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The Progressive Post

CAN THE EU RESCUE THE MIDDLE EAST PEACE PROCESS ?

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Debate on Catalonia
German Elections

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government solution

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Managing migration flows
between the EU and Libya

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Improving work-life balance
without damaging the economy

NEXT ECONOMY

The digital single market and
the EU's creative industries

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A POSITIVE GAME CHANGER IS URGENTLY NEEDED

by Maria Joao Rodrigues, FEPS President



After decades of trying and abjectly failing to solve the Israeli-Palestinian conflict, the Middle East peace process remains deadlocked.

The prospect of peace offered by the two-state solution, long considered the only viable political solution for the conflict, is diminishing and the window of opportunity opened by the Oslo agreements is also closing fast. Any hopes of strong, positive steps in a progressive direction are tempered not only by the knowledge that so many other initiatives have failed in the past but also by the stagnant status quo that is hampered by current political circumstances. This grim outlook is exacerbated by the general turbulence in the wider Middle East and, of course, by the erratic new occupant of the White House and his administration's à la carte adherence to facts and diplomacy.

2017 has been a year burdened by a number of symbolic and painful anniversaries in the conflict's history. Due to this, the same warnings of a narrowing window of opportunity have been uttered and the same urgency for action has been bestowed upon the moment. And yet, no discernible game changer has been offered to break this bleak stalemate so far despite this year's warnings having been peppered with additional symbolic value.

Against a backdrop of solidifying resentment and increasingly irreconcilable differences between both sides, the European Union has a responsibility to do everything within its capabilities to try and salvage the stalling peace process. Evidently,

helping to bring about a positive game changer in order to nudge both sides towards a productive thaw in ties will be a delicate exercise, not least because of the EU's own internal divisions on this issue.

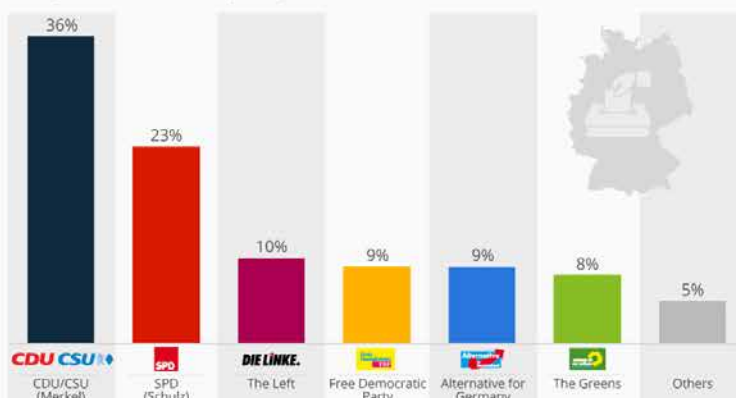
However, the sense of unity, coherence, purpose and autonomy that is reflected in the EU Global Strategy document that was released last year provides a path as to how our Union can move together in this direction. What is more, the persistence, patience and political will shown during and after the negotiation of the Iran nuclear agreement illustrate, in the most acute manner, how powerful the voice of the EU can be when it is clear and united even when this has

to be done in the face of a worsening international environment and a precedent-breaking US president.

Now is the time for action, as time is running out for the two-state solution. The European Union can and must be the responsible force for peace and diplomacy in this search for a positive, progressive and tangible game changer. It can and should sustain and step up its focus on moving the Middle East peace process forward so as to bring the prospect of peace to the region and its citizens closer.

Merkel Heading Towards Fourth Term

Voting intention in Germany in September 2017

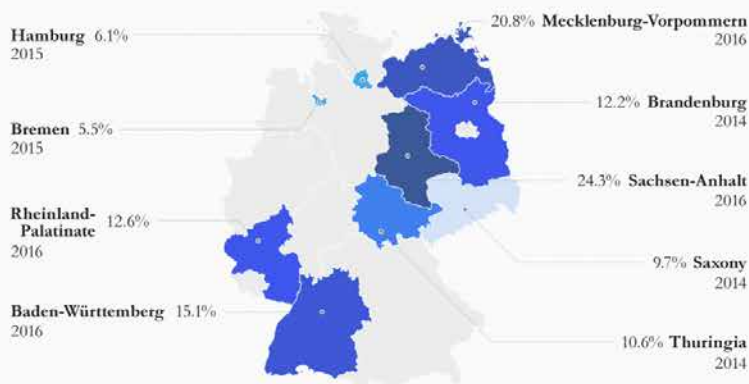


n=2,501. Conducted September 11-15, 2017.
Source: Forsa via Wahlrecht.de

statista

AfD gaining ground in Germany

Share of vote received by Alternative für Deutschland in regional elections*



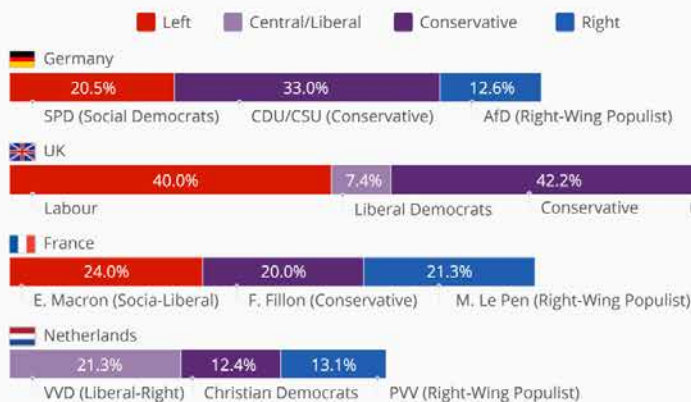
* Elections from 2014, 2015 or 2016 dependent on region
Sources: Regional governments, ARD

INDEPENDENT

statista

The Far right is rising in Europe

Top 3 parties by voter share at General/Presidential Elections 2017



Sources: Bundeswahlleiter, BBC, French Ministry of the Interior, Kiesraad

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IT'S THE CULTURE, STUPID!

by Ernst Stetter

Since the federal elections, Germans are still searching for explanations for the soar-away success of the far-right AfD (alternative für Deutschland) and the sour decline of the two main parties, the CDU and the SPD. In his remarkable speech on the occasion of the national commemoration of the German unification on October 3rd, the President of the Federal Republic, Frank-Walter Steinmeier brought to his fellow citizens the issue of new psychological walls building up in our societies.

“

This is one of the most pertinent analyses of the state of our societies in Europe and elsewhere. Hence the German election result is not only to be seen in the pure analysis that populists are gaining support with their nationalistic slogans. It is no longer the appealing slogan of Bill Clinton of the nineties that catches the voters' attention. Economic issues are absolutely still in the center of citizens' concerns. But more than 75% of the German population thinks that their economic and social situation is best that they have experienced since unification! Therefore the political discourse and the societal debate must encompass a new forward-looking narrative that builds a renewed

**CITIZENS' FAITH
IN TRADITIONAL
STATES HAS
REACHED
NEW LOWS**

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trust, because citizens' faith in the traditional state has reached new lows.

In order to restore hope in the hearts and minds of the people, politics has to provide the means to improve capabilities in addressing first

and foremost the cultural and societal requests. President Frank-Walter Steinmeier is absolutely right when he stipulates that not all who are turning their back are immediately enemies of democracy. But they are missing out on the democracy.

Hence our parties and democracies need to think about a narrative which encompasses not only economy but, first and foremost, the overall societal questions.

Therefore: It's the culture, stupid!



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Ernst Stetter is the Secretary General of the Foundation for European Progressive Studies.



| MARTIN SCHULZ, the leader of the German Socialists: The SPD never managed to initiate major debates in this election campaign.

THE SPD AFTER THE FEDERAL ELECTION IN 2017

by Fedor Ruhose

The SPD has lost the fight against Angela Merkel and her CDU for the fourth time in a row. The worst result since the foundation of the Federal Republic of Germany has a new element to it even for crisis-hardened social democrats. The party must look at the causes of the relentless decline if it is to have any chance of making a comeback.

It was a tough campaign. Despite dissatisfaction with the chancellor, there was no real movement for change: Merkel's reputation and Germany's economic situation were too good and the international environment was too insecure. Long-term strategies

and a distinctive programme would have been essential pre-conditions for a successful SPD campaign in such a situation.

As a result, Martin Schulz started off with a big handicap on January 21, 2017. That was the day on which he was surprisingly nominated as

SPD leader and candidate to be chancellor. Once again, the candidate to be chancellor was sent into the race without any preparation time, programme and appropriate structure.

The SPD's election difficulties

Schulz has united the party like no one else and is still a uniting force. His 100 percent of the vote for party leader is not for nothing. Martin Schulz began the campaign as a projection screen for many - he served the longing for an alternative to Merkel. Driven by this euphoria, the first

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**THIS ELECTION
RESULT IS THE
LATEST BAD RESULT
BUT IT STILL LEAVES
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EUROPE-ORIENTED
VERSION OF A
WELFARE-STATE
SOCIAL DEMOCRACY.**

”

mistakes began. The dip ahead of the NRW election, the concentration on minor deadlines while the chancellor painted the big picture. All of this has already been covered by analysts. The ominous effect of plunging poll data this time was felt all the more because the SPD's initial 'Schulz effect' was very clear: with a convincing candidate and a consistent programme, numbers above 30 percent seemed possible even against Merkel. Against this background, the devastating electoral defeat of the NRW SPD in particular became a major turn-off for potential voters.

There were also car crashes such as the ill-fated presentation of the election programme or the Google advertisement which claimed Schulz to be the winner of the TV duel before it even started.

The TV duel could not bring the hoped-for turnaround, as it looked more like an appearance of the grand coalition given the limited differentiation between the parties. The key issues were taken away from the SPD's election campaign on the public stage. There was no 'Merkel must go' campaign. A 48 or 43 percent pension level is not a decisive issue, particularly when the party's own base considers 48 percent to be too low.

Mixed messages

There were mixed messages too. Initially, Schulz and the SPD were strongly opposed to Gerhard Schröder's agenda policy. In the initial hype at the beginning of 2017 many former

party members rejoined the SPD precisely for this reason. However, former chancellor Schröder was invited to the party congress in Dortmund as a guest speaker.

The SPD did not have a government alternative this time either. This is also because the idea of a red-red-green alliance had been dropped after the Saarland election in spring. In the end, it wasn't about the duel for the chancellor's office. It was not a question of electing the SPD to vote Merkel out of office but a question of who came third: the right-wing populist Alternative für Deutschland (AfD) or the liberal FDP.

The SPD never managed to initiate major debates in this election campaign. This was not only due to Merkel, who did indeed contrive to depoliticise the election campaign. It was

also due to the fact that the SPD and the CDU are currently barely distinguishable at the national level and that the SPD is still marked by its brand meltdown following the agenda reforms.

The party needs to renew itself

Martin Schulz fought until the end. Now he and the SPD are on the rocky road back to being a powerful party. Excluding itself from a Grand Coalition – which has now shrunk to miniature size – was a logical step. This constellation has also lost its support in the population. Moreover, it is essential to prevent the right-wing populists from the AfD from being in the leaders of the opposition.

The very existence of the SPD is threatened. The worrying outlook for the European arena must become an incentive. The exciting political debates are taking place in a different environment today. In addition, in Germany of 2017, the right-wing populist AfD will continue to shape the political discourse.

In East Germany, the election results have caused Germany's political stability to wobble. The SPD must deal with this issue intensively and recover structures and people in a targeted manner. Otherwise, the SPD will remain what it is at present: a regional party. The SPD is also facing major problems in the south. In large parts of Germany, the SPD is hardly even capable of campaigning.

The air is actually thick with social democratic issues. But

there is a lack of a narrative and key figures. That is why we need a long-term renewal process now. The SPD has to reconsider its thinking, which takes time and is not a task for the day after a lost election. The party must undergo a self-critical analysis, scrutinising its existing credibility problem. Seventy nine percent of its voters voted for the SPD because of longstanding strong ties. These voters appear to be the nucleus of the social democratic electorate. The Social Democrats have lost contact with crucial constituencies for years. This election result is the latest bad result but it still leaves the SPD with a chance to renew itself. This will require a contemporary, Europe-oriented version of a welfare-state social democracy. In order to regain its former strength the party has to put everything on the table: content and people, organisation and government options.



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| UWE OPTENHÖGEL thinks that the European Commission would have preferred a continuation of the Grand Coalition.

NO FAVOURABLE WINDS FOR BRUSSELS

by Uwe Optenhögel

This could not have been the way in which European Commission President Jean Claude Juncker imagined the elections in Germany would turn out. After, from a Brussels perspective, we had got through the Dutch and French elections better than many had expected, Brussels would have preferred a continuation of the grand coalition after the German elections.

Whether with Merkel or Schulz, stability and the necessary stimulus to overcome a whole series of accumulated problems at the European level had already been factored in.

In addition, the hope was that coalition partners who knew each other well would quickly come together in a new government. A golden autumn and a mild political spring were already shining through in Juncker's 'state of the Union'

speech in mid September: right wing populists banished, the economic situation better than expected, cohesion on Brexit, a French-German engine revving up once more and the Commission given a boost and back in the driving seat.

German domestic policy set for instability

None of that will come about now because German domestic policy will get more unstable.

The coalition negotiations must be allowed to take their time if they succeed at all. Europe will have to wait for Germany again. That is problematic for the Commission's ambitious agenda up to the end of the legislature in the summer of 2019.

France's President must also be deflated as he will not be in a position, without Germany's close cooperation, to carry forward the ambitious visions for Europe that he set out at the Sorbonne two days after the German elections.

In the EU, people are beginning to suspect that the big loser in the election is the Chancellor. Her capacity to push things through in the European Council will be weakened. For that to happen the EU needs stable governments in big countries, which are able to compromise and can push through different European negotiating options in their national contexts. This is all the more true for Germany as the biggest and economically strongest country in the EU. It is pretty unlikely that that will be possible in a Jamaica coalition.

Coalition building difficulties

This is because, in the elections, the positions of the CDU, CSU, FDP and the Greens with regard to Europe lay so far apart that a consensus on the issues of eurozone reform, migration and security policy or Brexit only seem imaginable if a coalition partner goes up to or over the boundaries of its identity. But that would be the continuation

of the Merkel system, in which up until now all coalition partners have been shredded and which the electorate overwhelmingly voted against in this election.

The conflict between the CDU and CSU in that political grouping may well also be particularly interesting in itself. The greens and, above all, the FDP, which have already been removed once from their place in a coalition government by Merkel's CDU, should be warned. Emmanuel Macron is already dreading the possibility that his wide-ranging reform plans for the eurozone could depend on the agreement of an FDP Finance Minister, who has a different vision of Europe and who – looking at the election programme – sees his loyalty more in his small better earning clientele in Germany than in Germany's responsibility for Europe.

From a Brussels perspective, the success of the Alternative für Deutschland (AfD) with 12.6% of the vote is admittedly somewhat more than expected but it is being considered as manageable in a European context. Some may even contemplate it succinctly by saying 'Welcome to the Club'. The concern for Brussels is not the size of the AfD but how it was in a position to shape the discourse and issues in the election campaign, which was ultimately the reason for the unexpected outcome of the election. This clearly shows how corrosive right wing populism still is for representative democracies.

Consequences for the SPD

And how about the SPD? The defeat turned out to be clearer than expected but it was not politically deserved. After much had been done wrong in the election campaign and after it became clear that no voters were to be won with a successful issue-oriented policy (SPD had the better ministers in the outgoing cabinet), everything was done right on the evening of the election. With its announcement that it is going into opposition, the party has gone on the attack and has marked out the contours of the debates after the election. Many in the party must have felt this as belated relief. In its decade long patriotism the SPD has always put the country above the party. It will remain loyal to this maxim if it now pursues 'democratic polarisation' (Habermas) as the leader of the opposition and does not leave the confrontation with the new government to the right wing populists. At the European level the election result has had a contradictory effect for the SPD Group in the grouping of Socialists and Democrats.

Direct access to power, i.e. to ministers in the most powerful cabinet in Europe and thereby exerting influence on the orientation of German politics is blocked. So in Brussels people must not no longer take into account previously agreed coalition agreements in Berlin. With regard to reform of the eurozone for example, the SPD has for long been closer to Macron or the southern European countries than to Schäuble. An open and inclusive debate with the whole breadth of the middle-left spectrum will be needed in order

to be able to compete again for majorities in Germany and Europe. And the SPD must look precisely into what the worries are of those who have drifted to the right wing populists. Because it is clear that, with the traditional left wing issue-oriented policy approach (labour market, social policy, family policy, education policy, rule of law) alone the party will not succeed in getting back to power. The election was lost in the area of identity politics. Without a new narrative, which succeeds in building the bridge between real losers or those who perceive themselves to be losers of globalisation and the winners, between the home country (Heimat) and the world, it is hard to imagine a return to a left wing people's party that is capable of winning majorities. This new 'We narrative' will have to contain a national and European component because there is only protection from globalisation whilst achieving economic prosperity at the same time with and not against Europe.



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| Student protests at the Otto-von-Guericke University in Magdeburg against a lecture by the youth organisation of the populist party AfD.

GERMAN ELECTIONS: WHY DID THE PROGRESSIVES FARE BADLY AND WHY DID THE AfD DO SO WELL?

by Christian Odendahl

The major shock in the German elections was that the right wing populist party Alternative für Deutschland won nearly 13% of the vote whilst the centre right CDU/CSU and the centre left SPD lost considerable ground compared to the 2013 elections. In an interview with the Progressive Post, Christian Odendahl explains where he thinks things went wrong for progressive parties and why the AfD has been so successful.

Is the growth of the Alternative für Deutschland (AfD) a direct consequence of the weakness of progressive ideas in Germany, namely of the Greens, Die Linke and SPD?

In part that is true, yes. After the British people voted for Brexit and the American voted for Donald Trump as US President, people were quick to point to globalisation and people being economically left behind as reasons for these results. Subsequently people realised that it was also about those who are being culturally left behind.

In Germany it was clearer. The AfD grew on the back of the euro crisis and the refugee crisis. The growth of the AfD was driven in part by a protest vote and a feeling of being culturally left behind. As a result, the discussion in Germany is less about the economic reasons for the party's growth but we shouldn't dismiss those entirely. Particularly in the East, and in economically weaker regions in the West, economics does play a role. In addition, a sense that the country was drifting apart was a big motivator for people to vote for the AfD.

The SPD had trouble formulating a progressive economic alternative while in the coalition government. Die Linke lost in the East because of the protest vote but gained in almost every district in the West. They are in general not very popular in the West because they are seen as an eastern party. But the 6.1% that they won in conservative

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THE KEY WILL BE
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”

Bavaria, for example, shows the desire in Germany for a more social democrat agenda. The SPD failed to capture that vote.

The Greens have a different socio-economic votership, their voters have got older over time, so they ran two relatively centrist candidates and are currently not the major progressive force that they had been in the past.

How will they fight against this party?

The Greens are likely to be part of the government, and their main struggle is to keep their own party united. So the job of containing the AfD will be left to the CDU on the right and the SPD and Die Linke on the left. The SPD will try to get the social democrat vote back by talking

about issues such as inequality and the lack of housing.

The key will be to strip away the racism from issues raised by the AfD. Adopting the terminology and narrative of the AfD would be a grave mistake. During the German election campaign, for example, Die Linke took some AfD issues and stripped them of their xenophobic content. So when the AfD referred to “housing shortages because of refugees”, Die Linke said “let’s talk about housing”. I think that is a good approach, also for the SPD.

Should Europeans be worried about the growth of a nationalist party in Germany?

Europeans shouldn't necessarily be worried. The AfD still convinced only 12.6% of the German electorate. The AfD has not caused a major disruption to the political scene as Brexit and Trump did, despite the euro crisis, the refugee crisis etc.

The AfD's success does make forming a coalition much more complicated. The FDP represents economically orthodox voters. If in government, the Greens will be careful not to agree to any policies that their core green vote would disagree with. The CDU/CDU have different goals entirely. Thus, all three parties are pulling in different directions.

The SPD has said that it will be in opposition. In the past it has helped out the Merkel government. For example, when the Merkel government didn't have a majority to vote through the

Greek bailout, the SPD helped out. This time, in opposition, the SPD will be careful to be as strict opposition and make life as difficult as possible for the government. Outside a major crisis, it won't help out the government.



> AUTHOR

Christian Odendahl is the chief economist at a European policy think tank called the Centre for European Reform. His research areas include German politics, European monetary and fiscal policy, the political economy of economic integration and structural reform, financial markets and regulation and international trade. He regularly commentates on economic issues in print and broadcast media.



I The crisis has underlined some major divisions between Catalonia and the rest of Spain.

SPEECH BY JOSEPH BORRELL ABOUT CATALONIA'S DEMOCRATIC CRISIS

by Joseph Borrell

Joseph Borrell, Chair of the FEPS Scientific Council, former President of the European Parliament, gave a speech to Catalans about the democratic crisis in Catalonia and Spain on 8 October 2017.

Citizens of Catalonia, We are here because we have summoned ourselves to defend coexistence, pluralism and solidarity. And we must defend them. Because coexistence has been ruptured in this country. And we need to rebuild it. Political pluralism must be defended because it is not being recognised. When a president

of Parliament dares to say that those who vote for certain parties are not Catalan, they have shattered all our values. Mrs Forcadell, did you not think that before saying something like this you should have resigned as President of Parliament? How could a president of a European Parliament, how could the president of an institution that represents all citizens, possibly

say that someone who votes for other political parties is not Catalan? Of course they are. They are as Catalan any other. How could the councilor say that those who do not agree with the referendum on independence do not agree because they are not citizens, but subjects? You are not subjects, and if you are here today it is precisely to tell the world that

those of us who do not think like nationalists are as much citizens of Catalonia as they are.

Every Catalan voice needs to be heard equally

I have a friend who lives on the moon. And when he looks at us from afar through his telescope,

he says: "Josep, I can only see people who want independence in Catalonia". "That isn't certain" I reply. But he can only see us from far away and only sees people who want independence. And he asks me where everyone else is, because he can't see them. And here you all are! My friend on the Moon, I know you can see us now. But we have neither been seen nor heard until now. We have to ensure that every Catalan voice is heard, equally. And for that you have to democratically control the public media, which are currently a democratic shame. It seems that you agree with me... People must express themselves with the utmost respect.

“
WE HAVE TO
ENSURE THAT EVERY
CATALAN VOICE IS
HEARD, EQUALLY.
”

I don't want to exaggerate, but we are witnessing dramatic times in this country, so we must ask for respect and wisdom, for ourselves and for others. We have to be very careful. Because if a unilateral declaration of independence is declared, this country will fall off a cliff. Don't push us off the cliff, Mr. Puigdemont! No, no, no... Don't scream like mobs at a Roman circus. The only people who go to jail are those sentenced by judges. I ask you, please, to respect and love each other, we must rebuild our family. Every

time I argue with my friends who want independence and explain to them what they have done, expose the lies they have been told to stir up people's emotions... When they no longer know what to say, they say: "They don't love us." But we do! We do love you! I want to ask you to do something for me. On your way back home, buy a bottle of Catalan cava. Go buy a bottle of cava, because sales have gone down 15%. Which means that there is now more unemployment in Catalonia. No boycotts, don't be indignant; we have to work together to recover our common sense. I want to speak directly to the business community in Catalonia. To all of you who are quickly deciding to run away from Catalonia... Could you not have said something first? You discussed it privately, why didn't you state it in public? When I said two years ago that companies and banks would leave Catalonia, Mr Junqueras and Mr Mas, two great prophets, said that no-one would leave. All those leaving should have said they were going to beforehand. They should have stated that if what is happening was to happen, they were going to do, what they are doing. If they had done, we could have avoided what is happening now. We are all a little guilty of being too quiet.

Those of us who feel Catalan need to make an appeal to common sense, respect, plurality, coexistence... These are the emblems of the European stars. But we have to work for them. And this will not be settled by unilateral decisions. It is not only a matter of public order. It is not a problem that is

resolved by saying that we do it better and that the EU will welcome us with open arms. Mr. Junqueras, stop deceiving the Catalan people. You believe your own lies. But if you continue with this, I warn you that it will have very negative consequences in the EU. You are doing the opposite of what the European ideal is. And do you think that the EU will welcome you with open arms with a business card such as this? No. They'll tell you to come back another day. In the meantime, we will all suffer the consequences. There are people who will suffer, good people who are afraid of what can happen, of how their pensions will be affected, of whether they will have to leave... They ask politicians to do something about it. Yes, we must do something and quickly, because we are approaching a line separating us from a citizen confrontation and as politicians we cannot let that happen.

Catalonia is not a colony or a military occupied state

To finish off, I want to say two things. When president Kennedy sent the national guard to remove the laws that wanted to revoke racial segregation, he said that no man, no matter how powerful, no crowd, no matter how much noise they make, is above the law. Because on the day they are above the law, judges will no longer be able to do their job, no-one will be safe from the arbitrariness of the government and no-one will feel safe from their neighbours. And we want to be certain that our neighbours can be controlled.

Things have happened here that should not have happened. We are hurting ourselves. Let us regain our common sense. We have the right to live in peace, we must enjoy our progressive and democratic country: Spain. We have problems, of course. What country does not have problems? But do you really think that Catalonia is like Lithuania, Kosovo or Algeria? No. Catalonia is not a colony or a state that is occupied militarily. Catalonia is not a state like Kosovo where there was violence and human rights were violated. And that is why Catalonia must work based on respect for the law and cannot believe those who say that international law is on its side, because it is not true, it is not on its side. The Secretary General of the UN has come to say it. Friends, no more borders. The EU flag represents the removal of borders. Borders are the scars which history has left in the skin of the earth, made with blood and fire. Let's not build any more, because we have already endured enough pain to build the ones we have.



> AUTHOR

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| CARLES PUIGDEMONT, the current President of the Generalitat of Catalonia.

THE CATALAN LABYRINTH: IS THERE A WAY OUT?

by José Félix Tezanos

Catalonia is mired in a labyrinth of separatist conflicts and demands that are hard to integrate within the current Spanish and European political structure. The situation in Catalonia is hard to understand for an outside observer unfamiliar with its historical and economic background. José Félix Tezanos provides that background and his analysis of the current situation.

Catalonia is one of the most prosperous regions in Spain, with a rich and extensive history and culture. Ever since the War of Spanish Succession, in which the Bourbon dynasty triumphed, Catalonia has

developed separatist sentiments that have been a latent presence since the 18th century and has tried to exploit the democratic periods of Spain's history to achieve its independence as a sovereign nation separate from Spain. It also has historical

claims to part of the territory of France. This happened during both the First Republic (1873-1874) and the Second (1931-1939), operating as a destabilising factor in the democratic order. However, since the Spanish Constitution of 1978 and

the Statute of Independence, it had seemed that the "Catalan question" had been channelled into the form of an Autonomous Government with broad powers, in many respects going beyond those of other federal states.

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‘Independence’ proposal approved in stormy parliamentary session

One of the paradoxes of the current situation is that it is the Catalan Government itself, with all its administrative, communicative and police apparatus (17,000 armed ‘mossos’, the Catalan police force) that is the leader of an independence process whose ultimate outcome is completely unknown beyond the high levels of self-government already achieved. In other words, the question that is being debated is whether there is a space for an intermediate political development between full independence and the autonomous state guaranteed by the current Spanish Constitution. Against this background, the

Catalan independence parties obtained 47.74% of the votes in the last elections to the Catalan parliament, which gave them a slightly increased majority due to the peculiarities of the Catalan electoral system. Based on this situation of self-governance and this configuration of forces, the Catalan Government produced a proposal for ‘independence’ that was approved in a stormy parliamentary session, which was non-binding and during which almost half of the Members left the Chamber.

Referendum held in a climate of chaos and conflict

This independence proposal is the one that was attempted to be submitted for endorsement in the referendum held on 1

October, which took place in a climate of chaos, conflict and the absence of minimal procedural guarantees. In other words, everyone was able to vote in a kind of ‘universal electoral census’, anywhere and in any way. So the social networks soon filled up with selfies of people queueing to vote in various places. Based on these facts, and the scenes of violence that were seen during the day of 1 October, the Catalan Government announced results with percentages that did not add up to 100, and with voting figures of 2,200,000 persons, of which it was said that about 2,000,000 had voted in favour of independence, out of a total population of 7,582,596, and an electoral census of 5,343,358. In other words, even if these figures were right, in Catalonia only 37% of the population of voting age supported independence.

What can be done now?

What can be created out of this situation? Actually, very little. Above all, however, it is necessary to specify what the separatists want to build. In other words, what powers do they want to have on an exclusive basis? The little progress that has been made in this explanation points to the intention of gaining full autonomy in the management of economic resources, thus cutting the net contributions that, as one of the richest regions of Spain, Catalonia has been contributing to the national budget to cover the expenses of the State. To this must be added another more difficult aspiration to achieve,

namely the intention to reject joint liability for the common element of the Spanish national debt, which is currently huge. This is an amount that the Catalan Government maintains is not its debt, due to the Spanish Government’s low investment in public works in Catalonia. A controversial question indeed. Although it is clear that a dispute of this nature needs to be redirected towards channels of dialogue and peaceful negotiation, some of these demands will make it difficult to reach agreements making it possible to overcome the conflict, while at the same time opening up the worrying question of where the erosion of some of Europe’s current borders could lead. It is a problem that concerns not just the Spanish.



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| THE PALACE OF THE GENERALITAT, the seat of the Government of Catalonia, in Placa de Sant Jaume.

SPEECH BY MIQUEL ICETA TO THE CATALAN PARLIAMENT

by Miquel Iceta

Miquel Iceta gave a speech to the Catalan Parliament about the political consequences of the Catalan democratic crisis on 9 October 2017.



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Debates are meant to discuss, to talk and to listen. I was now trying to have someone help me with a verbatim transcript of what you've said to check if I understood correctly. You take on a mandate, which I question, and at the same time, you say you are proposing to suspend a declaration that hasn't been made. That's complex, but political situations sometimes are, and we all must admit that, in complexity, dialogue can turn more difficult if we do not sufficiently understand each other, but it can also offer room for us to all work together. A declaration that hasn't been issued cannot be suspended. And when you tell us 'I propose to suspend'..., it looks like we are really reaching the limit that the words of the Generalitat's president are the ones validating – or not – the laws, and this places us in an extremely complex field.

I must tell you that these days I find myself among distressed people who, as you have well said in your intervention, are people thinking very differently. But they probably agree on two big points: they love their country but they wish for the prosperity of their family and their children. We need to serve them all well and get it very right. I thought that at some point you would say that you communicate agreements, results, but that that's not your role to play... Because the referendum law very clearly

establishes that, within the two days after the announcement of the results by the Electoral Syndicate, an ordinary session will be held in order to make a formal declaration of independence of Catalonia to all purposes and agree to initiate the constituent process. This isn't such session, or am I much mistaken? Someone should tell us.

Warning from the Socialists

I'd like to reiterate the warning that we socialists have often given in this chamber, and myself particularly as president of my group. Already back on 9th November 2015, at the beginning of this parliamentary term, I was asking you whether you had thought carefully about the costs and consequences of placing the Catalan institutions outside the law. I had the opportunity to repeat it during the two failed debates on the investiture of Artur Mas, I said it again during your own investiture debate, during the motion of confidence's debate, in many other occasions. From our point of view, the Catalan institutions were placed outside the law last 6th and 7th September. From our point of view, you breached the regulations, trampled on the rights of the opposition, struck down the Statute of Autonomy and violated the Constitution. For our 'piece of mind', it was not only our opinion; it was the opinion of the Parliament's

legal counsels, of the Council of Statutory Guarantees, of the Constitutional Court and even certain members of your government said that things were not done right.

From this same point of view and for all these reasons, I must tell you that on the 1st October the effective and binding referendum with guarantees that you committed yourselves to did not take place. In spite of this, the State made the serious mistake of commanding or protecting violent police actions against the people who intended to take part in that act of voting, however illegal or irregular some might consider it to be. We condemned those actions and requested the immediate withdrawal of the security forces on the same morning of the 1st.

However, I want to tell you, Mr President: no democratic mandate can be claimed from the vote organised on the 1st. I know that this is a political opinion and that, like every political opinion, is disputable, but the point is we're talking here in broad or, if you want, very solid terms, about a democratic mandate that you have intended to take or convey today. From our point of view, a vote that had no guarantees. Even your international guests have said so. Without an electoral syndicate – for the reasons that we all know, with the resignation of some of your members, affected by

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**WE WISH TO SEEK AN AGREEMENT
THAT COULD GATHER 80%
OF CATALANS. WE WANT
MORE SELF-GOVERNMENT,
IMPROVED FINANCING AND
A REFORM OF THE STATE.**

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very tough decisions of the Constitutional Court – that could endorse that process and officially proclaim the results. Therefore, from our point of view, we are by no means standing today where you’ve said we are and not because you’re suspending it from the rostrum, but because the requirements provided by the referendum law and the legal transition and foundational law of the republic have not been met. You cannot suspend an agreement that has not taken effect. You were sworn in, and I quote because you introduced a new element that was never used before at

that very moving moment for any Catalan person of ascending into office, and which you wanted to use: “in full fidelity to the people of Catalonia”.

Mr Puigdemont, the 38.47% is not the people of Catalonia. With this support, you cannot do what you wanted to do. You cannot complete your term of office allowing that a minority, however respectable it may be, imposes itself upon a majority. 38.47% cannot impose itself upon the 61.53%, at least not on our behalf. And since the world is indeed looking at us these days, I reiterate: ‘Una

minoría no pot imposar-se sobre una majoria. A minority cannot impose itself upon a majority. Une minorité ne peut pas s’imposer sur une majorité. Una minoría no puede imponerse sobre una mayoría.’ The wishes of two million cannot impose themselves upon those of three million. This is why I was telling you yesterday, with all respect, please do not declare independence out of patriotism. Out of patriotism, let’s all tell each other the truth. The independence process has undoubtedly had some virtue: awakening enthusiasm, mobilising, making people shudder. You will never hear me criticize this aspect, quite the opposite.

Institutional instability and legal uncertainty

However, objectively, you have divided society, you have polarised it. By intending a break with the rest of Spain, you have separated us from the European Union. And, even before materially occurring, you have generated an institutional instability and a legal uncertainty that have received a very clear answer from the so-called ‘markets’. You told us that ‘the referendum will bring Catalan people together’ and it hasn’t been like this. You told us that ‘the process will bring us closer to Europe’, and it has been just

the opposite. You told us that ‘independence will boost us economically’, and that’s not true. I hope that the measures we have heard of from some important financial institutions and major companies of the country will be absolutely temporary and simply imply a gesture to ensure the legal certainty that the course of trade makes imperative and requires in our time. Parallelisms can never be drawn, but many of those who left Montreal for Toronto never came back. We are extremely worried. The relocation of just the decision-making centres, even if only for formal purposes: Banc Sabadell to Alicante, CaixaBank to València, Critería to Palma, Gas Natural, Aigües de Barcelona, Gaesco and Cellnex to Madrid, MRW to València, Abertis to Madrid, Adeslas to Madrid, Catalana Occident to Madrid... Please think, Mr President, that probably unintentionally, through denial, an uncertainty that we cannot afford is being generated. The postponement sine die of nobody knows exactly what will only increase this uncertainty.

It is an uncertainty for companies but also for families. These days we all know about family stories, in the bordering area of Aragon, in Vinarós, about visits and queues at the banks, issues with cash machines...

why? Is it the result of an international conspiracy of hidden powers, or is it the concern of many people, of good people who do not know where this will lead us? It is the distress of many people regardless of what they have voted for. I think that someday, and today can be a good day, we have to tell each other where the problem is. And the problem is not Spain, nor Europe, nor legality, the real problem is amongst us. On the 6th and 7th September, 52 MPs did not participate in the votes. The referendum law and the transition law were passed with far from the two thirds that we ourselves fixed as a minimum limit for the Statute's reform or for the adoption of an electoral system. Because we have always aimed to guarantee that no relevant decision that can alter our institutional system is made without making sure it has a broad consensus in the chamber and therefore in society. There is an old Catalanist motto that says 'United we'll win, divided we'll be defeated'. Mr President, the path of division is a path of defeat. We have said it many times, we do not want to resolve a tie vote. We wish to seek an agreement that could gather 80% of Catalans.

We want more self-government, improved financing and a reform of the State. And we wish

to have the chance to vote, in one sense or the other, for this agreement. We do not want to go 300 years back, nor 38 or 40. I believe that the solution to the problem we have, I'm afraid lies in Parliament elections, where everyone can vote, in equality, with guarantees, and with the possibility of opting for different political projects which can have the deep democratic legitimacy of the future. Now it's absurd to complain all together about the consequences of acts that depended solely on us. And I'm saying this with the utmost respect for all the institutions and names that I'll now mention. I cannot hold Òmnium or the Catalan National Assembly accountable. I can only demand accountability from you. And at this serious time, Mr President, I hold you accountable for stating that this Parliament hasn't declared independence; that the Electoral Syndicate hasn't announced the referendum results; that we are not activating the provisions of the referendum law and the transition law. And I will finish with three flashes. The first one is a quote from Raimon Obiols: 'Politics can serve emotions, but it is unacceptable to make use of emotions to deceive oneself or deceive others'. The second one is a quote from Josep Tarradellas: 'Our country is too small for despising any of its children, and big enough for

everyone to fit'. And this quote from president Tarradellas brings me to the final coda. Today, we do not want to point any fingers nor wipe out anybody. We all have been part of the problem in one way or another and, if we so desire, we all have to be part of the solution. Thank you very much, Mr President.



> AUTHOR

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| BARCELONA, SPAIN, 2014: People at a rally demand independence for Catalonia.

CATALONIA: THE MOMENT FOR POLITICS, THE MOMENT FOR DIALOGUE

by Esther Niubó

Opinion piece on the democratic crisis in Catalonia written on 5 October 2017.

Catalonia is experiencing a time of unprecedented political and social tension, the result of the irresponsibility of two governments that have been making electoral gains for years from a political confrontation without precedent in a democracy: a Catalan government, committed to achieving independence, even without the support of a majority of the population and at

the risk of placing Catalan institutions outside the law and a Spanish government that has been unable to recognise the existence of a problem of integration between Catalonia and the rest of Spain, as well as to put forward proposals for dialogue, and has delegated to the justice system and the police a solution that can only arise from politics. But the Spanish government of the Popular Party (PP) is not only responsible for

its immobilist strategy, for its inability (or lack of will) to pursue dialogue with a view to resolving the situation through political channels, but has also been at the root of the problem, since it was the PP that lodged an appeal against the Statute of Autonomy of Catalonia that had been approved by the Cortes Generales and the majority of citizens in a referendum (and which other Autonomous Communities in Spain have

been able to maintain), which culminated in a ruling of the Constitutional Court which restricted that Statute itself.

Urgent need for political dialogue

In the years leading from that ruling to the present, the Catalan autonomous government has been raising the stakes of its demands: from governing

with the support of the PP itself after the ruling on the Statute, they moved to asking for a fiscal pact in 2012 that was rejected and from there changed partners to ally themselves to the separatists with the aim of proclaiming independence in plebiscite elections in which they did not obtain the social majority required. Only two years later, they have dared to call a unilateral referendum on independence without any kind of democratic guarantee, based on a clearly unconstitutional law which breaches the Statute and has been suspended by the Constitutional Court and to shift the conflict to the streets, with the consequences for the population that we saw on 1 October, after a totally disproportionate action by the State security forces against peacefully gathering citizens. At this point, only the opening of an urgent political dialogue without conditions and negotiation between the two governments responsible for bringing this situation to an extreme can help to avoid a Unilateral Declaration of Independence by the Catalan government that would lead to a strong reaction by the state and would probably end with a suspension of Catalonia's autonomy if not with an intervention by the army.

Socialist proposal on the political conflict

That is why the Catalan and Spanish socialists have stood firm in defending the rights and freedoms guaranteed by the rule of law and also sought a resolution of the conflict by

dialogue. In fact, we are prepared to do everything in our power to encourage negotiation and to build bridges between the parties that will make it possible to avoid a new step on the path of unilateral independence that would put Catalan self-government at risk. The socialist proposal on the current political conflict is well known. We propose renewing the constitutional agreement, a federal constitutional reform that strengthens Catalonia's political autonomy, recognises the plurinational and multilingual nature of Spain, improves Catalonia's funding and can be submitted to a referendum and validated by all citizens. There will be no solution without a vote. But neither independence, which does not have a sufficient popular majority, nor the maintenance of the status quo are the solution. Profound reforms are needed in Spain, which will hardly come with a PP government. But while we are working to achieve a socialist majority in Spain, it is necessary to act. Too many red lines have been crossed in recent days and only the politics of dialogue can bring a solution to the current state of affairs. It is urgently necessary to work for a new constitutional agreement, bringing together the broadest possible majorities, and thus contributing to the restoration of coexistence in Catalonia and the standing of institutions that have lost their legitimacy and already put themselves outside the law. It is still possible to achieve this if there is a will. This is the time for politics, this is the time for dialogue. If not now, then when?

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WE PROPOSE RENEWING THE CONSTITUTIONAL AGREEMENT, A FEDERAL CONSTITUTIONAL REFORM THAT STRENGTHENS CATALONIA'S POLITICAL AUTONOMY, RECOGNISES THE PLURINATIONAL AND MULTILINGUAL NATURE OF SPAIN, IMPROVES CATALONIA'S FUNDING AND CAN BE SUBMITTED TO A REFERENDUM AND VALIDATED BY ALL CITIZENS.

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> AUTHOR

Esther Niubó is the Director of the Rafael Campalans Foundation and a member of the Parliament of Catalonia.



| The European Commission has launched a reflection process in the EU with its White Paper on the Future of Europe.

SOCIALIST VALUES AND THE EU

by Péter Balázs

The greatest challenges of our age from a European perspective are specified and listed by the European Union or defined by its member countries in the EU context. Socialist and Democratic parties should reconsider the set of principles represented by the EU and upgrade mutual solidarity.

Social Democrats have been defeated in France and Germany in 2017 and lost their positions in government. In Germany, the SPD is expected to take up a position in opposition. Within the context of parliamentary elections the damage sustained by one party can also be explained by the gains

of others. However, if a general tendency is identified (as in the case of Social Democracy in Europe), the political offer of that party has to be analysed and measured in relation to its fundamental values. As most of the problems occur in larger, international dimensions, the answers are to be found at similar levels. The EU is one

of the most appropriate structures to resolve issues beyond the political and physical scope of singular states.

Commission's 'reflection papers'

In 2017 a multitude of innovative ideas emerged concerning the

joint actions of European states. The European Commission launched that creative process in March by publishing a White Paper on the Future of Europe followed by five 'reflection papers' dealing with defence, the eurozone, the social dimension, globalisation and the EU budget. Jean-Claude Juncker, the President of the European

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**QUESTIONING THE LIBERTARIAN
ASPECTS OF INTEGRATION AND
PROMOTING ALTERNATIVE WAYS TO
INCREASE SOLIDARITY
WITHIN THE EU WOULD
OPEN NEW POLITICAL
PERSPECTIVES FOR THE SPD IN
GERMANY AND IN EUROPE.**

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Commission, summarised his attractive proposals in his State of the Union speech to the European Parliament on the 13th of September. President Emmanuel Macron of France spoke at the Sorbonne University in Paris on the 26 September and developed a wide range of groundbreaking reforms in order to make the EU stronger, quicker and more cohesive. The political focal point of all those initiatives was obviously the German parliamentary elections on the 24 September as the position of the future German federal government will represent the “critical mass” for accepting and implementing any action in the EU.

In spite of the innovative spirit and novel content of many suggestions, the improvements are limited to the actual integration model and its legal-institutional

basement, changing the order of some existing priorities only. Of course, on the formal, organisational side no other strategy would be realistic as any major amendment requires Treaty modifications by unanimity, which would admittedly not be assured. Taking into consideration the situation and interests of the Social Democratic movement, policy changes are still necessary and also possible within the actual margin of manoeuvre of the EU.

Rescuing solidarity

Democratic political parties share the same basic values codified by the EU which recall the main concept of modern civic society based on “liberté, égalité, fraternité”. The first two objectives are usually repeated

unchanged, but the third one is often replaced today by “solidarity”. In his European Parliament speech Commission President Juncker claimed for “freedom, equality and the rule of law” as guiding principles of the EU, which was a slightly different interpretation of those ideals. Political actors in Europe strongly believe that our continent is mastering all the three values setting the example for the whole world. However, the three standards together represent one of those “impossible triangles”: at most two of them are feasible at the price of sacrificing the third one. What is the EU’s solution and which aspect has been lost for achieving the other two?

The main result of European integration is “freedom” in many respects, first of all the “four freedoms” followed by several others like the freedom of travelling, studying etc. “Equality” is another great achievement: equal opportunities for and treatment of the member states and citizens (even if both cannot be guaranteed at the same time), of producers and consumers all across the Single Market etc. Obviously “fraternité” has been lost in Europe. A vast economic area of free movement with equal opportunities has been created, but the redistributive effects supporting proportionality and compensating the negative effects of unlimited “freedom” are marginal.

The EU’s model is clearly a liberal one to the maximum extent. It has been successful for the economic development

of Europe for a long period. However, in crisis situations more solidarity is required for the losers of globalisation inside and outside our community. Security threats such as terrorism, ‘hybrid wars’, cyberattacks and others demand even more mutual understanding and help. Offering and, at the same time, requiring more solidarity belong to the traditions of the Socialist movement. Questioning the libertarian aspects of integration and promoting alternative ways to increase solidarity within the EU would open new political perspectives for the SPD in Germany and in Europe.



> AUTHOR

Péter Balázs is the Director of the Centre for EU Neighbourhood Studies at Central European University, Budapest. He has held various government and diplomatic positions. He became Hungary’s first member of the European Commission in 2004 and was Hungary’s Foreign Minister from 2009 until 2010.



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| It is an open question how far the rights of UK citizens in EU countries and of EU citizens in the UK will be safeguarded after Brexit.

BREXIT: WHAT ARE THE OPEN ISSUES RELATING TO THE FUTURE RIGHTS OF UK AND EU CITIZENS?

by Jonathan Portes

The British government has come up with proposals to safeguard the rights of UK citizens in EU countries and of EU citizens in the UK after Brexit. However, leading lights from the European Union have criticised the proposals for lacking clarity and have many concerns, including that they may lead to the existing rights of citizens being reduced. Professor Portes sets out his views on the open issues to be dealt with.

The proposals put forward by the EU would broadly preserve, on a reciprocal basis, all

the current and future rights of EU27 citizens in the UK and Brits in the EU of 27 countries under EU law. – Ironically,

this was precisely what Boris Johnson and other Leave campaigners promised before the vote. But there are some

key points in the EU proposals which will be difficult for the UK government to accept.

First, they would indefinitely preserve the current position where EU citizens living in the UK have, in some respects, more rights than Brits. Thanks to Theresa May's determination when home secretary to reduce immigration by any means necessary, if you're a Brit and fall in love with and marry a Brazilian, you'll have to jump through a number of hoops if you want to live in London. If you're low paid or in insecure work, forget it. But if you're French or Bulgarian, and want to live in Birmingham with your Eritrean spouse, there is no income test.

Now it may be difficult for the UK government to sell a deal whereby, even after Brexit, this apparent anomaly continues. But it's not clear that the EU will give ground on this. EU27 citizens who moved here did so on the basis of the law as it now stands. They have a reasonable expectation, reinforced by the statement made by Vote Leave, that those rights should not be taken away. And from the point

of view of the rest of the EU, it's not their problem that the UK government chooses to treat its own citizens in this way. The UK could easily solve it by restoring the rights Theresa May took away from the Brits but don't hold your breath.

However, from a UK government perspective, the most provocative part of the EU position is the insistence that the rights of EU citizens living in the UK after Brexit (and indeed Brits elsewhere in the EU) are ultimately subject to the jurisdiction of the European Court of Justice.

The UK's position on this is that a continuing role for the ECJ in domestic British law is unacceptable. But the EU's perspective is that the ECJ is needed because the technical provisions of the deal, relating not just to residence, but to social security, pensions and access to services, will be extremely complex, and legal disputes are inevitable.

Adapted excerpt from the UK government's proposals on the rights of EU citizens

The paper confirms the creation of a new 'settled status' for EU citizens who arrive before a cut-off date (which is yet to be specified). Applicants who already have 5 years' continuous residence in the UK will be immediately eligible for settled status. Those who arrived before the specified date but do not yet meet the 5 year threshold by exit day will be allowed to stay until they reach that milestone and can also secure settled status. Those EU citizens who are granted settled status will be treated like a comparable UK national, entitled to broadly the same rights and benefits. A grace period of up to 2 years will be in place for all EU citizens, including those who arrive after the cut-off date, allowing them to regularise their status to remain in the country. All those applying to remain in the UK will undergo full criminality checks.

Aside from the question of the EU-UK dispute settlement mechanism, there are also many other open questions, including:

What will be the cut-off date for resident EU citizens to qualify for the new settled status following the UK's proposals?

What about the many hundreds of thousands of people whose case will be more complex, because they are out of the country on the cut-off date or have interrupted periods of residence?

Regarding the grace period of up to 2 years for all EU citizens (see box), what criteria will EU nationals have to meet and does the UK have the administrative capacity to process all their applications?

Will the UK guarantee the (indefinite or at least prolonged) continuation of all rights?

For a deal to be struck, both sides will need to make concessions. In particular, the UK will have to accept that it will either have to alter its own immigration policy – a development many would welcome – or continue "special treatment" for EU citizens, at least in some respects, for some time after Brexit.

And the EU will need to recognise that while it's reasonable to require that EU citizens here have recourse to an independent tribunal that can override the UK courts, that cannot be the ECJ. Again the UK will need to make the first move: the ball is in Britain's court. The UK's latest position papers do suggest that it might be prepared to accept a new, independent dispute settlement mechanism to enforce any agreement. This is a step forward – but the devil will be in the detail.



> AUTHOR

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| Fear of 'excessive' immigration was a big factor in the British people voting to leave the EU in the 'Brexit' referendum in 2016.

EUROPEANS NOT WANTED IN BRITAIN – THE UGLY SIDE OF BREXIT

by Denis MacShane

While most focus in the UK-EU Brexit negotiations has been on the money that the UK has to pay in order to meet all its obligations as part of the divorce, there is still no clarity on the rights of European Union citizens to live, work, marry, form partnerships, bring up their children and create a family life after Brexit.

The issue of foreigners arriving in Britain has always been high politics. The first immigration control legislation was the 1902 Aliens Acts. The purpose of this was to stop the arrival of Jews fleeing oppression and poverty in anti-semitic Tsarist Russia.

UK has a history of welcoming foreign workers

Successive immigration and nationality acts followed over the next 90 years. At the same time it is worth recalling that Britain has always depended

on foreigners mainly from Europe - not least to ensure a healthy blood line for the royal family - with immigrant kings being imported in the 17th and 18th century to ensure a protestant monarch on the throne.

When Ireland became an independent, sovereign nation after

a short, brutal war against England in 1920-21, London made sure that there were no barriers to Irish workers coming to Britain to continue doing low-paid, unskilled work such as building roads and houses.

After 1945, the Labour government invited 200,000 Polish

soldiers to stay in the UK to work in mines and and to do other arduous jobs where there was a shortage of UK-born labour.

In 1948, Britain started importing West Indian workers for public service jobs in transport or health-care and then, by the end of the 1950s, the door was opened to Indian, Pakistani, Kashmiri and others from the outposts of the British empire in Asia.

As London took advantage of the Single European Act (1985) and the creation of the Single Market hundreds of thousands of Europeans arrived to work for the financial and banking sectors. London became the tenth biggest city for French citizens.

British capitalism has always disliked spending money on training non-management workers and was therefore happy to see the arrival of workers from all over post-communist Europe as well as those who arrived after the crash of 2007-08 when young Italians, Spaniards and Greeks flooded into England to find work under the Labour government's full employment economic model.

EU freedom of movement rules do not apply to state employment. Yet the biggest employer of EU citizens was the UK state's National Health Service. The largest group of EU workers on the 2012 London Olympics construction site were Irish citizens.

Spain has 1.1 million Romanian workers and Germany 1.5 million Poles. Four per cent of the Irish population is Polish compared to 1.7 per cent of the UK population which is Polish.

Immigration the big focus of the Brexit referendum

Yet, for the anti-European Tories, UKIP and even sadly some Labour MPs, the number of Europeans working in Britain was unacceptable. The traditional anti-immigrant language was used. There are too many, they take jobs, they take housing, they don't speak English, they send their children to local schools, they are in hospital and doctors' waiting rooms, they depress wages. Cliché after cliché rolled out into newspaper headlines and speeches including from some on the left.

So when the Brexit vote came on 23 June 2016 it was a vote on immigration, on foreigners, on open borders. Theresa May told her Conservative Party conference in October 2015: "The rate of European immigrants arriving in Britain is unsustainable."

So she now feels that she must reduce numbers who are in Britain and control future

arrivals. This means that all the bureaucratic apparatus of immigration controls – work and residence permits, perhaps quotas and employers having to obtain administrative permission before offering jobs which will be time limited.

The Tory government approach is to make life unpleasant for Europeans and to put up a big "NOT WELCOME" notice except on strict bureaucratic conditions.

Many unanswered questions

Labour is saying that those EU citizens already here should stay. In fact, Mrs May is not far from that position. But, while it sounds good, this line does not respond to questions such as: "How long can they stay?" "If they lose a job must they leave the UK?" "Can they access all social and welfare rights of British citizens?" "Can children of Europeans travel freely between the UK and the country of their parent(s)?" "Can Europeans in the UK marry abroad and bring their wives to live in Britain?" "Can they bring over ageing parents that need to live with their children?"

None of these questions has been answered. The UK Home Office is carrying out a review of immigration rules but there will be no report until autumn 2018, i.e. just before the EU-UK Article 50 negotiations must end ahead of ratification and agreement by the European Parliament and the UK and EU27 governments and parliaments.

For many European Union citizens in the UK there is worry and fear about their future status and that of their children. There are no reliable figures as the UK does not issue ID cards and has no knowledge of who from the rest of Europe lives in the UK.

For the estimated two million British citizens in the EU – again there are no reliable figures – there is worry about whether they will face reciprocal measures.

Of all the ugly aspects of Brexit the worry and fears and potential return to hateful controls on European living or working in Britain is undoubtedly the nastiest.



> AUTHOR

Denis MacShane is the UK's former Minister of Europe and has been a Labour MP for 18 years. He represented Labour in the Party of European Socialists in the European Parliament and writes for British, European and US media on European policy and politics. He coined the word Brexit and has written three books on Brexit. The latest is: *Brexit, No Exit. Why (in the End) Britain Won't Leave Europe.*

**BREXIT,
NO EXIT**

**Why (in the End)
Britain Won't
Leave Europe**

DENIS MACSHANE

AUTHOR OF 'BREXIT' and 'LET'S STAY TOGETHER'

NEXT ENVIRONMENT



| The Fessenheim nuclear power plant in the Haut-Rhin in France, a border department with Germany.

FRANCE'S CONTINUED PURSUIT OF CIVIL NUCLEAR POWER IS PROVING DANGEROUS FOR EUROPE

by Benjamin Dessus

In Europe, where nuclear power capacity has been declining since the early 2000s (from 31% of total electricity produced in 2005 to 25% in 2015), France alone produces 53% (not including Britain in the calculations). While crucial for France given that 75% of its electricity supply comes from this sector, the nuclear issue also concerns Europe as a whole. This is clear from the fact that half of all European reactors are located in France alone.



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EUROPEAN CITIZENS
SHOULD HAVE A VOICE
IN THE FACE OF RISING
ENVIRONMENTAL AND
ECONOMIC RISKS

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Pursuing a policy of maintaining nuclear power at its current level, which is now being seen as a reality, is therefore a source of major concern for both the French and Europe as a whole. This is especially so given that the geographical location of France, downwind of the prevailing winds of western Europe, makes its neighbours particularly vulnerable to the consequences of a possible accident. Sixteen reactors are located at the borders with Belgium, Germany or Switzerland and 34 within 500 km of these borders.

This policy, in principle influenced by the transitional law of 2015 which set the goal of reducing nuclear power's share in French electricity production from 75% to 50% by 2025, is yet

to have had any effect. It would involve shutting down some 20 reactors by that date. This is not what is happening. No precise date has been set for dismantling the Fessenheim power plant that President François Hollande undertook to close before the end of 2017.

Without the immediate launch of a plan and a timetable for the closure of these reactors over the next seven years, the situation as regards nuclear capacity will hardly have changed by 2025. Especially given the notable inertia of a French government and an industrial lobby that seem totally unperturbed by the lessons learned from foreign experience in recent years (in particular the Fukushima accident) and the major changes in the field of energy production.

However, in the current context, it is clear that any new delay in closing the reactors will only result in aggravating the crises that France is facing on the nuclear front:

- There is a major technical crisis that is arising from the discovery of the magnitude of the problems related to the quality of steel already used or to be used for the replacement of parts or the construction of new reactors. In addition, there is the aggravating circumstance of a misrepresentation whose magnitude has yet to be determined.
- There is a security crisis, which is largely a result of the above and is accompanied by a serious crisis

of confidence between the National Security Authority and the operator, based on the viability of the incident reports produced by the latter. In the face of the voluntary omissions that have been discovered, the 'nuclear policeman' (the National Security Authority) is being forced to carry out much more frequent and thorough investigations and inspections to detect deliberately hidden defects.

- There is an economic crisis, with a company, Areva, whose bankruptcy could only be avoided after it was bought back in part by the national operator, EDF, and EDF, whose economic equilibrium has been seriously compromised. This is



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| Nuclear power in the world in 2014.

all taking place in an international context marked by a steady decline in the share of nuclear power in the global electricity mix (11% in 2015, as against 18% in 1996), and the collapse of companies such as Westinghouse and Toshiba.

- There is an environmental crisis with increased risks posed by the ageing of nuclear installations and the financial difficulties of the operator.
- There is a social crisis that will hit workers from the nuclear industry hard when they will be brutally confronted with the unplanned closure of a large number of power stations in the next ten years.

However, EDF, without being challenged by the State, claims to want to both extend the life of the current nuclear installations from 10 to 20 years and then replace them with a series of European Pressure Reactors (EPRs) from 2030 at a minimum cost of €250 billion ...

European citizens should have a say in the rising environmental and economic risks caused by the French enthusiasm for pursuing a policy which, in the face of all logic, very directly affects the energy future of Europe as well as of France for the next century and severely restricts the penetration of renewable energy, smart grids and energy saving potential. All of this is leading to a significant delay in relation to meeting Europe's climate commitments.

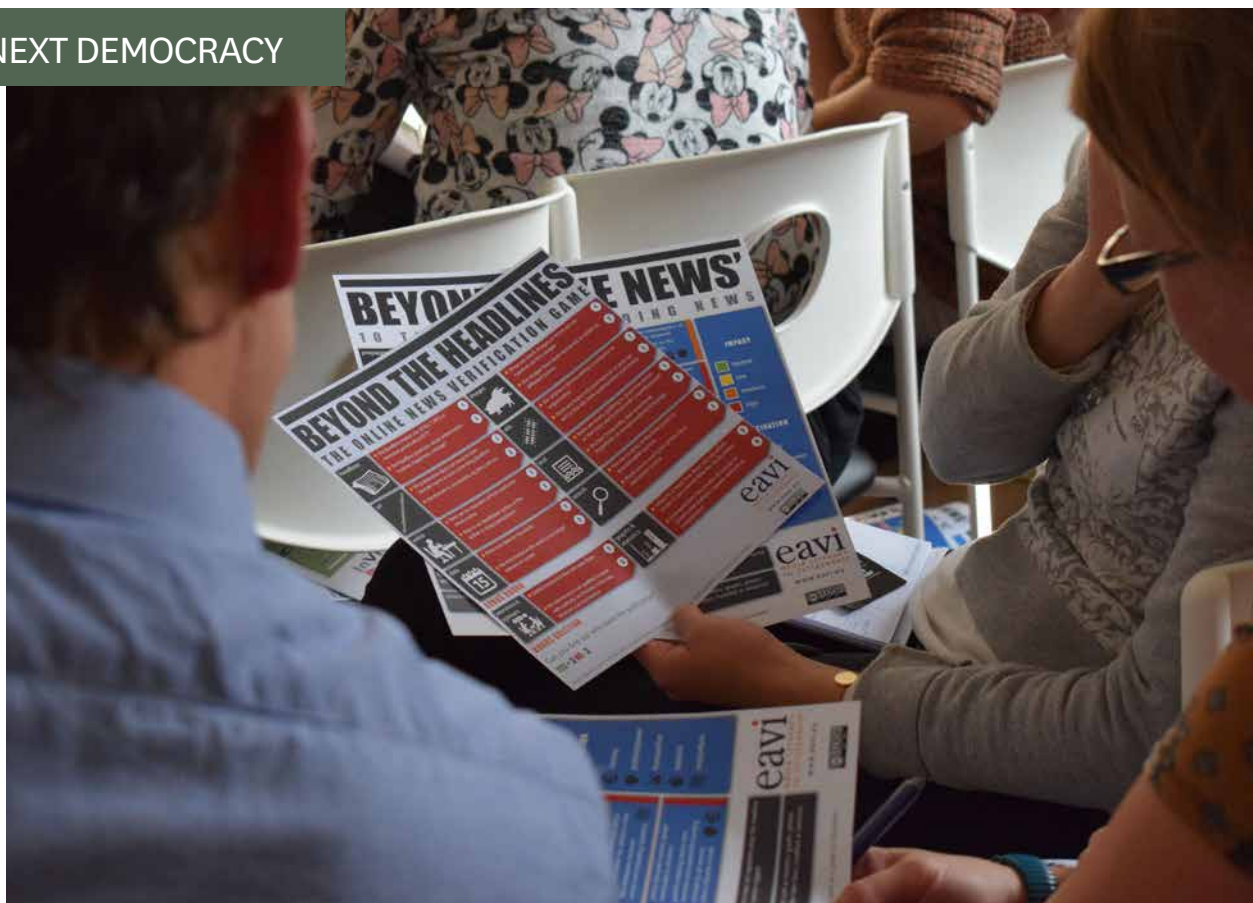
The French nuclear issue can no longer continue to be an exclusively French issue: it involves Europe, its climate policy, its economy and the security of its citizens.



> AUTHOR

Benjamin Dessus is an engineer and economist. He is also the founder of the Global Chance Association, an association of scientists and experts that offers independent expertise in the field of energy and the environment.

NEXT DEMOCRACY



EAVI is working on educating people about how to spot if they are being lied to.
Media Literacy is about now to read and analyse information produced by the media.

WHAT CAN THE EU DO TO STOP 'FAKE NEWS'?

by Paolo Celot

Fake news' is a hot political subject, in particular given that it is frequently spread quickly via social media. In an interview with *The Progressive Post*, Paolo Celot, Secretary General of the European Association for Viewers' Interests (EAVI), gives his views on the trends behind fake news, a new German law aimed at combatting hate crime and illegal content in fake news, how media literacy can help the public identify it and on what EU governments should be doing about it.



President. Fake news is increasingly being put out on social media platforms.

~ What do you see as the trends behind 'fake news'?

Ironically, they called it 'information society'. We are, simply, living in a media society. What we see is growing competition to "shout the loudest" in order to gain people's attention. The social media's business model, for instance, Facebook, is to get people's attention and then sell that to advertisers for money. People are giving their attention away for free to make Facebook a multi billionaire business. People's awareness should be developed.

There is also a rising trend of hoaxes that spread quickly on the internet. Certain individuals create what looks

like information but in fact is designed to deceive and obtain more clicks or to spread propaganda. There are fact checking organisations, but now we must combat a new phenomenon of 'fake fact checkers'.

~ What's your view of the German law designed to oblige social media to delete fake news that has illegal content?

The German law acts on the distribution of the message. This is good because action must be taken alongside initiatives that focus on the recipient of the news (the citizens/voters/consumers) and the producer of the news (for instance the journalist). What we at EAVI are trying to do is to make citizens more media literate and more skilful in spotting false information.

I don't think that the German law will be very effective. But some regulations must be introduced. The legitimate objective of social media is to make money. It is unreasonable to simply ask them to self-regulate themselves.

One of the new law's most powerful elements is a financial penalty for social media not reporting illegal content. However, in comparison to the huge amount of advertising revenue that they are generating, they could choose to take the risk.

~ What else should be done to tackle fake news?

Media literacy is one and is something that we at EAVI are working on. This is about educating people about how to spot if they are being lied to. For now, people may be told by media that they are being lied to but that merely entrenches their views. They need to be given the tools to be able to identify fake news for themselves. To put it simply, you could say that the German law is rather like providing the medicine after the damage has been done by fake news, whilst media literacy is like an inoculation that prevents the fake news from being spread. There are three main actors in fake news: the producer of the lie, the distributor of the



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lie and the recipient of the lie/ end user. The most empowering and positive thing to do here is to empower the end user and thereby stop the spread of lies.

~ What else can be done across the EU?

EU policymakers also need to find a way to oblige social media to take more responsibility for the content on their platforms. It is not acceptable for social media to say that they are not responsible for the content. Given that many social media act as news aggregators, they should be regulated as news aggregators.

~ Can the EU fix this problem in the short term?

No. A big problem is that we're living in an ailing society. It's a society in which there is a crowded market of sources

of news and where those who shout loudest get attention. Fake news is a symptom of this ailing society. Media literacy is a big part of the solution but it takes time to educate people. The problem of fake news is likely to get worse before it gets better. But EU governments need to act now.

~ What should EU governments do now?

I think that EU governments should put lots of money into free media literacy programmes for all age groups. Using media literacy to fight fake news should be a priority of the EU as fake news poses an existential threat to the EU. They should also look into innovative pieces of legislation that hold social media who disseminate fake news responsible for doing this.

Currently, the big social media companies are based in the US and are able to use tax loopholes to pay taxes in the US for their business activities in Europe by sending profits back to the US mother company. This means that they end up paying negligible taxes to EU member states. Now if social media companies in Europe were obliged to pay the full amount of tax due in the EU to EU member states then that money could be used to fund media literacy programmes or to create technical tools to fight fake news.



> AUTHOR

Paolo Celot is the Secretary General of the European Association for Viewers' Interests (EAVI), an international non-profit organisation that advocates media literacy and full citizenship. EAVI supports the adoption of initiatives that enable citizens to read, write and participate in public life through the media.



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Under a new German law, when users report potentially illegal content, it will be up to the social media to check that content and delete it speedily if it is illegal.

HOW WILL GERMANY'S NEW LAW COMBAT FAKE NEWS AND HATE CRIME?

by Heiko Maas

Germany has passed a new law to counter hate crime and fake news on social media networks. When users report potentially illegal content it will be up to the social media to check that content and delete it speedily if it is illegal. If they don't comply they will face fines of up to 50m euro. Germany's Minister for Justice, Heiko Maas, who is the driving force behind the law, sets out his views.

This law doesn't solve all the problems and yet it is an important step in combatting hate crime and legally punishable fake news on social media.

Together we have arrived at further meaningful clarifications. That's a good result. After all, we cannot allow ourselves to find it satisfactory that social media ignore our legislation. The

legal situation is clear: platform operators are obliged to delete legally punishable content when they are aware/made aware of it. We must also enforce this legislation. Every one of us must obey

these laws every day. That must also hold true for social media. They must no longer allow their infrastructure to be used to carry out criminal acts.

Netzwerkdurchsetzungs- gesetz – NetzDG

(law to improve the application
of the law on social media)

This summer, Germany passed a new law to counter hate crime and fake news on social media networks more effectively. Social media will be legally obliged to provide a process so that users can complain about illegal content, to check if the content is illegal and to delete or block illegal content speedily (within 24 hours for obviously illegal content and within seven days for illegal content that is not obviously illegal). In addition, they will have to produce a report every quarter about their illegal content complaint process, including information on volumes of complaints and their decision-making process. The report will have to be made available to the public on the internet. Failure to comply could lead to a fine of up to 5m euro for individual staff members responsible for the complaints process and of up to 50m euro for the social media company.

The platform operators' approach to deleting content is still inadequate. Our experience has very clearly shown that, unfortunately, without political pressure, social media don't get going. Freedom of opinion also protects abhorrent and hideous statements – even lies can be covered by the concept of freedom of opinion. But freedom of opinion ends where criminal law begins. Incitement to murder, threats and insults, incitement of the masses or lies about Auschwitz are not expressions of freedom of opinion but

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are attacks on the freedom of opinion of others. These sorts of acts are meant to intimidate and gag people who think differently and to create a climate of intimidation and fear. Those who are concerned about protecting freedom of opinion should not watch passively as open exchanges of opinion are inhibited by legally punishable threats and intimidation.

We have communicated our regulatory proposals to the European Commission. And I

have also presented them to my colleagues in the Council of Justice and Interior Ministers. Hate crime on social media is becoming a bigger and bigger problem in many countries. The law is being observed closely at the international level and Germany is in the vanguard here. We want to push the process on further at the European level. National regulations covering Germany can only be a beginning. In the end, we also need European solutions for companies that operate across Europe.

Just as important is that our state based on the rule of law continues to be called upon. Whoever spreads legally punishable content on the internet must be consistently pursued by justice and held to account. That has absolute priority. It should be clear to everyone that people cannot insult, threaten or incite criminal acts on the internet without being punished.

Finally: all of us, the whole of civil society, should not remain silent if people are threatened or vilified on the internet or there is incitement to act against minorities. Each of us can then make our voices heard. We can show our faces together and make a stand for tolerance and human dignity.



> AUTHOR

Heiko Maas is Germany's Minister for Justice and for Consumer Protection in the previous German government.

Hate crimes

Among the hate crimes that are crimes under German law are:

Volksverhetzung [incitement of the masses]

Öffentliche Aufforderung zu Straftaten
[public incitement to criminal acts]

Störung des öffentlichen Friedens durch

Androhung von Straftaten [disturbing the public
peace by threatening criminal acts]



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| SYRIAN MIGRANTS : refugees coming from Turkey arrive on Lesbos island, Greece, on an overloaded dinghy.

HOW A HUMANE EU ASYLUM POLICY IS POSSIBLE IN THE MEDITERRANEAN

by Gerald Knaus

The EU needs a humane policy on asylum and borders that can obtain majority support in elections and produce an immediate impact in the Mediterranean. To get there it needs to learn from what has worked and what has failed, and apply it in Greece and Italy.

The state of EU policy on asylum, borders and migration at this moment is as follows.

EU member states have never made the Dublin system, which has been in force for decades, work in practice. Most member states have been unable to set up and maintain fast and quality asylum procedures. All member

states are failing to return a majority of those who have no claim to remain in the EU to their countries of origin. The EU and its member states are also failing to enforce humane reception standards for asylum seekers on its own territory. They were unable to implement the relocation scheme announced in September 2015, which has now

come to an end. The whole of the EU resettled fewer refugees in 2016 than Canada.

The EU needs to take concrete steps towards a better system, starting with the current crisis in the Mediterranean. To succeed it needs to learn lessons from what has worked in the past two years.

Lessons from the Aegean – a Tsipras plan for the EU

In March 2016 the EU-Turkey statement laid a basis for diffusing the refugee crisis in the Aegean. Crossings fell from 115,000 in the first two months of 2016 to 3,300 in June and July 2016. The number of people who drowned in the Aegean fell from 366 people in the first three months of the year to seven between May and July 2016. This was achieved without pushing refugees towards more dangerous routes and without any mass expulsions from Greece. In fact, more people (967) had been sent back from Greece to Turkey in the three months preceding the agreement than in the first twelve months after it was concluded (918).

Today there is nonetheless a growing risk that the EU-Turkey statement will fail, largely because the Greek asylum system is unable to decide on asylum claims within a few weeks. Reception conditions on the islands do not meet European standards. And relocation of refugees from the mainland to other EU countries has come to an end.

The key to ensuring the continued success of the EU-Turkey statement lies in processing asylum applications quickly. What is needed is an initiative by the Greek government. First, reception conditions on the Greek islands must improve immediately. One way to achieve this is to set up EU reception and identification centres (RIC),

fully funded by the EU, with clear management. Such EU RICs must meet all legal standards concerning accommodation, social services and security. In parallel there needs to be a commitment to islanders that nobody will stay in these centres longer than two months. In this time decisions should be taken on who can safely be returned to Turkey and who is moved to the mainland. The Greek government should set up additional appeals committees for the islands, with members that work fulltime. It should aim for asylum decisions to take no longer than in the Netherlands.

In order to be able to send applicants back to Turkey, Greece and the EU also need to obtain individual guarantees from Turkey. The European Court of Human Rights, in a series of decisions on Dublin transfers (from Belgium to Greece or from Switzerland to Italy), has defined what is required based on the European Convention on Human Rights. There also needs to be a credible monitoring mechanism. The EU should suspend Dublin returns to Greece (which have been symbolic in recent years in any case). Member states should continue with the relocation of recognised asylum seekers, irrespective of their nationality, from the Greek mainland.

Such a plan would ensure that the Aegean islands do not turn into a European Nauru, the Pacific island where Australia has taken asylum seekers to remain for years under inhumane conditions. When presenting his plan, Greece's Prime Minister should also call on member states to

accept more refugees directly from Turkey and announce that Greece is prepared to resettle 2,000 people in the coming year. The goal is not to build fortress Europe but to stop irregular arrivals and save lives.

Lessons from the Aegean for Italy

There are also important lessons to learn from the Aegean for the Central Mediterranean, where the majority of people arriving are from West Africa. In 2016 more than 100,000 migrants arrived in Italy from six West African countries. While the majority of asylum claims by citizens of these countries are rejected, the total number of voluntary and forced returns of citizens of these states from Italy to their countries of origin in 2016 was 255!

African countries are suspicious of readmission agreements under which they would have to take back an unlimited number of their citizens who have arrived in the EU in the past. Ensuring that Nigeria, Senegal and other countries take back their nationals who do not qualify for protection after an agreed date should be the chief priority in talks between the EU and African countries of origin – similar to the commitment that Turkey made to take back, without delay, people who arrive in Greece after 20 March 2016. The EU should focus on reaching return agreements between the EU and African countries of origin which focus on those who arrive in Italy after a day X, when these agreements enter into

force. In return the EU should offer these countries concrete benefits, from scholarships to visa facilitation and schemes for regular work migration.

A second obstacle to return those rejected to countries of origin is extremely slow asylum procedures. According to an annual report published by SPRAR, an official network of reception centres, in June 2017 the average length of an asylum procedure until the last instance in recent years was 1,718 days. In the end (almost) everyone remains in Italy anyway – whether protection was granted or not. Working on changing this should be a European, not just Italian, priority.

A different, humane and effective policy is possible. The Mediterranean is the place to start. The time to do so is now.



> AUTHOR

Gerald Knaus is the Founding Chairman of the European Stability Initiative which produced the blueprint for the 2016 EU-Turkey Statement.



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| The report by the UN Refugee Agency for the first half of 2017 estimates that over 2,250 migrants/refugees died or went missing at sea.

CURBING MIGRATION FROM LIBYA: ARE THE EU AND ITALY HEADING IN THE RIGHT DIRECTION?

by Giulia Laganà

"Italy is saving Europe's honour in the Mediterranean," declared European Commission President Jean-Claude Juncker at his annual State of the Union address in mid-September. In addition to its long-standing efforts to rescue migrants at sea, the Italian government had also succeeded - with EU support - in bringing migrant crossings from Libya down dramatically. This, Juncker added, meant that fewer people were dying on the route to Europe.

BBC fact checkers were quick to point out, soon after Juncker's speech, that the risk of dying in the Mediterranean

has actually risen (one in 50 migrants attempting to cross has perished this year, compared to one in 70 in 2016). And many more men, women and

children are reportedly dying in the desert before they reach Libya, following EU pressure on the government in Niger to close the traditional route.

But the problems with Juncker's upbeat message are far greater than the issue of whether the data he used is correct.

Problems with Juncker's upbeat message

Limiting migrant arrivals in Europe simply means more people locked up in Libya in horrific detention centres where they face abuse, slavery, sexual violence and torture. And fewer people are arriving because Italy and the EU have decided to outsource migration control to the various actors vying for power in war-torn Libya: the fragile UN-backed government and assorted militias, many of which were previously involved in the smuggling trade.

Italy's Interior Minister Marco Minniti - who hails from the cente-left Democratic Party - in particular has moved aggressively, saying that outsourcing migrant interceptions to Libya, which he claims are solely about "saving lives at sea", is necessary to avoid threatening Italy's "social stability and democracy." His rhetoric echoes similar arguments put forward by mainstream politicians veering to the right across Europe in a bid to outflank the populists - we must limit migration, regardless of whether our economies and societies need it, or we will be swept away by the far-right. Yet effective, sustainable migration and economic policies would be a better bet.

Four reasons for Italy's migrant crisis

Last year, migrant arrivals in Italy peaked at 180,000. In a G7 country with a population

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SIMPLY
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DOWN
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of 60 million, this should not have become a 'crisis'. If it has, though, it is through a combination of four elements. The first is a long-running strategy to dump arrivals in large 'emergency' shelters in mostly under-privileged areas. The second is the decision to close virtually all legal channels for labour migrants and to put an end to periodic amnesties to regularise undocumented migrants. The third is the Italian illegal economy's considerable need for hundreds of thousands of exploitable, low-cost workers, who form the backbone of the country's agricultural and construction sectors. The fourth relates to the border closures in Austria, France and Switzerland,

which have put an end to Italy's de facto wave-through policy, whereby most migrants and refugees arriving in the country were not identified and could proceed to northern Europe.

In the absence of legal routes, all irregular migrants arriving in Italy are channelled into the asylum system, whether or not they are actually refugees. The flawed basis of the EU's theoretically common asylum system, the Dublin Regulation, stipulates that asylum seekers must stay in the first European country they enter, overburdening countries like Italy and Greece. Attempts to reform it have stalled, while a temporary responsibility-sharing mechanism to distribute 160,000 asylum seekers across the bloc has mostly been a failure.

Learning from Germany's experience

Faced with a vote in early 2018, Italian government representatives point to the loss of support for German Chancellor Merkel's centre right Christlich Demokratische Union (CDU) party and the centre left Social Democrats as well as the strong showing from the far-right Alternative für Deutschland (AfD) in the recent election as vindication of their decision to keep migrants out regardless of the cost.

But they are ignoring the other factors beyond migration that have turned voters away from Merkel. Under successive Merkel governments, the number of working poor has doubled, public investment has

shrunk dramatically and social inequality has risen to such an extent that it almost parallels the United States. Italy's problems are worse and more deep-rooted: growth remains sluggish and youth unemployment still hovers around 40% - so much so that more Italians than ever since the 1960s (250,000 in 2016) are becoming migrants themselves, seeking a better future elsewhere. Simply cracking down on migration to the country will not stop the rise of the far-right - and will further entrench its influence over the mainstream.

If progressive parties across the continent want to implement lessons learned from the German election, they would do well not to pander to the right on immigration - and not to replicate conservative economic policies which feed into the dangerous spiral of discontent that is driving the rise in xenophobia.



> AUTHOR

Giulia Laganà is a Senior Analyst at the Open Society European Policy Institute. Her research focuses on EU migration and asylum policies.



| The European digital market encompasses nearly 500 million consumers and 20 million businesses.

EUROPEAN DIGITAL MARKET AND CREATIVE INDUSTRIES: HAS THE RIGHT STRATEGY BEEN CHOSEN?

by Hervé Rony

The European Commission has made the creation of a digital market one of its highest priorities. Given that Europe seems to be lagging so far behind the US and probably irretrievably so, this strategy is justified. However, Hervé Rony, Director of SCAM, a civil society organisation of French multimedia authors, examines whether it is the most appropriate strategy.

Not a single internet giant is European. Europe, which has no shortage of assets in terms of research and equipment in the field of

digital technology, seems to be incapable of bringing together actors able to compete with companies from across the Atlantic. It has become commonplace for people to

denounce the omnipotence of the big American players and their circumvention of European taxation and regulations. But if Europe had succeeded as it did in the past

with Airbus, we would not be where we are today.

In any case, the European Commission has decided that regulatory barriers must be

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IT IS THE SYSTEM OF COMMERCIAL EXPLOITATION RIGHTS LINKED TO TERRITORIAL EXCLUSIVITIES WHICH LIMITS THE SIMULTANEOUS AND UNIFORM DISSEMINATION OF WORKS IN THE MEMBER STATES

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removed and that a digital single market, according to EU Commissioner Andrus Ansip, could generate €415 billion and hundreds of thousands of jobs.

In the so-called ‘creative industries’ sector, this is leading to discussion about a legislative ‘package’ comprising both a revision of the Copyright Directive, regulation of on demand media services on the Netflix standard and even regulation to remove ‘geo-blocking’, the geographic blocking of content.

This policy is coming up against resistance from cultural and audiovisual circles. Why? Because the sector relies heavily on protective regulations and proprietary rights-based systems based on national

regimes. This is particularly true in France with the existence of powerful support for cinema and books and quotas for the production and distribution of works, etc. and because our belief is that a unified European market will necessarily weaken the regulations and play into the hands of the US multinational corporations.

We are also told that hundreds of thousands of jobs will be created. That is all the better but is there now a realisation that the so-called ‘creative’ sector is one of the very top sectors in terms of employment and growth within the EU? A study commissioned by the European Association of Societies of Authors and Composers (Gesac) from EY (Ernst and Young) at the end of 2016 produced some

impressive figures: a turnover of €535.9 million and 7.1 million jobs. And, very importantly, these are jobs that cannot easily be moved. This is even more the case than with cars or telecommunications.

It is not certain that the single market will multiply jobs and wealth creation. Nor is it certain that forced harmonisation makes much sense in a ‘mosaic’ Europe of 24 national languages, not to mention regional languages. For each language there is a cultural and creative reality ...

Does this mean that building a digital single market is pointless? Certainly not. If only because European companies in the sector could benefit from some deregulation and because there are real disparities between member states, particularly in the field of copyright. The Commission’s position is paradoxical. It soon realised that copyright was a barrier to the dissemination of works, even though it is not a particularly serious one. It is the system of commercial exploitation rights linked to territorial exclusivities which really limits the simultaneous and uniform dissemination of works in the member states. Hence the temptation to impose exceptions to copyright. However, the Commission is not supporting harmonisation, necessary as it is, in order to ensure that audiovisual authors (directors, screenwriters of fiction or documentaries) benefit from a right to equitable and non-transferable remuneration for the online exploitation of films on digital platforms.

The creation of a digital market is not illegitimate in itself, but the strategy adopted shows that it is rather a case of deregulating without setting protective rules. Is it acceptable for the Commission to propose a quota of only 20% of European works on Netflix platforms? (Of course, the Council has raised it to 30%, but it is far from the 50% of the directive on television without borders dating from 1989!). Is it acceptable that the Commission is not seeking to harmonise copyright mechanisms? And even if, thanks to the willingness of EU Commissioner Margrethe Vestager, the Brussels body seems to be resolving to deal with the tax issue at the right level, it is hard to see in the Commission’s plan anything other than ruthless liberalisation in a sector which needs strong regulation.



> AUTHOR

Hervé Rony has been the CEO of Scam, a civil society organisation made up of multimedia authors, since 1 July 2010. He is also president of FAIR, a fund for the support of young contemporary musicians. He began his career in 1986 in the service of the french prime minister and thereafter in the National Commission for Communication and Freedoms (CNCL) and the Central Audiovisual Council (CSA).



| The Global market for cybersecurity solutions is expected to reach \$80 billion to \$120 billions by 2018.

IMPLICATIONS OF THE EU'S DECLARATIONS RELATING TO CYBER SECURITY AND ACCESS TO THE DIGITAL SINGLE MARKET

by Mark Skilton

The European Union governance structure is empowered to adopt measures with the aim of establishing or ensuring the functioning of the Internal Market in accordance with the relevant provisions of the Treaties. In view of the huge fragmentation of the market for information and communication technologies (ICT), ICT security products and solutions, EU action is needed to achieve a single market in this field, which is also a prerequisite for a well-functioning digital economy.

There are several challenges that need to be faced in order to achieve the goal of a Digital Single Market in the EU. The current 28 EU member

states have not been able to compete on a level playing field because of strong leverage of their member state's own supplier base versus the competition often from outside the EU bloc.

The status of cybersecurity in the EU

Cyberspace is borderless by nature and is increasingly

complex, with cyber attacks ranging from denial of service, data breaches and data theft to spying, surveillance and terrorism. In general these are only increasing across all

industry sectors and are driving the strong development of countermeasures and investment by technology vendors, industry and governments from all nations. In addition to the threat and need to manage cyber threats, the other key realisation is that strong cyber trust and security is critical to a smoothly functioning trading marketplace. The area of cyber security solutions is a strong growth market. Indeed, the global cybersecurity market is expected to grow to a value of \$80-120 billion by 2018. The challenge has been to invest in and to coordinate the EU's own home grown solutions and vendors, who have struggled to compete with ICT providers from outside their country (and mostly outside the EU).

The EU market has been dominated by a small group of global vendors competing with a high number of smaller European suppliers. The top five vendors control 20.4% of the total market (and they all come from outside the EU). EU suppliers remain mostly national or regional players. Their cumulative market share was estimated at around 16.5% of the total EU Network Information Service (NIS) market revenues. The fragmentation of the cyber security supply industry in Europe is a key reason for the recent EU initiatives in terms of cybersecurity regulations.

How to prevent cyber attacks

A key set of takeaways for the cyber practitioner include that

cyber security covers a broad set of attack vectors of devices, software applications, networks and data centres and databases that are typically spread across multiple vendors and cloud computing services. "Not one person can know everything" – this is a fast moving area of people and technology developments – there is a need to keep on top of it and a need to have a "joined up approach" between enterprises, public authorities and citizens to drive adoption. "Attack from many sides" – many types of attack potentially come from many gaps opened up in cyber attacks. Lessons from past cyber attacks: The size of data breaches – millions of records and the number of threat points – for example the Russian bank attacks of 2015 was malware introduced by stealth. Zero day attacks (in other words a vulnerability not having been the subject of any known publication implies that no protection exists) are likely to rise in number and cyber is becoming more sophisticated.

The need to harmonise the European market

The key is to establish partnerships to manage knowledge and awareness in the EU and other countries and in industry. The rate of change in cyber technology and cyber attacks needs a responsive and progressive approach to keep ahead and to be able to lead the market. The use of EU legislation will move ahead to seek to establish the foundations of a joined up and coordinated response.

Article 25 in the Regulation of the European Parliament and of the Council establishing Horizon 2020 provides the legal framework for the establishment of a public-private partnership, the contractual agreement should specify the objectives of the partnership, respective commitments of the partners, key performance indicators and outputs. There needs to be an EU-wide approach to cyber security and the currently limited cooperation among member states needs to be strengthened; and key sectors of the economy would be subject to security obligations following an approach aimed at harmonising the internal market. It is therefore very likely that the implementation of the business requirements under the NIS Directive (network information service) will lead to increased demand for cyber security solutions.

Doing nothing would maintain the EU status quo of largely national approaches and would not serve to create a well-functioning European market for cybersecurity products and services. The EU would thus be unable to respond to growing demand for network information services by EU providers and this would be a missed opportunity for Europe to become a global leader in the field of cybersecurity. For the EU member states, this is the direction of travel for the strategy to deal with the nature of a cyber security world that is borderless and to underpin modern global and local economies across all sectors. Non-EU

countries and EU countries both have a vested interest in making this work.



> AUTHOR

Mark Skilton has 30 years of experience as a professional business and IT consultant and is currently a part-time Professor of Practice in Information Systems Management and Innovation at Warwick Business School, UK. His latest book: 4th Industrial Revolution and A.I. published by Palgrave Macmillan



I VĚRA JOUROVÁ, the EU's Commissioner for Justice, Consumers and Gender Equality, said the Commission's work-life balance proposals would "give more flexibility and better protection to mothers, fathers and carers, whether they wish to take time off caring for their children, benefit from flexible working arrangements or wish to go back to work".

HOW CAN THE EU ACHIEVE A BETTER WORK-LIFE BALANCE FOR ITS CITIZENS?

by Montserrat Mir Roca

Back in April, the European Commission came up with proposals to improve people's work-life balance through new or higher minimum standards for parental, paternity and carers' leave. Montserrat Mir Roca, European Trade Union Confederation Confederal Secretary, gives her view of the proposals and how work-life balance should be improved in the EU without hampering the economy.

The European Commission's plans to make it easier for workers to combine employment with home and caring responsibilities are long

overdue. The European Trade Union Confederation (ETUC) supports the work-life balance package even though we would have liked to see an even more ambitious approach with

stronger legal protection for women on maternity leave.

Change is necessary for many reasons, both social and economic. To guarantee Europe's

prosperity, 75% of men and women should be in employment by 2020, according to the Commission. But there is still a long way to go. In Greece, Italy and Malta, female employment

hovers around 50%, for example, and remains more than 11 percentage points lower across the EU. The European Foundation for the Improvement of Living and Working Conditions estimates that women's inactivity costs the EU some €370 billion a year, or 2.8% of GDP.

Europe has a declining birth rate and growing proportion of older people. Yet many Europeans who would like to have children are prevented by economic factors such as lack of affordable childcare or because they need to provide support for their ageing parents. Immigration helps to boost the working age population, but enabling people to work and care for their families at the same time is vital for a sustainable society.

Since the crisis, EU economic and austerity policies have undermined the welfare of workers and their families in many countries, generating disillusionment and sometimes dangerously extremist reactions. The idea of a European Pillar of Social Rights, including work-life balance measures, moves back in the direction of a Union that promotes social progress and the interests of citizens. This could be crucial to the EU's future.

While policy guidance and sharing best practice is useful, especially in fields where the EU has limited competence, it seems to me that legislation is vital to achieve concrete results and raise standards for workers across Europe. The package includes just one legislative proposal: a draft Directive containing innovative and positive

features. First of these is 10 days paternity leave paid at the same rate as sick leave. Four months paid parental leave would be available until a child is 12 years old. And all workers would have the right to request five days paid carer's leave per year and flexible working arrangements.

Two elements are key: parental leave would not be transferable between parents and, coupled with the new paternity leave, this would help shift the burden of childcare away from women, towards a shared responsibility. Secondly, payment is vital: without it, leave becomes an expensive luxury. Together, these measures would enable more women to work, combat segregation in the labour market and the gender pay gap, and reduce inequalities between women and men.

It is disappointing to see that the Commission has dropped its plans to strengthen maternity protection – blocked by the Council for almost 10 years. Our research shows increasing numbers of women being sacked due to pregnancy: a direct result of growing precariousness in the labour market, which leaves women most vulnerable. I would like to see the Commission review this issue in two years' time. In my view, the Directive should cover everyone, including self-employed and atypical workers, and companies of all sizes.

BusinessEurope's negative response to these proposals and its refusal to negotiate with the ETUC is regrettable. Its claim that the Directive would encourage people not to work

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is unsubstantiated. On the contrary, better work-life balance would improve parents' access to the labour market. Furthermore, the Commission's own impact assessment counters BusinessEurope's claim of “far-reaching costs for employers” and economies, predicting a €840 billion boost for EU GDP and 1.6 million more people in employment by 2050. Work-life balance represents a long-term investment in Europe's future.

Employers should have no veto over social progress and, while I recognise that some Member States also have specific

concerns about the proposals on the table, I would urge the Commission to push ahead. Now is the time for the EU to act. These measures would bring real, visible benefits to people's lives. Some EU Member States already have good parental provisions, but for others, introducing 10 days paternity leave, for example, would be a revolution, potentially changing attitudes across society as well as creating a more level playing field for businesses. Adopting these measures would be a clear and much-needed signal that now is the time for social Europe, offering workers the hope of a better future.



> AUTHOR

Montserrat Mir Roca has been ETUC Confederal Secretary since 2015. Her trade union experience includes ten years, as from 1996, as General Secretary of the Spanish trade union CC.OO postal section in Girona, Catalonia. From 2000 onwards, as International Secretary of CC.OO's postal section, she has been active in the sector's European Dialogue Committee. These Social Dialogue Committees, which were set up by the European Commission, bring together employers and workers.



BETTER WORK-LIFE BALANCE: PRODUCTIVE FOR BUSINESSES AND EMPLOYEES

by Georgi Pirinski

Tackling women's underrepresentation in the labour market and promoting equality between men and women are among the aims of the European Commission's Directive on work-life balance for parents and carers. MEP Georgi Pirinski argues that the benefits of the new legal proposal include boosting business competitiveness and higher earnings and career progression for employees.

The stated objective of the proposal by the European Commission for a Directive on work-life balance for parents and carers of 26 April 2017 is to

address women's underrepresentation in the labour market and to promote equality between men and women in it. It is also designed to allow parents with children or

workers with dependent relatives to balance their caring and their professional responsibilities in a better way. The gender employment gap in 2015 was estimated to be

18.1% for full-time equivalent employment, costing society 370 billion euros per year, equivalent to a full 2.8% of EU GDP!

The legislative part of the proposal introduces paternity leave with fathers/second parents able to take at least 10 working days off around the time of child birth with at least sick pay level compensation. It also strengthens parental leave, makes parental leave non-transferable between parents, increases compensation, makes it more flexible as to the time period and extends the right to flexible working hours arrangements to parents and carers. These are complemented by a set of non-legislative measures, altogether representing a direct response to the 9th of 20 calls contained in the Commission's Recommendation on the European Pillar of Social Rights.

Two stage consultation with the social partners

In order to prepare the proposal, between November 2015 and September 2016 the Commission undertook a two stage consultation with the EU social partners, who, while agreeing with the objective of improving women's employment, broadly diverged on the issue of whether new legislative action was needed. This precluded them from entering into direct negotiations. While the trade unions supported legislation to improve transition into work, protect employees against dismissal and enhanced parental and carer rights, employers' organisations objected to such legislation, claiming that additional costs would affect competitiveness, employment and SMEs and preferred

non-legislative measures such as good practices, awareness raising and policy guidance.

The Commission's proposal of 26 April was strongly welcomed both by European socialists and by NGOs that had been actively campaigning for vigorous work-life balance action at EU level. Socialists highlighted that the work-life balance package is the most ambitious piece of social legislation that the Commission has proposed in years and that it could become a game changer, while NGOs welcomed the package as a "first important step in the right direction" and the beginning of a process to achieve reconciliation between the economy and society.

Opposition from BusinessEurope

However, BusinessEurope came out against the introduction of new forms of leave and rights to leave at EU level, claiming that the proposed arrangements, far from solving the problem of underrepresentation of women in the labour market, will in fact have the reverse effect of keeping women out of the workplace while encouraging more men to take up leave. They argued that it would be unfair to finance such a badly targeted policy at the cost of business competitiveness.

Paragraph 45 of the European Parliament Resolution entitled 'Creating labour market conditions favourable for work-life balance' of 13 September 2016, "points out that work-life balance must be based on

workers' rights and security on the labour market, and on the right to take time off without it being curtailed by increased mobility and flexibility requirements ..."

The benefits of the work-life balance proposals

Work-life balance has become a vital issue due to at least three major societal transformations - the feminisation of the labour force, changing attitudes and norms regarding the gender division of labour, the tendency towards greater work intensity and the growing incidence of atypical working hours triggered by technological change.

Finally, impact assessments have demonstrated that the package will benefit parents and carers with higher earnings plus career progression and companies with a broader and more motivated labour force, while the increase in female employment will help address demographic ageing and also contribute to Member States' financial stability.

Hence, one cannot but come away with the sense that business objections to the package are, unfortunately, totally oblivious to the multiple positive effects, including in relation to competitiveness at company level, that would result from full and timely implementation of the ambitious work-life balance package put forward by the Commission.

It therefore is all the more imperative to mobilise full support

for its implementation, considering that it actually represents an important first step in adequately addressing the daunting challenges of reconciling purely economic efficiencies with the overarching priorities of societies undergoing fundamental transformation.



> AUTHOR

Georgi Pirinski is an MEP from the Socialists and Democrats Group in the European Parliament. He is a member of the European Parliament's Employment and Social Affairs Committee and was formerly Bulgaria's Minister for Foreign Affairs (1995-1996) and President of the National Assembly (2005-2009).



| Portugal's economy is flourishing under its left wing coalition government, with estimates of between 2% and 3% of economic growth.

PORTUGAL'S LEFT WING SUCCESS STORY

by Pedro Nuno Santos

Following Portugal's parliamentary elections on 4 October 2015, the Socialist Party (PS) was forced to take a decision: either to join the right-wing parties (PSD and CDS) in a grand coalition or to find an alternative solution that would allow a left-wing majority in Portugal's Parliament.

Given the country's post-austerity context, which has placed so many Portuguese people under socio-economic strain, and given the political programme which the PS had committed to during the campaign for the legislative

elections to definitively put an end to austerity, the first solution was simply out of the question.

But to find such a leftist solution was anything but easy. Never – in Portugal's 40 years of democracy – had there been a left-wing governing coalition.

Over time, disagreements and miscommunication between left wing parties had become the rule, if not even a tradition. For the PS it was therefore a historical and communication challenge that had to be surpassed in order to build bridges between all the left wing parties

and achieve a united left in Portugal.

Sceptics of left wing coalition proven wrong

So when the Left Bloc (BE), the Portuguese Communist Party

(PCP) and the Ecological Party called 'The Greens' decided to support the PS and form a left-wing government, there were not many who believed in the viability of this solution. In fact, three major criticisms were made of the cross-party agreements: the first was that the left-wing coalition would not be stable and would collapse, to the detriment of the country's political stability, as soon as it came up against its first problem. The second criticism was that the country's economy would fail and, in particular, that private investors would flee the country due to the unprecedented nature of such a coalition. The third criticism was that this majority would not allow the government to respect its domestic commitments (its campaign pledges and thus the promises made to Portuguese citizens) and its external ones (to the European Union), given that the government programme "promised

everything to everyone" and thus was not realistic.

Two years on, we can say that this left-wing government has passed all the tests. Today, no one doubts that this solution underpins a stable political system - a solution that guarantees a better, richer and more mature and pluralistic democracy for the country.

Economic success for Portugal

On another positive note, a year after 2016, when Portugal's economic performance was relatively hampered by the slowdown in international trade and by the problems concerning the delay in transfer of Portugal's 2020 European structural funds, in 2017 the economy finally accelerated and there are now several estimates that growth will be between 2% and 3% in 2017, the highest rate of growth

since the accession of Portugal to the euro in 1999.

To conclude, with regard to the PS's domestic commitments, the government programme has been rigorously respected and coherently implemented - and even in some areas of public policy the left-wing parties agreed to go beyond the left-wing governing coalition agreement by securing some significant advances such as an increase in the country's pension schemes. In terms of external commitments, 2016 was the year when Portugal achieved the lowest public deficit (2% of GDP) in its history as a democracy, thereby allowing the country to move out of the European Excessive Deficit Procedure to which it had been subject since 2009.

We can say that, starting from a situation in which few believed in its success, this government and its left-wing coalition have won the battle

of credibility and confidence, thereby benefiting Portugal's democracy and economy.

In some cases, Portugal's progressive success story is still viewed with scepticism by international partners and many still inquire how it is possible to work with political forces that have different ideas of and towards Europe.

But our vision goes beyond this scepticism: working with these parties - in permanent negotiation and dialogue to which all make a contribution and have a say - is a way for the electorate to be represented at the national level, which in turn supports the current government in its European integration efforts.

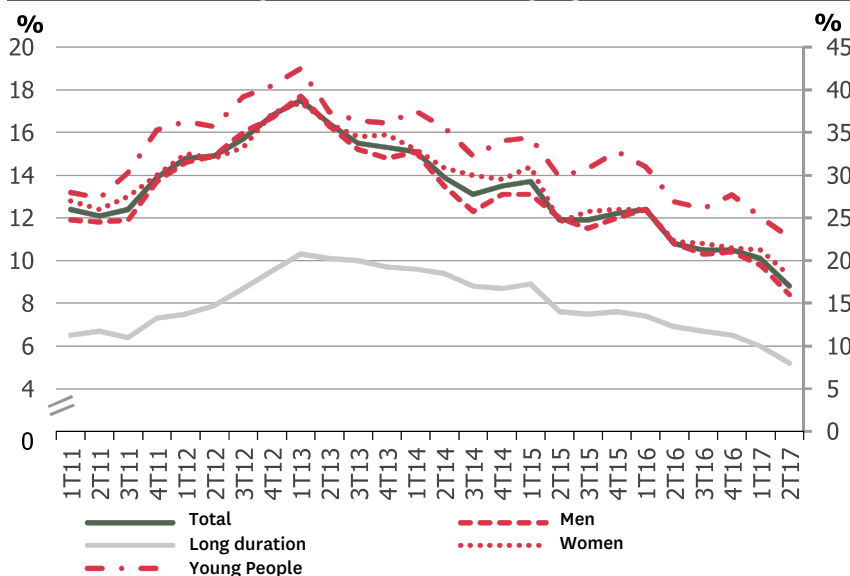


> AUTHOR

Pedro Nuno Santos is the Secretary of State for Parliamentary Affairs in the Portuguese government. He is also the President of the Socialist Party in Aveiro. He is responsible for coordinating the actions of the government with the left-wing parties (PCP, Bloco de Esquerda [Left wing Bloc] and the Partido Ecologista - 'Os Verdes' [Ecologist Party - 'The Greens']) that support, in the parliament, the Portuguese government solution.

Portugal's National Institute of Statistics

Graphic : Rate of unemployment



NEXT LEFT



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| Portugal's left has become today's success story for progressive governance in Europe.

PORTUGAL'S LEFT WING COALITION SHOWS THE WAY FORWARD FOR PROGRESSIVES

by Maria Freitas

Portugal's progressive government solution shows that a political alternative to the so-called 'grand coalition' is possible. Uniting left wing parties into a strategic partnership also demonstrates that breaking away from austerity is feasible and that progressive policies are conducive to economic growth.

Two years ago, few people would have imagined that Socialist leader António Costa's left-wing alliance would have been a viable and enduring government solution to address Portugal's brain drain, social inequalities and sluggish economic growth. The economic and financial crisis and the austerity-driven interventions by the

Troika (European Commission, European Central Bank and the International Monetary Fund) had left some deep marks and a socio-economic and political situation that is difficult to manage.

**From bizarre
'experiment' to
success story**

After four years of rigid austerity imposed by a combination of the Troika and the previous 2011 to 2015 conservative government, Portugal experienced a decline in economic growth (for three successive years, after a 1.9% GDP in 2010, Portugal recorded growth of -1.8% in 2011, -4% in 2012 and -1.1% in 2013), an increase in unemployment (from 11.9% in 2010 to 16.5% in 2013), with more

than 100,000 Portuguese citizens leaving the country annually.

The deregulation of labour laws, the privatisation of transport companies, the increase in taxes on private consumption and incomes and the cuts in public servants' salaries, social benefits and pensions laid out a socio-economic context that enabled a Socialist-led alliance with the far-left and

thus a left-wing convergence to find common grounds to reverse this scenario and to come forward as a politically stable solution for the country.

What was perceived as a bizarre 'experiment' in November 2015 has by now proven its ability to remain united on the main aspects of economic policy and has shown coherence and results in terms of its socio-economic strategy. Portugal's left has become today's success story for progressive governance in Europe against the backdrop of a recurring narrative that Social Democracy is in decline on the continent and that there is no alternative to austerity.

Battle of confidence and stability has been won

The 'contraption' - the nickname given to this unprecedented and historical parliamentary alliance between all of Portugal's left-wing parties - is living proof that a strong united left can oust pro-austerity conservative forces and launch the country back on a path aimed at ensuring growth and employment and at tackling inequalities.

The unambiguous drive by Costa's left-wing coalition to 'turn the page on austerity' in reversing the former right-wing government's measures by relaunching labour and social rights, cutting taxes and, most importantly, by fulfilling and honouring his campaign pledge to achieve more growth, better employment and more equality for the Portuguese people is beyond any doubt gaining citizens' support. The double

dividend of such a progressive platform is rather clear: better socio-economic fundamentals and higher support from the polls, as proved by the recent local elections.

Progressive policies in support of education, social inclusion and low incomes are already bearing fruit and are showing the sceptics that the 'contraption' is a viable governmental solution. Costa's Socialist government has led to tangible results by showcasing sustained economic growth at an annualised rate of 2%; a substantial drop in the unemployment rate from a peak of 16.5% in 2013 to 8.9% in the second quarter 2017 and last but not least the lowest public deficit - under 2.1% of Gross Domestic Product (GDP) - since Portugal's transition to democracy in 1974, whilst fully complying with EU fiscal commitments.

The positive outcomes of Portugal's progressive policies are not limited to the economic sphere. Recent opinion polls reflect a more favourable public opinion towards public institutions and abstention rates in the last local elections have declined. These are concrete signs that such policies have also contributed to fighting those sentiments of disaffection for the democratic institutions that fuel populism.

Given these results, Costa's decision not to join a grand coalition with the country's centre-right and, instead, to push on with a markedly progressive agenda should give encouragement and inspiration to progressives everywhere in Europe.

What next for Portugal's 'contraption'?

Last October's local election results reinforce the argument that a left-wing coalition delivering on a progressive agenda can effectively be a means to uphold Social Democratic values with considerable electoral support. Portugal's Socialist Party not only secured a landslide victory but also achieved its best ever result. Socialists secured 165 out of 308 municipalities and will govern the capital, Lisbon, plus 10 out of the 17 most densely populated cities.

This unambiguous drive of Costa's party to build bridges and foster an open dialogue within the Portuguese parties of the left shows that by working together it was possible to dismantle the entrenched TINA 'there is no alternative' myth.

Still, there is work to be done in the next two years. The Socialist victory in Portugal's local elections reinforced Costa's decision but it comes with considerable responsibility in terms of balancing the interests of its leftist coalition partners, who did not achieve such impressive results. The next two years will see people focus on the question about the sustainability of the 'contraption' as a political project of the left ahead of the next legislative elections in two years' time. Even though the local election results stirred the political pot and changed the balance of the left-wing alliance, tensions still exist and will continue to exist in any form of coalition. What is more, Costa's leadership and pragmatism coupled with his

consistent commitment to cooperation and dialogue with the political spectrum on the left has kept his far-left coalition partners in check. At least for now, Portugal has not seen the rise of extremist parties, as happened with austerity-hit countries like Spain, Italy or Greece.

To sum up, the unity of the left underpins the strength of Portugal's government solution, which certainly inspires - and will continue to inspire - progressives at the European level and is a promising example of how Social Democracy can regenerate itself across the continent and how perhaps in the near future the 'contraption' government solution will still be a positive and credible government solution for its people.



> AUTHOR

Maria Freitas has been working for the Foundation for European Progressive Studies since April 2015. She is a policy advisor working on research areas including democracy, extremism and new political movements.



| Discussion between Jean-Claude Juncker, European Commission President and Portugal Prime Minister, Antonio Costa.

PORTUGAL'S LEFT WING COALITION GOVERNMENT IS DELIVERING STABILITY AND GROWTH

by Ana Catarina Mendes

Portugal currently has a Socialist government that is underpinned by an agreement between all political forces on the left of the country's political spectrum. The agreement has made it possible to achieve a political union of all the left wing parties. In government, these parties have delivered stability and growth. This left-wing alternative has broken with austerity policies whilst meeting the country's international financial obligations.

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THE COUNTRY'S LEFT-WING GOVERNING SOLUTION IS A POSITIVE EXAMPLE FOR PROGRESSIVE FORCES TO COUNTER THE NATIONALIST DIVISIONS AND THE POPULIST DISCOURSES SPREADING ACROSS EUROPE.

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This political context is based on the commitment and sharing of responsibility for government action on the issues set out in the agreements reached with the various political parties and their political union for governance, social stability and policy-making.

Governing solution marks an end to austerity policy

This governing solution is more than a mere agreement between left-wing parties. It represents an alternative and an end to austerity policy and shows that this left-wing alternative is not incompatible with all international obligations that can be

met even with the neoliberal narratives that are currently dominating Europe.

The country's left-wing governing solution can also be seen as a positive example for progressive forces to counter the nationalist divisions and the populist discourses that are spreading across Europe.

What is notable about this agreement between the left political parties is that it is enabling Portugal to have a form of governance committed to the permanent defence of the Welfare State based on the dignity of all, guaranteeing levels of well-being and the protection of individuals while reorganising the economy. This governing solution guarantees not only

a focus on fair distribution of income, the promotion of equality, the protection of public schools, but also the defence of universal access to health-care, the creation of jobs and enhancement of employment conditions and of wealth.

Visible results for the Portuguese

This unprecedented dialogue between left-wing political parties has had many visible results that can be confirmed by the Portuguese: higher earnings, a lower tax burden, a fall in unemployment, an increase in the national minimum wage, the stabilisation of public debt, deficit reduction, a positive primary balance and a more balanced trade deficit. In short, this shows a clear improvement of living conditions. Moreover, these results have been accomplished in full compliance with our political commitments to the European Union and the Eurozone.

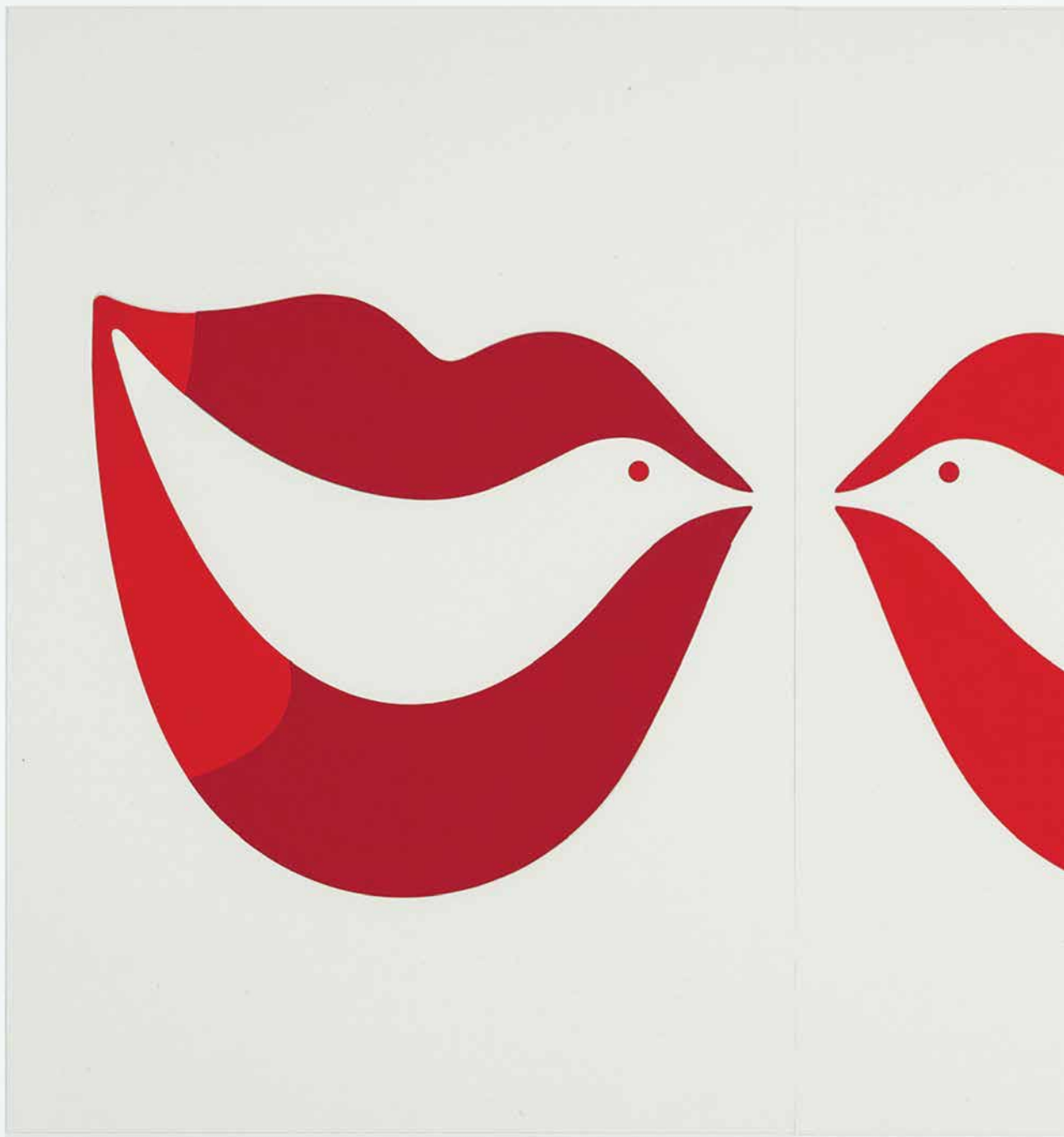
Contrary to what many had anticipated, this political agreement is currently sustaining a politically stable and competent government with well-defined political goals, which is appreciated by most Portuguese people. The Portuguese governing solution is being increasingly referred to by our European partners as an example of stability and growth.

This is a clear victory of Portugal's political alternative over the dominant negative outlook in the European Union and over the threat posed by extreme right-wing forces in Europe.



> AUTHOR

Ana Catarina Mendes has been a Member of the Portuguese Parliament since 1995, and is currently the First Vice-President of the Socialist Party's Parliamentary Group. She is the Deputy Secretary-General of the Socialist Party, responsible for coordinating the Socialist Party. The Secretary General is Portugal's Prime Minister. Ana Catarina Mendes has a Law degree from the Faculty of Law of the University of Lisbon and is also a lawyer.





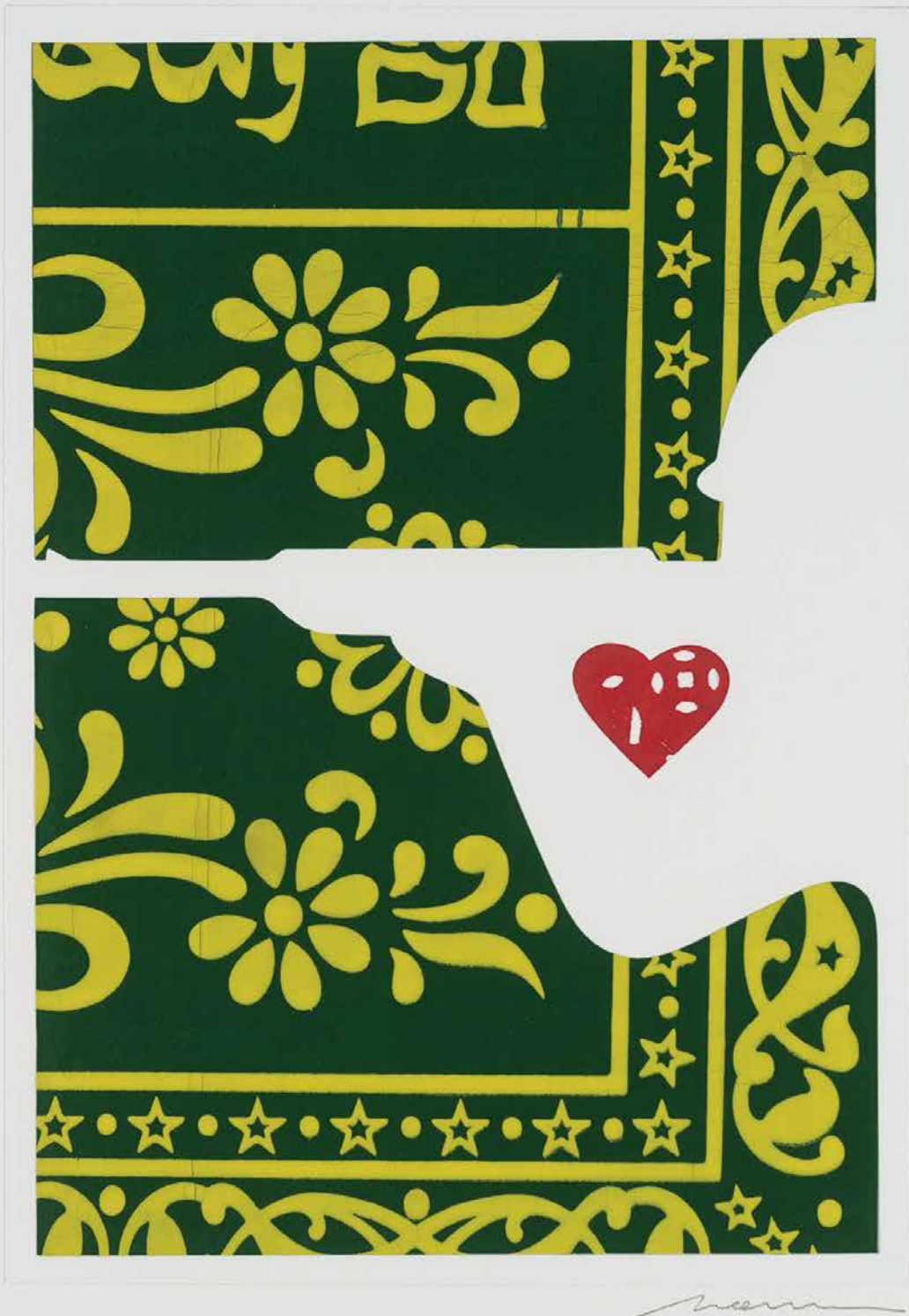
NOMA BAR

Noma Bar (born in 1973) is an Israel-born graphic designer, illustrator and artist. His work has appeared in many media publications including: Time Out London, BBC, Random House, The Observer, The Economist and Wallpaper*. Bar has illustrated over one hundred magazine covers, published over 550 illustrations and released three books of his work: Guess Who - The Many Faces of Noma Bar in 2008, Negative Space in 2009 and Bittersweet 2017, a 680 page 5 volume monograph produced in a Limited Edition of 1000 published by Thames & Hudson.

Bar's work has become well known throughout the world, winning many industry awards; more recently a prestigious Gold Clio for his animation & direction work for the New York Presbyterian Hospital, a campaign to highlight new frontiers in cancer treatments. He has also won a Yellow Pencil award at the D&AD Professional Awards and his London Design Festival exhibition 'Cut It Out', was selected as one of the highlights of the festival. The project was nominated in the graphics category for the Design Museum, Designs Of the Year.



nam





Handwritten signature





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| Doves perch on the top of the Israeli separation barrier in the West Bank town of Bethlehem.

THE UNBEARABLE GRAVITY OF WAITING

by Vassilis Ntousas

The Israeli-Palestinian conflict has spanned decades but is any progress being made towards the much sought after two-state solution? Vassilis Ntousas gives his take on where things stand in 2017, a year of multiple anniversaries related to the conflict.

VLADIMIR:

Well? Shall we go?

ESTRAGON:

Yes, let's go.

(They do not move.)

Samuel Beckett,

Waiting for Godot

2017 is a year awash with significant anniversaries in the history of the Israeli-Palestinian conflict. A 100 years since the Balfour declaration, 70 years since the UN General Assembly passed Resolution 181, recommending the partition of Palestine at the end of the British

Mandate, a half-century since the beginning of the Six Day War, three decades since the first Palestinian intifada and a decade of Israel's blockade on Gaza.

In this political morass that has bedevilled international diplomacy for so long, all these potent reminders come

with a simple question: are we progressing towards the long-sought two-state solution of the conflict?

Answering this question in 1987, 1993, 2000 or in 2010 would probably yield somewhat different answers, but an answer in 2017 cannot but be an emphatic no.

Stalling peace process

We are now at a point when the two-state solution appears to be the most remote it has been in decades. The peace process is stalling, if not moribund. Repeated warnings that we are hurtling towards a catastrophic final reckoning and that time is running out are falling, by and large, on deaf ears. And there is a deep-seated sense of intransigence and complacency permeating the decision-making of both Israelis and Palestinians.

There have been different structural, political and leadership reasons for this for each side: the egregious political situation on the one side and the internal divisions on the other paint only part of a complex picture.

The alarm bells are ringing

Yet the fact remains that, if ever there was a time for genuine alarm about the need to save the two-state solution, it is now.

With the perspective that the Oslo accords opened up quickly fading away, the reality on the ground concerning the most important permanent status issues, including Jerusalem, the settlements, borders, statehood, refugees and security, seems on the verge of being irrevocably altered. This is a truly deceptive status quo: characterised not simply by a complete lack of progress but by a curtailment of the little progress that has been achieved over the last decades.

If paralysis is problematic, regression paves the way for some even more worrisome possibilities. The horrors of constant violence and open-ended occupation; the danger that the pot of religious animosity that is currently being stirred will erupt, effectively drawing both sides into a conflict that will not be ethnic but religious; the legitimate fear that the issue will remain on the international diplomatic back burner, making it an unintended victim of the region's volatility; and the very real risk that the time for the two-state solution will indeed expire if both parties prefer to maintain the impasse.

For Europe, which has consistently proclaimed its strong belief in the two-state solution as the only viable solution to the conflict, in both strategic and moral terms, the rhetoric of opposition to anything but this option must be consistent and coupled with action. Given the brash brand of the new White House chief, and the erratic, quid pro quo logic of his administration, stoically waiting for any renewed efforts for American diplomacy to swing behind has minimum strategic validity and moral integrity. Instead, engaging in the type of creative, determined and sustained leadership that Brussels has shown during and following the Iran nuclear deal negotiations can and should be replicated.

EU needs to resuscitate the peace process

The EU must work tirelessly not to impose a peace process but

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to resuscitate it. In an effort to positively disrupt the status quo, the European Union's High Representative Federica Mogherini was right to announce “a review of all the modalities of [the EU's] engagement on the ground” during the September Gymnich meeting. This review should include a recalibration or repurposing of the EU's financial and aid engagement so that it serves the stated goal of the two-state solution more efficiently. Securitising the absence of process to solve the problem at hand must also be met with renewed commitment; not through empty warnings that

time is running out, but through careful use of (dis)incentives of (in)action for both sides.

Of course, little can deter the forces of complacency from not changing course. But it is hard to imagine an irony more profound than that caused by the stubbornness of the facts on the ground: waiting to find a solution becomes the enemy of the solution itself. Doing nothing or doing very little just to preserve the status quo will prove functionally meaningless, much like arranging the chairs on the Titanic before the ship sank. The gravity of the situation cannot be overstated: we are now dangerously approaching a point in time where any ‘solution’ will be caused not by design but by disaster.



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| The sacred sites, an inescapable issue in the peace process.

EUROPE MUST FACE THE NEW REALITIES OF THE ISRAELI-PALESTINIAN CONFLICT

by Pierre Vimont

There has been a marked lack of progress in the Middle East peace process in recent times, with Europeans struggling to make themselves heard. However, they have the power and the means to influence events and they must therefore take the initiative and act now.

Rarely has there ever been such a sense of stagnation and despondency about the Middle East situation between Israel and the Palestinian Authority. In fact, what we are witnessing today is a significant and worrying decline in the efforts required to broker peace between the two nations. The progress achieved by, and efforts documented, in the Oslo Accords have gradually slowed down and lost

momentum to such a point that the accords appear to have lost all purpose. The logic that once brought the nations together for peace talks has been replaced in recent years by a systematic settlement policy by the Israeli authorities, to which they have now added systematic daily monitoring of all movements of the Palestinian population. At the same time, there is division within the Palestinian ranks, which threatens to undermine the negotiating capacity of their

leaders. Furthermore, there is a general sense that, for many other countries in the region, the Israeli-Palestinian issue has been relegated to a far lower priority than it has been previously due to the more pressing concerns surrounding Iranian influence in the region.

When one considers these other factors then some may argue that the main participants traditionally involved in the peace-making process

appear to have lost their vision and determination. US President Donald Trump appears reluctant to commit America towards helping to achieve a lasting solution to the Middle East problem. The Quartet (Quartet on the Middle East), which is mandated by the United Nations to revitalise the peace process, remains powerless to assist in any meaningful way as they do not have a grip on the events on the ground. There is however, some limited hope as it appears

that Russia, China and France are, amongst others, trying to rekindle the peace talks, albeit bilaterally. But they must realise that there are limits to the progress that their willingness to do something can achieve.

Beyond the ever-present fundamental problem of a complete lack of trust between the two nations who each claim rights over the same land there are two conflicting developments which have combined to put us in the current impasse.

Since rising to power the Netanyahu government's de facto policy has seen an unprecedented reduction in the freedom of movement of Palestinians and their associated actions along both the West Bank and the Gaza strip. Given the present lack of unity and cohesion between Palestinians and the end of their diplomatic isolation, Israeli leaders can cast doubt for the first time on the likelihood that a two-state solution can bring about lasting peace in the Middle East. This is important given that many consider that it is the Israelis that have largely sought to undermine the peace process.

At the same time, the said policy has not resolved any issues on either side and does itself carry the inherent risk of increasing tensions between the two nations whilst we must also acknowledge that there is the potential for future confrontation. In light of recent events, particularly those surrounding clashes at various sacred sites in Jerusalem, it is clear that the Palestinian population are

“ THE PRINCIPAL PARTICIPANTS TRADITIONALLY INVOLVED IN THE PEACE-MAKING PROCESS APPEAR TO HAVE LOST THEIR VISION AND DETERMINATION. ”

capable of mobilising and resisting. In addition, the Palestinian cause remains united both across the Arab world and beyond. The cause remains resolute behind the rallying cry of resolution 2334 (which requires the cessation of settlement activity in the occupied Palestinian territory), which was adopted at the United Nations in December. In addition, there is a widely held belief in each nation that those in power are expecting a conflict in Gaza or on the Lebanon border in the future. This view is shared by Israeli leaders.

Faced with such a discouraging situation, the international community has not yet been able to find the resources, determination or energy to find a way out of this impasse. Is there no

future without conflict? And Europeans, much like the other participants, have not given any impression that they are willing to tackle the problem directly. However, Europeans continue to affirm that they want to push on and find a lasting solution to the Israeli-Palestinian conflict.

This is an ambitious and innovative vision for the European nations to propose given that what they need today is another Venice Declaration similar to the one signed in 1980. This strategy should include clear and precise commitments on the following points.

- Firstly, action is needed on the ground to implement all elements of the cooperation framework which the European Union has already committed to along with the Israelis and the Palestinians. This is necessary in order to obtain concrete results that change the everyday life of the people living with the conflict.
- Secondly, we need an in-depth discussion with Israel on the principle of self-determination for the Palestinian people.
- Thirdly, we need a resolute effort together with the Palestinians to end the division between Fatah and Hamas and push towards a wider consolidation of the Palestinian Authority's governmental authority.
- Fourthly, a diplomatic effort is needed amongst the Arab countries that signed the 2002 Arab Peace Initiative to implement the operational content that the initiative currently lacks. Finally, the international community needs

to get behind this initiative should the current American efforts be, as one might fear, at their limit.

No one is in any doubt that such a European initiative will encounter many obstacles and challenges along the way, mainly within Europe itself, as there are a number of competing views as to how best to approach the Middle East problem. Europe must act now. We must be ambitious and hope to regain a role within the peace process. We must do so to help restore the possibility of a successful conclusion to the peace process. We cannot be put off just because there are obstacles standing in our way.



> AUTHOR

Pierre Vimont is a senior fellow at Carnegie Europe, a think tank specialising in European foreign policy analysis. He served as the special envoy for the French initiative for a Middle East Peace Conference from March 2016 to January 2017. Prior to joining Carnegie, Vimont was the first executive secretary-general of the European External Action Service (2010–2015). During his 38 year diplomatic career with the French foreign service, he served as ambassador to the USA (2007–2010), ambassador to the European Union (1999–2002), and chief of staff to three former French foreign ministers.



| FEDERICA MOGHERINI, the EU's High Representative for Foreign Affairs and Security Policy. "The international community does not and cannot give up on peace in the Middle East," she said during an Ad Hoc Liaison Committee for Palestine at the UN in September.

TWO STATES REMAINS THE ONLY REALISTIC SOLUTION FOR ISRAELI-PALESTINIAN PEACE

by Fernando Gentilini

Almost 25 years after the Oslo agreements, peace between Israelis and Palestinians is as distant and elusive as ever. Is the two-state solution still a relevant blueprint? EU Special Representative Gentilini argues that there is no realistic alternative and sets out what the EU can do to help advance the Middle East peace process.

The term 'peace process' has become code for a sense of frustration on both sides. For many Israelis, it stands today for an illusion of peace

shattered by a bloody intifada and three Gaza wars. For most Palestinians, 'Oslo' has become a metaphor for perpetuating a 50-year old occupation instead of ending it. Many argue that

the two-state solution is not relevant anymore. Why should the EU remain wedded to two states as the only realistic and viable solution? Let's look at the context first.

The Israeli-Palestinian conflict has long lost its claim to be "the mother of all conflicts" in the Middle East. Syria, Libya, Yemen, the fight against Daesh, the conflict between Qatar and

other Gulf countries – there is no shortage of crises in the region. But this has made peace between Israelis and Palestinians more and not less urgent. It is urgent not because it would magically pacify the rest of the Middle East but because it would remove a principal driver of radicalisation and unlock unprecedented opportunities for regional cooperation, security and prosperity for all, in a region that is Europe's immediate neighborhood.

EU fully united on two state solution

This is why the European Union will not give up on peace between Israelis and Palestinians. No one can impose a solution on the parties. But we can help them rebuild trust and chart a path back to serious talks. The EU has been the largest donor and a reliable partner of the Palestinians in their quest for statehood. Europe and Israel share history, culture and values. Israel's security is non-negotiable for us. Years of EU support to the Palestinian Authority, including our police training mission called EUPOL COPPS, have contributed to security and stability for Palestinians and Israelis alike. The rationale of our engagement has always been the prospect of two states. Is it time to revise this paradigm?

It is understandable that, after years of failure, people start looking for alternatives. There is no shortage of ideas. However, none of them has ever been able to offer convincing answers, beyond slogans, about how

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THE ARAB PEACE
INITIATIVE.”

they could work in practice and be acceptable to both parties. For the EU, the two-state solution is not an article of faith. There is simply no other realistic endgame. A binational state would hardly be compatible with Israel's aspiration to remain the national home of the Jewish people. A two-tier state with unequal rights or a “state minus” with limited autonomy would not meet Palestinian aspirations for statehood and sovereignty.

Reaching a two-state solution will be difficult but it is not too late. Past failures offer many lessons, but they do not discredit the end goal. If we want to have any chance to help solve this conflict, we have to insist that the only realistic solution is two states. All 28 EU Member States are fully united on this point. What does this mean for the EU today?

What should the EU do now?

First, we must ensure that we do the best we can to help the parties advance towards two states – against all the odds and the negative trends on the ground. In September, the EU's High Representative for Foreign Affairs and Security Policy, Federica Mogherini, together with EU Commissioner Johannes Hahn, announced a review of the modalities of the EU's engagement on the ground. This is not to do less and not to change our policies but, on the contrary, it is to ensure that all EU actions and instruments in support of two states are as effective as they can be.

Second, our best bet is to act in unison with our international and regional partners. That is why all EU foreign ministers have been united in supporting current US efforts. That is why the EU is strongly committed to working within the Quartet, alongside Russia, the US, and the UN, and why we are closely coordinating with our Arab friends in the framework of the Arab Peace Initiative.

Finally, even if a comprehensive deal is far off, both sides can take transformative steps on the ground for progress towards a two-state reality, along the lines of the 2016 Quartet Report. In a situation of occupation, there is no symmetry in obligations under international law, which the EU will continue to insist on. But building the conditions to end the conflict will require courage and bold decisions from both sides. The EU will support them every step of the way.



> AUTHOR

Fernando Gentilini has been the EU's Special Representative for the Middle East Peace Process since April 2015. Prior to this post, he was Director for Western Europe, the Western Balkans and Turkey in the European External Action Service. He is also a former EU Special Representative in Kosovo and a former NATO Senior Civilian Representative in Afghanistan.



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| A watchtower at Israel's Ofer military prison stands on occupied Palestinian territory in the West Bank (picture taken in 2013).

RE-THINKING THE EU'S APPROACH TO ISRAELI-PALESTINIAN CROSS-CONFLICT DIALOGUE

by Rosemary Hollis

The current EU approach to resolving the Israeli-Palestinian conflict is designed to build mutual understanding and trust at grassroots level. This sounds worthy but does not directly address the core problem of the occupation and only a change of perspective at leadership level can do that.

Resolving the Israeli-Palestinian conflict is no longer high on the EU policy agenda. However, the situation is not static and the EU's official stance on this issue is becoming increasingly untenable for practical, legal and ideological reasons. The intention here is to suggest some ways in which one aspect

of the EU's current contribution to dealing with the conflict can be productively reconfigured.

Efforts to achieve 'two-state solution' stymied

To recap the situation: the possibility of achieving a 'two-state

solution'—for long the EU's avowed objective—is stymied because the Israeli government is not committed to achieving it and the current US administration is no longer pushing for it. Only the Palestinian Authority (PA) is still in favour but it lacks the bargaining power to shift either the Israelis or the Americans.

Faced with these realities, the EU has invested millions of euro to promote grassroots dialogue between ordinary Israelis and Palestinians—a scheme known since the Oslo Accords as 'people-to-people' or P2P dialogue. The EU's latest iteration of this scheme, called the EU Peacebuilding Initiative (EUPI), was launched in 2016.

As with previous P2P initiatives, the EUPI is based on an assumption that cross-conflict dialogue can nurture mutual understanding and respect among the participants and thereby generate support for a ‘two state solution’ at the grassroots level, which will in turn influence the calculations of their political leaderships. The logic is based on a concept known as ‘the contact hypothesis’.

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TO THEIR OWN
LEADERSHIPS.**

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Problems with current EUPI approach

There are two problems with this hypothesis. First, exposure to ‘the other’ in joint group activities does not automatically produce mutual trust. Inter-group relations in such exercises can and frequently do replicate the inequalities in power relations that are played out at the societal level. Second, even when more positive relationships are forged among individuals, there will not be a commensurate change in relations between the broader communities.

The EUPI calls on grassroots organisations and NGOs to submit proposals for projects which will “promote conditions for a negotiated settlement of the conflict via participatory civil engagement, and via enhanced mutual understanding, confidence and trust” and/or “contribute to peace building through joint work supporting socio-economic development in, and empowerment of, the most conflict-affected communities”.

By implication, this initiative identifies the obstacle to peace as a lack of mutual understanding and sees cross-conflict cooperation via socio-economic development as the answer. As understood and reported by Palestinians I and others have surveyed, however, the problem at the root of the conflict is the occupation. Palestinians want to be free of the daily grind of living under occupation, with land confiscations, travel restrictions, military check points and settlement expansion.

Joint Israeli-Palestinian projects under occupation can only serve to alleviate some of its deleterious effects rather than end it. Accordingly, such projects are boycotted by Palestinians opposed to ‘normalisation’.

The most promising element in the EUPI lies in the reference to “the empowerment of the most conflict-affected communities”, but the inference is that such empowerment will derive from better socio-economic conditions rather than political empowerment. What the Palestinians need is more bargaining power with the Israelis to end the occupation—whether that be via a ‘two-state solution’ or some other formula—not better conditions under occupation. Until the EU can explain how P2P dialogue will serve to redress the imbalance in the power relations between Israel and the Palestinians such activities will remain a marginal and potentially counterproductive approach to conflict resolution.

Shifting the dialogue to focus on the occupation

My suggestion, therefore, is that the EU’s P2P activities be reconfigured to focus simultaneously on empowering civil society groups in Israel on the one hand and in Palestine on the other in relation to their own leaderships. That would mean shifting the subject of discussion on both sides to focus on the occupation and what it means for both.

Neither the Israeli nor the Palestinian authorities would

welcome such a shift. As it is, the Israeli government is making it harder for human rights campaigners in Israel to operate and the PA is showing increasing intolerance for criticism from within Palestinian society.

So, if the EU takes a stand in support of civil society groups who are campaigning non-violently for an end to occupation on both sides, in parallel, it will be rebuffed, criticised and labelled as amounting to interference by the authorities on both sides. However, at least the EU will be on the side of ending the occupation and not contributing to its perpetuation.



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| Palestinians carrying Palestinian flags.

THE LONG ROAD TOWARDS PALESTINIAN RE-UNIFICATION: WHAT CAN EUROPE DO ?

by Hugh Lovatt

The Palestinian political system is heading towards a major crossroads as a result of the struggle to succeed President Mahmoud Abbas and the fragmentation of Palestinian territory. With little imminent hope for a two-state solution, the rehabilitation of Gaza is an important area where meaningful improvement can be achieved.

There is growing awareness among European officials and others that the Palestinian political system is heading towards a significant crossroads, which largely revolves around the struggle to succeed Mahmoud Abbas as President of the Palestinian Authority (PA)

and ongoing fragmentation of Palestinian political representation and territory. In a rare sign of progress though, the last weeks saw tentative yet serious steps towards bridging the divide between Gaza and the West Bank, which has existed since the infighting that followed Hamas's victory in the 2006

Palestinian legislative elections.

Palestinian reunification and rehabilitation of Gaza are key

With little imminent hope of achieving a two-state solution

and ending Israel's occupation, Palestinian reunification and the rehabilitation of Gaza are important areas where a degree of meaningful improvement can – and must – be achieved. The current initiative therefore represents an opening to provide at least partial relief for Gaza's inhabitants

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THE EU SHOULD EXPRESS ITS WILLINGNESS TO CONTINUE FUNDING A NEW PALESTINIAN GOVERNMENT OF NATIONAL CONSENSUS (EVEN ONE INCLUDING HAMAS FIGURES) SO LONG AS IT REMAINS COMMITTED TO THE PLO PLATFORM.

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and temporarily stabilise the Palestinian political scene – two of the most urgent priorities in the short term.

As part of an Egyptian-sponsored three-step plan, in mid-September Hamas announced its intention to dissolve the administrative committee that it set up to govern the Gaza Strip. The establishment of this committee had in the past provoked the ire of President Abbas, who saw it as a shadow government. Its dissolution created some initial political room and momentum for the ceremonial return of a Palestinian Authority government of the Gaza Strip, led by Prime Minister Rami Hamdallah, for the first time since 2014. It also created political room for a follow-up meeting between Hamas and Fatah in Cairo to begin technical discussions to advance a reconciliation agreement between these two political factions.

For all the hype, recent developments are not unprecedented and they neither signal an imminent end to the Gaza-West Bank divide nor a return to a semblance of normality for Gazans. In fact, the last ten years have already seen a number of regional and international initiatives to promote Palestinian re-unification, the most successful of which allowed for the formation of a short-lived government of national consensus in June 2014 composed of ostensibly independent technocratic figures supported by Palestinian factions, including Hamas and Fatah.

While there are indications we could once again be heading towards a government of national consensus, there are a number of contentious technical files that will first need to be resolved. As the failure of past attempts shows, returning Gaza to Palestine will also require an elusive agreement on the political agenda for a future

government of national consensus. This will be the subject of a third meeting in Cairo, currently scheduled for 21 November, that will bring together all Palestinian political factions.

Important role for the EU to play

External actors have a big say in the fate of the process itself and can do much to facilitate – or at the very least can ensure that they do not obstruct – this process. Without such external support and encouragement, it is quite likely that the limited progress achieved so far will peter out.

As the largest donor to President Abbas's Palestinian Authority and a member of the international Quartet (alongside Russia, the UN and the US) the EU has an important role to play. Europe must get behind and encourage the current initiative in order to help translate any momentum into meaningful change for Gazans – beginning with an easing of PA and Israeli restrictions.

The EU should provide President Abbas with cover (and impetus) to rescind his punitive measures against Gaza's electricity and healthcare system which have increased humanitarian suffering. This is all the more critical with the approach of winter. Alongside this, the EU should welcome the deployment of Palestinian Authority forces to Gaza's border as an important step that should allow for an easing of Israeli restrictions, and

offer to deploy its own technical assistance mission (EUBAM).

Looking ahead, the EU should express its willingness to continue funding a new Palestinian government of national consensus (even one that includes Hamas figures) so long as it remains committed to the Palestine Liberation Organisation (PLO) platform. It should also amend (or at the very least clarify) its no-contact policy to allow for political engagement with moderate figures within Hamas, and enable European humanitarian organisations to operate more effectively in Gaza.

Alongside this, the EU should push for the revival and reconvening of the Palestinian Legislative Council (PLC), including demanding that Israel release the 12 PLC members currently in detention, as a first step towards new legislative elections and re-legitimising Palestinian leadership structures.



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Hugh Lovatt is a Policy Fellow at the European Council on Foreign Relations (ECFR). He has worked extensively on EU policy towards the Israeli-Palestinian conflict. His most recent publication is 'Rethinking Oslo: How Europe can promote peace in Israel-Palestine'.

PERSPECTIVE



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| Palestinians are facing a major humanitarian crisis : two million people need humanitarian aid out of a total population of 4.8 million.

HOW SHOULD THE EU DEAL WITH GAZA ?

by Yasmeeen El Khoudary

It is no overstatement to describe the current situation in the Gaza Strip as a serious humanitarian disaster. A recent report by the UN stated that Gaza will become unliveable by 2020. Rather than providing temporary remedies, the world should address the root cause of the humanitarian crisis in Gaza.

This summer, the UN declared that Gaza may already have become unliveable.

With problems ranging from declining GDP per capita to crises in healthcare, education, water and electricity, to which I would add raging despair and

frustration among people, the situation is unbearable.

Israel's blockade of Gaza

This severe situation in Gaza is not the result of a natural

disaster or a famine but, sadly, is purely manmade. Using the pretext that it was protecting itself, in 2006 Israel enforced a draconian blockade on Gaza's land, sea and air borders. Backed by most western governments, Israel justified its blockade of Gaza's civilian inhabitants as

"punishing Hamas", which had won the 2006 parliamentary elections, when in fact it, and the world, was in fact collectively punishing the Palestinian population of the Gaza Strip, 66% of whom are under 24 years old. With Egypt's closure of its border with Gaza and western

governments' 'no contact' policy with the de facto government, the ongoing siege has inevitably resulted in an ongoing humanitarian disaster.

Official EU policy dictates that economic development is subordinate to political progress between Israel and Palestine, which, needless to say, has so far failed. Ever since the signing of the Oslo Accords, the EU has supported the Palestinians with €6 billion, mostly in the form of aid grants and not investment. The completion of projects funded by EU taxpayers has done little to change facts on the ground and many of the results have been short term and unsustainable. In Gaza, in the past decade, the EU's policy to boycott Hamas's de facto government unless it respected the international community's

principles and renounced violence has further diminished the EU's involvement in Gaza to being solely a provider of relief and emergency aid.

Council of Europe report condemns Israel

Earlier this year, the Parliamentary Assembly of the Council of Europe (PACE) adopted a report that condemned Israel's siege of Gaza as "collective punishment" and accused Israel of "unlawful, systematic killing" of Palestinians in Gaz. Guided by its core values of human dignity, freedom, equality and respect for human rights, it is time for the EU to act upon its beliefs in Palestine. Aid is not the solution and Gaza's humanitarian crisis is not an overnight occurrence. We need to address

the root of the problem: Israel's illegal military occupation. The Palestinians deserve their freedom, security and the rest of their basic rights. An immediate end to the occupation is the answer and it will only become possible if the EU takes a bold stance against Israel's illegal policies in Palestine. The EU could use its leverage as Israel's top trade partner to push Israel to abide by the same 'international community principles' and renunciation of violence that it expects from the Palestinians.

The EU can play a role

Given the current global paradigm shifts among historic alliances, the EU should seize the opportunity to capitalise on its principal role towards ending the Israeli occupation. In addition to strengthening its position on issues of Israeli crimes in Palestine, the EU has many economic opportunities to offer through trade and investments and can thereby encourage Palestinian independence and readiness for statehood. For instance, the EU could re-establish its trade relations with Gaza in order to encourage self-sufficiency and economic resilience. This used to be the case before 2006 when the EU was a major importer of Gaza produce such as strawberries and flowers. Investing in Palestine can be another vital policy. Adopting such a strategy would not only support the Palestinian businesses and the private sector, but would also raise the stakes in the face of potential Israeli aggression.

It is not too late to rescue Gaza from its manmade humanitarian disaster. Palestinians are not hungry for aid and donations. We rather strive for freedom, security and dignity. Had Israel, with the world watching, not controlled and closed the borders of Gaza for the past decade, we would not be where we are today. Palestinian people are educated, entrepreneurial and ambitious. However, Israel's military occupation cripples any opportunity for development. Without the international community standing up to Israel's illegal actions in Palestine, we will continue to be dependent on futile aid programmes that lead nowhere and the humanitarian crisis of Gaza will duplicate around the territories. Let us put an end to this immoral humanitarian catastrophe, and give an opportunity to men and women to generate prosperity.

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GIVEN THE CURRENT GLOBAL PARADIGM SHIFTS AMONG HISTORIC ALLIANCES, THE EU SHOULD SEIZE THE OPPORTUNITY TO CAPITALISE ON ITS PRINCIPAL ROLE TOWARDS ENDING THE ISRAELI OCCUPATION.

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> AUTHOR

Yasmeen El Khoudary is an independent research consultant based in London with a special interest in Gaza's archaeological and cultural heritage. She is currently writing a book on Gaza's contemporary history.

INTERVIEW



PARIS, FRANCE, 15 JANUARY 2017 - Conference on Middle East peace attended by U.S. Secretary of State John Kerry, the former president François Hollande and the former Prime Minister Jean-Marc Ayrault, acting as Foreign Affairs Minister.

A QUESTION OF JUSTICE

by Jean-Marc Ayrault

A former Prime Minister and Minister of Foreign Affairs of France, Director of the Jean Jaurès Foundation, Jean-Marc Ayrault is the most recent international political leader to have organised a peace conference in the Middle East - on 15 January 2017. Whilst the rapprochement between Fatah and Hamas seems to be a sign of hope for Palestinian unity, which is a condition, in his view, for talks with the Israelis, Jean-Marc Ayrault is very critical of the Israeli settlements and their impact on the two-state solution.

How do you interpret the resolution of this conflict?

It is a matter of justice concerning the promise of two states living in peace, side by side and in safety.

~ Which previous conflict resolutions could serve as a model?

It is difficult to compare conflicts such as this one, with its unique historical background. However, many countries have experienced violence, particularly Ireland. My Irish counterpart has

always supported our efforts as his country has known bloodshed. They have always been constructive, unlike other, less cooperative European countries.

~ What exactly is your view of Europe's position?

Until now, Europe's stance has

been to assist the Palestinian Authority in laying the foundation for a future Palestinian State but the EU could be more involved than it currently is.

~ Is that what motivated you to organise the conference in Paris last January?

A sort of despondency had taken root, a kind of resignation by the international community, showing an increasing disinterest regarding this issue that is so crucial to world peace.

~ Have you been able to rely on European support?

Germany was ready to follow France's lead, alongside the Nordic countries. This was less true of some Central and Eastern European countries. Some even told us to wait for Trump to take office (editor's note: the conference took place on 15 January, and the inauguration ceremony on 20 January). I replied that holding the conference was necessary to show a real international commitment.

~ What conclusions have you drawn from this conference, ten months later?

The goal was to bring together the whole world, particularly America. It should not be left to America to solve every problem, but given their weight, there will never be a resolution without their contribution. When I was a minister, therefore, I was in constant contact with my counterpart John Kerry.

~ How did he view the situation?

He observed, as I did, that the building of settlements around Jerusalem – and even, in some cases, enclaves within the West Bank – was gradually reducing the space available for a viable Palestinian State. This deleterious process of illegal settlement, condemned by successive UN Security Council resolutions, must be stopped.

~ Citizens and especially progressive activists struggle to understand why this key issue has been put to one side. Do you understand their dismay?

Absolutely. If people in Israel are shocked when the word 'settlement' is used, it is nonetheless a reality.

~ How do you explain America's apathy?

I was not afraid to point out to John Kerry why this cause is just and the reasons why it must be dealt with. Some consider it to be of secondary importance, the main struggle for them being the fight against terrorism and Daesh. I myself believe that the two are interrelated.

~ Do you fear that there will be a new flare-up?

Without wishing to be a harbinger of doom, I cannot rule out that a section of the Palestinian population could become susceptible to persuasion by extremist propaganda. Until now, Daesh have had little interest in the Palestinian cause but they could easily seize the opportunity to take up the cause overnight. My counterparts in the Arab countries have all been preoccupied by this issue, but we must succeed in convincing all sides.

~ Do you think that this could have consequences in France, for example, where numerous Jews and Muslims live?

France has the largest Jewish and Arabic community in Europe. We are listening to their

concerns. On the one hand, we must show that defence of the two-state solution cannot be at the expense of Israel's security, which is a fundamental concern, but we must not abandon the two-state objective, and, above all, not waste time.

~ In practical terms, how can this goal be achieved?

Recognition of Israel is a prerequisite. Then, reconciling the Palestinian people, divided between Hamas in Gaza on the one hand, and Fatah, with President Mahmoud Abbas in Ramallah on the other. At the same time, convincing the Israeli authorities that a political solution is in their medium and long-term security interests.

~ You have had the opportunity to meet the current Israeli Prime Minister, Benjamin Netanyahu. Have your exchanges with him given you hope?

Netanyahu has made it clear to me that he does not believe in it.

~ What does he believe, in your opinion?

I do not know what his solution is. I believe that he does not actually have one and I find that attitude incredibly dangerous. Officially, he says that he is in favour, but in reality, he has done nothing to help. This is a warning sign. The more time passes, the greater people's frustration, and the greater the temptation of violence.

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RECOGNITION
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PEOPLE.”



> AUTHOR

Jean-Marc Ayrault is a former Prime Minister and Minister, Foreign Affairs of France and Director of the Jean Jaurès Foundation.



I ELIE BARNAVI : "On Israel, there is a vague position that has been in place since the Venice Declaration of 1981".

THIS TYPE OF ASYMMETRIC WARFARE CAN ONLY BE SETTLED BY INTERNATIONAL PRESSURE

by Elie Barnavi

Interview with Elie Barnavi, historian, former Israeli Ambassador to France, a member of the Scientific Council at FEPS and one of the initiators of 'Islam is also our history', an exhibition that opened this autumn in Brussels, highlighting Muslim heritage in Europe.

Does Europe have a somewhat greater responsibility than other international players in resolving the Israeli-Palestinian conflict?

In principle, it should, but that's not how it works, except at the margins.

~ Why?

Each European country has a position and Germany has the clearest position. Given its past,

Germany is very reluctant to formulate a coherent critique of Israeli policy and, as a consequence, to take action. But, to be frank, Europe as such does not have a common foreign policy. There are attempts, a representative, etc...

~ But wasn't the EU successful with Iran?

When there are clearly defined interests and the main European powers agree, then yes, we can credit Europe with achieving a step forward. On Israel, there

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KERRY'S LAST FAILURE SPRUNG FROM THE ABSENCE OF A WRITTEN 'TAKE IT OR LEAVE IT' BLUEPRINT.

”

is a vague position that has been in place since the 1981 Venice Declaration, but there is no political implementation because states disagree.

~ Is the timing right?

Yes, because there is a void with the absence of the Americans, who have been, up to now, the leading power in the Middle East.

~ Can we move forward without the Americans?

Since the Camp David accords, America has tried but failed. There's a much more obvious vacuum than before and I repeat that Europe could occupy it but it is not doing so. And yet Europe is much more affected by what's happening in the Middle East than the United States. This conflict is on Europe's doorstep and it has an impact on both the stability of the region and on migration flows.

~ In your eyes, does Europe inert?

There is impatience with the continuation of the construction of settlements, marking of products and some vague threats but all this does not make an overall policy.

~ What should America have done?

Put a peace plan on the table with a negotiating framework and impose it on both sides. John Kerry's last failure sprung from the absence of a 'take it or leave it' written blueprint.

~ What are the possible ways of putting pressure on the Israeli government?

We are totally dependent on the Americans, militarily, completely. Clearly, without American spare parts, Israel could no longer wage war. It is as stupid as that. I'm not even talking about the financial aspects. In fact, the only time they exercised it - President Bush, before the Madrid negotiations - it was enough to get the situation unblocked.

~ Is there no hope for a solution to this conflict?

Europeans and Americans should understand that the type of conflict we have, as exceptional as it may seem, is not really so exceptional. This type of asymmetric warfare can only be settled via international pressure. Take the example of the former Yugoslavia. If we had waited for the Serbs and Croats to get along, we'd still be where we were. It took major measures,

bombing to stop it. The Dayton Accords were imposed agreements.

~ This conflict seems to be in deadlock doesn't it?

Every day that goes by makes the situation more urgent. The occupation is weighing more and more on the minds and the education of young people, etc. If we let it go on, when the 400,000 or so settlers are over a million, it will be very complicated. Like Algeria, where there were one million Europeans for nine million Algerians. But what if there had been five million? There's always a tipping point. But what is threatening Benjamin Netanyahu at the moment is not the international community but the courts of his own country!

~ Have you become a realist or an optimist about the outcome of this conflict?

An optimist. We will get there in the end because there are no other solutions. Abba Eban, the

former Israeli Foreign Minister, used to say "Nations end up adopting the ideal solution after having tried all other solutions".

~ Let's hope we've tried almost all of them...

But looking to Europe? That was almost it.



> AUTHOR

Elie Barnavi is a former Israeli Ambassador to France and a member of the Scientific Council at the Foundation for European Progressive Studies (FEPS).

BEYOND EUROPE



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I SEPTEMBER 23, 2016 - NEW YORK, UNITED STATES, One year ago, European Commissioner for Foreign Affairs and Security Policy, HRVP Federica Mogherini, participates in the meeting of the Middle East Quartet in the offices of former UN Secretary General Ban Ki-Moon, with US Secretary of State John Kerry and Russia Foreign Minister Sergey Lavrov at the United Nations.

HOW EUROPE CAN CONTRIBUTE TO THE ISRAELI-PALESTINIAN PEACE PROCESS

by Daniel Kurtzer

Europe has been involved in the Israeli-Palestinian peace process for over four decades. The EU is in the international Quarter along with the US, Russia and the UN, which has sought to implement the 2003 Roadmap for peace. Daniel Kurtzer, who served as US Ambassador to Israel and to Egypt, explains how he thinks that Europe could help in moving the peace process forward.

For more than four decades, Europe has asserted an interest in playing a substantive role in international efforts to resolve the Israeli-Palestinian

conflict. The EU has issued important declarations to this effect, most notably the Venice Declaration in 1980, and has engaged in initiatives such as the Euro-Arab

dialogue. Furthermore, individual European states have appointed special envoys and the EU has appointed its own envoy and participated in the international Quartet, joining

the United States, Russia and the United Nations in the effort to implement the 2003 Roadmap for peace.

European positions on peace process issues have sometimes diverged significantly from those of the United States. One example was the EU's interest in including the Palestine Liberation Organisation (PLO) in the peace process at a time when the United States insisted that the PLO first recognise Israel, renounce terrorism and accept United Nations Security Council (UNSC) resolutions 242 and 338. Europe's independent policy positions have sent an important signal to Middle East parties.

That said, the assertion of European interest in playing a more substantial role has not been of much consequence. Europe has rarely been able to present a common position, allowing the parties to advance their particular policy preferences by playing EU member states off against each other. This was evident in the proposal to require labelling of products from the Occupied Territories. Here, Israel applied significant pressure on its friends within the EU to prevent a common EU position from emerging.

Difficult relations between EU and Israel

A second issue has been the sometimes fraught relations between individual EU member states and Israel. Some Israelis argue that Europe is biased in favour of the Palestinians and thus cannot aspire to play the role of an honest broker. In truth, this Israeli argument mirrors the Palestinian argument against American mediation, namely, that US bias in favour

of Israel should disqualify the United States from playing a third party role between the parties. But the fact remains that the Palestinians continue to accept the United States as the third party intermediary, while Israel does not accept Europe in that role.

A third issue has been the 'deep pockets' syndrome, that is, the belief on the part of Palestinians, Israelis and even some Americans that Europe should simply pay the bills. Not only do Europeans rightfully chafe at the prospect of continuing to provide assistance while being shut out of the negotiations, there is also the question of the uses to which some European assistance has been put. In relation to projects funded by European countries, tensions have developed between some donors and the Palestinian Authority over the latter's decision to honour Palestinian terrorists. Three years ago, for example, the Dutch Parliament voted to end support to the Palestinian Authority for the same amount of money that the Palestinian Authority had granted to the families of convicted terrorists. A second frustration relates to the fact that significant projects funded by Europe (and others) have been destroyed in the recurring violence between Israel and Hamas.

Can the EU form a unified policy?

The core issue, then, is whether the European Union has not only a strong interest

in playing a role in resolving the Palestinian-Israeli conflict, but rather whether the EU has the ability to form a unified policy, the will to unite behind that policy, and the determination to see the policy through, even when it runs up against the inevitable resistance of one or both Middle East parties. These same questions can be posed to the current American administration as well as to its predecessors. I am on record as being quite critical of American diplomacy since the 1991 Madrid peace conference and thus approach the question of European policy with great caution and humility.

Three ideas of what Europe could do

What in fact could Europe do to prove its capability and will to help advance the prospects for peace? I suggest at least three actions. My first recommendation is that Europe should encourage and work with the United States to formulate strong parameters to serve as the terms of reference for future negotiations. These parameters would not substitute for the responsibility of the parties to conduct negotiations. However, without parameters and terms of reference, future negotiations will start and wander aimlessly.

My second is to accelerate Palestinian institution-building, a task for which the EU is particularly well-suited and experienced.

And my third is to explore ways to bring Israeli and Palestinian citizens together, for example in meetings on economic issues of mutual concern or in public-private business activities. At some point governments may in fact restart negotiations, and at that point popular support, bolstered by frequent contacts, will be important to sustain the peace process.



> AUTHOR

Daniel Kurtzer is Professor of Middle East policy studies at Princeton University's Woodrow Wilson School of Public and International Affairs. During a 29-year career in the US Foreign Service, Kurtzer served as the US Ambassador to Israel and to Egypt. He is the author of several books on the peace process.



I US President Trump's policy in Israel-Palestine is aligning with forces that openly disdain the peace process, says Lara Friedman.

EUROPE'S ISRAEL-PALESTINIAN POLICY IN THE TRUMP ERA

by Lara Friedman

Since the 1978 Israel-Egypt Camp David accords, it has been a sine qua non of Middle East diplomatic wisdom that US leadership is essential to Israeli-Arab peacemaking. Neither Europe's central role in the 1991 Madrid Conference nor America's conspicuous absence from the talks that gave birth to the 1993 Oslo Accords altered this understanding. Indeed, a defining characteristic of the post-Oslo era was the emergence of America not merely as the leader of peace efforts, but with a de facto monopoly over them.

Fifty years after the start of the Occupation and twenty-four years after Oslo, the historical record suggests that this American leadership has been a failure. Irrespective of intentions, US led efforts have done more to enable the

entrenchment, expansion, and permanence of occupation than to end it. And nine months into his presidency, Donald Trump has not proven to be the breath of fresh air that many had hoped that he would be, despite his brash confidence in his ability to achieve the "ultimate deal".

Support for 'Greater Israel' enterprise

Trump hasn't moved the US embassy to Jerusalem, but the likelihood that he will do so remains acute. His administration has expressed mild reservations about settlements,

but with winks and nods it has given a green light for their expansion. With the political equivalent of dog whistles, Trump is sending clear messages of support for the Israeli Right's "Greater Israel" enterprise: in May, Trump's ambassador to Israel, longtime settlement supporter David

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**EUROPE MUST COME TO TERMS
WITH THE FACT THAT,
FOR THE FORESEEABLE FUTURE,
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RESPONSIBLY (...)
ON ISRAEL-PALESTINE.**

”

Friedman, became the first such ambassador to attend a social occasion (a wedding) in a settlement; in July, settler leaders were for the first time invited to the embassy's Independence Day party; and in August, Ambassador Friedman publicly questioned the existence of the “alleged occupation.”

As a practical matter, Trump's policy on Israel-Palestine is aligning with forces that openly disdain the peace process and reject the principles and goals upon which it was established, high regard for Trump's Special Envoy, Jason Greenblatt, notwithstanding. The results speak for themselves, from settlement activities of a scope and nature not witnessed in years – including the first official new West Bank settlement in almost two decades and game-changing

new developments in East Jerusalem – to increased attacks on free speech and Israel's civil society sector.

Europe can't count on the US to lead for now

Europe must come to terms with the fact that, for the foreseeable future, it cannot count on Washington to lead responsibly, or even to be a responsible actor, on Israel-Palestine. American policies are already increasingly at odds with international consensus and international law, as exemplified by U.S. efforts to block the application of international law and United Nations resolutions regarding settlements. Europe must grasp, too, a corollary reality: the ‘peace process’ can no longer constitute the core focus

of a credible European foreign policy on Israel-Palestine. Given the march of facts on the ground and the illiberal winds blowing in Israel and the United States, focusing today on bringing the parties back to the negotiating table and resuscitating the diplomatic process smacks of delusion.

Europe needs to defend its core principles

Going forward, the imperative for Europe is to identify its equities in Israel-Palestine and double down on efforts to defend them. These equities include upholding and demanding respect for international law, European law, and the role of the United Nations; preserving the viability of the two-state solution, which remains the only realistic possibility for ending the conflict; and promoting respect for human rights and civil liberties. By standing up for such equities, Europe is already today the most important force preventing erasure of the Green Line and the normalisation of occupation, and defending the shared values that have historically been at the core of Europe's ties with Israel. Crucial policies already in place, and which must be defended, include differentiating between sovereign Israel and the Occupied Territories, refusing to legitimise “settlement blocs” (which are as illegal as any other settlements), rejecting the delegitimisation of Israeli and Palestinian civil society actors, supporting Palestinian communities in the 60% of the West Bank that is under full

Israeli control (“Area C”), and challenging Israel's blockade of the Gaza Strip.

As underscored by the current challenges posed by extremism and refugees, Europe is more directly affected by instability and insecurity in the Middle East than the United States. Europe is not looking to clash with America over Israel-Palestine issues, but, as with climate change and nuclear non-proliferation policy, Israel-Palestine is another area of increasing divergence between Europe and the United States. By standing up for its equities in the Israel-Palestine arena, Europe – acting as a single body, as nations in ad hoc groupings, or even as individual states – can play a more consequential and constructive role than ever in stabilising the situation on the ground and preserving the hope for peace.



> AUTHOR

Lara Friedman is President of the Foundation for Middle East Peace. Previously she was Director of Policy and Government Relations at Americans for Peace Now, and before that she served in the Middle East as a US diplomat.



PALESTINIAN AUTHORITY PRESIDENT MAHMOUD ABBAS is dependent on Israeli permission to travel.

ISRAELI SETTLEMENTS: UNLAWFUL, BAD FOR PEACE, BAD FOR THE ECONOMY

by Zena Agha and Nadia Hijab

Israeli settlements in the occupied Palestinian territories loom large in the Israeli-Palestinian conflict. They are not only a major obstacle to securing a lasting peace but also a grave violation of international law. To grasp the full impact of the settlements on the Palestinian quest for self-determination, both the economic and the political impact should be addressed.

From the outset, settlements have had profoundly economic and spatial consequences. They were created by the confiscation of large swathes of the most fertile Palestinian land, the seizure of water resources and the exploitation of Palestinian quarries,

mines, Dead Sea resources, and other non-renewable natural resources. As a result, Israeli settlements now control around 42% of West Bank land, a figure that includes built-up areas as well as the vast municipal boundaries of the Israeli settlements. These areas are off-limits to Palestinians unless they have permits.

Furthermore, the settlements are supported by a complex apparatus of roads, checkpoints, military zones and the 'Separation Wall', which has made Palestinian territorial contiguity almost impossible and created isolated Palestinian enclaves in the occupied territory. The

West Bank is not only physically isolated from Gaza but it is also isolated from East Jerusalem, previously the engine of its economy and culture. Moreover, the settlements have also fragmented the West Bank economy into smaller, disconnected markets and weakened the competitiveness

of Palestinian goods in local and export markets.

Israeli settlement construction harming Palestinian economy

It is worth citing a few examples of the profoundly harmful effect that Israeli settlement construction has had on the Palestinian economy. For instance, Israel's control over water and land has decreased the labour productivity of the Palestinian agricultural sector and the sector's contribution to Gross Domestic Product (GDP). Its restrictions on access to Dead Sea resources have prevented Palestinians from establishing a range of industries based on the extraction of minerals such as cosmetics. The extent of the loss to Palestinians of their inability to access their own land and resources can be gauged by the fact that Israel makes an estimated NIS 500 million annually (around \$130 million) from its unlawful exploitation of the Jordan Valley and the Dead Sea.

In addition, the system of closures and checkpoints that Israel uses to control the occupied territories increases the cost and risks for Palestinians of doing business, constrains economic development and increases unemployment and poverty. Palestinians have no right to freedom of movement and even Palestinian Authority President Mahmoud Abbas is dependent on Israeli permission to travel. Overall, it is estimated that the direct and indirect cost of the occupation in 2010 was almost \$7 billion – around 85%

of the total estimated Palestinian GDP. The Palestinian economy's productive base can no longer generate enough employment and investment, increasing its dependency on the Israeli economy as well as on foreign aid (for more information about the impact of the Israeli settlements on the Palestinian economy, please see *How Israeli Settlements Stifle Palestine's Economy* by Nur Arafah, Samia al-Botmeh, and Leila Farsakh).

Political damage to Palestinians

This brief discussion of the economic impact of Israel's unlawful settlement project hints at the political damage it has inflicted on the Palestinian people. The fragmentation of the Palestinian territory referred to above has created barriers between the Palestinians themselves. They can no longer freely travel to and from Jerusalem or between Gaza and the West Bank, a situation affecting family relations, friendships and business relations. In fact, the division and fragmentation of the Palestinian people began in 1948 – nearly 70 years ago – when hundreds of thousands of Palestinians fled or were forced to flee because of Israel and were never allowed to practise their right to return, living as refugees and exiles ever since.

Nevertheless, the Palestinians were able to nurture and sustain their national project to fulfill their right to self-determination. This is now at greater risk than at any previous time due to the physical fragmentation imposed

by Israel's settlement enterprise. The declaration by no less a figure than Israel's Prime Minister Benjamin Netanyahu that Israeli settlements are there to “stay forever” is the biggest threat to the peaceful resolution of this conflict through a two-state solution. Even as it undermines the prospect of a sovereign Palestinian state, Israel seeks to “normalise” its occupation by, among other things, attacks on progressive organizations, including those within Israel, that criticise the occupation or work for human rights.

EU must hold Israel accountable under international law

This snapshot has attempted to set out the major economic and political obstacles created by Israel's relentless settlement project and the real problems faced by advocates for peace. But the aspirations for a just peace live on. The European Union has a key role to play in holding Israel accountable

under international law. The EU directive on labeling settlement products was a good first step. However, it has had a “non-existent” impact on Israel's settlement policy. Perhaps more significant, even though the sums involved are small, is the decision by eight European countries to demand compensation from Israel for its destruction of structures they had helped build in the occupied Palestinian territories. This move reinforces the fact that the Geneva Conventions apply to the occupied territories, which Israel must vacate sooner rather than later.

The road to peace is clear: Dismantle the settlements, end the occupation, and fulfill rights under international law. It is a compelling vision that all must pursue.



> AUTHOR

Zena Agha and Nadia Hijab both work for Al-Shabaka: The Palestinian Policy Network. Zena Agha is a US Policy Fellow for and Nadia Hijab is the Executive Director of Al-Shabaka.

SPECIAL CASE



© Shutterstock.com

| Israeli settlement construction in south-western East Jerusalem.

THE ECONOMIC BURDEN OF WEST BANK SETTLEMENTS

by Roby Nathanson

The current perpetual stalemate in Israeli-Palestinian peace negotiations, coupled with the tumultuous state of the Middle East region, has had and will continue to have a deep impact on the welfare of Israeli society. Settlement activities encompass a variety of costs, direct and indirect, visible and hidden.

In our research, we examine how much extra economic support a West Bank settler receives than the average resident of Israel. According to our latest results, the total annual cost of the additional expenditure on settlements in the West Bank amounted to 350 million euro a year. The additional annual expenditure per capita stands at 900 euro and per household at 4,300 euro. Settlements east of the security barrier enjoy significantly greater additional expenditure, amounting to 1,450 euro per capita.

The Government of Israel supports all the local authorities in the country as some of the government services are carried out through them and therefore entitle them

to receive a budget. A large portion of national budgets allocated to West Bank settlements is channelled through municipal budgets. Local authorities in the West Bank rely more on government support as a source of income than in the rest of the country. Forty four per cent of the West Bank municipalities' average income is from budgetary funds, compared to 30% in the rest of the country.

It should be noted that the per capita support of settlements of an ultra-Orthodox nature is lower than the support for some of the secular settlements, or those belonging to religious Zionism, such as Megilot R.C. (2,416 euro per capita) and Ma'ale Efrayim (2,400 euro per capita).

Example of additional annual government support per capita

- > The average annual extra governmental per capita support to West Bank municipalities amounts : 302 euro, or 1,431 euro per family.
- > The additional government support for these local authorities amounts : 774 euro per capita or 3,669 euro per family.

In addition, the Government of Israel subsidises between 20% and 70% of land development costs for land purchasers in 'national priority' localities.

The Ministry of Construction and Housing's preferred list of localities includes 91 out of 127 settlements in the West Bank. Construction subsidies in the West Bank amounted to 15.3 million euro per year, on average, between 2003 and 2015.

Furthermore, two years ago, 30 West Bank settlements were first introduced into the list of localities whose residents are entitled to tax benefits. Residents of these

localities are entitled to benefits of between 7-10% in income tax, at an annual cost of 45 million New Israeli Sheqels (NIS) per year.

In the last 22 years, public construction in the West Bank in terms of square metres per capita was more than three times higher than the national average;

0.60 compared to 0.17 square metres per capita. In 2016, 10.2% of all public construction was carried out in the West Bank.

Over the years, the Macro Center for Political Economics has ventured to accurately estimate the cost of West Bank

Over the years, the Macro Center for Political Economics has ventured to accurately estimate the cost of West Bank settlements to the State of Israel. Most of the costs analysed in its research are direct governmental costs through budget expenditures. Most of the public is unaware of their scope. The research has also assessed the long-term value of both private and public investment in the West Bank through the capital stock of buildings constructed there.

In the process of the research, a wide array of sources of data and methods were used, some of which are innovative and highly accurate. The goal was to accurately analyse the data and reach a thorough cost estimation, using only validated official data sources involving as little speculation as possible.

Whether it is due to the high governmental military and civilian expenditure in the West Bank, government incentives and subsidies, physical structures and infrastructure in the settlements, a decline in investments or the threat of boycotts and sanctions, the ongoing settlement operation is costly for the Israeli economy and society.

In Israeli public and political discourse, settlement costs mostly refer to the direct governmental budgets devoted to activities in the West Bank. Most of the public is not aware of the total magnitude of capital invested there in the past, the direct and indirect expenses paid in the present and those to be paid in the future.

The major challenge for decision makers, especially those currently in the ranks of the

opposition in Israel, is to translate the data that indicate clear priorities for the benefit of settlements in the West Bank at the expense of areas in need of assistance in the north and south of the country, into a change in the political behaviour of the population. Despite the widely published information that constitutes a considerable part of public discourse, there is still no real change on the horizon.



> AUTHOR

Roby Nathanson is the General Director of the Macro Center for Political Economics. He served as Director of the Histadrut's (Labour Federation) Institute for Economic and Social Research and has been active in preparing programmes aimed at socio-economic structural reform. In 1995 he was chosen to head Israel's Economic and Social Planning Administration in Times of Peace, in the Prime Minister's Office. He obtained an MA and a PhD in Economics, specialising in international trade and development, from the University of Köln (Germany).

Evaluation of the capital built stock assessment in the past 40 years

- 14.6 million square meters of civilian buildings in the West Bank built by local municipalities and private enterprises and the Israeli government
- 31.5 billion euros, of which 28.6 billion euros for residential buildings is the total cumulative costs of the West Bank built stock in 2016
- 24.9 billion euros versus the 6.6 billion east of the barrier is the total cost cumulative for most constructions are located in the large blocks of settlements west of the separation barrier

TO WATCH

To End a War

Marc Silver - 2017

'To End a War' is a documentary about the end of a 50-year civil war between the Colombian Government and the Marxist guerrilla organisation known as the FARC. It explores what it takes both strategically and spiritually for a nation of 50 million to move from hatred to forgiveness, from war to peace. It explains the beginnings of the war, charts the ups and downs of the peace process and captures the raw emotions of people, their worries, the obstacles faced by the peace negotiators and the major controversies.

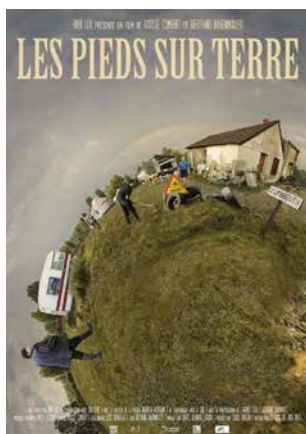
The film features footage of major speeches and the views of the main players, including current President Juan Manuel Santos, former President Alvaro Uribe, the FARC leader Timochenko, the chief negotiators and Jorge Enrique Botero, a journalist whose work has included interviewing many FARC leaders over the years.

As President Santos puts it: "This process may be the only successful one in over 22 conflicts taking place around the world. It is an example that problems can be solved through dialogue."

This is an extremely important and fascinating film to watch to gain a lot of insight into what is an extremely complex peace process in Colombia. A key part of the ongoing story will be if and how the FARC successfully

manages to turn itself into what it refers to as "a legal revolutionary political organisation".

To find out how to watch the film, contact the producers at: <https://www.facebook.com/toendawar/>

*The Tragedy of the Electronic Era*

Cosima Dannoritzer, Germany

The Basel Convention, which is an agreement to ban the export of electronic and hazardous waste, was opened for signature in 1989 and subsequently ratified by every country in the world except the United States and Haiti. The price of each new electronic device purchased in Europe now includes an environmental consumer contribution fee to cover the cost of recycling the electronic waste. However, currently only 25% of EU electronic waste is actually being recycled. The rest of our electronic waste (e-waste) is exported illegally and is often dumped at questionable sites in Africa, Asia or South America. How can we justify this? How does 3/4 of European e-waste exit the recycling process and end up being illegally dumped in African landfill sites? A Ghanaian journalist and environmental specialist, Mika Anane, has conducted an investigation into this problem. He focused on recycling practices in Europe, Asia and the United States. His investigation has uncovered practices that underpin a large-scale trafficking operation and has led to steps being taken towards identifying those responsible for this tragedy. This documentary, which was released in 2014, is competing for an award at the Greenpeace film festival in 2017.

Feet on the ground

Batiste Combret and Bertrand Hagenmüller, France

The indomitable village of Liminbout, which is a hamlet of some ten inhabitants, symbolises the struggle against planned construction works at Notre-Dames-des-Landes airport.

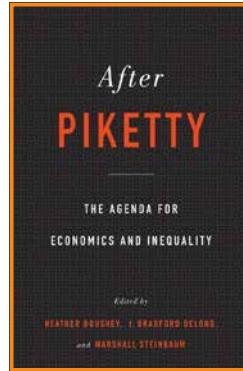
In the early 1970s, the process of planning and constructing an airport on land surrounding this region to the west of France became a tough challenge for successive governments. At stake was the potential disappearance of pastureland and the demise of an ecosystem. In the early 2000s, the Grand Ouest airport project was relaunched and the dispute intensified. The Zadists, a group of anti-airport campaigners, organised themselves and set up dwellings in the forest to resist this land development project. Notre-dames-des-landes became a hotbed of protest against the current model of society.

As distinct from the usual films made by movie maker ZAD the film immerses the viewer into the lives of those who still live in what has become a village under siege. Their daily lives are strongly affected by current affairs relating to the land development project. Family farmers, syndicated farmers and over-indebted tenants who sought another life in this area are depicted in this film as are squatters who more or less learn to live there and to struggle on from one day to the next. The directors spent time with these people as they went about the business of their everyday lives between December 2012 and May 2015. That is almost three years living together in a world where the inhabitants have started to imagine another kind of society...

TO READ

After Piketty ; the Agenda for Economics and Inequality, Cambridge, London, 2017

H. BOUSHEY, J. BRADFORD DELONG, M. STEINBAUM (ed)



Thomas Piketty's decision to give the title, 'Capital in the 21st Century' to his 2013 opus magnum may be seen by some as an act of deference to Karl Marx or it could ultimately be a more ambitious work to distinguish himself from others in the field. Nevertheless, it should be noted that the work has been a global success, as shown by the sale of more than two million copies. There have been few economic texts which have engendered such widespread enthusiasm amongst the public since 'Das Kapital' was first published. So, it is hardly surprising that the Harvard University editions have brought together economists - equally as talented and on occasion equally as famous, such as Paul Krugman - to review Piketty's theses, and to discuss possible developments to them. 'After Piketty' may not be a bestseller in conventional terms, but it is certainly a recommended read.

Translated into Marxist terms, Piketty's main thesis is that "accumulation" does not represent a "primitive moment" of capitalism, but is moreover a part of the long-term development of capitalism. In other words, there are phases in the development. Typically, a period whereby the wealth is redistributed for the benefit of the greatest number and marked by the growth of the welfare state is

followed by a period of recession that is marked by a conventional distribution structure that is commonly seen in modern plutocratic societies. Such characteristic trends were also evident before the outbreak of the Second World War. Such periods of decline could be explained by the return to a situation in which capital-based income outgrows income from labour and the economy itself.

For many, Piketty's success is founded in the way in which he effectively outlines his arguments. This is further enhanced by the crisis within the traditional parties and the ever-increasing expression of collective outrage at widespread inequality

The political opposition to Piketty's works is not due to a lack of internal coherence within his own arguments but is more a reflection of the rather limited nature of the proposals which his work influences; such proposals focus on the taxation of capital and how to achieve this at the expense of a wider consideration of investment in general terms. This key difference is illustrated by the different approaches taken by Thomas Piketty and Philippe Aghion when they determine the effectiveness of Emmanuel Macron's programmes. No-one on the political left would dispute that the proposed reduction in

taxation is anything other than an illusion designed to distract supporters who campaign for tax relief and ardently support the 'trickle-down theory'. On the other hand, the ever increasing need to deal with such new inequalities leads many socialists to forget about the economic dynamic which opposes such measures. The obstacles are not, as many believe, the monolithic blocks of "capital" and "labour" and are more the difficulties presented by the pensioners of financial capitalism which divide the working classes into two groups: employees and business owners. Yet, an egalitarian (equalitarian) tax system will not be able to reconcile the aforementioned social groups and without such an alliance it is difficult to see how a majority can be reconstituted to form a progressive majority. It is important to note that the successes achieved by the Scandinavian "model" are not based solely on re-distributive social insurance policies but also on forms of co-management in industrial production.

Utopies réalistes, Paris, Seuil, 2017

Rutger BREGMAN

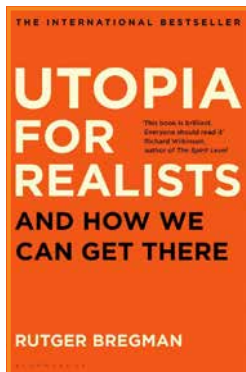
This book is a source of hope. Its relative success should worry European social democracy. Despite not being outwardly addressed to the new national parties of the radical left, the book seeks to re-establish the claim that socialists do not hold a monopoly in terms of conceiving of progressive policies or the pursuit of a utopian ideal. This is not because Karl Marx was preceded by Thomas More or Tommaso Campanella, but because a politician from the political right was on the verge of guaranteeing a guaranteed income for all citizens before part of his cabinet dissuaded him from taking the final step. The politician in question was Richard Nixon.

Dreams and innovation are within reach of all of us but one must dare to believe first.

Rutger Bregman is an essay writer whose theses are based on a vast array of academic literature. He does not stop where others might and considers that the justification from the previous president - that the introduction of a universal allowance for all is not feasible - which many believe in, is not the answer. However, this part of the book is the most interesting. Firstly, there is due consideration of the successes which followed the large-scale experimentation which was itself



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inspired by Lyndon B. Johnson's 'war on poverty' in 1964 about a distribution of funds to the inhabitants of several American cities without any consideration for public funding. Secondly, Rutger Bregman shows how this method of treating poverty is contrary to the contemporary neoliberal approach that is best characterised by the Victorian morality imposed on labour and the bureaucratic expansion of state oversight.

However, Bregman then expands upon this position by advocating an unconditional right to housing, reduced working time, capital taxation and an opening of borders as an alternative to post-colonial development assistance. Even if it is often too brief a summary, the outline of each of these ambitions is iconoclastic because it deviates from conventional political debate and traditional arguments that have become so ingrained in the public mind that they are regarded as elements of an electoral ritual. An ever-decreasing proportion of the European electorate actively engage in politics because of this repetition.

The argument put forward for the right to housing is justified by a pragmatic notion: a public policy to make free apartments available to the homeless. This is practised in Utah, where the

state has budgeted for such a policy. The state of Utah awards an apartment and other resources worth 11,000 US dollars (USD) per beneficiary, or 5,000 USD per year less than the cost of caring for the homeless. The 5,000 USD are costs typically associated with the police and social services.

Similarly, the justification for a rapid reduction of working time is found in Keynes's work. Rather than celebrate the figure of the famous British economist - as the figurehead that made a prosperous and consumer society possible with Ford, Bregman garners support from a text which was written during the height of the 1929 crisis in order to advocate a 15-hour week.

By virtue of the way in which the chapters are structured, Bregman's book gives the impression that he is setting out an inventory of utopian ideals that he supports. This is obviously the case, but his works go beyond this by analysing what should be the subject of political work, that is to say, the government policies which underpin the economy.

TO THINK



Laboratoire progressiste pour le développement durable

Heikki Hiilamo
Kalevi Sorsa Foundations

Anthony B. Atkinson (1941-2017) is a trailblazer in inequality research. In his book "Inequality - What can be done?" (2015) he presents a wide selection of means to intervene with one of most pivotal problems of our time, fast expanding inequality.

Professor of social policy Heikki Hiilamo in his report "15 recipes for tapering income inequality", written to Kalevi Sorsa Foundation, analyses Atkinson's recommendations and assesses their usefulness to practical politics of the day in Finland.



Conference Report « Relaunching Europe Bottom-Up »

Prof. Dr. Gesine Schwan,
Carolina Höpfner
Governance-platform

The conference "Relaunching Europe Bottom Up" discussed a new and holistic approach of direct EU financing for cities and municipalities regarding integration and urban development. The benefits: 1.) reinforcement of citizens' identification with the EU through bottom-up citizen participation, 2.) decentralized sustainable growth initiative at the local level and 3.) closer cooperation between European cities and municipalities.



New Pact for Europe - National Report - ITALY

Riccardo Alcaro, Eleonora Poli
IAI

The report is part of the New Pact for Europe (NPE) project, which aims to promote a European wide debate on the 'state of the Union'. Inspired by the discussions of the Italian National Reflection Group and enriched by exchanges with National Reflection Groups from Poland and Germany, the report reflects the Italian view on how to reform the European Union in light of the manifold challenges Europe is currently facing.



Labour: the anti-hard Brexit party in UK politics?

Patrick Diamond
Policy network

The major political news of the summer break has been the Labour party's decision to come out in explicit support of a so-called 'soft' Brexit, at least as a transitional arrangement with its EU partners. The manoeuvre signals Labour's intention to oppose the Government's approach to the Brexit negotiations, rather than merely offering tacit support from the side-lines. Labour has thus established itself firmly as the only major party to oppose a 'hard' Brexit in UK politics. In practice, 'soft' Brexit means continuing access to the single market, a customs union with the EU, and as a consequence, limited acceptance of the jurisdiction of the European Court of Justice (ECJ).



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Will Theresa May's Florence speech break the Brexit deadlock

Roger Liddle
Policy network

Brexit is proving an existential threat to the British Conservative party. 'Brexit means Brexit' has proved to be one of the most meaningless aphorisms invented by politicians to cover up their own lack of a coherent strategy for the UK's future. The June 2016 referendum offered the electorate a simple binary choice: Remain or Leave. But the reality is that leaving offers a range of multiple choice options, each of which has limited attractions and when specified, might not command majority support as against the status quo.



Reform Dynamics in Greek Democracy Today. Stagnation and Reform in Rule of Law, Mass Media and Social Inclusion

Dimitri A. Sotiropoulos
Fes Europe

After the onset of the economic crisis in Greece, many reforms were dictated by the Memoranda of Understanding signed between Greece and its creditors, but there were few reform guidelines concerning the rule of law, the mass media and social inclusion. Incomplete reforms in these areas have negatively affected the quality of democracy. Future reforms can no longer depend on external pressures but require domestic consensus and mobilisation in order to develop a more accountable, transparent and socially inclusive democracy.



EU refugee policy in crisis. Blockades, decisions, solutions

Bendel, Petra
Fes Europe

There has been a significant increase in the number of people seeking protection in the European Union (EU) in recent years. This report provides an overview of the current state of play with regard to the various initiatives to reform the EU's refugee policy. It focuses on three areas: the EU's cooperation with countries of origin and transit; measures to secure the EU's external borders; and the future of the Common European Asylum System.



Reform Dynamics in Greek Democracy Today. Stagnation and Reform in Rule of Law, Mass Media and Social Inclusion

Alexandra Vasileva
Fes Europe

Engage! Why the European Union Should Talk with the Eurasian Economic Union.

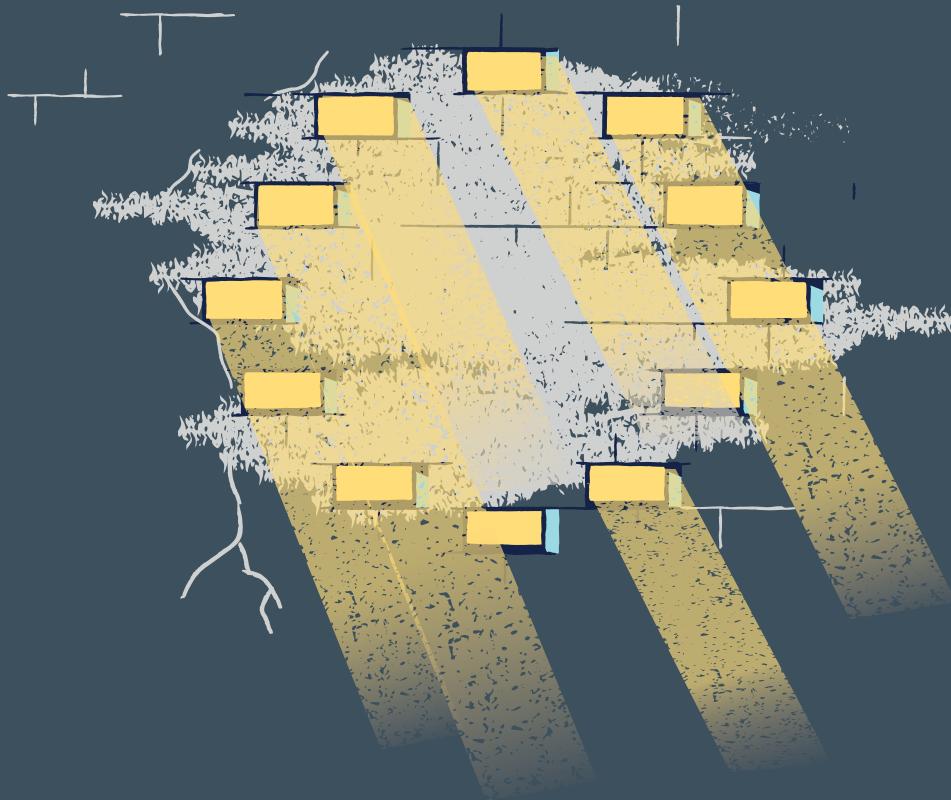
The current stalemate between Russia and the West can be tackled through closer economic cooperation between the EU and the Eurasian Economic Union (EEU). So far, the unresolved crisis in Ukraine has been the biggest political obstacle standing in the way of formal dialogue between the EU and the EEU. Based on insights from interviews with experts and decision-makers, this report argues that the EU-EEU dialogue can serve as an economic path to peacebuilding and should run in parallel to the political resolution of conflicts such as the Minsk II process.

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