

# European Subsidiarity Protocol

Executive Briefing — An operational enhancement for Article 5 TEU

## The Problem: Governance Latency

The EU is experiencing a structural latency crisis (Draghi Report, 2024). Managing 27 diverse economies through centralized regulation produces systematic mismatches between the scale of governance and the scale of problems. The result: policies that average across regions with vastly different needs, generating bureaucratic friction, political backlash, and suboptimal outcomes — particularly in care, health, and regional economic policy.

Existing subsidiarity tools (Early Warning Mechanism, Better Regulation, REFIT) are politically valuable but empirically unarmed. Whether a proposal violates subsidiarity remains a matter of argument, not measurement.

## The Solution: Precision Subsidiarity

The protocol introduces the **Global Subsidiarity Index (GSI)** — a diagnostic measurement standard that quantifies governance-tier mismatch for the first time. The GSI measures four dimensions (Decision Proximity, Knowledge Inclusion, Resilience Architecture, Cohesion) across sixteen indicators, adjusted for regional complexity via a peer-review-ready formula designed for Eurostat co-development.

The GSI does not replace existing mechanisms — it arms them. National parliaments gain empirical evidence for subsidiarity objections. The Commission gains a systematic tool for Regulatory Impact Assessment. REFIT gains the ability to identify whether regulatory burden stems from governance-tier mismatch.

## Three-Layer Architecture

Layer	Component	Function
1. Sensor	European Civic Value Registry	Voluntary, GDPR-compliant registry making informal care capacity visible to governance systems. ZKP-protected: EU receives aggregate proofs, never raw data.
2. Diagnostic	GSI + Routing Matrix	Measures governance architecture, produces NUTS-level routing recommendations. Comply-or-explain obligation for deviations.
3. Actuation	Targeted fiscal instruments	Closed-loop Conditional Service Credits + Resilience Dividend. Not legal tender. ECB observer status. Pre-registered evaluation.

## Key Innovation: Subsidiarity Drag

When a policy is implemented at a different governance tier than the GSI recommends, the protocol publishes the estimated cost — in administrative hours and euros — as **Subsidiarity Drag**. This mirrors the European Semester's transparency on fiscal deviations: non-binding, but visible. No member state is required to follow GSI recommendations. But no member state can ignore them without explanation.

## The Fiscal Case: National Budget Relief

By making informal care capacity visible and routing care policy to the tier where it can be most efficiently delivered, the protocol activates existing social resources that currently sit outside fiscal systems. This reduces pressure on national healthcare and pension budgets — a mechanism for **national fiscal relief** through precision allocation, not new spending.

**The protocol is designed to be scientifically disprovable. If Phase 1 shows that GSI routing does not outperform existing political processes, the hypothesis is falsified — and the EU gains its first rigorous empirical study of subsidiarity implementation.**

# Implementation: How It Deploys

## Legal Basis — No Treaty Change Required

**Article 5 TEU** (Subsidiarity) + **Article 20 TEU** (Enhanced Cooperation) + **EP consent**. The protocol follows the precedent of EPPO (20 members) and the Unitary Patent (17 members). Nine member states is the minimum coalition. Phase 1 requires no legal framework at all — it is a non-binding analytical exercise.

## Phased Deployment

Phase	Timeline	Scope	Risk
1. Parallel Diagnostic	Year 1	Non-binding GSI pilot focused on <b>European Care Strategy</b> . 3-5 pilot regions. Bronze/Silver data tier. Coordinated via CoR + Eurocities.	Zero policy risk. Advisory only.
2. Enhanced Cooperation	Years 2-3	9+ member states adopt formally. Domain expansion beyond care. At least one eurozone pilot. Silver/Gold data tier.	Pre-registered evaluation. Independent oversight.
3. Gradual Integration	Years 4-5	Organic adoption. GSI integrated into Better Regulation and REFIT. Gold data tier standard.	Track record-based. Comply-or-explain.

## Phase 1 Cost: €20–35M over 24 Months

No new EU budget allocations required. Funded from existing Horizon Europe (Pillar 2) and Digital Europe Programme envelopes. Phase 1 constitutes a methodological consultation and feasibility assessment — full GSI co-development with Eurostat is a Phase 2–3 undertaking.

## What Remains Unchanged

Domain	Status
EU Treaties	Fully intact. No treaty change required.
ECB Monetary Authority	Unchanged. Pilot instrument operates outside monetary policy space. ECB invited as observer.
Single Market	Preserved. All outputs remain interoperable.
National Sovereignty	Enhanced. Member states control RSZ designation. Comply-or-explain, not comply-or-else.

## Next Steps: Dependency-Gated Rollout

**Gate 1** (Q3): Eurostat scoping consultation for care-domain GSI methodology + EP/COSAC briefing.

**Gate 2** (Q4, requires Gate 1): Horizon Europe funding application + CoR resolution.

**Gate 3** (Q4, parallel): ECB technical consultation on pilot instrument design.

**Gate 4** (Year 2, requires Gates 2+3): Pilot deployment in Västra Götaland.

***The European Subsidiarity Protocol does not ask for permission to redesign the system. It asks for authorization to measure whether existing tools could work more intelligently — and to publish the results.***