sup> Mario Draghi, ‘Speech by Prof. Mario Draghi at the Charlemagne Prize Ceremony in Aachen, Germany’, Charlemagne Prize Ceremony, Aachen, Germany, 2026.

<sup>2</sup> Mario Draghi, ‘Mario Draghi: The Pragmatic Federalism Doctrine’, *Groupe d’études Géopolitiques*, 2025, <https://geopolitique.eu/en/2025/10/24/mario-draghi-the-pragmatic-federalism-doctrine/>.

of the Unions”. Section 4 zooms into specific clusters – Defence, Space and AI – to demonstrate PF’s potential in sensitive domains where differentiated integration is already emerging. Section 5 offers two pragmatic and operationalising scenarios, namely a more pragmatic, short-term and intergovernmental approach, and the Union of Unions, which is the central argument. This structured version of PF could recalibrate the existing EU institutional framework around policy clusters, bypassing the need for a constitutional overhaul and treaty change. However, the final paragraph presents an alternative scenario: the federal leap. This distant scenario envisions the reform of the Commission and has the potential to achieve the primary objective of PF by transcending the inherent limitations of cluster integration without any institutional reform.

Overall, PF offers a flexible, incremental alternative to a federal “big bang”. In Defence, Space, and AI, it drives integration via coalitions of the willing and the strategic use of existing EU mechanisms where common policies are urgently required. While the “immediate pragmatism” represents the direct action, yet clusters *per se* do not foster public engagement, the model faces questions of democratic legitimacy. The Union of Unions project avoids an executive-centric system; hence, a holistic strategic vision must guide these coalitions, and supranational institutions must retain popular mandate. However, without a shared strategic direction, the EU could drift toward fragmented governance, unstable coalitions, and competing interests. Ultimately, political creativity is insufficient without political direction. Achieving a more autonomous, agile, and united Europe depends less on institutional design than on the willingness of European leaders to commit to the destination.

## 2. The (worrisome) State of the Union

### 2.1 Status Quo

Presently, the EU's governance model suffers from structural weaknesses embedded in the logic of the treaties. Overall, the EU represents a “compound union”: a constitutional hybrid (neither an international organisation nor a federal state) characterised by multiple overlapping *demoi*, asymmetric competences, and the absence of a single sovereign locus of decision<sup>3</sup>.

The political equilibrium is under growing strain. Sovereigntist movements have reshaped domestic landscapes across member states (MSs), making intergovernmental consensus harder to achieve and sustain, while repeated crises increasingly expose the need for faster and more coherent collective action. Yet, the Union lacks the normative authority to compel MSs to bridge these gaps<sup>4</sup>. Even though the system's legitimacy has historically rested on policy outputs rather than democratic inputs, the accumulation of missed responses is now directly eroding that output legitimacy<sup>5</sup>.

In this era of overlapping crises, citizens no longer experience the Union through market freedoms, rather, through discrepancies: uneven crisis responses, diverging national measures and the absence of a unified European voice. It is precisely against this backdrop that PF emerges as a response.

### 2.2 Structural Weaknesses: The Competence Deficit and the Joint-Decision Trap

The principle of conferral under Article 5(2) TEU has contributed to a systematic competence deficit in the areas where collective action is most needed: defence, taxation, foreign policy, social protection. These remain intergovernmental domains subject to veto and voluntary coordination.

The combination of shared competences and unanimity requirements produces the joint decision trap<sup>6</sup>: decisions emerge only at the lowest common denominator. The shift of the EU's

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<sup>3</sup> Sergio Fabbrini, *A Federalist Alternative for European Governance: The European Union in Hard Times* (Cambridge University Press, 2025), <https://doi.org/10.1017/9781009573061>.

<sup>4</sup> Markus Patberg, ‘Against Democratic Intergovernmentalism: The Case for a Theory of Constituent Power in the Global Realm’, *International Journal of Constitutional Law* 14, no. 3 (2016): 622–38, <https://doi.org/10.1093/icon/mow040>.

<sup>5</sup> Andreas Follesdal and Simon Hix, ‘Why There Is a Democratic Deficit in the EU: A Response to Majone and Moravcsik’, *JCMS: Journal of Common Market Studies* 44, no. 3 (2006): 533–62, <https://doi.org/10.1111/j.1468-5965.2006.00650.x>.

<sup>6</sup> Fritz W. Scharpf, ‘THE JOINT-DECISION TRAP: LESSONS FROM GERMAN FEDERALISM AND EUROPEAN INTEGRATION’, *Public Administration* 66, no. 3 (1988): 239–78, <https://doi.org/10.1111/j.1467-9299.1988.tb00694.x>.

centre of gravity toward the European Council, institutionalising "new intergovernmentalism", has made this trap a permanent feature of crisis management rather than a temporary legislative hurdle<sup>7</sup>. Meanwhile, the treaty architecture itself encodes an asymmetry: Articles 26 and 114 TFEU provide robust Qualified Majority Vote (QMV) mechanisms for negative integration (barriers removal), while positive integration (construction of common institutions and policies) is systematically subjected to stricter competence limits and unanimity.

## 2.3 Institutional Asymmetry: The Marginalisation of Supranational Authority

In order to establish a realistic form of federalism (the Union of the Unions), a federal core is required. The Commission could be such a linchpin. In the last few years, the Commission has reasserted a degree of political initiative, as shown by the European Green Deal and the Next GenEU, acting as negotiator in domains where fragmented intergovernmentalism had previously prevailed. These developments signal that the Commission retains a latent capacity for supranational leadership that should not be dismissed.

Yet, this recovery remains partial and precarious. The progressive empowerment of the European Council over the past three decades has not been reversed. Despite Article 15(1) TEU's explicit prohibition on legislative functions, the European Council continues to shape the Union's political agenda, concentrating executive authority among heads of government. The Commission's recent assertiveness has largely operated within the limits set by that intergovernmental framework, rather than overcoming them. Moreover, the unanimity rule governing treaty revision and constitutional questions gives every Member State (MS) a structural veto. In a Union of twenty-seven members, this guarantees the lowest common denominator. The pathology is recursive: abolishing unanimity itself requires unanimity. The EU cannot, through existing procedures, reform its own decision-making rules.

Yet centrality within a flawed framework is not the same as the institutional authority a federal core would require. PF calls on the Commission to transcend the boundaries that the current institutional architecture has impeded.

## 2.4 Differentiated Integration: A Tool, Not a Substitute for Reform

The EU has already developed extensive differentiated integration arrangements, from opt-outs formalised in Protocol No. 22, to enhanced cooperation procedures under Article 20 TEU and

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<sup>7</sup> Christopher J. Bickerton et al., 'The New Intergovernmentalism: European Integration in the Post-Maastricht Era', *JCMS: Journal of Common Market Studies* 53, no. 4 (2015): 703–22, <https://doi.org/10.1111/jcms.12212>.

Articles 326–334 TFEU, allowing subsets of MSs to advance integration without requiring universal participation.

PF is a form of differentiated integration, but a peculiar one vis-à-vis the existing ones. So far, differentiated integration has manifested along three axes<sup>8</sup>: time (multi-speed integration, where all states share a destination but proceed at different paces); space (variable geometry, where states may permanently opt out of certain policy areas); and policy areas (*à la carte* integration, where states choose which policies to join). This phenomenon has grown substantially since the 1990s, producing an increasingly fragmented governance landscape where "the EU" refers not to a single polity but to a complex of overlapping integration circles<sup>9</sup>. This fragmentation risks entrenching a core–periphery structure whereby smaller or less wealthy MSs are permanently excluded from the deepest levels of integration<sup>10</sup>. PF seeks to channel these instruments toward a more federal setting, one assumed to deliver more coherent, accountable, and politically integrated governance.

## 2.5 Unexpressed Constitutional Potential

A striking feature of the EU's constitutional landscape is the gap between what the treaties formally authorise and what has been implemented. The treaty framework already contains the tools for a more ambitious integration without revision.

The potential of enhanced cooperation under Article 20 TEU, read with Articles 326–334 TFEU, provides a clear safety valve against the veto trap, allowing willing MSs to establish binding common rules. The *Passerelle clauses* (Article 48(7) TEU for general matters and Article 31(3) TEU for foreign policy) permit the European Council to switch specified decision-making procedures from unanimity to QMV without treaty revision. Their persistent non-activation proves that the EU's current paralysis is driven as much by political riskaversion as by legal design.

PF can transform EU legislative powers without treaty change. It requires activating the opportunities already embedded in the existing treaty framework. PF is, above all, a deliberate choice about how to use the powers the treaties already provide; a choice whose political

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<sup>8</sup> Alexander C-G. Stubb, 'A Categorization of Differentiated Integration', *JCMS: Journal of Common Market Studies* 34, no. 2 (1996): 283–95, <https://doi.org/10.1111/j.1468-5965.1996.tb00573.x>.

<sup>9</sup> Katharina Holzinger and Frank Schimmelfennig, 'Differentiated Integration in the European Union: Many Concepts, Sparse Theory, Few Data', *Journal of European Public Policy* 19, no. 2 (2012): 292–305, <https://doi.org/10.1080/13501763.2012.641747>.

<sup>10</sup> Nicole Koenig, *A Differentiated View of Differentiated Integration*, Policy Paper no. 140 (Jacques Delors Institut Berlin, 2015).

conditions are still maturing, and whose timing cannot, at this stage, be determined with any analytical precision.

## 3. Conceptualising Pragmatic Federalism

### 3.1 What is and what is not

The whole debate on PF is still conditioned by semantic and, therefore, conceptual ambiguity. This latter is calculated and political: PF represents a public appeal that facilitates convergence among a variety of Europeanist policymakers and movements sharing the bold principle of a more ambitious global Europe, but not the same interpretation of the means, implications and potential drawbacks of this shift.

While ambitious, PF is not revolutionary action invoking a federal ‘big bang’. While PF supporters may dream of the United States of Europe, they are not claiming its urgent establishment as the sole way to express the EU’s potential. As a matter of fact, PF requires no Hamiltonian moment nor imposes any clear separation of powers between the federal and the national level.

Instead, PF prescribes better coordination, adaptability and creativity: the EU should protect its core values and interests in case of crisis, relying on its forces, on its political versatility, operative flexibility, and economic preparedness. Indeed, PF resembles another key notion of the so-called geopolitical turn of EU politics: strategic autonomy. Indeed, PF serves the cause of strategic autonomy as it reshapes the very functioning of the Union to better mobilise its own resources, reduce external dependencies and implement common policies in key strategic fields. Strategic autonomy and PF are both designed to expand the EU’s room for manoeuvre whenever needed, through better shock absorption, diversification of alliances and retaliation<sup>11</sup>. From this perspective, strategic autonomy, PF and cluster integration constitute a trinity at the core of the dominant Europeanist consensus: they represent the main objective, the method of integration and the institutional framework, respectively.

Accordingly, we dare to define PF as follows: *a modular integrative method aimed at achieving EU strategic autonomy step by step, through cluster integration with variable geometries. PF realises closer union by reshuffling the EU as an umbrella organisation made of issue-specific coalitions or voluntary sub-Unions, in which supranational and national authorities jointly execute common policies around shared strategic interests.*

This definition is based on four core conceptual pillars:

The first is the “coalition of the willing”. Instead of demanding unanimity or forcing all MSs to move at the same pace, PF views integration as being driven by specific groups of states

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<sup>11</sup> Riccardo Alcaro, ‘Running in Circles: How Europe’s Quest for Autonomy Creates New Dependencies’, *Survival* 68, no. 2 (2026): 85–116, <https://doi.org/10.1080/00396338.2026.2647641>.

aligning around a common vision. MSs wishing to halt progress, in this sense, cannot hold back those with higher ambitions, though non-participating states retain the option of joining later<sup>12</sup>.

The second feature is that of “bottom-up democratic legitimacy” which envisions, rather than a top-down imposition, choosing to opt-in to the aforementioned coalitions needing to first secure democratic support at the domestic level over strategic shared goals (Draghi, 2025). C) Thirdly, PF is characterised by *de facto* integration. It avoids grand institutional overhauls and relies on concrete political actions, possibly outside the existing EU institutional framework. D) Lastly, PF is characterised by a dialectic view of the EU breaking down the dichotomy between a confederation and a federation. It acknowledges that the EU can operate with confederal decision-making in some areas and federal authorities in others, allowing for a fluid transition depending on the subject matter<sup>13</sup>.

While the actual shape of European PF is unknown given its novelty, we should bear in mind that PF has already been applied in other (federal) countries, like Australia. There, PF is traditionally defined as an *ad hoc*, problem-oriented approach characterised by experimentalist and anti-foundationalist components which translates to a mode of flexible, multi-speed, and issue-specific frameworks<sup>14</sup>

### 3.2 Problems and Contradictions

Although the debate over PF is still in its infancy, it is growing rapidly. Clashes over its applicability, viability and desirability are already visible. Firstly, tensions revolve around the term 'federalism' itself, which could act as an unnecessary lightning rod that inflames, polarises

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<sup>12</sup> Draghi, ‘Mario Draghi’; Sébastien Maillard, ‘Draghi Wants Real Decision-Making Power in Europe, Not a Federal Big Bang | Chatham House – International Affairs Think Tank’, 29 January 2026, <https://www.chathamhouse.org/2026/02/draghi-wants-real-decision-making-power-europe-not-federal-big-bang>.

<sup>13</sup> Francisco Balaguer Callejón, ‘Una Nuova Architettura Politica per l’Europa. Il Federalismo Pragmatico Di Draghi Nel Corso Della Storia’, *Federalismi.It, Rivista Di Diritto Pubblico Italiano, Comparato, Europeo*, no. 9 (2026), <https://federalismi.it/ApplyOpenFilePDF.cfm?artid=53292&dpath=document&dfile=25032026184138.pdf&content=Primo%2Bpiano%2B%2D%2BUna%2Bnuova%2Barchitettura%2Bpolitica%2Bper%2BI%27Europa%2E%2BII%2Bfederalismo%2Bpragmatico%2Bdi%2BDraghi%2Bnel%2Bcorso%2Bdella%2Bstoria%2B%2D%2Bstato%2B%2D%2Bpaper%2B%2D%2B>

<sup>14</sup> Robyn Hollander and Haig Patapan, ‘Pragmatic Federalism: Australian Federalism from Hawke to Howard’, *Australian Journal of Public Administration* 66, no. 3 (2007): 280–97, <https://doi.org/doi:10.1111/j.1467-8500.2007.00542.x>; Amanda Smullen, ‘Conceptualising Australia’s Tradition of Pragmatic Federalism’, *Australian Journal of Political Science* 49, no. 4 (2014): 677–93, <https://doi.org/10.1080/10361146.2014.964660>.

and creates divisions in European politics<sup>15</sup>. In countries like France, the term is virtually a taboo, risking a teleological debate about the nature of the EU which directly contradicts the “pragmatic” intent of the proposal.

In addition, a significant practical contradiction is raised regarding the timeline of this approach. The current era is one of rapid technological and geopolitical ruptures that require immediate responses. The deliberate consensus-building nature of pragmatic coalitions may simply be too slow to address these urgent, existential threats, making the “pragmatic” process potentially incompatible with the necessity for rapid EU action.

One factor that could profoundly alter any reform plan inspired by PF is enlargement. In fact, the number, composition and logic of the clusters would change enormously as the number of candidates and MSs fluctuates. How many members will the EU have: 27, 30, 35 or 50? How many political actors can a Union of Unions accommodate? Enlargement will strengthen the Union of the future, but territorial or ideological-based subUnions might jeopardise EU unity. Besides, there is a longstanding contradiction regarding whether the EU can ever be truly democratic without becoming a formal federal state. However, the democratic dimension raises another issue: whether it is necessary to create a European people(s), and the capability of European patriotism to facilitate the Europeanisation of core state powers.

Draghi’s PF aligns with a modern legal interpretation that the EU does not need to become an overarching state. Rather, it can exist as a democratic union of democratic states<sup>16</sup>. This “democratic turn” would be highly innovative, given the traditionally top-down and executive-centric nature of EU functional integration. In fact, deciding to opt-in to sectorial initiatives like PESCO has historically been based on executive-driven initiatives and thus lacked broad democratic processes. Aside from select referenda in few MSs, these integration steps were primarily driven by national governments without direct public consultation.

Reconciling pragmatic execution with genuine democratic participation is one of the most daunting challenges of PF. In fact, functional sector-by-sector pragmatic integration may not ultimately foster citizen engagement or lead to a political federation.

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<sup>15</sup> Maillard, ‘Draghi Wants Real Decision-Making Power in Europe, Not a Federal Big Bang | Chatham House – International Affairs Think Tank’.

<sup>16</sup> Jaap Hoeksma, *Pragmatic Federalism and the Constitutional Identity of the EU – TEPSA*, 2025, <https://tepsa.eu/analysis/pragmatic-federalism-and-the-constitutional-identity-of-the-eu/>.

## 4. Pragmatic Federalism Across Policy Areas: Defence, Space, and Artificial Intelligence

PF expands the scope of EU action into new strategic areas where the EU's voice remains weak and contested. To examine the features and potential implications of this flexible approach, this section compares three key strategic sectors where geoeconomics and geopolitics converge, namely Defence, Space and AI, which have recently experienced the most significant shifts in European differentiated integration. Although historically kept under distinct mandates, these fields have become deeply structural and, at times, codependent. It shall be noted that these three clusters serve primarily as an example of how this framework can be applied. The same logic can be extended to other policy areas (e.g. energy, industrial policy etc.).

### 4.1 Defence

The fragmented attempts for integration established a precedent: when uniform and traditional integration fails, alternative and flexible mechanisms arise. This led to the foundational rationale for PF, which emerges as a necessary framework when analysing the current defence institutional architecture. The Common Foreign and Security Policy (CFSP) stands out from all other policies of the Union due its intergovernmental character: a domain, therefore, fundamentally in the hands of the States despite the mutual defence clause and voluntary mechanism of enhanced cooperation introduced by the Lisbon Treaty<sup>17</sup>.

The geopolitical instability of the last decade has introduced new challenges, addressed by recent institutional acts redefining the defence architecture through a more pragmatic lens. Noteworthy is the Rearm Europe Plan<sup>18</sup>, aiming at strengthening European resilience and strategic autonomy. Rather than pursuing traditional, top-down integration, the plan relegates the role of the Commission only to that of administrative oversight, managing financial incentives while leaving procurement and strategic decisions in national hands. This demonstrates that while MSs remain deeply reluctant to surrender formal military sovereignty, they are increasingly open to flexible, functional systems.

Considering also the legal roadblocks to a single European army, PF emerges not as a mere alternative, but as the only realistically viable way. Instead of or in between pure intergovernmental cooperation and fully integrated EU defence, PF supporters envisage a third

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<sup>17</sup> Luigi Daniele, ed., *Diritto dell'Unione europea: sistema istituzionale, ordinamento, tutela giurisdizionale, competenze*, Nona edizione (Giuffrè Francis Lefebvre, 2024).

<sup>18</sup> Sebastian Clapp et al., *ReArm Europe Plan/Readiness 2030* (EPRS European Parliamentary Research Service, 2025).

way: cluster integration. The defence framework is not a unitary system; it is split into distinct, overlapping “modes of governance”, such as the *coordination mode* of PESCO and the *financial-industrial mode* of the European Defence Fund<sup>19</sup>. While traditional critics argue that flexible coalitions remain short-term and strictly intergovernmental, PF bypasses this limitation when anchored to supranational EU resources. Within this framework, the Commission acts as a policy entrepreneur, utilising financial incentives to institutionalise industrial cooperation. A semi-federal output – collectively developed capabilities and shared supply chains – stems from mini-lateral inputs, avoiding the need for formal Treaty revisions. Yet, the current fragmentation allows MSs to prioritise national autonomy and vetoes, stalling progress. PF provides the ideal mechanism to bypass legal and bureaucratic obstacles, allowing smaller, highly capable coalitions of willing countries – such as the core military group – to voluntarily deepen defence cooperation through concrete actions based on deliberate national choice. A PF approach would enable Europeans to experimentally consolidate military demand, optimise economies of scale, and give operational substance to the mutual defence clause.

## 4.2 Space Policy

Space governance is structured around access, coordination, and resilience, making it dependent on collective technical and financial capacities that no single MS can sustain alone<sup>20</sup>. This functional necessity historically produced a fragmented “governance triangle” involving the MSs, the EU, and the European Space Agency (ESA)<sup>21</sup>. This sector serves as a primary laboratory for PF, demonstrating how the Union can develop federal-style capacities through sectoral integration where collective action is required for survival in a contested global environment. Driven by functional necessity, EU integration in this domain advanced through mechanisms of layering and conversion, incrementally adding security objectives to civilian

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<sup>19</sup> Tuomas Iso-Markku and Niklas Helwig, ‘The EU’s Fragmented Defence Governance: Different Rationales, Different Logics and Different Actors’, *European Security* 0, no. 0 (2026): 1–19, <https://doi.org/10.1080/09662839.2026.2633370>.

<sup>20</sup> Giulia Pavesi and Jan Wouters, ‘The Final Frontier? The European Union and the Governance of Outer Space’, *Journal of European Integration* 45, no. 8 (2023): 1199–217, <https://doi.org/10.1080/07036337.2023.2274885>; Philip De Man and Jan Wouters, ‘EU Space Governance at the Threshold of A New Era’, *Global Policy*, 2026, 1–5, <https://doi.org/10.1111/1758-5899.70030>.

<sup>21</sup> Gustavo G. Müller and Philip De Man, ‘Incremental Shifts, Strategic Orbits: The Evolution of EU Space Policy Through Gradual Security Linkages’, *Global Policy*, 2026, 1–13, <https://doi.org/10.1111/1758-5899.70125>.

programs like Galileo and Copernicus<sup>22</sup>. This shift marks a transition from merely using space data for terrestrial needs toward the active protection of the orbital environment<sup>23</sup>.

This evolution operates within the complex constitutional limits of the Lisbon Treaty. Article 189 TFEU grants the Union a specific competence in space but explicitly excludes the “harmonisation” of national laws. To bypass this “unanimity trap”, the proposed EU Space Law (2025) pragmatically utilises Article 114 TFEU as its legal basis.

A critical element of this transformation is the restructuring of European Union for the Space Program Agency (EUSPA) into the European Union Space Services Agency (EUSSA). Proposed in April 2026, the Agency transforms from a management body into the Union’s 24/7 operational arm for security and service delivery. This move clarifies the institutional boundaries with the ESA, which remains an independent intergovernmental organisation focused on R&D, while the new Agency ensures the operational protection of sovereign infrastructures<sup>24</sup>.

However, European strategic ambitions remain constrained by severe technological dependencies, exposed by the “Starlink incident”. Addressing these vulnerabilities requires strengthening sectors such as space infrastructures and satellite communications. In this context, opening such initiatives to strategic non-EU partners (Canada) illustrates the flexibility of PF, which functions as an open “Policy Union” to build the industrial scale necessary for survival<sup>25</sup>. This reveals the emergence of a “community of destiny” in orbit, where the EU acts as an umbrella of Policy Unions<sup>26</sup>.

### 4.3 Artificial Intelligence

Artificial Intelligence (AI) represents one of the most prominent fields in which the EU regulatory power is overcoming national autonomies. Global AI governance is a varied landscape: the US adopts a decentralised agency-base framework and the Chinese a centralised

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<sup>22</sup> Balaguer Callejón, ‘Una Nuova Architettura Politica per l’Europa. Il Federalismo Pragmatico Di Draghi Nel Corso Della Storia’.

<sup>23</sup> Müller and De Man, ‘Incremental Shifts, Strategic Orbits’; Angeliki Papadimitriou et al., ‘Perspective on Space and Security Policy, Programmes and Governance in Europe’, *Acta Astronautica* 161 (August 2019): 183–91, <https://doi.org/10.1016/j.actaastro.2019.05.015>.

<sup>24</sup> Heuking Space Law, ‘The Proposal for a New EUSPA Regulation: Key Changes, Practical Effects, and Recommended Actions for Stakeholders’, 2026, <https://www.heuking.de/en/news-events/newsletter-articles/detail/the-proposal-for-a-new-euspa-regulation-key-changes-practical-effects-and-recommended-actions-for-stakeholders.html>.

<sup>25</sup> Benjamin Leruth and Christopher Lord, ‘Differentiated Integration in the European Union: A Concept, a Process, a System or a Theory?’, *Journal of European Public Policy* 22, no. 6 (2015): 754–63, <https://doi.org/10.1080/13501763.2015.1021196>.

<sup>26</sup> Müller and De Man, ‘Incremental Shifts, Strategic Orbits’.

strategy<sup>27</sup>. The EU strategy instead represents distinct approach in this area, with the adoption of the Regulation 2024/1969 (AI Act). The framework assumes a central control but delegates further implementation to national authorities. This exemplifies an attempt by the supranational institutions to adopt PF and, consequently, to broaden the scope of the Union. The Commission profited from the internal market powers to sneakily enforce a supranational and centralised strategy on AI. To pursue this objective, the EU established the European AI office, a centralised and supranational body among the branches of the European Commission, which will exercise a direct enforcement of the Act, by supervising and monitoring AI models across all MSs, from August 2026<sup>28</sup>.

Notably, the EU's PF path in AI governance has proceeded with friction from Germany and France. The two countries stopped the final stages of the negotiations, since they feared the Commission threatening their national champions, Mistral AI and Aleph Alpha<sup>29</sup>. This resistance exemplifies the core dynamic of the PF, namely the advancing of integration through regulatory momentum and not through consensus. Furthermore, the defence sector was explicitly excluded from the scope for the Act, because of institutional necessity, also due to the choice by MSs to preserve autonomy in a strategically sovereign domain. Debate persists over whether PF in AI governance is consolidating or still fragile. While some argue the EU regulatory power cannot effectively shape the AI field<sup>30</sup>, optimists contend a unified approach will successfully drive institutional reconfiguration<sup>31</sup>. In conclusion, the PF approach represents the line of action in which the EU is progressing, but with the resistances of MSs, the achievements the institutions are carrying might be constrained.

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<sup>27</sup> Amir Al-Maamari and Abdulatif Alabdulatif, 'Between Innovation and Oversight: A Cross-Regional Study of AI Risk Management Frameworks in the EU, UK, and China', 2025, 1–5.

<sup>28</sup> Emanuele Parisini, 'Governing Artificial Intelligence in the Defence Sector: A Comparative Analysis of EU and US Institutions', *Global Public Policy and Governance* 5, no. 2 (2025): 114–38, <https://doi.org/10.1007/s43508-025-00115-x>.

<sup>29</sup> Raluca Csermatoni, *The EU at the Helm? Navigating AI Geopolitics and Governance*, Charting the Geopolitics and European Governance of Artificial Intelligence (Carnegie Endowment for International Peace, 2024), 9–15, <https://www.jstor.org/stable/resrep58111.6>.

<sup>30</sup> Andrea Calderaro and Stella Blumfelde, 'Artificial Intelligence and EU Security: The False Promise of Digital Sovereignty', *European Security* 31, no. 3 (2022): 415–34, <https://doi.org/10.1080/09662839.2022.2101885>.

<sup>31</sup> Parisini, 'Governing Artificial Intelligence in the Defence Sector'.

## 5. Conclusion: From Pragmatic Steps to Federal Leaps Forward

To realise actionable declinations of PF, this paper puts forward two scenarios for operationalising the PF paradigm. However, we also acknowledge that in order to achieve a significant leap forward, there is an inherent need to transcend the PF paradigm and go beyond its established boundaries.

### 5.1 Immediate Pragmatism

In its most feasible yet modest conceptualisation, PF can be realised now as a technocratic show run by national and supranational executive authorities, cooperating in strategic fields in the name of efficiency. This version of PF builds upon existing institutional structures and decision-making mechanisms and can be implemented in the short-term with minimal procedural adjustments.

This purely functional path would firstly include MSs executives voluntarily deciding to opt-in in Coalitions of the Willing in a few areas of strategic interest aligned with the EU's strategic agenda. According to this setting, the democratic legitimacy would only derive from national executive mandates through democratic elections at the domestic level. From a supranational perspective, the legitimacy of EU clusters would be based on outcomes and EU citizens are mere beneficiaries rather than agents of change<sup>32</sup>.

To move beyond this scenario, the Union must transition toward a model of a "Parliamentary Union"<sup>33</sup>. PF can increase its democratic credentials by holding each cluster (i.e. the unions of the Union) accountable to specific European Parliament's committees, as will be further explored in the next section.

### 5.2 A Union of Unions

To realise the aforementioned Parliamentary Union, the EP should be involved and ensure supranational oversight over clusters' activities. Specifically, a committee should be formed for each functional cluster, either by creating one ad hoc or by extending existing mandates<sup>34</sup>. By establishing distinct supervision for Defence, Space, and AI, the Parliament can directly monitor new operational bodies, such as the European Union Space Services Agency

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<sup>32</sup> Balaguer Callejón, 'Una Nuova Architettura Politica per l'Europa. Il Federalismo Pragmatico Di Draghi Nel Corso Della Storia'.

<sup>33</sup> Sergio Fabbrini, *Which European Union? Europe after the Euro Crisis* (Cambridge University Press, 2015), <https://doi.org/10.1017/CBO9781316218945>.

<sup>34</sup> Leruth and Lord, 'Differentiated Integration in the European Union'.

(EUSSA)<sup>35</sup>. This framework transforms PF’s “regulatory momentum” into a legitimate “repertoire of governance”<sup>36</sup>, generating federal-style outcomes from functional necessity while upholding the Union’s identity as a “democratic union of democratic states”<sup>37</sup>

From this perspective, the EU of the future appears as an umbrella organisation or common political platform from which many other voluntary sub-Unions, made of a variable number of national and supranational institutions, might flourish.

As highlighted in section 4, Defence, Space, and AI provide us a privileged look at the potential features and implication of PF in key strategic domains at the crossroads of geoeconomics and geopolitics. In these critical sectors, the PF approach seems the only feasible and adequate way to bypass systemic paralysis and safeguard European sovereignty at the same time. In these domains traditionally hampered by bureaucratic roadblocks, PF offers a mechanism that involves a shift from total consensus to targeted action, allowing highly capable coalitions of willing countries to voluntarily deepen cooperation in specific fields. The Union can successfully escape the “unanimity trap”, by establishing shared infrastructures while formally respecting national sovereignty.

In this sense, the Union of the Unions is a sub-optimal solution compared to a treaty change or constitutional turn. But PF’s fundamental premise is precisely this: the EU risks paralysis and passivity if it waits for an unlikely constitutional change. Political creativity, not normative elegance, must guide the reform process.

While it is questionable to predict the exact timing of this shift, we can assume that it would be conditioned by the electoral cycles concluding in Estonia, France, Greece, Italy, Spain, Slovakia and Poland through 2027/2028, as well as the European Parliament elections of 2029, representing a potential opportunity to foster this process.

### 5.3 The Reform of the Commission

This paper recognises that to achieve a significant leap in EU decision-making, there is an inherent need to transcend the boundaries set by the PF paradigm.

For this reason, we also put forward a third, distant scenario, which we deem achievable solely by means of transcending the inherent limits of the PF paradigm as sketched out in the previous pages.

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<sup>35</sup> Heuking Space Law, ‘The Proposal for a New EUSPA Regulation’.

<sup>36</sup> Balaguer Callejón, ‘Una Nuova Architettura Politica per l’Europa. Il Federalismo Pragmatico Di Draghi Nel Corso Della Storia’.

<sup>37</sup> Hoeksma, *Pragmatic Federalism and the Constitutional Identity of the EU – TEPSA*.

This paper envisions the Commission's reform as the gateway to realise the telos of PF, that is creating a legitimate federal core around flexible and sectorial clusters. This is a great leap forward and requires treaty change. The Commission's current weaknesses are structural. The 27 commissioners board creates internal coordination costs and political constraints that impede decisive action. Reform proposals may converge on several key themes.

First, a stronger politicisation of the Commission's presidency (moving beyond the Spitzenkandidat process, already undermined by the European Council) is required. The current system grants MSs governments decisive gatekeeping authority over the Commission's political identity<sup>38</sup>. A democratising reform would move beyond convention toward a binding pan-European electoral mechanism. A President elected with a direct or reinforced parliamentary mandate would derive legitimacy from European citizens rather than intergovernmental consensus, structurally reducing the Commission's dependence on MSs favour and enabling it to act as a genuine federal agenda-setter. Additionally, the Commission's capacity to act as a genuine agenda-setter in areas such as defence, industrial policy, strategic autonomy, and the green and digital transitions requires both an expanded budgetary base and a willingness to use the full range of its treaty powers<sup>39</sup>.

Ultimately, the EP's growing role in the investiture and scrutiny of the Commission has created the conditions for a more "parliamentarised" system, but these conditions have not been fully exploited<sup>40</sup>. A clearer convention that the Commission governs with and for a parliamentary majority would strengthen both the Commission's political mandate and the Parliament's claim to democratic governance.

Second, to mitigate the MSs influence over the Commission's legislative-initiative capacity, this paper proposes the elimination of the Commissioners' current selection system and the introduction of a new procedure. At the present stage, bureaucratic complexity and the persisting influence of national executives despite a potential reduction of the size of the College of Commissioners, would prevent significant legitimisation of the Commission. To bridge this significant gap, provided this scenario functions beyond the boundaries of PF and admits treaty change, this paper proposes that the Commissioners would be elected through national parliamentary plenaries under QVM.

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<sup>38</sup> Olivier Costa, *Perspectives for EU Governance: Between Community Method, New Intergovernmentalism and Parliamentarisation*, Study Requested by the AFCO committee (European Parliament, 2022).

<sup>39</sup> Scharpf, 'THE JOINT-DECISION TRAP'.

<sup>40</sup> Costa, *Perspectives for EU Governance: Between Community Method, New Intergovernmentalism and Parliamentarisation*.

In conclusion, pragmatic federalism has the potential to transform the EU, provided it moves beyond executive-centric, sector-specific integration. At the same time, it should be acknowledged that such an epoch-making shift might pose some potential threats. Without a coherent and shared strategic direction, the Union could drift toward fragmented governance driven by competing national interests and unstable coalitions. To avoid such an outcome, European integration should be guided by a holistic, long-term, and collectively endorsed agenda. Whilst the initial pragmatic application of cluster integration might seem sufficient to empower the Union with a new arsenal of tools and alliances, a more democratic and institutionally accountable approach should be carried forward: the Union is one and indivisible, despite being modular and plural. Reforms in one cluster should not jeopardise the Union's global action. Hence, by reversing the perspective from federalism to pragmatism, we conclude that a comprehensive strategic vision for the future of Europe must guide the formation of clusters, not vice versa. Such a vision can channel all the coalitions towards a common destination, that is a more autonomous, agile and versatile Europe capable of being alone together.