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contributions from :

Michel Aglietta
Giuliano Amato
Vytenis Andriukaitis
Antoine Deltour
Gustav Horn
Catuscia Marini
Federica Mogherini
Pierre Moscovici
Sergei Stanishev
Joseph Stiglitz
Jens Stoltenberg
Gesine Schwan
Luca Visentini
Catherine Woollard
...

A PROGRESSIVE ROADMAP TOWARDS EU 2019 ELECTIONS



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Defining the concept of 'Climate refugee'

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FEPS: rue Montoyer, 40-1000 Bruxelles

Editor-in-Chief: Alain Bloëdt

Editorial Committee: Ania Skrzypek, David Rinaldi, Vassilis Ntousas, Maria Freitas,
Hedwig Giuisto, Elena Gil, Charlotte Billingham, Lisa Kastner, Rosanna Bennett

Coordination & Graphic Design: www.triptyque.be

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PROGRESSIVE POST JANUARY 2018

by Maria Joao Rodrigues, FEPS President

This time things might be different. The 2019 European elections are drawing ever closer, but, before they take place, a sequence of key, long-awaited decisions might be taken and reshape the the face of the EU. The overlapping of crises in 2016 was such - financial, social, terrorism, refugees, Brexit - that a roadmap for the future of the EU was launched after a Rome Declaration in March 2017, recognising that we need to go beyond a single market and a monetary zone. Once and for all, the EU needs to assert itself as a political democratic power with an economic, social and cultural dimension and as a continent supporting international cooperation and the multilateral system in face of the new global challenges. This became even clearer when Trump's election as President of the USA pushed the world towards becoming a more multipolar order.

This new EU roadmap must be led by progressive

forces to deliver on citizens' expectations.

Yes, the EU should promote new trade agreements with other parts of the world, provided they respect sustainable development goals, including better social standards and public services. Yes, migration should be managed on a European scale, provided that peace and development of the countries of origin is better supported by the EU and its responsibility to protect refugees is really met with a European asylum system.

All of these challenges can only be met if the internal cohesion of the EU is strengthened first of all via the comprehensive implementation of the European Social Pillar. Everyone in employment should, irrespective of their type of job, be able to rely on a decent labour contract and access to skills and to social protection. This is also particularly important for young people and in the new jobs that are being created by the digital economy. And more

quality jobs must be created with an investment strategy driven by sustainable development goals and in line with the Paris agreement on climate change.

But all these policies are only feasible if EU Member States have the means to invest. This starts with the eurozone where the Banking Union must be completed and where a fiscal capacity must be developed to complement national budgets. Otherwise, the current economic, social and political divergences will continue.

Moreover, these new European public goods can only be delivered if they count on an EU multi-annual budget oriented towards the future and of the necessary size. This leads us to the need for new budgetary resources, which should come from other sources of taxation, be that on financial transactions, on carbon emissions or on digital operations in the European single market.



A central priority in this EU roadmap is to ensure that, whatever happens, basic democratic standards, fundamental rights and the rule of law are fully respected. Deviations from these standards simply cannot be accepted and violations of these standards must be rigorously dealt with.

Progressive forces should unite to change the direction of the European Union and to re-engage with citizens' needs by inventing new solutions. The conservative and neo-liberal mantra has led to fragmentation and the emergence of nationalist and xenophobic forces claiming that they are the ones who can protect people. This is a big and dangerous illusion. In this global era, real protection requires the European level and progressive European solutions to complement national ones!

“SOMETHING IS PROFOUNDLY WRONG WITH THE WAY WE LIVE TODAY.”

FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES
FONDATION EUROPÉENNE
D'ÉTUDES PROGRESSISTES



That is the opening statement of the Tony Judt’s brilliant latest book, entitled ‘Ill Fares the Land’. For the European progressive think tank FEPS, his analysis poses a real challenge. The challenge lies in our duty to maintain, in Europe, an intense debate on values like social justice, equality and solidarity – the overall traditional values of social democracy and the labour movement.

That was the introductory sentence to one of the first magazines that FEPS edited in 2010. A few months earlier, FEPS had decided to create a scientific magazine entitled *Queries* as a tribute to Isaac Newton’s famous book *Opticks*, where he concludes with a set of ‘Queries’, meaning questions not in the ordinary sense, but rather rhetorical questions intended to stimulate thinking and new horizons.

A second magazine, called *Fresh Thinking*, was developed to address a broader audience, to be less academic and using a different layout. In 2013 we decided to merge the two concepts, keeping the name *Queries* for eight issues. As the name was clearly not responding to the purposes of our readership, we challenged them by renaming our magazine and calling it simply *The Progressive Post*.

While many ideas have developed, the main themes at the

heart of our work for the last ten years have remained priorities: inequalities and the analysis of the policies of austerity, European democracy and citizenship, the challenge of the millennial generation and their future as well as questions linked to globalisation and our close neighbourhood.

We have chosen four groundbreaking articles from our archive for you to re-read in order to show the quality, freshness and relevance of the analysis.

With more specific focus, but always the same precision and rigour, we will continue to offer this high quality magazine every three months and every day online, with the aim of fuelling reflection and analysis among European progressives.

Thank you very much for your support either as a contributor or reader.

Looking forward to the next ten years!

Ernst STETTER, *Editor*
Alain Bloedt, *Editor-in-Chief*





TONY JUDT'S POLITICAL TESTAMENT

by Josep Ramoneda

“Social democracy doesn’t represent an ideal future; it doesn’t even represent an ideal past. But among the options available today, it’s better than anything else we have”. These words are taken from Tony Judt’s *“Ill Fares the Land”*, written in the final stages of the amyotrophic lateral sclerosis (ALS) that led to his death in August. With the help of his family and friends, Judt turned the last two years of his prostrate life into a period of creativity. In a way, this book is his political testament. The rest is for the memoirs that he left behind.

In *“Ill Fares the Land”*, Judt sets out his commitment to social democracy following an interesting project to look at contemporary malaise and its roots. The starting point is his perplexity at a society that has made money its sole moral criterion: The search for material

things has been turned into a virtue - to the extent that it is the only thing left as a sense of collective will. Thus, we witness wild growth in inequality, the systematic humiliation of the weakest, the abuse of non-democratic powers (beginning with economic power), against which the State is powerless,

and without there being the slightest revolt or indignation. The reduction of human experience to economic life has become second nature. A second nature that comes from a world constructed in the 1980s, offering no alternative, and founded on the uncritical admiration for unfettered

markets, disdain for the public sector, the delusion of endless growth.

Why is it so hard to find an alternative?

Judt quotes Adam Smith in reaffirming the destructive

nature of a culture that uncritically admires wealth. The largest and more universal cause of the corruption of our moral sentiments. He describes the blindness of the world we live in, where an increase in global wealth hides disparities in income distribution, breaks down social mobility, and destroys the mutual trust that is so essential for bringing sense to life in society. And the key to its success is the triad of insecurity, fear and mistrust which are used as a basis for a system of domination. The question running through Judt's book is: why is it so hard to find an alternative? And this leads us to the combined effects of conservative ideological hegemony and globalisation. The economy has globalised, but politics remains local and national. Politics should find empathy in a citizenry, the vast majority of which experiences life at local and national levels. But instead of reinforcing this link, politics has become blurred in its resigned acceptance of the limits of what is possible, as defined by the markets.

The big problem is the moral vacuum

We cannot continue evaluating our world and deciding on the necessary options without moral reference points and judgments. It is only through these that we can rebuild confidence. And trust is necessary for everything to function properly - even the markets. The author

Trust is necessary for everything to function properly - even the markets
#TonyJudt
@jensstoltenberg



refers to another leading figure of the great liberal tradition, John Stuart Mill, in setting out an unequivocal position: "The notion of a society in which the only connections are the relationships and feelings arising from financial interest is something that is essentially repulsive."

No melancholic discourse of the past emerges from a critique of the construction of hegemony, which dates from the 1908s. It is clear that in the 30 years following the end of the Second world war, citizens in the U.S. and democratic Europe experienced the best social conditions ever known. But this was the privilege of a select group of countries that had found the right balance between social innovation and cultural conservatism. The riots of the late 1960s that broke the moral and cultural parameters of those years unconsciously paved the way for the radicalisation of individualism that in turn would lead to the conservative revolution of the 1980s. Then came the west's vain reaction to the fall of Soviet-type regimes. History is over, they said, as though Marx's promise of replacing policy with administration had arisen from the defeat of communism itself.

The left and the idea of equality

The left was rendered speechless, while the right focused on discrediting the State. And so we continue - with no alternative. Can democracy survive long in the culture of indifference? Participating in Government not

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Political testament: It is only through moral reference and judgements that we can rebuild confidence
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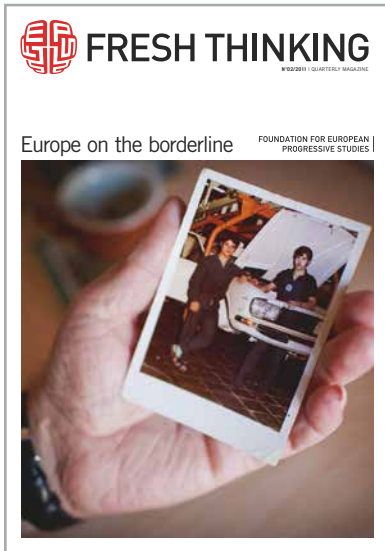
only increases the collective sense of responsibility for everything the Government does; it also preserves the integrity of those in power and keeps authoritarian excesses at bay. Along the way, we have lost the idea of equality. Without it, the social discourse becomes blurred. So, what should be done? Rethinking the state, restructuring the public debate, rejecting the misleading idea that we all want the same thing, and looking again at William Beveridge's old question: Under what conditions is living possible and rewarding for men in general.

While politicians on the left quietly advocate social democracy, for Tony Judt it was

the only adequate approach, because today's main issue is inequality. Thus, social democracy needs to work for the prestige of the State, reconstruct its own language and find a moral tale. Injustice, inequality, unfairness, immorality... social democracy used to have the language for talking about these issues, but it gave it up. Judt says that we are emerging from two lost decades, between the selfish amorality of Thatcher and Reagan and the Atlantic self-sufficiency of Clinton and Blair. And there is no assurance that we will not continue that way. Judt refers to Tolstoy in warning us that there are no living conditions that a man cannot become accustomed to - especially if he sees that everyone around him accepts them.



> **AUTHOR**
Josep Ramoneda, Spanish journalist, philosopher and writer.



WE ARE NORWAY

by Jens Stoltenberg

The mass murder in Norway was an attack on all those who value freedom and democracy – and we can all learn from this terrible event, says the former Prime Minister of Norway.

My friends in the social democratic parties across Europe have always been a great inspiration for me. We have learnt from each other. When we have lost elections, others have won – and the other way around. The bond between

us is deep and strong, long standing, over decades of improving peoples' lives. But never have I felt a warmer friendship than after the terror attacks in Norway on 22 July 2011. The Labour party in Norway was attacked, in central Oslo and on Utøya. But the attack was also on

you, on us, the international labour movement. It was an attack on our values, the future we are fighting for. I would like to express my gratitude for all your condolences – through letters, phone calls, text messages – as well as through Facebook and other social media. But my warmest

thanks go to the Norwegian people. We were put to the ultimate test on 22 July. The map was ripped up. The compass shot to pieces. Each and every one of us had to find our way through a landscape of shock, fear and devastation. It could have gone very badly. We could have got lost.

The Labour party in Norway was attacked, in central Oslo and on Utøya. But the attack was also on you, on us, the international labour movement. It was an attack on our values, the future we are fighting for.
@jensstoltenberg



But the Norwegian people found their way. Out of darkness and uncertainty, home to Norway. Our fundamental values are democracy, humanity and openness. With this as a platform, we will respect differences. We will face the debates, including the difficult ones.

This is how we will deepen and develop our response to terrorism and violence. Even more democracy and humanity – but never naivety. The time of mourning has rightfully made many of us stop and think about our own perspectives, thoughts and words. In hindsight we may all realise that we should sometimes have expressed ourselves differently, and that we ought to choose our words more carefully in the future.

We can all learn something from this tragedy. This is equally true in everyday conversations and in the public

debate. It applies to politicians and editors. It applies in the canteen at work and on the Internet. It applies to us all. We should all show the same wisdom and respect as the Norwegian people have done. As politicians, we should promise to take this spirit with us as normal political activities resume. And to make sure you will consider this proposal, I would like to tell you about Bano Rashid. Bano's family fled from Iraq in 1996. They found a safe haven in Norway. Bano did well at school and was planning to study law. She dreamt of a future in Norway's parliament. Her dream was shattered by the terrorist on Utøya. She was 18 years old. I am full of admiration for her parents, Beyan and Mustafa. "The answer is not hatred, but more love", Beyan told a

We can all learn something from the mass murder in Norway. This is equally true in everyday conversations and in the public debate. It applies to politicians and editors. It applies in the canteen at work and on the Internet. It applies to us all.
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Norwegian newspaper. Bano's family has said farewell to her in a ceremony that was both Norwegian and Kurdish. I mourn Bano. She has given the new expanded concept of the Norwegian "we" a face. We will be one community. Across religion, ethnicity, and gender. Bano is Norwegian. I am Norwegian.

We are Norway. And I am very proud of this. Now, it is up to us to write the next chapters of both Norway's and Europe's history. We have already tried to stake out our course. With the strongest weapons in the world – freedom of speech, democracy and tolerance – we hope that many more will follow.



> AUTHOR

Jens Stoltenberg is the 13th Secretary General of the North Atlantic Treaty Organisation. He served as Prime Minister of Norway from 2000 to 2001 and from 2005 to 2013.



INEQUALITY, WEALTH, AND CAPITAL

by Joseph Stiglitz

Inequality has become one of the major debating points among economists—not a surprise given the large increase in inequality over the past 35 years. What are the reasons that the rich are getting richer and what impact does this have on the rest of society? What can we do about the growing inequality?

The enormous increase in inequality in many advanced countries over the past third of a century has been extensively documented, including most recently by Thomas Piketty in his justly celebrated book, *Capital in the Twenty-First Century*. He focuses on the growth of income and wealth at the top. Others (including me, in *The Price of Inequality*, and more recently, in *The Great Divide*) have noted the many other dimensions

of inequality—including the increase in poverty in the bottom and the evisceration of the middle. And there are many other aspects of inequality, for instance, in health, access to justice, and exposure to environmental hazards.

There is a growing understanding that inequalities in income and wealth cannot simply be explained by the standard economists' competitive equilibrium model. As I wrote in a recent Roosevelt Institute report (co-authored by Nell

Abernathy, Adam Hersh, Susan Holmberg, and Mike Konczal) *Rewriting the Rules*, “Inequality is not inevitable: it is a choice we make with the rules we create to structure our economy...” These choices have resulted in economies marked by greater divisions and poorer performance. There is more rent-seeking and less productive investment. Firms behave in a short-sighted way. While trickle down economics argued that everyone gains from the productive efforts of those at the top for which they are justly rewarded, this alternative theory suggests that what has been going on is worse than a zero sum game: their gains have come at the expense of the rest—and of overall economic performance.

This is a somewhat different view of inequality than that which is at the center of Piketty’s recent book. He argues that the main driver of inequality is the tendency of returns on capital to exceed the rate of economic growth.

THE DIFFERENCE BETWEEN WEALTH AND CAPITAL

Most readers of Piketty’s book get the impression that the accumulation of wealth through savings is almost entirely responsible for the rise in inequality and that there is, therefore, a link between growth of the economy—the

#Inequality is not inevitable: it is a choice we make with the rules we create to structure our economy
@JosephEStiglitz



accumulation of capital—on the one hand and inequality and wealth on the other. Piketty tends to use wealth and capital interchangeably. But wealth and capital are two distinct concepts; the former reflects control over resources, the latter is a key input into production processes. Much of the increase in wealth that can be observed from the 1990s onwards does not correspond to a rise in productive capital. More and more money was lent to investors who mainly did not use it to create new businesses or make productive investments in existing businesses, but to speculate in already existing assets, thereby pushing up asset prices.

More generally, a large fraction of the increase in wealth is an increase in the value of land, or the capitalized value of other rents, not in the amount of capital goods. Such increases in “wealth” do not in general lead to an increase in productivity of the economy nor increases in wages. Indeed, they may have just the opposite effect.

By “land”, I am referring primarily to the value of urban land, rather than agricultural land. Broadly, rents associated with natural resources are also included. For example, suppose that valuable real estate is owned mostly by the rich. If this real estate becomes more valuable, the wealth of the country increases, but wealth also becomes more unequally distributed. (Moreover, more unequal wealth distribution spills into a more unequal income distribution because income includes higher imputed rent for the real estate owners whose housing has gone up in price and who have not sold it.) But simply because the price of land in the Riviera or Southampton has gone up does not mean that the French or US economies have become more “productive.”

The capitalisation of the increase in other kinds of rents also increases the wealth/income ratio. Such rents include monopoly rents of firms or the “exploitation” rents of the banks. If, for example, the financial sector convinces Congress that it is a good idea to bailout too-big-to-fail banks and repeal the Glass-Steagall Act which then makes it easier for banks to become too big, then the implicit rents that are associated with the bailout get capitalised in the banks, and show up as an increase in wealth in the stockmarket. But there are negative effects—the implicit liability to the

government and the public, and the higher taxes that may have to be levied to fund the bailout. But these changes in the wealth of taxpayers do not show up on the national balance sheet; all that is recorded is the increase in the value of bank stocks. Thus, this change in banking regulation has a negative effect on the economy, and yet it appears as if the wealth of the economy has increased.

In recent years, monetary and financial authorities allowed—through deregulation and lax standards—banks to lend more, but much of that money did not go for creating new businesses or increasing the stock of capital goods. The effect of the expansion of credit has actually been an increase in the value of land and other fixed assets. Thus, the real capital stock has not increased as much as wealth; in some cases, the two variables (especially when measured relative to income) have moved in different directions.

This has repercussions on income inequality: if more of the savings of the economy lead to an increase in the value of land rather than the stock of capital goods, then worker productivity and wages stagnate and might even go down. Equally important, however, is how changes in financial regulations and monetary policy can lead to more wealth inequality. For instance, an increased flow of credit combined with a

change in regulation that allows more lending against collateral will lead to an increase in asset prices that can be used for collateral, such as land; those who hold wealth become wealthier.

Those who have little or no wealth, do not benefit (or benefit very little) from that kind of credit expansion. Similarly, quantitative easing led to high stock prices—benefiting the owners of equity, disproportionately the very rich—but the low interest rate on government bonds hurt the elderly who had invested (they thought) prudently in government bonds.

Indeed, with life cycle savers holding their assets in different forms than capitalists who pass on wealth from one generation to another, the old distinction between “capitalists” and “workers,” or even creditors and debtors, may be less relevant in analysing the impact on inequality of different policies than that between “holders of equity-assets” and “holders of debt instruments.”

WHAT CAN BE DONE?

How can we prevent inequality from getting worse? What can we do to reduce inequality? The question can be divided into three parts: What can we do to reduce inequality of before-tax and transfers income? What can we do to improve the after-tax and transfers income distribution? What can we do to increase equality of opportunity?

There is some evidence that the power of the 1 per cent to exploit the rest seems to be increasing. This is partly the result of changes in technology and globalization; but the rules governing the economy and the policies adopted by governments (often under the influence of the elites) have played equal or more important roles. Markets do not exist in a vacuum, but we have shaped markets in ways that often do not promote efficiency but do increase inequality.

Markets do not exist in a vacuum, but we have shaped markets in ways that often do not promote efficiency but do increase #inequality
@JosephESTiglitz



The ratio of wages to productivity is going down and the ratio of CEO pay to worker pay has gone up. The bargaining power of workers declined as unions got weaker. Workers' bargaining power has been further weakened by the asymmetric rules governing globalization: capital and goods move freely but labour does not. Corporate governance laws provide relatively little check on abuses of corporate power by CEOs. In some critical sectors of the “new economy” monopoly power increased because of network externalities.

There are numerous policies that could help reduce before tax and transfer inequality: higher minimum wages, stronger unions, better education, and better anti-trust and corporate governance laws and stronger enforcement of the laws we already have.

Progressive tax and expenditure policies can help undo the effects of the increase in market income inequality. Unfortunately, in some countries, such as the United States, rather than “leaning against the wind,” just as market incomes became more unequal, the tax system became less progressive. Indeed, at the very top the tax system is regressive: as Warren Buffett famously pointed out, he was paying a lower tax rate (on his reported income) than his secretary. He was right to suggest that this was wrong. And, unfortunately, his experience is typical of the very rich.

When thinking about policies that are intended to reduce

inequality of wealth, it is important to bear in mind what economists call “incidence” of taxes and expenditure. There are often indirect effects of such policies, and sometimes these can undo the direct effects. For instance, if most of the savings is being done by capitalists, and the return on capital is taxed, then investment could decline. That could mean, over the long run, that the rate of interest would go up and wages might decrease, undermining the intent of the tax to reduce inequality. If, however, the government invested some of the tax revenue itself, these adverse effects might not occur: the rate of return on capital might not rise and wages might not fall.

We can think of the degree of inequality in the economy as resulting from a balance of centrifugal and centripetal forces—of forces that lead to a more equal distribution and forces that lead to a more unequal distribution. Preventing an increase in centrifugal forces

and strengthening centripetal ones provides a framework for policy prescriptions.

For instance, good public education systems—with strong pre-school programs and good access to university education, regardless of the income of one’s parents—is a strong centripetal force, bringing society together and reducing inequality. In many countries, however, the education system is one of the important mechanisms for the intergenerational transmission of advantages. For instance, in the United States more is spent publicly on the education of the children of the rich than on that of the poor, the result of a largely locally funded and managed elementary and secondary school system. Similarly, a strong system of inheritance taxation is important for the prevention of the creation of an inherited plutocracy.

Such policies have the further advantage that they not only lead to equilibrium with lower

inequality, but they increase equality of opportunity—strengthening what should be a fundamental value in a progressive society.



> AUTHOR

Joseph Stiglitz is University Professor at Columbia University in New York and the winner of the 2001 Nobel Prize for Economics. He served on U.S. President Bill Clinton’s economic team as a member and then chairman of the U.S. Council of Economic Advisors, and then joined the World Bank as chief economist and senior vice president. He has been working with FEPS for almost 10 years now.



MILLENNIALS WANT LEADERS WHO DO POLITICS DIFFERENTLY

by Emma Murphy

Today's European political leaders bemoan low rates of youth mobilisation in formal institutions, such as political parties and electoral voting, but in doing so they take little account of the fact that the meaning and practice of politics is changing for young citizens. Millennials have no problem with political participation; they just do it in different ways and in different places from their parents. As they in turn become the leaders of tomorrow, this will transform the political landscape.

Tomorrow's political leader will be a true digital native, having been socialised as much through the internet and social media as through conventional routes

like the family, religious institutions or school. Their political consciousness will be less territorially fixed, and less constrained by old locally bound identities and vocabularies. They will understand the

nature, function and spaces of political communication differently. Out will go the spin-doctor who translates complex party manifestos into mass-media sound bites, grooming politicians to be

characterless, humourless, over-coiffured figureheads. Instead, political leaders will speak directly to mass publics and individual citizens alike. Every potential voter will be a 'friend', the personal and

the public persona will blend, and communication will be rapid and interactive. They won't have to adjust, or even try – this will be as much their natural state as speech giving at party congresses or grand-standing in parliaments. They will need to be able to think faster, to filter their thoughts as they become words, but at the same time remain authentic to their voting interlocutor. Who cares if you wear a suit and tie for a Tweet or an Instagram post? Be natural, be sincere, be yourself. But don't be frivolous – we are not idiots just because we only use 40 characters and like a witty meme.

There are other political spaces in which tomorrow's leaders will be found, beyond the obvious. Millennials express their political preferences and opinions, mobilise and are active, in what might normally be thought of as leisure spaces. Young people sing their politics (well that's nothing new), they enact it through popular art and culture, shopping preferences, food choices, and sports activities. The next generation of political leaders will be not just present in these political spaces, but dynamic actors. They will not just drop in for the day, wearing casual clothes and hoping desperately not to look awkward as they show their eagerness to be seen to be listening. Rather, this will be where they come from and they won't feel a need to cast o the cultural

habitus of youth in order to progress to the adult world of politics.

But what happens when they move into positions of power? Today's youth mistrust politicians; too many manifesto promises have been broken, too many compromises made in order to retain a share of power, too many private pockets filled with public money, too many favours done for friends. Millennials may like activist coalitions that set aside ideological differences in order to achieve a shared goal, but they intensely dislike grand-coalitions among leaders, which entail abandoning fundamental party values and reversing ideologically driven policy commitments. Political leadership has become synonymous with opportunism, both personal and on behalf of traditional parties. It has been cut of from its democratic roots through its professionalisation, bureaucratisation and centralisation.

The Brexit result confirmed to British youth that they are effectively excluded from the political system and its decision-making processes. According to polling organisation YouGov, 75 percent of 18-24 year olds and 56 percent of 25-49 year olds voted to remain in Europe, but their wishes have been set aside by older generations who arguably have less to lose, or at least less time

to endure, the consequences. Those aged between 16 and 18, who are legally considered old enough to marry, drive a car, own a business, pay tax or die for their country, were not even allowed to vote (al- though one online wiki and forum, The Student Room, conducted a poll which revealed that 82 percent of voters in the age group would have voted to Remain).

The Brexit result confirmed to British youth that they are effectively excluded from the political system and its decision-making processes. #millennial dialogue



By the time any withdrawal is complete and the contours of a new UK-EU relationship have started to take shape, it is these citizens who will have to navigate the 'brave new world'. So tomorrow's political leader will need to stake out a clear normative agenda, both for themselves and for their party – and stick to it regardless of the implications for accessing power. They will no longer be able to say 'we deal with the world as it is' but rather they will need to convince citizens that they also believe in a vision of what

the world should look like. They will need to join the single-issue dots of today's millennialist activism into a coherent and hopefully progressive discourse, which is inclusive of all citizens whatever their age.



> AUTHOR

Emma Murphy is a professor and the current "Head of School" at the School of Government and International affairs, at the University of Durham.



| The nature of post-Brexit EU-UK trade relations is very much up in the air

ANALYSING UK-EU TRADE RELATIONS IN THE CONTEXT OF BREXIT

by Sandra Parthie

There has been an idea doing the rounds in the UK (which is now on its last legs) that German industry will ensure, via Chancellor Angela Merkel's clout in EU decision making, favourable Brexit conditions for the UK. But this argument doesn't hold water partly because it is not unclear what these conditions would entail and partly because German industry is really not pre-occupied with the fate of the UK.

In November last year the Cologne Institute for Economic Research, a German economic think tank with close links to business and industry associations, surveyed around 2,900 small, medium and large companies in Germany about the expected impact of the upcoming Brexit on German exports, investment, employment, human resources planning and production processes. The results: more than 90 per cent of the companies asked do not foresee any serious impact from Brexit on these business activities.

Concerns obviously vary depending on a company's exposure to trade with the UK. Thus, the plight of some larger German companies with complex networks of production and supply links with the UK has received some attention. But the bulk of German industry, in particular SMEs, are rather relaxed about Brexit. Some even expect benefits for their own business activities due to diversionary effects, i.e. being able to pick up some business by replacing British suppliers.

Consequences of a 'No deal' Brexit scenario

Now 30th March 2019 is a key date. It is the date by when the UK is scheduled to leave the European Union. If there is no agreement by then, the UK will become a "third country" and will fall out of the customs' union and the internal market.

The effect of the "third country" label is that trade between the two economic areas will have to follow WTO rules, i.e. the re-introduction of tariffs and non-tariff trade barriers. This is going to hit some sectors more than others.

The Cologne Institute also did some research on what this means for Germany and found that the value regarding German inputs sourced from Britain is the highest for other transport equipment (a reference to transport for the production of ships, rail vehicles and, in particular, air and spacecraft equipment (such as Airbus)), followed by coke and refined petroleum products and the basic metal industry. From the UK's perspective, the industries most affected, i.e. where the UK is importing most

bluntly: British industry is more dependent on supplies from Germany and Europe than the other way round.

Impact of Brexit in 2017

Interestingly, in March 2017, shortly after the UK triggered the Art. 50 process of leaving the EU, there was already a measurable decline of German exports to the UK mainly due to the devaluation of the British pound, which made British exports comparatively cheaper. The chemical sector (decline of exports by 20%) and the automotive industries (decline of 18%) were hit hardest. At the same time however, the German economy grew by 1.9%, indicating that German businesses found other markets for their goods and products. One also should note that the representatives and actors even in those hardest hit sectors nevertheless continued to support the EU's positioning on Brexit.

But even though the claims on how German industry would come to the support of the UK are exaggerated, Brexit remains bad news for business on both sides of the channel. The loss of the second-largest European economy definitely hurts, both in terms of bilateral trade but also with regard to the EU as an institution. Thus, the belief in some special intervention by German industry and the German chancellor is built on sand, but the opposite, i.e. conspiracy theories about countries actively working against the UK

#Brexit: "If there is no agreement by 30 March 2019, the UK will become a "third country"
@SandraParthie



in Brussels is equally ludicrous. EU heads of state and government have made it repeatedly clear that they deplore the UK's decision to leave the Union and would prefer it to stay in the EU. As this unfortunately is not an option the UK itself wants to entertain, the position of the other EU members is quite clear – they are not going to sacrifice the EU for trade with Britain.

#Brexit "The withdrawal of the second-largest European economy definitely hurts bilateral trade"
@SandraParthie



from Germany, are automobile and chemicals. Overall however, British industry's intermediate input links with Germany are much higher than vice versa. Ten British industries export over 50 per cent of their intermediate input exports to other EU member states. To put it



> AUTHOR

Sandra Parthie is head of the Brussels Liaison office of the Institut der Deutschen Wirtschaft (German Economic Institute), which aims to provide scientifically sound answers to key questions relating to EU integration.



"In 2014, Apple paid tax at 0.005% in Ireland, where the low statutory tax rate is set at 12.5%" says MEP Pervenche Berès

HOW CAN WE ENSURE THAT THE INTERNET GIANTS PAY THEIR FAIR SHARE OF TAX?

by Pervenche Berès

Given that our economies are being reshaped and challenged by the digital revolution, our policies need to evolve to deal with this new type of wealth creation. One of the big issues is how to ensure that internet companies pay their fair share of taxes. MEP Pervenche Berès explains why this and other related issues are so important and what can be done about them.

Recently, the big tax debate has been about tax avoidance, whereby companies rely on complex structures and legal weaknesses to avoid paying their fair share of taxes. Tax advisers and tax havens are at the centre of these practices. But lately, another issue has arisen: how does one tax digital companies at all? And that leads to another question: what impact does digitalisation have on tax collection?

Currently, companies are taxed where they are located. However, with the digital economy, the physical presence of a company in countries where it operates and makes profits is not required: this is exemplified by the 'GAFA' (Google, Apple, Facebook & Amazon), which make enormous profits all around the world but are only located in few low tax countries.

#webtax "The place where the profits are generated should be the main parameter to determine where and by whom a company should be taxed"
@PervencheBeres



The S&D group has been campaigning for taxes on profits to be paid where the profits are made. This would ensure a level playing field for all: why should the baker around the corner of

the street pay more taxes than a company making billions? Here we recall that taxation is used to finance public goods! That means schools, hospitals, public libraries, roads, airports and network infrastructure. When a company evades taxation, it directly erodes national and EU budgets that it has been benefiting from without paying for and erodes citizens' public services and social protection.

The mistakes

Taxation mainly remains in the hands of Member States. Here lies mistake 1. Whenever the EU talks about taxation, the European Parliament has in principal no co-decision power and is blocked by Member States (the Council). Yet most of the political pressure that has pushed for reform at international level has come from this institution.

Mistake 1 is coupled with 2: the unanimity rule on tax issues at the Council, which is basically a veto power in the hands of the most reluctant Member States.

We are talking about an international issue, which cannot be fixed at the national level. This has led to mistake 3: some countries argue that it can only be fixed at the level of the OECD (Organisation for Economic Cooperation and Development). But, the OECD has its limits, as the US - home country of GAFA - is blocking any breakthrough. We believe that the EU should pave the way in order to allow the OECD to move forward.

The solutions

The European Commission has made a step by using competition policy to tackle the practices of multinational companies that are trying to abuse tax systems. Nobody can dispute the fact that Commissioner Vestager is doing a great job! But that is only one side of the coin.

#taxhavens "When a company evades taxation, it directly erodes national and EU budgets"
@PervencheBeres



The Commission published a useful communication last September that was supposed to feed the reflection process of Member States, which published a somehow empty common position in December.

The Common Consolidated Corporate Tax Base (CCCTB) currently under discussion offers an opportunity for a temporary solution for those companies within its scope that should not be undermined. In the long run, we need to look at the roots of taxation: the concept of "permanent establishment" must incorporate the digital world. The place where the profits are generated should replace the localisation of the company as the main parameter to determine where and by

whom a company should be taxed.

And here we stand: how do we change international tax rules when all the Member States of the EU and member countries of the OECD are not truly willing to move? The Treaty on the functioning of the EU (TFEU) offers the Commission (article 116) a weapon through which the Commission could sweep away the unanimity rule by using the 'distortion of competition' argument.

Will they use it? Will the European Parliament succeed in leading the political pressure to ensure a fairer and modern tax system across the UE? That's where we stand. That's our goal for 2018 because fair taxation matters.



> AUTHOR

Pervenche Berès is an Member of the European Parliament and S&D spokesperson for the European Parliament's Economic and Monetary Affairs Committee.

NEXT ECONOMY



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"A tech company now pays an average tax rate of 10.1% on its profits whereas conventional multinational corporations pay an average tax rate of about 23.2% on their incomes" says Richard Murphy

TAX US IF YOU CAN: BIG TECHS' CHALLENGE TO THE STATE

by Richard Murphy

Back in 1999, when the dot.com boom was at its height and I was, amongst other things, the Chief Financial Officer of a tech company, few people if any thought that the foundation of the value of the companies that were already seriously over-valued at that time would be their ability to avoid large parts of their tax liabilities in the future. And yet that's what has happened.

As the European Commission reported in September 2017, a tech company now pays an average tax rate of 10.1% on its profits (much of which is likely

to be due in the USA, with little payable elsewhere) whereas conventional multinational corporations pay an average tax rate of about 23.2% on their incomes. The disparity is significant in itself and, because it is

inconsistent between countries, is deeply divisive for international relations. An example shows the disparities: in 2016 Alphabet Inc, the parent company of Google, paid tax at a rate of 19.3%, but of this in cash

terms 79.8% was due in the USA despite the fact that only 47.4% of revenues arose there.

In essence this disparity between the likely tax rate in the USA if profits were

distributed by Alphabet evenly between the markets in which it works (which would result in a US tax rate of approximately 33.4% within the USA and about 7.6% outside that country is what the whole problem of the international taxation of tech companies (which are mainly US owned) is all about.

Profits being shifted to tax havens

The problem has arisen for two reasons. The first is that the USA did, until Trump's tax reforms, uniquely decide that profits of US owned companies would only be taxed in the US if actually sent back in cash to that country. As a result tech companies have simply not sent their cash back but have instead parked it in tax havens, and most notably Bermuda. Second, the tax system invariably used by the rest of the world exacerbates the problem. Rather than treat a global corporation as a single entity with its profit apportioned to the places where its profits might reasonably arise based on the location of sales, employees and the physical assets that they use, the international tax system assumes that each company within a multinational group is a distinct and wholly separate entity for tax purposes. That has let tech companies claim that their intellectual property - whether it be the algorithms, designs or brand names - is owned by tax haven entities that the separate companies that sell their products in populous countries, such as those in the EU,

must pay for. The result has been what the Organisation for Economic Cooperation and Development has called 'Base Erosion and Profits Shifting' to tax havens.

Three suggested solutions

What can be done to tackle this? Let me offer three suggestions. The first is not ideal, but simply says that all payments that these companies arrange to be made from their EU subsidiaries to their tax haven, intellectual property owing, subsidiaries have tax at basic income tax rates taken off them before the cash can be sent to the haven. The UK is looking at doing this. The suggestion is brutal, but may be effective in tackling the tax haven issue head on.

#Webtax "EU web tax is not only a money issue. It would end unfair competition and would show that the corporation was not bigger than the state"
@RichardJMurphy



The second is to say that in the case of these companies that have enormous profits and few staff or physical assets all the profit really arises where the customer is. In that case

the companies have to either agree to apportion their profits to countries where their sales arise on this basis (which the EU demand for country-by-country reporting by multinational corporations would make it possible to monitor) so that the profit attributable to sales in a country was available to be taxed in this way.

Third, if option two cannot be agreed, an additional sales tax, over and above VAT, could be charged in each country to effectively recover the tax owing on profits.

Of these three options the second is best. And billions of additional revenues would be raised as a result. But let's also be clear, the sum may be \$20 billion or so of extra tax to be spread around the world. It's useful, but not life changing for any country. And it would not end austerity. So why does it matter? First, because it would end unfair competition and create a level playing field in markets, which is vital if they are to function effectively for society as a whole. Secondly, it would show that the corporation was not bigger than the state, which is critical if democracy is to survive. Third, because it will ease international tensions on the issue. And fourth, because copycat action by those thinking that, if these companies can get away with abuse then so can they, can be tackled.

This is an issue that needs to be addressed and resolved if democratic capitalism is to survive. But it's not so much the

money that matters here as the principle, and when it comes to the principle there is the whole future organisation of markets at stake.

#Webtax "Tackling mass tax avoidance important because it would show that the corporation is not bigger than the state"
@RichardJMurphy



> AUTHOR

Richard Murphy is Professor of Practice in International Political Economy, City, University of London. His main areas of research relate to taxation and its impact on local, national and international economies and the relationships within and between them. He is one of the co-founders of the Tax Justice Network.



| Facebook generated more than nine billion dollars in revenue in 2016 in the EU

WHY FACEBOOK SHOULD BE TAXED AND HOW TO DO IT

by Paul Tang

Large digital platforms are making billions of profits, while paying little or no corporate tax. They currently have a whole range of opportunities for tax avoidance, to the benefit of a few shareholders and at the expense of many taxpayers. Our recent estimates show that, in a period of three years, the European Union has forgone around 5 billion euro of tax revenue from Google and Facebook. MEP Paul Tang explains what should be done about this.

The Organisation for Economic Cooperation and Development (OECD) has deemed the challenge of digital taxation to be ‘action 1’ in its coordinated efforts to address shortcomings in the global tax system. However, due to conflicting interests in the EU and the US, worldwide action has stalled. Policymakers and scholars are therefore looking into alternatives. The Belgian economist Paul De Grauwe has put forward a proposal for a 10-dollar tax per user to be paid by Facebook. He arrived at this number by applying a tax of 50% on advertising revenues - assuming that at least half of that income is the result of free personal information - and dividing this by the number of Facebook users. The revenues could be either returned to Facebook users every year or, better still, used to invest in education, the environment or sustainable energy.

Taxing profits rather than revenue is key

The proposal is a really attractive one but it is not sufficiently ambitious. One reason is that 10 dollars is far from enough. Given that Facebook generated more than nine billion dollars in revenue in 2016 in the EU and that there are now 252 million Facebook users, it should rather be a 20-dollar tax per user. A more fundamental reason is that the ‘De Grauwe tax’ breaks with the principle of taxing profits and resorts instead to taxing revenue. This creates a marked distinction between digital

and traditional businesses and could create problems for digital services that are not highly profitable (yet). This may stifle much needed innovation in Europe. Moreover, the United States may see this - with good reason - as a one-sided and aggressive move from the European Union.

Corporate tax system needs an overhaul

The core of the problem is that the current taxation system is national and focused on physical presence whilst tech giants’ operations are international and the tech giants are footloose. Value created by this type of company cannot be captured via the old system and, as a consequence, digital platforms pay very little in the way of taxes. More than any short-term solution like De Grauwe’s proposal or the earlier proposed equalization tax by France, we need to overhaul the current

for a company to be taxed. The best chance to do this in an EU context is via the ongoing work on a common corporate tax base. As co-rapporteur on a common corporate tax base in the European Parliament, I have included this proposal in my report.

#Webtax #GAFA
“The ‘De Grauwe tax’ should rather be a \$20 tax per user” @paultang



A comprehensive approach is needed to put digital and traditional businesses on an equal footing, ideally, within the same set of corporate tax rules and based on the principle of taxing profits where the value is created. Since the discussion within the OECD has reached a deadlock due to conflicting interests between the US and the EU, the EU must take the lead and embrace the amended proposal for a European consolidated corporate tax base.

#Webtax #GAFA
“Digital activity should be fully included in an international framework” @paultang



corporate taxation system to make it fit for the 21st century. Digital activity should be fully included in an international framework so that a physical location is no longer needed



> AUTHOR

Paul Tang is a Member of the European Parliament in the Socialists and Democrats Group. He is a co-rapporteur on a common corporate tax base and has written a report in which he calls for taxation on digital activities to be included in an EU framework.



| Debates in the European Parliament's Subcommittee on Security and Defence (SEDE)

PESCO: A MISUNDERSTOOD TOOL FOR EU INTEGRATION?

by Nicoletta Pirozzi

The key objective of Permanent Structured Cooperation (PESCO) is threefold: to facilitate and provide incentives for willing and able EU Member States to plan together, invest together and operate their forces together. Only if properly implemented can it be the way to make the EU a credible and unitary security actor and pave the way towards a real European Defence Union.

Permanent structured cooperation (PESCO) is a ready-made instrument for further integration in the field of defence, as enshrined in articles 42(6) and 46 of the Treaties on the European Union. Initiated by a joint notification by 23 EU Member States on 13 November 2017, it was formally launched by the Council on 11 December and now has 25 EU countries taking part in it.

*#EUDefence
“Permanent
Structured
Cooperation #PESCO
should be about
planning together,
investing together
and operating forces
together in the #EU.”
@nicolepirozzi*



Coordination of national planning processes

The key added value of PESCO is the commitment of Member States to coordinate their national planning processes so that they will in the future converge towards more coherent European planning. In this regard, it is important to make sure that PESCO planning takes into account the CARD (Coordinated Annual Review on Defence) process led by the European Defence Agency (EDA), which should facilitate coordination among Ministries of Defence of their national planning processes. Investing together is a somehow residual element of PESCO, as Member States have been doing it on a bilateral, unilateral and multilateral level for decades (i.e. Eurofighter), and most recently also in the framework of the EDA. Therefore, PESCO can be considered as an additional stimulus in this field. Even more so if we consider that the EU will be equipped with an additional financial instrument, the European Defence

Fund (EDF) launched by the European Commission to finance research in the military field and co-finance cooperative development projects in the EU. Further cooperation in the investment and planning process would also work in favour of enhanced operational capacities of MSs to conduct joint missions aimed at performing Common Security and Defence Policy tasks.

Initial projects

Among those tasks, the initial projects that will be developed in the framework of PESCO will focus mainly on support (i.e. a network of logistic hubs in Europe and new systems of energy supply for camps and soldiers), communication (i.e. common technologies for European military radios and an information sharing platform for cyber threats and incident response), training (i.e. a European Training Mission Competence Centre and Certifications Centre for European armies) and enabler capabilities (i.e. a project on

military mobility to facilitate crossborder military transport procedures and a Strategic Command and Control System for CSDP missions). Only a few initiatives related to combat capabilities have been included in PESCO in this initial phase, namely the Indirect Fire Support and the Multi-role Infantry Fighting Vehicle. Border management functions are addressed mainly in the maritime domain through cooperation in harbour and maritime surveillance and protection. In terms of expeditionary capabilities, the EUFOR CROC (Crisis Response Operation Core) is designed to enhance military force generation for crisis management operations. It is clear that all of these projects could have been implemented by EU Member States outside the framework of PESCO. Moreover, as it appears from this mapping, PESCO still lacks projects for the development of high-end capabilities such as sixth generation fighter or a new Main Battle Tank, which might be developed by France and Germany on a bilateral/multilateral setting.

triggering integration among Member States, PESCO should also help frame a European pillar within NATO. As such, it could reinforce and rebalance the European contribution to the Alliance, as has been requested many times – and more vocally by Donald Trump – by the US. If properly implemented, PESCO could be the way to make the EU a credible and unitary security actor and to pave the way towards a real European Defence Union.



> AUTHOR

Nicoletta Pirozzi is the Head of the EU, politics and institutions' programme of the Istituto Affari Internazionali (IAI or, in English, the Institute of International Affairs, an Italian think tank) and is the IAI's institutional relations manager. She mainly works on EU governance, policy and institutional developments in the Common Foreign and Security Policy/the Common Security and Defence Policy, civilian crisis management, EU relations with the United Nations and the African Union.

European Defence Union in the making

Beyond projects, the success of PESCO should ultimately be judged against its capacity to produce coordinated planning in the field of defence and introduce an additional avenue for enhanced integration among willing and able Member States in Europe. As a long-term process aiming at consolidating cooperation and



| "Never has there been such a flurry of initiatives on EU defence." says Daniel Fiott

PROTECTING EUROPE, PERMANENTLY? THE FUTURE OF EU DEFENCE

by Daniel Fiott

Living up to the central tenets of the EU's Global Strategy, EU governments and institutions have stepped up a few gears on defence over the past year. However, only the future will tell us how far we have moved from vision to action.

Most senior EU officials, governments and analysts know that the past 12 months have seen more activity on EU defence initiatives than has been witnessed over the last 12 years. 'Brexit', questions about US leadership, Russia's resurgence in the East, the threat from terrorism and the need to deal with migration have tested the EU externally and internally. 'The purpose, even existence, of our Union is being questioned' – this opening line from the June 2016 EU Global Strategy has initiated reflection and action on EU defence to meet the triple task of dealing with international crises, helping partners and protecting Europe.

"Great strides forward on #EUdefence following the #EUGlobalStrategy and #PESCO, but now attention turns to keeping the momentum rolling"
@DanielFiott



Flurry of initiatives

Never has there been such a flurry of initiatives on EU defence. In November 2016, the EU decided to improve its reaction time to crises – and to overcome the fragmented nature of its strategic

command structures for some of its Common Security and Defence Policy (CSDP) operations – by establishing a single military planning and conduct capability in the External Action Service. In the same month, the European Defence Agency took the lead on a coordinated annual review on defence in order to deal with the fact that Member States still plan for defence in an unsynchronised manner. Finally, 2016 ended with a promise by the EU and NATO to work closer on a range of policy areas such as hybrid and cyber defence.

Maintaining this momentum, the European Commission used 2017 to unveil its plan for a European Defence Fund that will see EU investments in defence research and a combination of EU and government finances to develop defence capabilities. While the bulk of investments will be made after 2020, the European Commission has already earmarked €90 million for defence research until the end of 2019 and has made a proposal to spend €500 million on capability development from 2019 to 2020.

Binding commitments

Additionally, 2017 has, in the words of Commission President Juncker, seen the 'sleeping beauty' of EU defence – Permanent Structured Cooperation (PESCO) – awake from its slumber. PESCO is a treaty-based political framework that takes a contractual approach to defence cooperation. PESCO

participants make binding operational and capability commitments to one another – these commitments are subject to an annual review by the High Representative for Foreign Affairs and Security Policy. Additionally, within PESCO a lead nation and contributing member states will develop common defence projects together, including cyber threat response teams, harbour protection, a strategic command and control system, a crisis response operation core and facilitating easier movements of troops and equipment in Europe through enhanced military mobility.

There can be no doubt that the EU has collectively taken great strides on its defence over the past year. These initiatives live up to the promise to protect Europeans from an ever volatile strategic landscape. However, we must see all of these initiatives as a means to an end – a more responsive, more capable and more responsible EU. Thus, the real mark of whether these initia-

#PESCO "Facing the security challenges for #EUdefence, the main issue of all the initiatives"
@DanielFiott



tives will improve EU defence will come when the Union is a more capable defence actor that can stand up to a range of

security challenges. EU defence is clearly no longer just a vision thing, as rarely have EU institutions and member state governments devoted so much energy to defence matters. The key will be maintaining this momentum; both in bad and good times.

"The real mark of whether these initiatives will improve EU defence will come when the Union is a more capable defence actor that can stand up to a range of security challenges"
@DanielFiott



> AUTHOR

Daniel Fiott joined the EU Institute for Security Studies as defence analyst in late 2016, where he analyses European defence policy and defence industrial issues.



| "One key job for policy-makers is to make sure that PESCO aligns with other EU initiatives" says Sophia Beach

PESCO UNLIKELY TO DELIVER MUCH IN THE SHORT TERM

by Sophia Besch

PESCO, or permanent structured co-operation, is a political framework that aims to help EU countries develop military capabilities together and improve their ability to deploy them. Hailed as a political success, its contribution to EU operational readiness and capability deployment is likely to be limited in the immediate future.

Permanent Structured Cooperation (PESCO) in defence matters has been shaped by conflicting visions in Germany and France. Berlin emphasised the political dimension of PESCO as an integrationist project and wanted a large number of participants; Paris wanted high entry criteria – 2 per cent of GDP spent on defence, 20 per cent of defence spending in purchases of major equipment and research – that would allow only the top European military powers to join. The compromise that was found emphasises process: a large number of participants agreed to hit the French targets – eventually. That result partly reflects a fear among some member states that EU cohesion could suffer if an avant-garde group of countries moves forward and leaves others behind. It also dilutes PESCO’s original ambitions, particularly since it is unlikely that underperforming countries will be kicked out of the club: a qualified majority is necessary to suspend a PESCO member. Thus, accountability will be difficult to achieve.

What, then, can PESCO achieve?

The framework will probably not have that much impact on the EU’s ability to deploy in missions and operations. The hope is that common commitments, increased co-operation and jointly developed capabilities – in particular joint training centres – will make it easier for EU militaries to deploy together. And PESCO members promise

*#EUDefence
“#PESCO will be meaningful only if it leads to more money spent on R&D”
@SophiaBesch*



that they will reform the EU’s funding mechanism for joint operations, which puts the brunt of an operation’s financial burden on the deploying country. But well-known obstacles to joint missions and operations remain. European countries have different military cultures and lack a shared view of the threat environment. And while PESCO member states say they want to create a fast-tracked political mechanism to generate forces, it will be difficult for some countries to follow through. Germany, for example, has an extensive parliamentary approval mechanism that makes rapid deployment of forces difficult. And PESCO is not legally binding. There is no guarantee that PESCO member states will commit forces in a crisis.

Priority areas for PESCO

One key job for policy-makers is to make sure that PESCO aligns with other EU initiatives, particularly with the European Defence Fund (EDF), through which the European Commission wants to fund co-operative European defence research and capability development. But PESCO will be meaningful only if it leads to more money spent on R&D

projects that plug Europe’s most urgent capability gaps. For example, jointly developing a European tank could be one PESCO priority. Through PESCO the EU should also invest in innovative technology, such as the development of High-Altitude Long Endurance (HALE) drones. However, military hard power development projects cost money, political considerations undoubtedly influence which projects are chosen and this year’s list primarily includes those on the ‘softer’ end of the capability spectrum: a medical command centre, for example.

*“#PESCO is a political and integrationist success and a strong symbol of a new willingness to invest in #EUDefence”.
@SophiaBesch*



Given the limited ambition of PESCO members in this first iteration of the PESCO framework, the two countries that have pushed for PESCO most forcefully and are continuing to hail its promise for EU defence – France and Germany – are both working on other projects as well. France is investing in its European Intervention Initiative, in the hope of improving European operational readiness. Germany is focusing its energy on NATO’s framework nation concept.

PESCO is a political and integrationist success and a strong symbol of a new willingness to

invest in European defence, and it could still develop into a more ambitious and effective framework. But the 2017 version of PESCO does not offer the EU the opportunity to solve its defence problems at a stroke.



> AUTHOR

Sophia Besch is a research fellow at the Centre for European Reform, a think tank based in the UK. Her areas of expertise include European defence issues, with a focus on EU Common Defence and Security Policy, European defence industry co-operation, NATO and German security and defence policy.



| Most EU countries signed up to deepen defence cooperation in the EU in December 2017

EUROPEAN DEFENCE: OLD WINE IN NEW BOTTLES?

by Nick Witney

Deeper defence cooperation within the EU via PESCO (permanent structured cooperation) was launched with great fanfare at the end of 2017. But the former head of the European Defence Agency takes a critical look at how much of an achievement it has been so far and some of the key underlying issues.

So that's alright then. Job done, problem sorted. The European defence 'project' has now come of age and, with the culminating launch of PESCO (permanent structured cooperation) in December, may now fairly be termed a European Defence Union.

Or so, at least, you will gather if you listen to folk in Brussels, or indeed Berlin. According to this narrative, the groundwork was laid with the 2016 EGS (European Global Strategy). On this foundation were erected the EDF (European Defence Fund), and other new processes including CARD (Coordinated Annual Review of Defence). These constructions were buttressed by the FMC (Framework Nation Concept), before being topped off with PESCO. The architecture is now complete, the Defence Union achieved. No wonder the word 'historic' was much in currency as 2017 ended.

Results yet to emerge

Elsewhere (in Paris for example), attitudes are more reserved. Joy remains confined, until any real-world results emerge from these splendid new arrangements. Cynics (I confess, I have been amongst them) have questioned whether a PESCO involving 25 member states is really the band of pioneers envisaged by the Treaties – and whether the Treaty specification of “member states whose military capabilities fulfil higher criteria” can really be construed as “any

member state with more of a military than Malta”. The new commitments undertaken by the 25 have been characterised as feeble, and the new projects as too vague to be meaningful, or old friends rebadged – the cooperation on software-defined radio, for example, is over a decade old.

Some doom-mongers take an even more gloomy view. All these new acronyms, they argue, merely paper over the yawning cracks in the edifice – the lack of a shared strategic culture, or deep-seated differences of view on the priority of the various threats that Europe faces, or a fundamental lack of trust.

#PESCO “The #EUDefence will not get a decent output from its defence expenditure or assure the security of its citizens unless its member states integrate their defence efforts”
Nick Witney @ecfr



PESCO just reinventing the wheel?

Time of course will tell who is right. I side with those who think that nothing of substance has yet been achieved and that PESCO in particular has largely been a laborious exercise in

reinventing the wheel. Given that PESCO's eventual membership is virtually identical with that of the European Defence Agency, might it not have been better for those 25 EU Member States just to get on with doing what they have long promised to do within the Agency instead of devising a whole new duplicative governance structure to do a diluted version of the same thing?

But perhaps the truth is that wheels sometimes need reinventing. Defence ministries have little or no corporate memory. Defence ministers are usually birds of passage, staging through en route to more exciting portfolios, or gracefully declining towards retirement. Military 'tours' in staff jobs seldom exceed two or three years. So there is constant generational change – and perhaps even long-established truths need to be regularly relearned. Europe will not sustain its defence technological and industrial base, nor get a decent output from the vast sums it spends on defence, nor even assure the security of its citizens, unless its constituent member states increasingly integrate their defence efforts. Nor will this work prosper unless real political will is mobilised to overcome the triple-headed monster of 'Inertia, Resistance and Vested Interest' which blocks progress.

So maybe one should not be too critical of a bit of redundant bureaucratic process-building and a dash of premature political self-congratulation. If the upshot is a renewed

understanding of the need for Europeans to pool their defence efforts and resources and a renewed determination to make it happen, then it ultimately equates to progress. As noted above, only time will tell.

#EUDefence “Nothing of substance has yet been achieved and #PESCO in particular has largely been a laborious exercise in reinventing the wheel”
Nick Witney @ecfr



> AUTHOR

Nick Witney is a senior policy fellow at the European Council on Foreign Relations think tank, where his areas of expertise include the European Security and Defence Policy, military capabilities development and defence equipment cooperation. He was the first Chief Executive of the European Defence Agency.

NEXT LEFT



I Cape Town - with 'e' after Cap. I assume Cape Town in South Africa is meant

PRIORITISING PEOPLE AND PLANET

A NEW AGENDA FOR GLOBAL PROGRESS

Proposals by the 'Pascal Lamy Group'

Never before in human history has the pace of change been so rapid. The nexus of new scientific advances, technological leaps, digitalisation, major demographic changes, and an intensifying globalisation, is impacting our lives with unprecedented force. What is more, a number of developments, including climate change, migration, and urbanisation are changing our societies in new ways.

These megatrends are here to stay with their positive and negative implications, depending on

who and where we are. These trends create extraordinary opportunities for individual and collective accomplishments but they also pose huge challenges for social, environmental and economic sustainability. The direction we choose creates an historic opportunity and responsibility for the progressive movement. Developing a compelling progressive agenda that rejects the fatalistic, neoliberal paradigm is the only way to forge a progressive future. The future can be better than the past.

A determination to shape a

positive agenda by harnessing these megatrends led to the adoption of the UN Sustainable Development Goals (SDGs) for 2030, which provide a set of targets of progress, a horizon for hope. The UN SDGs are in line with progressive values of social progress and social justice that aim to provide a decent and improving quality of life.

Recent years have been characterised by a number of negative trends: geopolitical tensions are mounting; global capitalism remains crisis-prone; inequalities are growing; labour's share

of national income is at historic lows; 'precariat' is on the rise as workers' protection is declining and insecurity growing in many countries, and this disproportionately affects young people; democracy, where it exists, is sometimes under attack; and our planet's resources are over-exploited and suffering from climate change, biodiversity degradation and other stresses. The strong are doing better than the weak; income and wealth are increasingly being captured by the richest 1%. Furthermore, as we look ahead, further development of robotisation, artificial

intelligence, biotechnology and other rapidly evolving technologies will create powerful new opportunities but also risks that divide societies even more. Increasingly, the capacity of individuals to access required knowledge and skill levels and to afford to live in the dynamic cities is at risk.

This means that the extent to which individuals may expect incomes, inclusiveness, and socialisation through work is in question.

Progressives have a responsibility to redress these failures. The duty of the progressive movement today is to act to restore hope in the hearts and minds of the citizens of all societies. This includes providing all citizens with the means to improve their capabilities and addressing the economic, social or cultural insecurity which fragments societies. Universal human rights and the right to global public goods as well as ensuring gender equity and equitable global access to healthcare are at the core of a progressive agenda. All this necessitates a new paradigm of social change.

In order to move forward and realise this agenda a frank and lucid diagnosis of where the movement stands today is vital as its political capacity to shape societies is in doubt or in retreat almost everywhere. Other political movements have been more successful at exploiting the growing political and social discontent, pain and frustration. They have mobilised reactionary forces cohering around ultranationalism, isolationism,

tribalism, racism, xenophobia and authoritarianism, which are in total opposition to progressive ideals and solidarity. The fact is that these negative forces are on the rise; progressives are not.

What led to this predicament is a matter for discussion within the movement. For some, it is because too many policy con-

*#EUIntegration
"The #Left needs
to think more
imaginatively about
its constituencies,
and go beyond the
traditional parties'
organisation
of citizens and
trade unions"
Pascal Lamy*



cessions to dominant economic neoliberalism have blurred the distinction between left and centre. For others, credibility has been damaged by the gap between the promises made and the negative results experienced by the movement's supporters. Most agree that the progressive agenda has not kept up with today's and tomorrow's challenges, having lost touch with the part of the population it claimed to represent: people needing and wanting change, the disenfranchised, those feeling left or locked out, and of course the younger generations.

Hence, we have a responsibility:

- First, to propose a revamped, forward-looking vision, able to attract those who share progressive values
- Second, to rebuild the capacity to gain strength by mobilising political energy in line with a progressive agenda of globalisation.

FIRST: THE NEW VISION

It must be global but leave room for diversity. Challenges and opportunities are common, but a one-size-fits all approach would not work. We are all in the same boat but the fear of uniformity and the demand for preserving multiple identities needs to be addressed.

It must be designed with a long time horizon in mind, but applicable to the problems of today as well.

It must be principled and all encompassing: taking into account the impact of technology on the future of work and social fabric, but be based on ideals of fairness, equality and solidarity.

It must encompass the ecological dimension.

It must be simple to allow for a wide debate, while matching the growing complexity of societies.

It must shape the contours of an alternative vision of the future of humanity, where the economy serves humans and nature, not the other way round.

It must remain open to new ideas and new forms of social and institutional organisation.

From this vision the following proposals arise for a transformative agenda to a post-neoliberal world, based on fairness and equality. Some are reaffirmations of progressive guiding principles. Others are more precise goals.

1. Democratic choice

Choices that matter for people have to take place according to democratic processes. This requires proper information, citizen empowerment, civic education, open public debates, majority rule, with the necessary checks and balances such as freedom and plurality of the press and independence of the judiciary. Utmost efforts should be made to open up democratic processes, to enable new ways of participating and reaching out to voters, enhancing democratic pluralistic culture and boosting civic engagement. A two consecutive term limit for public and corporate mandates should be imposed on leaders of public institutions or private organisations in order to avoid power capture or nepotism.

2. Active and protective state

The focus should not be on big or small government, but on establishing an innovative, creative, capable and dynamic state that is proactive in empowering all its citizens through good and decent work, and in investing in ways to protect against old and new social insecurities and

to prepare society for future challenges.

3. Global public goods

The global commons, access to which matters more and more, now covers a wider range of domains, including the environment and ecological systems, health, and data. These commons must be protected as global public goods. Monopolies have to be constrained.

4. Multilateralism first

Bilateral and transactional international arrangements are less fair and less transparent than multilateral ones. An emphatic promotion of multilateralism and solidarity is needed, as it is required to govern the growing number of global issues and to guarantee a fair globalisation that delivers for all.

5. Real gender equality

Gender equality is a human right. Inequality is a drag on economies and societies. Action is needed across our entire societies: in the law, in politics, in the workplace; in business - on boards and in entrepreneurship; in the media fighting stereotypes, with social policies and sexual and reproductive health and with zero tolerance for violence against women and girls.

6. Non discrimination

Actively combatting any sort of discrimination based on racial, sexual, religious and cultural

*#EUIntegration
"This means that the extent to which individuals may expect incomes, inclusiveness, and socialisation through work is in question."*

Pascal Lamy



criteria, through affirmative policies, so that injustices are recognised and remedied and all human beings are treated equally, living in mutual respect and dignity. Cultural diversity and rights of minorities must be preserved.

7. Shared Security

At home and abroad, insecurity affects the least wealthy first. Therefore, it is imperative to be bold in eliminating the causes of insecurity and tough in fighting terrorism and organised crime. Effective disarmament has to be a priority of international cooperation.

8. Future-oriented education for all

Everyone should have access to a quality education and training. Brain power is the fastest growing and most easily accessible resource. Education should foster skills such as creativity, critical thinking and openness to difference, which are increasingly important for personal

achievement, societal development and global resilience. To achieve this education should benefit from a fundamental redirection of resources.

9. Access to healthcare for all

Universal access to healthcare, which is essential in reducing health inequalities, must be promoted in such a way that it is accessible and affordable.

10. Responsible migration

International laws regarding refugees must be upheld. Legal and safe pathways for migrants must be established. The rights and responsibilities of migrants and the host communities must be respected.

11. Zero net carbon emissions by 2050

Achieving net zero carbon and other emissions which contribute to climate change is our only chance to limit this to +2°C. Unless we repair our planet and build a more sustainable development model, entire societies will be devastated, starting with the weakest, thus exacerbating inequalities.

12. Right to corporate co-decision for labour

The involvement of workers and employees in companies and business investment strategies should be promoted. In addition to strengthening organised labour and industrial relations,

this includes extending workplace democracy through supporting workers involvement on company boards and company workforces having entitlements to collective shareholding.

13. Taxation of the 1%

Excessive wealth and income concentration are inefficient and unjust. Capital must be taxed more than labour. As a priority, the 1% top owners or earners must give back to society a larger part of their wealth and income.

14. Zero tolerance of corruption and tax evasion

Corruption and tax evasion are hidden taxes on the poor. They distort legitimate and accountable power systems. Transparent, accountable, and effective governance is the solution. Political parties should be publicly financed and limits on corporate political funding should be established.

15. A World Financial Organisation

Finance is both global and risky, and yet its global governance is weak. In order to ensure that finance serves the needs of our societies, existing organisations and rules need to be reformed and the Basel informal system of regulation must be replaced by a proper World Financial Organisation, with treaty-based binding rules and enforcement mechanisms.

SECOND: THE NECESSARY MOBILISATION

A new approach is required to advance this new progressive agenda. In many places, our traditional levers of power, such as traditional trade unions, have lost clout. Citizens' faith in traditional state institutions have reached new lows, provoking anti-authority, anti-establishment and even anti-democratic sentiments at a time when strong institutions are needed.

A new, three-part strategy is required to counter this.

First, it is vital that progressives go beyond self-criticism and nostalgia and become a forward-looking force. They need to regain confidence in themselves, in their renewed agenda and in their power to win elections again. Without this and without a clear hope that progressives can become a transformative force shaping the 21st century, they will remain a defensive movement and hence vulnerable to negative polls or any other distractions from boldly pursuing their mission.

Second, the left needs to think more imaginatively about its constituencies, and go beyond the traditional parties' organisation of citizens and trade unions, as has been the case for the past two centuries. Progressives need to embrace a political world that is no longer defined by the old conflicts and divisions. Instead

individual allegiances have become more dynamic, reflecting growing communication and complexity and a matrix of different identities which define modern evolving societies. The political environment requires the inclusion of diverse constituencies that deserve to be supported and resourced. The movement needs to be open to partners, allies, and grassroots activists who bring new transformative ideas and operate with new media to progressive organisations. These include non-governmental or non-profit organisations, together with regional or local authorities that are now exercising power in a poly-governance pattern. New coalitions for change are required at both the domestic and international levels. There is an enormous amount of energy, passion and readiness to support change. This provides new opportunities for progressives to shape local and global governance to align with people and the planet's needs.

Third, as patterns of participation and engagement have changed fundamentally, progressives need to change their organisational and communication cultures. Electorates have become more volatile and new coalitions are being built on the basis of a widening set of shared but highly differentiated demands. Appreciating and responding to the diversity of these demands is especially vital when reaching out to the youngest and millennial generations; but also to the many millions of

disenchanted and disfranchised citizens who stand to gain from a new agenda for global progress that recognises their needs and prioritises and invites them to be part of shaping a movement committed to prioritising people and our planet.

List of members of the 'Pascal Lamy Group'

Amorim Celso , Brazil	Lagos Ricardo , Chile
Broadbent Ed , Canada	Lamy Pascal , France
Burrow Sharan , Australia	Landerretche Oscar , Chile
D'Alema Massimo , Italy	Lemkow Louis , Spain
Dewan Sabina , India	Liebhberg Bruno , Belgium
Damáso Mafalda , Portugal-UK	Manuel Trevor , South Africa
Emerson Craig , Australia	Netshizenze Joel , South Africa
Finchelstein Gilles , France	Pangestu Mari Elka , Indonesia
Fiorillo Michele , Italy	Rifai Taleb , Jordan
Gerrits André , The Netherlands	Saad Filho Alfredo , Brazil – UK – Italy
Goldin Ian , UK	Sánchez Pedro , Spain
Gonzalez Arancha , Spain	Sané Pierre , Senegal
Gusenbauer Alfred , Austria	Schröder Martin , Germany
Hanry-Knop Diana , Czech Republic	Skrzypek Ania , Poland
Herfkens Eveline , The Netherlands	Smith Rick , Canada
Inotai Andras , Hungary	Somavía Juan , Chile
Jablonowski Kuba , Poland-UK	Stetter Ernst , Germany
Kaberuka Donald , Rwanda	Tall Sall Aïssata , Senegal
Kennedy Michael , USA	Velasco Andrés , Chile
Kwaśniewski Aleksander , Poland	Warner Neil , Ireland
	Wieczorek-Zeul Heidemarie , Germany
	Wood Stewart , UK



| Bangladeshi people suffered from the fury of the Padma river in Dhaka in 2016

WHAT PROTECTION IS THERE FOR ‘CLIMATE REFUGEES’?

by Hocine Zeghib

Global warming and environmental degradation are leading to the forced relocation of millions of people, which, for ease of reference we shall refer to as ‘climate refugees’. Should substantive law, which is unsuitable to protect them, be amended, be totally reconstructed or replaced with pragmatic solutions?

Proven inapplicability of international law

The Geneva Convention on refugees is not applicable to the situation involving 'climate refugees', as demonstrated by the decision of the Supreme Court of New Zealand in 2015. As such, is it appropriate for the Convention to be amended, as argued by certain NGOs and as was reiterated without success at COP 23? That would amount to opening Pandora's box. So is the solution to prepare a specific convention? If a specific convention is deemed appropriate how should the scope of such an instrument be defined? Do we refer to the people as 'climate refugees' or 'environmentally displaced persons'? In short, the United Nations and their partners around the world now favour a regional approach to the issue and are abandoning the purely legal approach. The New York Declaration that has been weakened by the recent U-turn by the United States is an illustration of this.

Collaborative research solutions

The Nansen Initiative, strongly supported by the European Commission, seeks to meet the basic needs of 'refugees' by guaranteeing the right to personal integrity and to the family unit; the rights of the child; the reconstitution of civil status; the qualifications of people, etc. The 2015 agenda established, inter alia, mechanisms for cooperation between states within the same region,

encouraged the development of emergency planning, the relocation of populations, the issuance of appropriate movement (travel) visas and temporary residence permits. Limits: non-binding text applicable only to persons crossing at least one border.

"Should the Geneva Convention not applicable for #ClimateRefugees be amended?"
Hocine Zeghibib
@umontpellier.



The Kampala Convention, offers a unique solution that aims to prevent and prepare for displacement in Africa: the Convention seeks to create and implement early warning systems, disaster risk reduction strategies, contingency measures and disaster management plans. The Convention is binding and encompasses all known causes of forced displacement including armed conflicts. Its limitation is that only internally displaced persons are referred to in the Convention.

On the European side, a motion for a resolution has been put forward that requires the Commission to draft "criteria that clearly defines climate refugee status". The own-initiative report that would trigger the required procedure before Parliament is still missing.

Unilateral research solutions

Norway, Sweden, Finland: a secondary protection may be granted to persons resident overseas in circumstances where they are unable to return to their country of residence due to an environmental catastrophe. Denmark provides the same protection for women. These measures are rarely applied.

In the United States, the "Temporary Protected Status" (TPS) provides protection for residents and nationals of countries affected by wars, conflict or natural disasters, including Sudan, Honduras, El Salvador, Nicaragua, Somalia, Haiti and provides them with said protection until such time as they can return to their country of residence. As a unique protection specific to "climate refugees", the TPS has faced criticism from the Trump administration and has already been revoked for nationals from Haiti, and will

"A motion for a resolution has been put forward that requires the Commission to draft" criteria that clearly defines #ClimateRefugee #migrants status"
Hocine Zeghibib
@umontpellier.



in time be revoked for nationals from Honduras (2018) and Nicaragua (2019).

New Zealand which has previously developed bilateral agreements with Tuvalu on quota-based immigration is now considering creating a specific visa for 'climate refugees'. Is this a real breakthrough or simply a rediscovery of the 'humanitarian visa'?

Forced displacement and relocation of millions of people; inadequate legal protection; regional solutions which prove to be ineffectual and unable to cope: "...significant reparations can be achieved by the law: we or more accurately our children should have hope, for the future is not forbidden to anyone" (L. Gambetta), even less so to 'climate refugees'.



> AUTHOR

Hocine Zeghibib is a lecturer in Public Law at the University of Montpellier. His latest publication, entitled 'The climate refugee in the Mediterranean, a figure ignored by law and public policy', was part of the Proceedings at the VIIIth International Monaco and the Mediterranean Meeting (RIMM), Monaco, 2017, p. 75-93

NEXT ENVIRONNEMENT



On the islands of Fiji, global warming is increasing the level of the sea by 6 millimetres per year, a phenomenon that is pushing inhabitants to leave their island

TACKLING THE ISSUE OF MIGRATION CAUSED BY ENVIRONMENTAL DEGRADATION

by François Gemene

The main reason for the lack of a definition of what is meant by migration caused by environmental degradation or change is linked to the difficulty in isolating environmental factors from other drivers of migration. Have we made any progress on this definition? Yes and no.

There is still a difficulty in isolating the environmental factors, but no one seems to deny the importance of these as a reason for people being displaced. The concept of 'environmental migration' is now a common feature in

migration studies and the number of research projects, workshops and conferences has vastly expanded. At the same time, the concept of 'environmental refugees', or 'climate refugees', has been progressively abandoned, as it had no legal grounding.

Politics in the Anthropocene

The Anthropocene, as a geological epoch, remains a disputed concept amongst geologists. According to its advocates, it

signals a new geological era, the Age of Humans, where the latter have become the major force behind transformations of the Earth. We also need to be aware that the Anthropocene could also be seen as an operation that de-politicises subjects.

The Anthropocene, the ‘Age of Humans’, should indeed rather be described as the Oliganthropocene – the age of few men and even fewer women, to use an expression coined by Erik Swyngedouw (2014). If humans have indeed become the principal agents of changes on this planet and overwhelming natural drivers of changes, most humans are actually the victims of these changes and not their agents.

Migration as a commodity

As the concept of ‘environmental migration’ gained currency, migration became perceived less as a decision of last resort that people take when they have exhausted all possible options for adaptation in their place of origin and were left with no other choice. We insisted that migrants should not be perceived as resourceless, expiatory victims of climate change, but rather as resourceful agents of their own adaptation. We argued that migration could indeed prove a powerful adaptation strategy: migrants could diversify their incomes, alleviate environmental pressures in the region of origin, send remittances or simply put themselves and their families out of harm’s way. And this view was soon embraced by many institutions and organisations. Better still, it made its way into the international negotiations on climate change. In 2010, the Cancun Adaptation Framework included, in its Article 14, the ‘measures

*Climaticrefugee
“Over time, ‘climate
refugees’ have
become the human
incarnations of
climate change, both
the first witnesses
and first victims
of its impacts.”
@Gemene*



to enhance understanding, coordination and cooperation with regard to climate change induced displacement, migration and planned relocation (...)

The movement of people was no longer a matter of migration policies, but rather of environmental policies – an adaptation strategy.

Why we let migrants down

There is something that we had left out in this process of ‘de-victimisation’ of migrants: we had used environmental changes as a Trojan horse to ‘de-politicise’ migration. A fundamental difficulty in the collective action against climate change is that those who need to undertake most of the effort to cut greenhouse gas emissions – the industrialised countries – are also those that will be comparatively less affected by the impacts of global warming. From a rational, neo-liberal perspective, industrialised nations have thus little incentive to act: our agency is denied by our interest.

De-politicising migration

A particular example attests to this process of de-politicising migration through an environmental perspective. In the press and in public debates, those uprooted by climate change were once often called ‘climate refugees’. Legal scholars and international organisations, however, have been very keen to dismiss the term, which had no legal grounding (McAdam 2009). Most of the scholars have logically agreed not to use the term and to use more clinical terms such as ‘climate-induced migrants’, ‘mobility in the context of climate change’, etc. I was one of them, and I think I was wrong. By foregoing the term ‘climate refugee’, we had also depoliticised the reality of these migrations. A central element in the concept of ‘refugee’ is persecution: in order to qualify as a refugee, you need to flee a persecution or to fear a persecution. And foregoing the term ‘climate refugee’ is also, in a way, foregoing that climate change is a form of persecution against the most vulnerable.

Keeping the earth inhabitable

The biggest challenge of the Anthropocene is perhaps the challenge of cosmopolitanism. The Anthropocene, as a concept, might produce the false impression of a unified humanity, where all humans would be agents of change on the planet.

Yet the Anthropocene is also rooted in inequalities, where the action of some causes the suffering of the others. And in that regard, the Anthropocene can also lead to the de-politicisation of subjects, where the ‘environmentalisation’ of politics would actually end up in a de-politicisation of the environment. This is what has happened, to a certain extent, with climate refugees. And this is why the Anthropocene is first and foremost a matter of keeping the earth inhabitable. And why there is at least one very good reason to speak of climate refugees.



> AUTHOR

François Gemene is a political science researcher (CEDEM - University of Liege / CEARC - University of Versailles) and an associate expert with CERI - Sciences Po. A specialist in environmental geopolitics and migration governance, he also lectures on these issues in various universities, including Sciences Po (Paris and Grenoble), the University of Paris 13 and the Free University of Brussels.

NEXT SOCIAL



“Erasmus is one of the best ways for today’s young people to gain invaluable cultural experiences, educational opportunities, language skills, career options and lifelong friendships.” says Sergei Stanishev

ERASMUS FOR ALL?

by Sergei Stanishev

Erasmus, the student exchange programme, is one of the EU’s greatest success stories. Now, we want to open it to everyone.

Mention European politics to a random sample of today’s young people and you will be lucky to get much more than shrugs or blank stares. But mention Erasmus, the EU’s flagship student mobility scheme, to those same young people and you’ll see their faces light up.

Major benefits

And for good reason. A few years ago, headlines trumpeted that the one millionth ‘Erasmus baby’ had been born. But this well-known benefit of the world’s biggest cross-border study scheme, expected or otherwise, is only a side-effect. First and foremost, Erasmus is one of the best ways for today’s young people to gain invaluable cultural experiences, educational opportunities, language skills, career options and

lifelong friendships.

No wonder Erasmus is widely recognised as one of the EU’s biggest success stories. And make no mistake about it: a scheme on this scale simply couldn’t have come into existence without the solid framework of pan-continental cooperation that we have built in the European Union. Erasmus, like the EU itself, is a hard-won achievement that we should all be proud of.

Building a better Europe

But just as Erasmus needs Europe, so Europe needs Erasmus. The benefits of taking part don’t just belong to the individual participants. Setting aside the scheme’s more amorous benefits and the resulting ‘Erasmus babies’, Erasmus gives a significant boost to young people’s educational, career and

cultural horizons — a boost that they desperately need in today's Europe. But at the same time, Europe gains citizens who are broader minded, better informed and more internationally oriented. To put it bluntly, it's that much harder for someone to vote for a right-wing politician who wants to close borders or cut off cooperation if he or she owes some of the best years of their life to exactly those things. Incidentally, this is one of the reasons Umberto Eco thought that Erasmus should be compulsory: through Erasmus, we don't just build better young people, we build a better Europe.

At the Party of European Socialists, we know a good

school. That's why the message 'Erasmus for all' is a key part of our Youth Plan, one of our major political campaigns. And we've already had some notable success. Thanks to pressure from our political family, the EU student mobility target is now for at least 20 percent of Europe's higher education graduates to have studied abroad. The deadline is 2020 — but so far we are nowhere near.

Making Erasmus more accessible

So, we need to make the Erasmus scheme more accessible. Application procedures must be simplified and made more

“
ERASMUS IS ONE OF THE BEST WAYS
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EDUCATIONAL OPPORTUNITIES,
LANGUAGE SKILLS, CAREER OPTIONS AND
LIFELONG FRIENDSHIPS.
”

thing when we see it. And we want more. The current incarnation, Erasmus+, is fantastic but, despite high demand and constant expansion, participation is still too limited. This has to change. We believe that everyone should have the chance to study abroad, whether as part of a university course, vocational training or even at high

user-friendly. Administrative barriers to entry must be removed, especially when it comes to recognition, ensuring that employers and educational institutions across Europe recognise the value of a period spent studying or working in another country.

Many of Europe's young people also face social barriers to

#MillennialVoices
“The current incarnation, #Erasmus+, is fantastic but, despite high demand and constant expansion, participation is still too limited”
@SergeiStanishev
At @PES_PSE @Youth_Forum



taking part. Despite the existence of some limited funds for less well-off families, taking part in an Erasmus exchange still represents a significant financial commitment, which can exclude students from poorer backgrounds, as well as those who face disadvantages such as disability, social status, health-related conditions or geographic remoteness. Currently, only one in ten Erasmus students comes from a disadvantaged group — even though participants from these groups have even more to gain from the experience than those in more privileged positions. This must change. We call for more targeted financial support to really open Erasmus to all.

And we also want to extend access to Erasmus in two more key ways. Firstly, we want to strengthen the high school dimension: school students, just like those at university, can benefit enormously from the cultural, educational and social opportunities that studying abroad can offer. Secondly, just as importantly, we want to

break the mould of presenting Erasmus as a scheme just for those on conventional university courses. Right now, fewer than 20 percent of Erasmus students are taking part in vocational training or apprenticeships. We want to drastically increase this number, so that Erasmus participation can cut across educational boundaries as well as social and economic class.

Erasmus is not just a vital way to improve the lives and broaden the horizons of Europe's young people. It's also a hugely successful scheme for creating (yes, in more ways than one!) the next generation of positive, outward-looking young Europeans — something that we believe Europe needs now more than ever.



> AUTHOR

Sergei Stanishev is a former Prime minister of Bulgaria, is currently an MEP and President of the Party of European Socialists. In 2016, he launched the European Youth Plan, which brings together all PES member parties on a single pan-European agenda to improve the chances of the next generation.

NEXT SOCIAL



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| “The day of finishing education should be an exciting day in a Millennials’ life. After years of studying in a formal environment, they can now set out to apply their knowledge” says Massimiliano Mascherini

TO ENTER THE LABOUR MARKET, A CHALLENGE FOR MILLENIALS

by Massimiliano Mascherini

While the figures are improving, it is still difficult for millennials to enter the labour market and an increase in long term youth unemployment is one of the more visible effects of the crisis. Empowering young people by creating favourable conditions for them to develop their talents and to actively participate in the labour market is essential for the sustainability of our societies. In this context, this policy brief investigates the entry of millennials into the labour market and discusses the status and the next steps of the implementation of the Youth Guarantee.

In 2017, Europe finally regained a stable path towards recovery, with growth in the economies of all EU Member States. Adult

participation in the labour market has also started to increase again in all Member States, and, at 66%, it is now higher than before the economic

crisis. Despite this more favourable scenario, entering the labour market continues to be a challenge for many young people throughout Europe and

the process of finding a first job can be lengthy and often does not meet millennials’ expectations. In fact, the employment rate of young people is still well

below pre-crisis levels while youth unemployment rates are still higher than those recorded in 2008.

Employment/ unemployment rates

Moreover, while in 2016 the rate for those Not in Education, Employment or Training (the 'NEETs') aged 15-24 decreased to 11.5%, this is still above the value recorded before the crisis. Approximately half of the NEETs are short term unemployed or are unavailable to work due to family responsibilities while more than one third of the NEETs population are in long term unemployment or are discouraged workers. The legacy of the crisis is still heavy and visible in the robust increases of these two last categories that almost double their size in comparison to 2008. In particular, the share of long term unemployed NEETs has increased from 1.5% in 2008 to 2.9% in 2016 while the share of those who are discouraged workers increased from 0.5% to 0.9% in the same period. This is a source of particular concern. In fact, as shown by Eurofound 2017, while it is normal for the transition between education and the first job after education to take some time, long-term unemployment can have negative dramatic effects on the employment prospects of young people and on their wellbeing.

In this regard, while the word 'youthquake' was chosen as word of the year by the Oxford dictionary and associated with the outcomes of UK elections,

(Oxford Dictionary, 2017) the potential consequences of spending a protracted period of time in NEET status in relation to democratic engagement and civic participation should not be underestimated. In particular, there is a real danger that the frustration and resentments of millennials could be captured by anti-system political parties. The recent examples in several Member States, such as Italy, France and Poland, (DW.COM) of the growth of populist and far-right movements ring alarm bells.

While millennials are the first generation fully equipped to exploit the European Single Market and have unique characteristics and skills in comparison to previous generations, data reveals that European societies have not yet discovered the potential of Millennials at work, their value added in tackling the challenges of the digital economy and of globalisation.

Youth Guarantee

Following the recommendation of the European Council, since 2014 Member States have been implementing the Youth Guarantee: a pledge to provide the offer of education, training or employment to all young people within four months of becoming unemployed. The Youth Guarantee seeks to help in particular by reducing the duration of youth unemployment or inactivity and by increasing the employability of young people through labour market experience or the accumulation of

#Erasmus "In 2016, some 11.5% of young people aged 15-24 years in Europe were Not in Employment, Education or Training (NEETs)" @MascheriniM



human capital.

Despite a slow start, each Member State has adopted its own strategy to implement the Youth Guarantee and now the Youth Guarantee is a well-established policy that is being implemented more or less robustly across Europe with tangible results. According to the European Commission, 16 million young people have entered the Youth Guarantee Scheme, 10 million received an offer and almost two thirds of young people who left the Youth Guarantee in 2015 took up an offer of employment, education, traineeship or apprenticeship (EUROPEAN COMMISSION 2017).

Despite these positive results, statistics on youth employment suggests that more efforts are still needed in order to allow a quicker and better entry of millennials into the European labour market. Being part of the European Pillar of Social Rights, the Youth Guarantee is on track to become an integral feature of the European Social Model for the 21st century. However, efforts need to be renewed on those elements that are the key ingredients ensuring

the effectiveness of the Youth Guarantee: effective outreach to those hardest-to-help; early intervention and good cooperation among the relevant players in the public, private and non-profit sectors; and solid institutional capacity, notably in public employment services. However, all these determinants of success rely on two overarching and essential factors: political commitment and adequate financial resources. Without these two factors, the Youth Guarantee, which represented a major revolution in youth policies in several Member States, cannot be accomplished.

#Erasmus "The share of long term unemployed and discouraged workers among young NEETs almost doubled in comparison to 2008" @MascheriniM



> **AUTHOR**

Massimiliano Mascherini is a senior research manager at the Social Policies Unit of Eurofund.



| Europeans call for tax justice and the defence of whistleblowers during a protest in Luxembourg

WHISTLEBLOWING: A MATTER OF DEMOCRACY

by Anna Myers

The EU's credibility in protecting whistleblowers relies on aiming high and strengthening democratic accountability across EU Member States. This can only be done by understanding that whistleblowing is fundamentally linked to freedom of expression and the public's right to know.

When the Council of Europe first examined whistleblowing in 2009, the issue was still met with blank stares, polite curiosity or outright hostility. Whistleblowers were primarily viewed as traitors; people breaking rank who were disloyal to their organisations, their communities or their nations. The fact that they spoke out at their own peril reinforced the idea that whistleblowers were naive, crazy or vengeful.

EU directive on whistleblowing

Now, less than ten years later, there is a serious push for an EU directive to protect whistleblowers. The suggestion that a whistleblower might be a good citizen acting in the public interest is no longer so outlandish. So what changed? Are whistleblowers now welcome in Europe? Will an EU directive really protect them?

For many years only a small cohort of civil society actors focused specifically on whistleblowing as a public good. They provided free advice to whistleblowers and helped ensure information reached the right place – be that an employer, an appropriate agency or the police. They also went public when necessary, raised awareness and lobbied for legal reform. This expertise was sought by European policy-makers and those interested in combatting corruption. Basic provisions found their way into

legal instruments laying the foundations for future reform.

Snowden revelations and LuxLeaks

But the first significant shift in public opinion in Europe came with Edward Snowden's revelations in 2013. The disclosures revealed that the illegal mass collection of personal digital communications by US intelligence agencies extended across the Atlantic. The human rights implications were keenly understood by many in Europe who had lived through totalitarian regimes and the ensuing public outrage belied

#Whistleblower “#EU directive to protect whistleblowers is invaluable opportunity to strengthen democracy”
Anna Myers @whistleblowing



efforts to publicly demonise the whistleblower. Then, in 2014, Antoine Deltour and two others, including a journalist, were prosecuted. Antoine Deltour faced a five-year jail sentence and a €1,250,000 fine for having disclosed to a journalist hundreds of tax agreements negotiated with the Luxembourg tax authorities by his former employer,

PricewaterhouseCoopers (PwC). In so doing, he shed light on large-scale multinational corporate tax avoidance. Public anger at tax avoidance was thus connected to the treatment of the LuxLeaks whistleblowers and protecting whistleblowers suddenly made sense as a collective responsibility in the public interest.

Trade secrets

The jury is out on whether the EU can craft a directive that will make a real difference and recalibrate the scales in favour of the public interest. So far the business lobby in Europe has effectively dominated the ‘information’ reform agenda. An alarming example is the EU Directive on the Protection of Undisclosed Know-How and Business Information (Trade Secrets). Drafted with most civil society organisations in the field being unaware of it, it expanded the definition of a “trade secret” and swept large swathes of information under a legally enforceable right of ownership. While late opposition secured important amendments, it must be understood that whistleblower ‘protections’ for individuals who dare to challenge such far reaching rules is not a fair trade for limiting public access to information and proper oversight - whether for economic interests or in the interests of national security.

There is no doubt that stronger whistleblower protections are needed in Europe and many

#Whistleblower “So far the business lobby in Europe has effectively dominated the ‘information’ reform agenda”
Anna Myers @whistleblowing

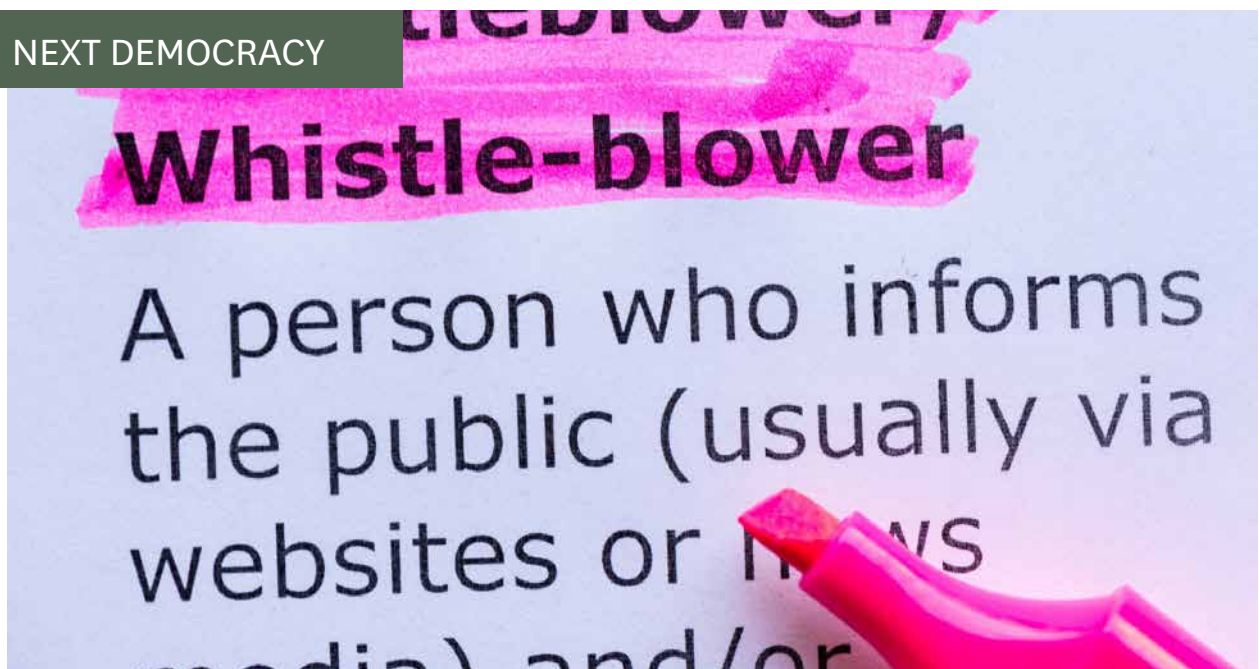


Members of the European Parliament support them. It is equally clear that such protections must be developed within a fundamental rights framework of free expression and the public's right to know. This is a real opportunity to strengthen European democracy by effectively protecting whistleblowers. If it doesn't do it properly, the EU risks causing greater harm than good.



> AUTHOR

Anna Myers is Director of the Whistleblowing International Network (WIN). Founded by the world's leading national whistleblower protection organisations, WIN connects and strengthens civil society organisations that defend and support whistleblowers around the world.



WHAT DO WHISTLEBLOWERS TELL US ABOUT THE STATE OF OUR DEMOCRACY?

by Nicole-Marie Meyer

After a 20-year struggle with civil society organisations, political will is now changing within the European Union - albeit to differing degrees across the individual member states, like public opinion and legislation - towards a European directive that supports whistleblowers. Nicole-Marie Meyer reiterates the development of the right to alert others (whistleblowing) from its origins to the present day.

According to the Greek historian Polybius, the freedom to tell the truth (parrhesia) is one of the pillars of democracy along with equality in the face of the law (isonomia) and equal access to public speech (isêgoria) and consequently equal rights. The legislation which governs the ethics of alerting

others to wrongdoing (or whistleblowing), first arises within the spirit of the humanities (the principle of acting with integrity) and in the laws implemented following the American and French Revolutions (the principle of accountability), and have continued for 50 years across the world and in Europe. They are designed to allow for the exercise of freedom whilst

developing a culture of responsibility in organisations as we have mentioned previously.

The history of whistleblowing

If the right to alert others is a principle first recognised during the 18th century then it should be substantively enshrined in

legislation in the twentieth century. The first modern legislation (Civil Service Reform Act, USA, 1978) was the fruit of the work of Ralph Nader and a result of government deception (Pentagon Papers, Watergate) and the desire to protect the public officer who alerts others to crimes or offences or serious health, safety or environmental risks. The first International Convention (UN-ILO,

1982) in a similar way prohibits the dismissal of an employee where the employee has alerted others to illegal acts committed by their employer. Since then, more than sixty countries around the world have adopted comprehensive or sector-specific legislation in this area, following tragedies that have cost hundreds of lives, ruined parts of the economy and undermined the foundations of trust, crises that could have been avoided if the employees had not been afraid of losing their jobs by breaking their silence, or had been heard when they had the courage to speak up.

European framework needed

Today the economic, social or financial activities, health or public environmental issues, terrorism, organised crime, cybercrime, tax evasion, illicit financial transfers or pollution of the air or water do not stop at the border, much like the cloud caused by the Chernobyl nuclear reactor disaster. Whistleblowers, who report or reveal crimes or other such activity that causes harm contrary to the public interest, at the cost of their careers, if not their lives and those of their families, must therefore benefit from a protective European framework, if not an international framework. During the recent Court of Cassation of Luxembourg (Luxleaks) judgement, Transparency International recalled the urgent need for a European directive to protect whistleblowers.

In the absence of a political vision and for cultural reasons, Europe

has legislated belatedly on this matter, both at a national level and at Community-wide level (Council of Europe, 2010). As a result, it has uniquely benefited from 50 years of experimentation in this area in terms of success and failure of past legislation, including best practices, which have served to nurture the pioneering work of the Council of Europe (Recommendation of the Committee of Ministers to Member States, 2014; Resolution 2060, 2015) - the most advanced theoretical corpus in the world. At the end of 2014 the European Parliament joined the call for the protection of whistleblowers through their fight against corruption and, in particular in response to the Swissleaks, Luxleaks and Panama leaks, as

#Whistleblower:
In the absence of a political vision and for cultural reasons, Europe has legislated belatedly on this matter.
Nicole-Marie Meyer @TI_EU



they elected to adopt the remarkable initiative based on the report of Virginia Rozière which outlined the basis for best international standards and required the European Commission to prepare a draft directive before the end of 2017. Finally, the European Commission, acting under pressure from civil society and Parliament, has been working on the feasibility of a directive

since October 2016 (legal bases, subsidiarity), followed in 2017 by the publication of their roadmap and the subsequent report in October on the public consultation of citizens (5,707 replies, 99.4% positive responses) and the impact studies (report on the benefits of whistleblower protection in public procurement). Ultimately, Europe has four of the most advanced national legislative powers in the world (RU, 1998; Ireland and Serbia, 2014; France, 2016) including the established case law of the European Convention of Human Rights (ECHR), which determined in 2008 that there were six criteria that a whistleblower must fulfil to obtain legal protection.

Draft directive on the way

The European Commission is therefore in a position to present its draft directive thanks to the work of several directorates that have been actively involved in the process, which means that it is all the more necessary for the directive to progress alongside the directive on trade secrets and the RGDP (European Data Protection Regulation) (2016). The political will of the European institutions is genuine, but is somewhat varied across the member states, in the same way as public opinion and legislation differs from state to state. The political stumbling blocks are likely to be the definition itself (the concept of "threat or harm to the general interest"), the reporting procedure (graduated scale or free form), the use of the term good faith and the criminal sanctions for those who perpetrate the crimes.

In closing, Europe has developed a model of protection and sustainability over the last twenty years based on upstream prevention (the interim protection of employment) and the complete restoration of damage caused downstream, which differs from the North American, elitist model that is based on the whistleblower receiving compensation (representing a percentage of the total funds recovered). This directive will leave society with a choice to make



> AUTHOR

Nicole-Marie Meyer has been an expert for Transparency International (International Secretariat) since 2009. She has contributed to the guiding principles for whistleblowing legislation (TI, 2009). She is the author of the 2012 report to Transparency International on whistleblowing in France, co-author of the Whistleblowing in Europe comparative report (TI, 2013). She has also consulted for the European Ombudsman, the Council of Europe, the European Parliament and the European Commission (resolutions, reports, draft directives, ethical alert mechanisms).

NEXT DEMOCRACY



| Luxembourg: Antoine Deltour's supporters gather in front of the Court of Appeal during the LuxLeaks trial

"I KNOW VERY FEW WHISTLEBLOWERS WHO REGRET THEIR ACTIONS AND THAT'S THE CASE WITH ME."

by Alain Bloëdt, Editor-in-Chief of The Progressive Post

Interview with Antoine Deltour, one of the two whistleblowers who caused the "LuxLeaks" scandal. Following his appeal, the Luxembourg Court of Cassation decided, in mid-January, to overturn his conviction, recognising his status as a whistleblower.

An opportunity to discuss this status which still does not exist at European level will soon be launched at the European Court of Human Rights (ECHR) by his compatriot Raphael Halet, whose cassation appeal was strangely rejected. Interviewed by Alain Bloëdt, Editor-in-Chief of the Progressive Post.

Would you have gone to the European Court of Human Rights?

I was mentally preparing to continue this judicial fight for years and expected to have to go to the ECHR to win the case. This

decision saves me several years.

Recognition of the status of whistleblower is the key. Do you think it can be implemented soon?

I observe that the debate has

come a long way. If it is too early to come to a conclusion because certain provisions only came into force on 1st January 2018. In France, for example, a whistleblower law provides for criminal immunity according to a certain number of criteria, with

an established procedure.

But does the law have to be European?

The debate has come a long way and our representatives, the MEPs, have taken a stand

and are pushing for the protection of whistleblowers. The right wing still has some reservations, but the report of the European Parliament's Committee on Legal Affairs was adopted by a large majority.

Is the European Union's commitment to protecting whistleblowers shared by the other European institutions?

We expect concrete action from the European Commission and a fight against the inertia of some member states. We must continue to maintain the pressure of citizens, to prolong this public debate to finally get a law passed at EU level.

What would be the impact of a decision at European level?

This protection would be much more direct. To avoid this long and expensive journey with a directive that directly protects whistleblowers.

Is it so complicated to create a common statute for all whistleblowers?

I understand that some parliamentarians and member states fear damage to the reputation of their companies. The challenge, in fact, is the defence of economic interests. For them, if we give too great a voice to employees or citizens, we risk highlighting practices that are supposed not to exist and we want to keep in the shade in the name of the principle of competitiveness! This debate on whistleblowers is similar to

the previous one on business secrecy.

#Whistleblower
"Whistleblowers: are they a symptom of a sick system or a renewal of democracy?"
Antoine Deltour



If you'd known what was going to happen, would you have gone ahead?

I know very few whistleblowers who regret their actions and that's the case with me. I therefore encourage potential whistleblowers to take action. But of course, they must not do it irresponsibly and without thought. Beforehand, it is necessary to take advice from lawyers and NGOs that can help them.

Will you continue the fight?

Since the announcement of the legal proceedings, I have accepted various commitments such as, for example, public debates to continue to develop the reaction that encouraged me to raise the alarm. I have no reason to stop.

Is the increase in the number of whistleblowers a symptom of a diseased system or the renewal of democracy?

Both. The whistleblower is the last resort against institutions

that have failed. This is the symptom of a dysfunction. But the existence of these whistleblowers also comes about thanks to more direct participation by citizens and to more modern means of communication which make it possible to reclaim this territory.

What is the issue?

Institutions must help this move. Companies have an interest in it. Organising internal procedures for whistleblowing allows them to deal with problems internally before reputations are impacted.

#Whistleblower
"These lawsuits brought against whistleblowers in some ways serve to divert attention from the issue"
Antoine Deltour



One final word ...

I hope that the whistleblowers law will be passed so that we stop focusing attention on them instead of on their message. These lawsuits brought against whistleblowers in some ways serve to divert attention from the issue. Instead, we have been deprived of a debate on the substance: tax competition in the EU that is leading to a race to the bottom and the disappearance of corporation taxes.

Business EUROPE: a surprising position

According to this employers' association, which defends the interests of employers of private companies vis à vis the European Union: "There is not enough evidence that the lack of harmonisation of these systems has led to substantial obstacles to the conduct of business in the internal market."

This association does not reject the need for protection for whistleblowers. However, it believes that most member states have already put structures in place. These are effective structures that ensure the necessary balance between the public interest and the protection of corporate interests.



> AUTHOR

Antoine Deltour is a whistleblower, known as the source of the Luxembourg Leaks scandal documents. In 2008, he was hired by PricewaterhouseCoopers (PwC) in Luxembourg as an accountant.

EU SOCIAL



| Jacques Delors pushed the social dimension during his time as president of the European Commission (1985-1995)

FROM DELORS' COMPACT TO SOCIAL UNION

by Laszlo Andor

Divergence between EU countries in terms of unemployment and poverty levels as well as working conditions has been identified as major destabilising factors in the European Union. The Gothenburg declaration by EU leaders about the European Pillar of Social Rights is only a first step to addressing these issues.

The social agenda of the EU has evolved markedly in the last 30 years. Former European Commission President Jacques Delors knew that the Single Market would not gain public support without a social dimension. He therefore made it acceptable to working people by launching a cycle of social policy legislation, devoting a large share of the EU budget to Cohesion Policy and establishing EU level dialogue between employers and trade unions ('social dialogue'). This 'Delors Compact' was later supplemented by the Lisbon Strategy (2000), and its "2nd edition" called Europe 2020 (2010).

The recent exercise in drawing up a European Pillar of Social Rights, together with the confirmation of the importance of the social dialogue by the current Commission President Jean-Claude Juncker, revives key components of the original 'Delors Compact', even if a renewed commitment to a robust Cohesion Policy is still outstanding. However, any meaningful development of the social agenda today depends on facing two major developments that have taken place since Delors was President: the eastward enlargement of the EU and the eurozone crisis.

#SocialPillar
"Meaningfulness of the social agenda today depends on the eastward enlargement and the eurozone crisis"
@LaszloAndorEU



East-West imbalance and the social question

The enlargement of the EU to the east created a divide in Europe in terms of productivity and wage levels. The good news is that there is economic convergence between East and West. However, the EU has to make efforts to ensure that economic growth is coupled with convergence in terms of social policy standards. In the long run, this is the real solution to the problem of social dumping, which has been the main focus of legislative activity in the past decade.

Upholding the right to free movement and ensuring equal treatment for mobile workers remains a pivotal issue. But today, in this context, a key question is how the peripheral regions (mainly the eastern ones) can rebuild human capital, which is being lost through constant migration towards the West. Besides, the EU must remain active in addressing the situation of the Roma and promoting integration, which is arguably Europe's biggest social challenge today.

Countering North-South social divergence

What killed social convergence in the past decade, leading to dramatic disparities between North and South in terms of unemployment and poverty levels, was the eurozone crisis. Since the economic recovery has started, many (in particular from the

centre right) believe that no further action is needed to improve the functioning of the Economic and Monetary Union, and some do not care at all about its social dimension. This is, however nothing but a recipe for a repetition of the disasters of 2011-13. The North-South imbalance still

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@LaszloAndorEU



requires adequate treatment and the Gothenburg declaration of social rights can only be seen as a start. Stopping divergence along this axis requires a proper stabilisation capacity (e.g. unemployment insurance), while restoring convergence necessitates an EU strategy to develop and maintain social investment models in the peripheral regions.

Going beyond Gothenburg

A 21st century EU social agenda must address new issues like the impact of digitalisation on labour. It also remains important to reconcile economics with our social policy objectives and monitor the social dimension of all policy areas and tools, from

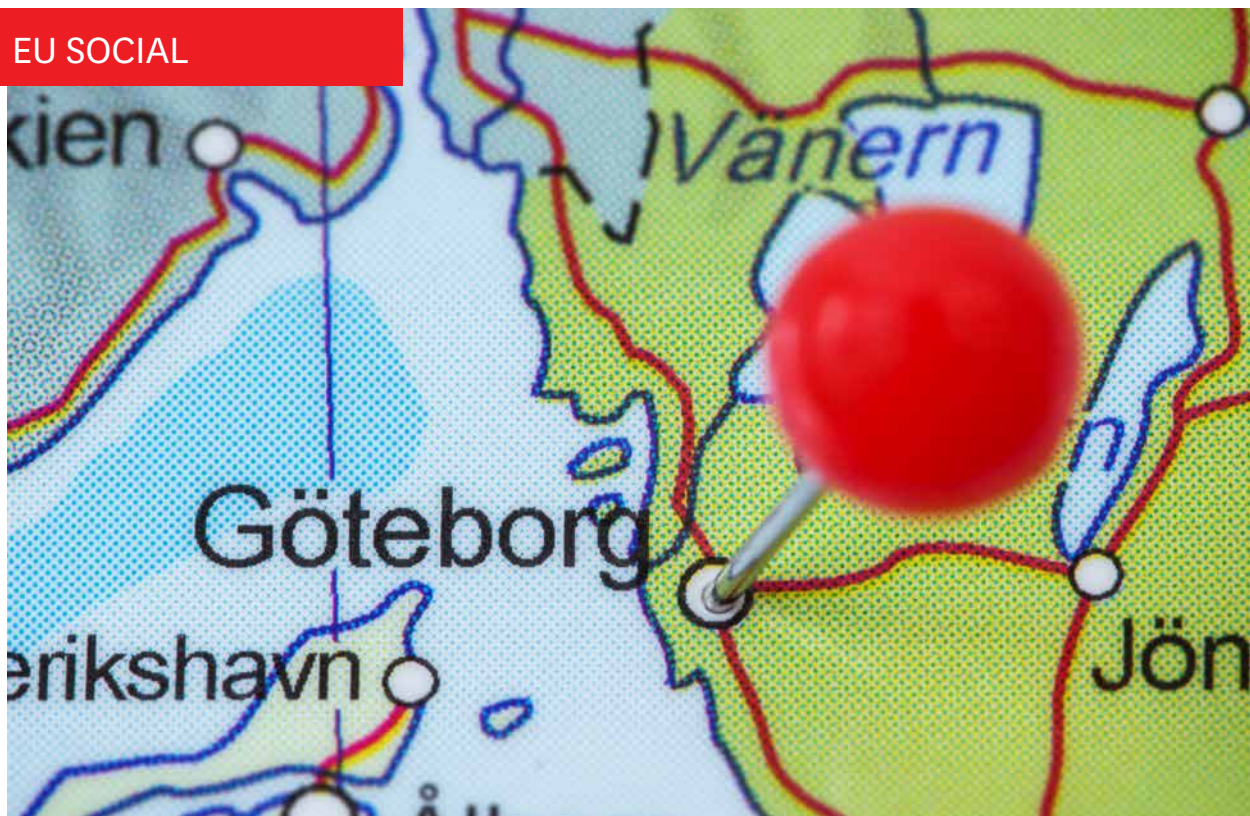
trade to competition. However, the critical question today is whether the EU can also provide material support to its member states and regions in a systematic way to meet common social standards and achieve commonly agreed goals. This brings us to the concept of a Social Union.

Financial and economic governance has been deepened in recent years but this has to be followed up with more robust social governance. Popular support may be lacking for a United States of Europe but, with the right arguments, it can be built up in favour of a Social Union.



> AUTHOR
László Andor is a Senior Fellow at FEPS. He was formerly the EU's Commissioner for Employment, Social Affairs and Inclusion.

EU SOCIAL



| The European Pillar of Social Rights was approved by all the EU's member states in Gothenburg in 2017

NOW IS THE TIME TO MAKE EU SOCIAL RIGHTS A REALITY

by Luca Visentini

The European Pillar of Social Rights was approved by all the EU's member states in Gothenburg in November last year. It puts the social dimension back into the European debate and is the beginning of a process that must change people's lives for the better. The hard work starts now and results need to be achieved urgently.

See two reasons for this urgency. First, this is an opportunity to demonstrate to European citizens that the EU is serious about pursuing social progress. In the wake of austerity, public

disillusionment has already contributed to the growth of extremism and xenophobia that threaten European solidarity.

Secondly, both the European

Commission and European Parliament are approaching the end of their terms. After the elections in 2019, the EU will have new leaders with a new agenda. The procedures for implementing the social

pillar must get underway at once if they are to be completed by then.

The current neoliberal narrative has led to unacceptable levels of unemployment,

precariousness, poverty and social exclusion, has not effectively rescued our economies and has neither restored sound public budgets nor created more quality jobs.

Hence the need for an alternative strategy for sustainable and inclusive growth, giving social and workers' rights the same level of importance as economic freedoms. As President Juncker said, we need a Europe that protects, and we need an economy that serves people's interests and not profits.

Transparent and predictable working conditions

There are several very important measures at stake. In late 2017, the Commission published its proposals for a law on transparent and predictable working conditions, replacing the existing Written Statement Directive. Ways of working are changing rapidly, and I welcome moves to protect a larger number of workers and end unfair terms of employment, such as charging workers for their own job training or exclusive contracts that at the same time fail to guarantee paid hours of work. All workers, be they people in seasonal agricultural, domestic and temporary agency work, employed via online platforms in the gig economy or on flexible contracts, must have the right to a written statement of conditions and rights from the first day of employment.

But the Commission's proposals fail to protect the most vulnerable workers on precarious and zero hour contracts. Declaring merely that they "will be able to request a more secure and predictable form of work, where available" does little to guarantee security or tackle abusive practices. We as trade unions will make every effort to convince the European Parliament and governments to address these problems. We also want to see greater protection for self-employed and freelance workers, together with a right to equal pay for equal work.

'Social Fairness' package

Such principles must underpin the 'Social Fairness Package' that the Commission plans to launch on 7 March, which is linked to the implementation of the Social Pillar. Equal treatment in the context of workers' mobility, together with universal access to social protection systems for all workers, regardless of their employment status, must be enshrined in EU law.

Reforming welfare systems to make them fairer and more inclusive is a crucial aspect of the Social Pillar. The right to social protection and assistance for all is a fundamental principle of the European social model. The Commission's plan to set up a European Labour Authority is also welcome. Properly implemented, it could ensure that employers comply with collective agreements and

#SocialPillar "Equal treatment in the context of workers' mobility must be enshrined in EU" law." @visentiniluca



combat crossborder wage and social dumping, particularly in sectors such as construction or transport. Trade unions are pressing the Commission to set up a strong body with the power to enforce workers' rights and labour standards, apply sanctions against dumping companies and strengthen social dialogue.

We hope that an ambitious deal can be found for the revision of the Posting of Workers Directive, ensuring full equal treatment, adequate remuneration and allowances and fair protection to all posted workers in Europe. We will press the Commission, the Parliament and particularly Member States to make sure it can be delivered before the spring.

Finally, the proposed measures to facilitate work-life balance will not only benefit workers and their families, they will also help to create a more sustainable and prosperous society. Reinforcing parents' and carers' leave and flexible working will help to reduce gender discrimination and make sure that women have the same access to work and the same rights as men. I urge all Member States to

accelerate their deliberations so that these provisions can come into force as quickly as possible.

2018 will see trade unions pushing hard at both EU and national level to get these changes delivered on time. I have already lobbied several EU leaders in person and will continue to do so. We have fought for years for a stronger EU social dimension, embodied in the Social Pillar and we must seize this opportunity to transform the Pillar's principles into reality through concrete initiatives, showing working people that it is possible to build a social Europe.

"#SocialPillar #EU need to show working people that it is possible to build a social Europe" @visentiniluca



> AUTHOR
Luca Visentini is the European Trade Union Confederation's General Secretary. He is responsible for guiding and coordinating ETUC policy.



| The European Health Insurance Card is one of the EU's many social policy initiatives

SOCIAL PILLAR SHOULD LINK AND BOOST EXISTING RIGHTS

by Maurizio Ferrera & Francesco Corti

The added value of the European Pillar of Social Rights could and should consist in serving as a broad framework in order to link and enhance existing social initiatives (e.g. Erasmus, the European Health Insurance Card, the European Social Fund) in a systematic way and to popularise them in a coherent and recognisable set. Maurizio Ferrera and Francesco Corti explain why they think an 'EU social card' is a good idea.

The key term that underpins the symbolic appeal of the European Pillar of Social Rights is, precisely, the term “rights”. This connects the Pillar to the language of citizenship and social entitlements, which has become so culturally and institutionally entrenched in the European tradition.

But what are rights, exactly? We can define rights as sources of power. There are three distinct power resources which back the actual exercise of rights. First, there are normative resources. Holding a right means having legitimate reasons to claim compliance on the side of others. Secondly, there are enforcement resources: if compliance is not obtained, the right holder can activate legal coercion. Thirdly, there are instrumental resources: the availability of practical conditions for a full exercise of rights. While the second type of resources (enforcement) are what makes rights (and, by extension, citizenship) “hard”, in contemporary liberal-democratic societies we should not underestimate the importance of the other two types: normative and especially instrumental resources.

Let us apply this division to EU “rights”. Even when it adopts binding norms that indirectly impinge on national citizenship, the EU cannot provide enforcement resources directly to citizens. The EU does provide, however, normative resources (if only through soft law) and EU citizenship does directly empower citizens with some

poverty). Maybe, in the future, ‘hard’ EU legislation will follow from these rights. However, in the short run, concrete instruments, which set the necessary conditions for a full exercise of these rights (e.g. a child guarantee), are what we can expect.

‘Facilitating’ social initiatives

#SocialPillar “The EPSR should link and enhance existing social initiatives in a systematic way and popularise them as a coherent and recognisable set.”
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@f_corti1992



instrumental resources. We suggest that the first tangible impact of the EPSR in terms of citizen empowerment could and should result, primarily, from these instrumental types of resources, i.e. financial, organisational, infrastructural, service resources. The Social Pillar, in fact, consists of ‘soft’ rights as normative resources (e.g. right to protection from

The EU already has a wide array of ‘facilitating’ social initiatives. Many of them (e.g. European Employment Services (EURES), ERASMUS and the European Health Insurance Card (EHIC)) are aimed at mobile EU citizens, the “movers”, to facilitate them entering into the citizenship space of another community and enjoying its rights. Others (e.g. the European Globalisation Adjustment Fund (EGF), the European Social Fund (ESF) and the Fund for European Aid to the most Deprived (FEAD)) are aimed at the “stayers”, to support and facilitate access to social protection and promote inclusion in domestic arenas. However, among ordinary people there is only limited awareness of these initiatives.

For this reason, the added-value of the EPSR could and should consist in serving as a broad

framework in order to link and enhance these initiatives in a systematic way, and to popularise them in a coherent and recognizable set. Some results of the Social Pillar's capacity to enhance power resources already emerged in the Commission's preliminary documents. The strengthening of the Youth Employment Initiative (YEI), the increase in the volume of the ESF, the EGF and the FEAD and the implementation of two new instruments, i.e. the Skills Guarantee and the Child Guarantee, are among the most valuable concrete proposals that could empower the stayers' EU citizenship. The same applies, with respect to the movers, to the Commission's proposals for a European Labor Authority, a European Student Card, a European social security number and to the ongoing project of the EU Disability Card.

However, in order to make the EU citizens aware of this set of instrumental resources, a mere systematisation and enhancement of social initiatives is not sufficient. A further step is needed. To this end, a smart move would be to introduce a specific practical instrument, available to all European citizens, making them aware of (and also easing access to)

their EU-based "instrumental" power resources.

An 'EU social card'

We suggest something like an 'EU social card', a tangible good, with a high symbolic potential, capable of fostering collective identities, 'we-feeling' sentiments and membership perceptions. This proposal goes beyond the above-mentioned European Social Security Number, as it would also include the "stayers" and not only the "movers". In this regard, it is closer to the idea of an 'EU social security card', launched by the European Parliament. However, it is even more ambitious than the latter position, as it explicitly serves not only administrative (i.e. inform citizens about their rights) but also political objectives.

Call for incremental improvements

The emphasis on instrumental resources which facilitate the exercise of social rights may seem unambitious and low-key, but they have the advantage of being practical and can become operative without Treaty changes or major legislative innovations. National citizenship and welfare regimes were

not born with a historical Big Bang but with a slow sequence of incremental reforms. Given the heavy legacy of such regimes, incrementalism is the most promising and policy strategy for the EU today in terms of short and medium term results – and this holds true for the EPSR too. Such a strategy should not lose sight of legislative measures and does not rule out the elaboration of grand political visions. Quite to the contrary, it presupposes a gradual "hardening" of rights-production and, especially, visionary thinking,

*#SocialPillar "An 'EU social card' could foster 'we-feeling' sentiments and EU membership perceptions."
@euvisions,
@f_corti1992*



otherwise small steps become a purposeless and random walk which are very likely to result in political failure.



> AUTHOR
Maurizio Ferrera is Professor of Political Science at the University of Milan and principal investigator of the European Research Council (ERC) funded research project Reconciling Economic and Social Europe (REScEU).



> AUTHOR
Francesco Corti is a PhD Candidate at the University of Milan and is a member of the FEPS Young Academic Network.



| The European Pillar of Social Rights is all about improving social protection across the EU

RELAUNCHING SOCIAL EUROPE? THE PILLAR OF SOCIAL RIGHTS AND EU GOVERNANCE

by Dr. Dimitris Tsarouhas



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The launch of the European Pillar of Social Rights has unleashed a fruitful debate, which is closely linked to the future of EU integration. Dr. Tsarouhas looks back at the launch of the Pillar and assesses what should be done now for it to fulfil its potential.

In March 2016 the Commission published its policy paper on a European Pillar of Social Rights following earlier calls for a 'Social Triple A' by the five EU institutions. The Commission

justified the launch of the Pillar based on the challenges posed by globalisation and highlighted the challenges faced by traditional welfare states. An annex to the policy paper highlighted the three main Pillar headings,

namely a) equal opportunities in accessing the labour market b) fair working conditions and c) adequate social protection. In December 2016 a report by the European Parliament's Committee on Employment

and Social Affairs welcomed the Commission's initiative and asked for concrete action on it through enforceable, legally guaranteed rights. The report contained a host of concrete proposals, including the need

“The #SocialPillar is linked to the very future of #EUIntegration given that socio-economic divergence undermines EU legitimacy from north to south.” @dimitsar



for a new Framework Directive to ensure decent working conditions, adequate income provisions, a Child Guarantee enforceable across all member states and the portability of social rights within the EU. The Commission presented the Pillar in April 2017 by publishing a recommendation and a joint proclamation that were approved in Gothenburg last December. The Pillar, Commissioner Thyssen says, ought to become part of the European Semester, while the next Multiannual Financial Framework should make funding readily available for EU member states to reform along the lines of the Pillar’s stated objectives.

The recommendation’s annex uses rights-based language to

outline the Pillar’s 20 principles (Table 1). The recommendation has been accompanied by a parallel process of initiatives that also contain a social scoreboard. This uses 12 indicators to measure labour market access, poverty and social exclusion, inequality (including gender-based discrimination), living conditions, childcare, healthcare and digital access.

Assessing the Pillar

The launch of the Pillar on Social Rights is potentially an important step in European integration. It marks the return of the social dimension to the mainstream of the EU debate, but the steps taken from now on will be critical to its success.

Early on, the Commission suggested that the Pillar would help consolidate the existing social acquis and complement existing legislation. Yet is this degree of ambition adequate given the rise in inequality across and within most member states? The Parliament makes it clear that the goal should be more and better legislation on the social policy field, asserting the need for binding policies for all participating countries. Moreover, the envisaged social scoreboard, which is to be

incorporated in the European Semester, fails to overhaul some of the policies that have contributed to the crisis in the first place. The best illustration is the country-specific recommendations, whose direction of reform runs counter to Pillar objectives regarding social cohesion and income protection. The scale of the challenge following the crisis is of an entirely different magnitude compared to the late 1990s.

To fulfil its potential, the Pillar needs to be put into practice at European and national level, acquire a concrete implementation mechanism and be designed in a way that reinforces the virtues of existing welfare states.

“The #SocialPillar needs to be put into practice at European and national level and be designed in a way that reinforces the virtues of existing welfare states.”@dimitsar



> AUTHOR

Dr. Dimitris Tsarouhas is an Associate Professor at the Department of International Relations at Bilkent University, Turkey and Jean Monnet Chair in European politics. He is the co-editor (with Owen Parker) of *Crisis in the Eurozone Periphery: The Political Economies of Greece, Ireland, Spain and Portugal* (London: Palgrave 2018).

The launch of the European Pillar of Social Rights has unleashed a fruitful debate on social and employment policy, which goes way beyond that particular policy area. It is linked to the very future of EU integration given that socio-economic divergence undermines EU legitimacy from north to south.



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"Spending only 3% of our health budgets on prevention, compared with 80% on the treatment of diseases, is simply not enough." said this autumn Commissioner Vytenis Andriukaitis at the presentation of the 28 Country Health Profiles

DIAGNOSING THE EU'S STATE OF HEALTH TO FIGHT INEQUALITIES

by Vytenis Andriukaitis

Social Europe is back. The wind is in our sails. The signal came once again with the joint proclamation last November at the EU Social Summit of Gothenburg of the European Pillar of Social Rights by the Council, the Parliament and the Commission. European Progressives can be proud of this achievement as it reaffirms the European Union's commitment to further develop the European social model based on 20 core principles.

Given that I am the EU Commissioner responsible for health, it will come as no surprise that I am particularly pleased with the inclusion of principle number 16: "Everyone has the right to timely access to affordable, preventive and curative healthcare of good quality." The Social Pillar thereby

recognises the role of universal access to good quality care, cost-effective provision of care, health promotion and disease prevention - in other words, the need to invest in health.

Key questions

How can we make the principles

of the pillar tangible for our citizens? How can we ensure that people remain as healthy as possible for as long as possible? How can we reduce health inequalities? How can we keep healthcare affordable, accessible in a timely manner and able to deliver better outcomes for all patients? How should we organise and finance our healthcare

models to ensure that they are fit to respond to tomorrow's needs? These are among the many questions that we are collectively responsible for and that we will have to address.

The pressure on the EU systems will not diminish in the years to come. Our populations are ageing, multimorbidity is

increasing, leading to growing demand for innovative - and often expensive - technologies. We have to do more with less and for longer.

EU's State of Health initiative

In light of this, we made it a key priority to build up country-specific and cross-country knowledge of health systems. Our recent Commission initiative on the State of Health in the EU strengthens country-specific and EU-wide knowledge in the field of health - including through the EU's Country Health Profiles, which I launched last November. The State of Health initiative gives a broad horizontal overview of the health status of the EU citizens and the performance of our health systems. It contains a wealth of knowledge, including on promoting good health and on access to healthcare, and it helps to identify areas where priority must be given to tackling health inequalities.

Health inequalities

These persist across and within EU countries. As with the Pillar's Social Scoreboard, the State of Health initiative notably features the same core indicator for accessibility: unmet need for medical examination - and it shows that in the four best performing Member States only 0.5% of the population or less report having unmet needs, whereas the four EU countries ranking last report figures 8% or higher.

Sailing in a new direction: preserving European #social model & #cohesion for future generations & tackling #health inequalities. State of health initiative can help says @V_Andriukaitis #ProgressivePost



In addition, premature mortality rates from chronic diseases are at least twice as high as the EU average in Bulgaria, Hungary and Latvia. A man of 65 in Bulgaria has a life expectancy of 10 years less than a woman of 65 in France who can expect to live another 24 years. Low spending countries have much higher preventable mortality rates (in Lithuania, Latvia and Romania, these preventable death rates are above 300 per 100,000 population). Workforce shortages are also a challenge in many countries and there are persisting/growing problems regarding the uneven geographic distribution of doctors, with people living in rural and remote areas often being underserved.

Unmet needs: affordability and access to education

Such inequalities are partly due to disparities within countries in access to timely and affordable healthcare: more than 10% of low income people in several EU countries report unmet health care needs. Affordability and access to education are major

issues. In 2014, poor people were on average ten times more likely to report unmet medical needs for financial reasons than more affluent people.

When it comes to prevention and early diagnostics, breast cancer screenings as an example vary between 66% for the lowest educated part of the population to 75.5% in the highest part. The key cause of these inequalities is disparities in exposure to health risks, with unhealthy behaviour being disproportionately prevalent amongst the lower paid and lower educated. Take regular physical activity: it ranges from 26% in the lower income group to 39% in the higher income group.

Universal access to healthcare

These figures illustrate why universal access - not only to medical treatment, but also to preventive care - is so important. As the European Commissioner for Health, ensuring that all citizens have the opportunity to attain the same level of health and well-being is one of my key priorities.

In the European Union, nobody should be left aside and reducing health inequalities is a central dimension of this Social Europe. Access to healthcare should not be defined according to income: people with lower incomes should not be prevented from accessing the care they need because they cannot afford it - and paying to jump the waiting queues is not acceptable either. We should all have access to healthcare when we need it no matter where we live. This is about our common values in Europe.

Preserving our European social model and social cohesion for future generations is a constant fight. The State of Health initiative can help us in this respect as we now have very useful country-specific and cross-country knowledge of health systems. I count on national authorities to further discuss these reports with the experts of the Organisation for Economic Cooperation and Development (OECD) and the European Observatory on Health Systems and Policies early this year so that they can help ministries to better understand the main challenges and develop the appropriate policy responses. With the Commission's support for national and regional health authorities, such as through the guidance for developing accessible health systems, I hope that all EU countries will engage in the fight against health inequalities.



> AUTHOR

Vytenis Andriukaitis is the EU's Commissioner for Health and Food Safety. Heat surgeon, he was Member of the Lithuanian Parliament for six terms and was the Health Minister of the Republic of Lithuania before appointed to serve as an EU Commissioner in November 2014.

BACKGROUND

REFORM OF EUROPE'S ECONOMIC AND MONETARY UNION (EMU) - THE COMMISSION'S FOUR MAIN INITIATIVES

"The single currency offers protection and opportunities to Europeans, and a strong and stable euro area is essential for its members as well as for the EU as a whole" and "the economic and financial crisis that hit Europe did not start in the euro area but laid bare some of its institutional weaknesses" are two key statements that the European Commission made as it set out its road map of different actions to deepen Europe's Economic and Monetary Union in December 2017. The Commission describes this deepening process as **"a means to an end: more jobs, growth, investment, social fairness and macroeconomic stability"**, in December 2017.

"After years of crises, it's now time to take Europe's future into our own hands. Today's robust economic growth encourages us to move ahead to ensure that our Economic and Monetary Union is more united, efficient and democratic, and that it works for all of our citizens. There is no better time to fix the roof than when the sun is shining," said European Commission President Jean-Claude Juncker.



Setting up a European Monetary Fund

The Commission's proposal is to turn the European Stability Mechanism (ESM), which is based on an agreement between governments, into a fully-fledged European institution called the European Monetary Fund. Since 2012, the ESM has played a decisive role in assisting Member States to either regain or maintain access to sovereign bond markets. This has helped to safeguard the stability of the euro area as a whole. The Commission aims to build on the well-established structure of the ESM and to set up a new European Monetary Fund (EMF) as a robust crisis management body, anchored firmly within the EU's legal framework.

According to the Commission proposal, the EMF will build on the ESM's current financial and institutional structures as they stand now. This means that the financial firepower available to the European Monetary Fund to react to crises will be the same as that available to the European Stability Mechanism, with an overall lending capacity of €500 billion. As is the case with the ESM, the Board of Governors of the EMF should be able to increase this lending capacity if it deems such an

increase appropriate to pursue its objectives. As with the ESM, the EMF would continue to assist euro area Member States in financial distress. In addition, the EMF would provide the common backstop to the Single Resolution Fund and act as a last resort lender in order to facilitate the orderly resolution of distressed banks. The Single Resolution Fund is financed by contributions from the banking sector. Its purpose is to ensure an orderly resolution of failing banks with minimal costs to taxpayers and to the real economy. It is part of the Single Resolution Mechanism whose rules apply to banks in eurozone countries and EU countries who choose to join the Banking Union.



Introducing a European Minister of Economy and Finance

This would be a new post, merging two positions in a new institution. A European Minister of Economy and Finance could serve as Vice-President of the Commission and a chair the Eurogroup, the body that brings together representatives of EU countries who use the euro as their currency. By bringing together existing responsibilities and available expertise, the idea is that this new position

would strengthen the coherence, efficiency, transparency and democratic accountability of economic policy-making for the EU and the euro area, in full respect of national competences. The Minister could act to promote the general interest of the Union and the euro area economies, both internally and at global level, and would facilitate coordination and implementation of economic policies. The Minister would be accountable to the European Parliament and would also engage in regular dialogues with EU member states' national Parliaments.



Incorporating the 'Fiscal Compact' into EU law

A very technical proposal to incorporate the substance of the Treaty on Stability, Coordination and Governance into the EU's legal framework. The idea here is to put the Treaty on Stability, Coordination and Governance (also known as the 'Fiscal Compact'), which is an agreement between individual EU countries into the EU's legal framework. The Treaty includes rules to ensure that EU countries do not end up with excessively high levels of debt. A key aim here is to help ensure continuous and improved monitoring as part of the EU's overall economic governance framework.



Introducing new budgetary instruments

A Communication on new budgetary instruments for a stable euro area within the Union framework setting out a vision of how certain budgetary functions essential for the euro area and the EU as a whole can be developed within the framework of the EU's public finances of today and tomorrow. The Communication discusses four specific functions: a) support to Member States for structural reforms through a reform delivery tool and technical support at the request of Member States; b) a dedicated convergence facility for Member States on their way to joining the euro; c) a backstop for the Banking Union, through the EMF/ESM, to be agreed by mid-2018 and made operational by 2019; and d) a stabilisation function in order to protect investments in the event of large asymmetric shocks.

A FIRST REACTION TO THE COMMISSION'S PROPOSAL

By Laszlo Andor & David Rinaldi

In these last few months, there has been a lack of discussion about the long-term objectives of the European Monetary Union. These objectives need to be agreed first. Monetary arrangements are tools that have to serve broader social and political objectives, like prosperity and balanced growth within the community. It is essential to understand that the EMU cannot narrowly aim at macroeconomic stability only. It cannot replicate the 19th century Gold Standard that purely focused on the restriction of the money supply and led to many undesirable social consequences and international conflicts. Broadening the notion of stability to account for the role of socio-economic and political stability would be a first step. Social and political stability are key elements for macroeconomic and financial stability.

In line with the rationale of the EU's Stability and Growth Pact, convergence ought to remain an intrinsic objective of EMU governance. Convergence is a means to stability as well and financial support for stabilisation, investment and reform in member states substantially lowers the likelihood of the emergence of instabilities and defaults.

Upward economic and social convergence (i.e. ensuring that the poorer people in EU countries improve their wellbeing) is a key aim for the progressive political family. Ultimately, the success of the EMU project will be measured by the convergence and wellbeing it delivers. Convergence is not a matter of constraining the public sector, but rather enabling it, with investment tools and fiscal capacity, so that citizens can be supported in the transitions and changes that they will face.

To complete the EMU, a first necessary step is to fulfil the 2013 agreement on the Banking Union by introducing some risk sharing arrangements severing the sovereign-bank nexus and protecting small bank accounts. Secondly, to rebalance the EMU, a major priority is linked to the establishment of a sounder social dimension. Social and labour market objectives should be given equal footing to macroeconomic ones, as they also determine imbalances that can undermine the stability and unity of the euro area. The Social Scoreboard, which provides statistics on education and employment to feed the European Semester process, and the whole European Pillar of Social Rights are a step in the right direction but more should be done to reconcile macroeconomic and social objectives.

On Setting up a European Monetary Fund

The completion of the second pillar of the Banking Union with a backstop to the European Resolution Fund would be a positive step. It would be the first risk-sharing element to be introduced of the package agreed in 2013. Nonetheless, the third pillar of the Banking Union, i.e. European protection for small bank accounts, is not addressed and the current proposal is less ambitious than the original plan. Turning the ESM into an EMF and moving it from an agreement between governments into EU law would lead to greater transparency and accountability. It is indeed positive to move from an intergovernmental setting without check and balances to the Community level, where democratic legitimacy and control are ensured. We consider it positive that surveillance and monitoring remain in the hands of a political body, i.e. the European Commission and European Parliament.

On introducing a EU Minister of Economy and Finance

There is general recognition that coordination should go beyond public finances and ensure economic policy coordination in an integrated manner; the task assigned to the European

Minister of Economy and Finance should respect this concern. This proposal could bring greater democratic legitimacy, thanks to the checks and balances of EU law and the direct accountability to the European Parliament; and enhanced coordination thanks to improved coordination between national and EU economic policies. Whilst it looks reasoned to have a double hat, as Commissioner and President of the Eurogroup, it is unclear whether adding a third hat, as head of the European Monetary Fund, would represent a good governance model.

On incorporating the ‘Fiscal Compact’ into EU law

It fails to acknowledge that the current fiscal rules have excessively compressed aggregate demand. It is a missed opportunity to rebalance legitimate concerns about fiscal consolidation with the necessary long-term pro-growth & pro-convergence investments. It gives application to the commitments taken in 2012 and to the requests of the European Parliament and takes into account the flexibility instruments agreed in early 2015, but it fails to take up the opportunity to introduce technical reforms concerning: i) the multiannual dimension of public investment, ii) out-dated targets (60% of debt over GDP), iii) methodological flaws for computing the potential GDP.

On introducing new budgetary instruments

It shows no willingness to find new financing in support of highly demanded reforms and for instruments ensuring a proper stabilisation in case of shocks. The focus on technical assistance is to be welcomed although there is not much evidence yet that the Structural Reform Support Service (SRSS) has been able to effectively deliver on improving public administration and effective reforms. It will remain an on-demand service, thus ensuring country ownership but it will likely fail to address the most in need.

The proposal about re-defining the Performance Reserve and the establishment of a

pre-accession instrument may have an impact on cohesion policy, which, although reformed, should not end up being weakened. In the stabilization function, focusing solely on protecting investment is rather controversial, and in the absence of concrete schemes, remains an unconvincing idea. Protecting aggregate demand, ideally linked to the sudden rise of unemployment, is closer to the scholarly consensus regarding existing and sustainable monetary unions. The debate on shock-absorption and counter-cyclical stabilization capacity has to keep considering all options.



> AUTHOR
David Rinaldi is the FEPS Senior Economic Policy Advisor and Maître de conférences, ULB - Institute for European Studies.



> AUTHOR
László Andor is a Senior Fellow at FEPS. He was formerly the EU's Commissioner for Employment, Social Affairs and Inclusion.

BOOSTING THE SOCIAL POLICY RIGHTS OF EU CITIZENS

The Treaty of Rome (1957) has few articles that deal with European social policy. Nevertheless, there has, over time, been progress in terms of social policy. The proclamation of a basic core of European social rights at the Gothenburg summit of EU leaders in 2017, 60 years later, is a significant social policy milestone for the Union. Beyond the proclamation itself, this political process is particularly important for initiatives that are yet to come to fruition in 2018 but are in the policymaking pipeline.

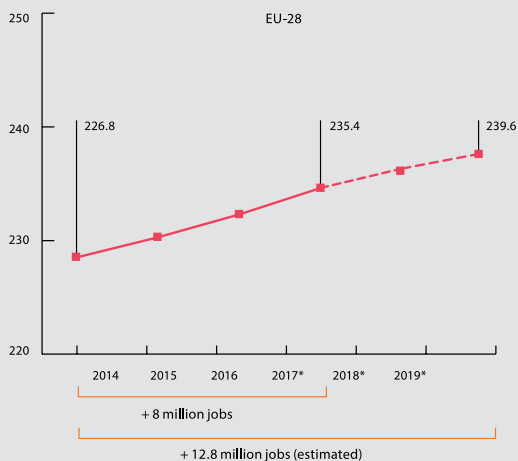
“This is a landmark moment for Europe. Our Union has always been a social project at heart. It is more than just a single market, more than money, more than the euro. It is about our values and the way we want to live,” said European Commission President Jean-Claude Juncker at the Gothenburg summit.

The European Parliament “emphasises that the European Pillar of Social Rights (EPSR)

should equip people living in the EU with stronger means of keeping control over their lives, enabling them to live a dignified life and realise their aspirations by mitigating various social risks arising over the course of their entire life and empowering people to participate fully in society and be able to adapt to frequent technological and economic changes” (European Parliament, Report on the European Pillar of Social Rights, 20.12.2016, page 13).

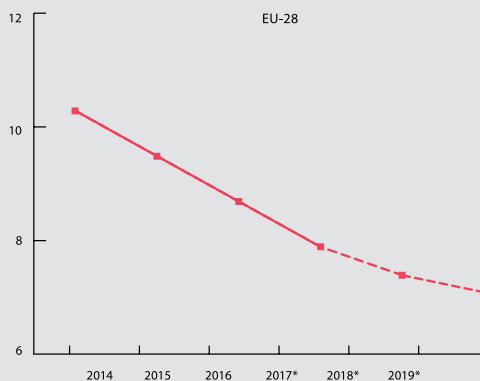
EMPLOYMENT LEVEL IN THE EU 2017-2019* (MILLIONS OF PEOPLE)

* Forecast
Data source: Eurostat, national accounts



UNEMPLOYMENT RATE IN THE EU 2014-2019* (%)

* Forecast
Data source: ECFIN, AMECO database



During the Gothenburg summit, leaders from across the European Union agreed on a European Pillar of Social Rights.

In the official declaration, EU leaders committed to a set of 20 principles and rights aimed at giving social rights across the EU a boost, especially in countries where social policy standards are lower. Among the rights protected: the right to fair wages and to health care; to lifelong learning and minimum income; a better work-life balance and gender equality.

The European Pillar of Social Rights is about delivering new and more effective rights for citizens. Its three main categories are:

- Equal opportunities and access to the labour market
- Fair working conditions
- Social protection and inclusion

Moving on from the Gothenburg summit, the key overriding question is how these principles are being translated into

specific legislation or other initiatives that will help EU citizens exercise their rights in this area concretely. Ahead of the 2019 European Parliament elections, the progressive family will design a Social Action Plan to ensure that the Social Pillar has real bite.

Here is a detailed look at five social policy initiatives that are currently in progress.



1. The 'New Start' initiative: work/private life balance for parents

Context: In 2015, the employment rate for women (aged between 20 and 64 years old) came to 64.3% whilst for men, the figure came to 75.9%. The average employment rate for women with

a child under 6 years of age during 2015 was nearly 9 percent lower than for childless women, and in several countries this difference was greater than 30%.

Concrete proposals:

- The introduction of paternity leave
- The introduction of caregiver's leave for workers caring for severely ill or dependent parents
- The extension of the right to apply for flexible work to apply to all parents with children under the age of 13 and caregivers caring for dependent relatives

Benefits: parents and caregivers benefit from a work-family balance that is better adapted to the needs of today's families, an increase in women's employment, higher incomes and career progression. This would have a positive impact on their economic prosperity, their social inclusion and their health.

It remains to be seen whether

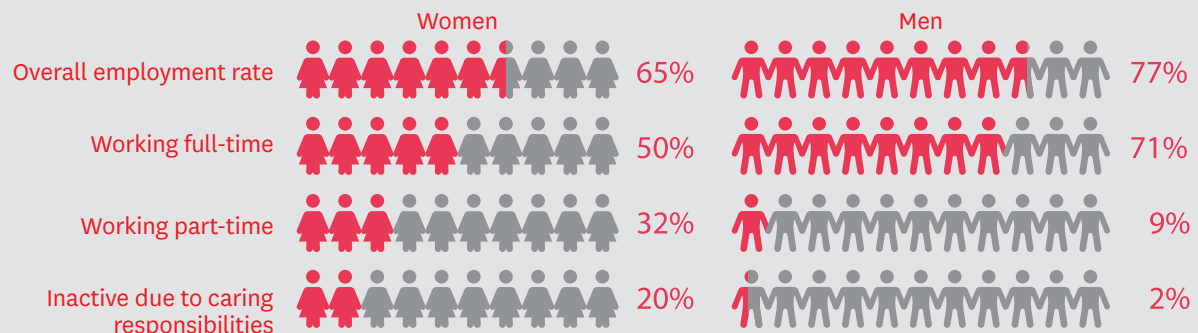
this new directive will be considerably more ambitious than the previous proposal (Directive 92/85/EEC) or whether there will be any real steps towards improving the safety and health of workers on maternity leave. For example, there is currently no European legislation which provides for paternity leave or leave to take care of a sick or dependent parent in circumstances where there is no force majeure event.



2. Clarification of the Working Time Directive

Context: Digitisation has led to a growing fragmentation of work, both in terms of place and time. About 30% of people in employment work in several

Across the European Union, women remain considerably under-represented in the labour market:



different places, but only 3% of people work remotely from home. At the same time, digital technology is paving the way for new opportunities to monitor working hours and companies are using new arrangements to meet their specific needs.

Proposal: One of the concrete proposals is that the working week be capped at 48 hours. The objective is intended to protect the health and safety of workers by establishing requirements for working time to be structured in such a way as to respect a balance between work and family life. It is important to note that the Working Time Directive, as is the case with all EU directives, is binding on all Member States, but that the actual provisions must be transposed into national law.



3. The directive relating to the written declaration: transparent and foreseeable working conditions

Context: The basic core of European social rights have been affirmed to ensure that employment law retains its

relevance and continues to positively affect the labour markets of the 21st century. The objective is to introduce new rights for workers.

Proposals:

- Workers to receive detailed information regarding their work on or before the first day of work (and in any event no later than two months after the commencement of the work in question)
- Limited trial periods to be conducted upon commencement of work
- Additional employment to be allowed by prohibiting exclusivity clauses and by limiting contradictory clauses
- Workers to be informed within a reasonable time when the work will take place in cases where the work schedule is varied and determined by the employer, as is the case for work on demand (when requested)
- Workers to receive a written response to a transfer request where a request has been made to transfer to a safer position
- Workers to receive all required training from the employer free of charge

The directive has two main objectives: increased employee protection against possible

violation of their rights and greater transparency in the labour market by ensuring that working conditions applicable to a specific category of employees can be identified easily.

The proposed increase in transparency is useful not only to employees but also to public authorities (in their efforts to reduce undeclared work), as well as other employers and potential investors who may require legal certainty regarding current working conditions.

4. Legislative proposal: A European Labour Authority

Context: Today, there are 16 million Europeans working in another EU Member State, twice as many as there were ten years ago. Moreover, according to figures produced by the Commission, 1.7 million Europeans cross a border every day to get to work.

Proposal: This Authority could be particularly important in the management of posted workers. Although they are limited in number, they continue to be a source of tension between citizens of different countries. The aim of this Authority is not to replace national labour agencies but rather to ensure better coordination between national agencies and to guarantee the application of labour laws, a weakness which has been a source of tension in the past.

It remains to be seen whether this authority will be empowered to make decisions in cases when it is apparent that a company or national authority has failed to apply the laws correctly.



5. Consultation: Access to social protection

Context: Today, people belonging to all categories of self-employed work account for 15% of the workforce across EU Member States and people in all categories of atypical employment account for a further 20 to 25%.

Proposal: Guarantee universal access to essential health services and basic social security to protect all European workers.

At present, people who work atypically or for themselves, even if they do not pay social contributions still retain access to basic social provisions.

EU ECONOMY



| “The neo-liberal alternative that has been practised for years is to adapt policy-making processes to reflect market needs”
says GUSTAV HORN

GERMANY AND THE EURO - WHAT'S NEXT?

by Gustav Horn

At first glance, the German economy appears to be in excellent condition. But a second look reveals hairline cracks in the economic structure, the economic and political consequences of which are as yet hard to predict. This is apparent not least from the emergence of nationalist-populist political ideas whose economic policy orientation is aimed at least at rejecting multilateral agreements such as, above all, the euro, if not even more comprehensive national detachment. The apparent popularity of such political trends, which can be observed in many parts of Europe and in the USA, has led to a shift in the economic policy discourse that puts globalisation in its present form to the test and calls for new economic policy responses.

Globalisation and sovereignty

For the future federal government this raises the question of the path which it intends to follow in principle. Does it bow to the widespread doubts and reorient its economic policy to a more nationally focused approach? Or should it continue on the path to deeper global cooperation and, above all, European integration?

The former would be fraught with considerable risks for Germany. This is not just a matter of the export markets, especially in the eurozone, on which the German economy is highly dependent.

The flip side of global cooperation and integration is the increased reliance on international developments that could impinge on national economic and political sovereignty, depending on economic and political power relations. This has been shown not least by the debates on international trade agreements.

The neo-liberal alternative that has been practised for years is to adapt policy-making processes to reflect market needs, irrespective of whether or not this is in line with the interests of the majority of the population. However, this policy has also reached its limits in recent years. This is particularly because it creates insecurity and the feeling of constant

threat through the requirements for adaptation which are euphemistically described by the representatives of neo-liberal policies as a permanent reform process. It is precisely the feeling of becoming the plaything of anonymous global markets that has contributed significantly to the emergence of nationalist tendencies. So large sections of the population now consider the nation state to be a protective bulwark against these trends.

"The starting point should be a landmark decision on further #EUIntegration."
@GustavAHorn



However, the longed-for protective capacity of the nation state is likely to prove to be an illusion. This leaves, as a meaningful political strategy, only the third policy variant in the Rodrick trilemma, namely making the globalisation process democratic (Habermas 2017). This is especially true for the EU and the euro area. For example, the rights of the European Parliament or the influence of relevant committees of the national parliaments could be extended (Winkler 2017). In general, "democratisation" should not be understood only in a purely formal political sense, but rather as broad

social and economic participation. It is important to make the fruits of globalisation and European integration accessible to all and not leave them exclusively to a layer of highly adaptive winners from globalisation (Milanovic 2017).

Shaping globalisation: The starting point must be Europe

The starting point should be a landmark decision on further European integration. This decision will ultimately shape everything else. On the one hand, it would make sense to adopt the proposals of France's President Macron and the European Commission. This includes establishing a specifically European fiscal authority. It should be equipped with sufficient financial resources to make investments that make sense from a European perspective, thereby increasing prosperity in the EU as a whole. It is primarily a matter of European public goods. Its democratic control should come from both the European Council and the European Parliament or the national parliaments. This and the similar plan from the EU Commission could provide a decisive impetus for improved economic development and more stable employment in the EU. At the same time it is becoming clear that the supply of public goods is being improved throughout Europe, which is strengthening the acceptance of European integration.

On the other hand, it is fundamentally important for integration to set itself new goals and break new ground. An essential step would be a change in the hierarchy of economic policy objectives at EU level. So far, from the European point of view, the focus has been on maintaining price stability and consolidating public finances. Both of these are good things in themselves. However, they must be fairly embedded in a broader target catalogue, so as not to lead to serious economic difficulties, since conflicts with other important economic policy objectives cannot be ruled out.



> AUTHOR

Gustav Horn is Professor and Scientific Director of the Institute of Macroeconomics and Economic Research (IMK) at the Hans Böckler Foundation in Germany.

EU ECONOMY



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| The Commission set out its vision for deepening the Economic and Monetary Union in December 2017

A NEW APPROACH TO EU CONVERGENCE

by Heikki Patomäki

The trend for economic and social convergence between EU countries in the early years of the euro turned out to be short lived. The absence of euro area growth from 2010 to 2017 resulted in greater rather than smaller divergences in economic and social outcomes. The euro crisis followed by Brexit have shattered the EU to the core. Heikki Patomäki sets out a new approach to economic and social convergence in the EU.

The future of the EU depends to a significant degree on future economic developments. Despite the tendency driven by Economic and Monetary Union towards

low investment and high unemployment and in spite of a new major financial crisis that is expected by 2020 or so, a lot depends on the precise budget positions and timing and nature of the next downturn or crisis.

Even a relatively short-lived semi-recovery of the European economy would give time for the EU to evolve in novel directions and semi-recovery is exactly what seems to be happening in Europe in 2017-18.

According to President Juncker, “there is no better time to fix the roof than when the sun is shining”. In a series of documents from the ‘Five Presidents’ Report’ to the ‘Commission’s Reflection Paper on the

*“#EMUreform
#DeepeningEMU
The need for #EU
having a system of
tax to develop social
schemes.”*

@HeikkiPatomki



Deepening of the EMU, key EU players have been developing a roadmap to forge ahead with the integration process. They call for a broad consensus, involving a narrative for the past and a vision for a more integrated future. The aim is to create a more convergent and resilient Union.

Despite a few good proposals in the right direction, the current approach is mostly based on “more of the same with some modifications”. Thus the current approach not only tends to repeat the mistakes of the past but it also appears contradictory. We know that market discipline did not work in a good way in the aftermath of the global financial crisis of 2008-09. National competitiveness translates into attempts to export problems to other EU countries too. Furthermore, efforts to attract foreign investment may contradict the main aim of the Common Consolidated Corporate Tax Base.

Especially during economic downturns, policies implying internal devaluation, tax and wage competition or making work more precarious tend to undermine the European social

model. What is more, it does so asymmetrically across regions, while the EU is suffering from the consequences of uneven growth. One of the mechanisms making the process of uneven growth worse is recognised by the Commission – “the financial conditions of firms very much depend on their geographical location” – but a Financial Union is unlikely to suffice to reverse the situation whereby industrial activities are concentrated in and around Germany.

A new approach

A new approach is needed. Past mistakes must not be repeated. Self-reinforcing processes can be reversed and contradictions overcome by means of collective actions and by building better common institutions. The required new powers, however, remain politically unrealistic unless the EU is reframed into what it should be: a cosmopolitan social democratic project.

For instance, as long as member states jealously debate the national direct costs and benefits of the EU, the size of the EU budget will remain limited and will lack any macroeconomic or redistributive effect. As long as redistribution is envisaged in inter-nationalist terms as transfers from one member state to another, the surplus countries will continue to blame the deficit countries for moral failures and refuse any fruitful discussion about redistributive mechanisms. And for the same reason they will deny the legitimacy of debt mutualisation and common debt.

EU needs its own resources

As a cosmopolitan social democratic project, the EU must be considered a community of citizens living in a capitalist market society with historically evolving social structures and consequent cleavages. To shape the relevant processes, the EU needs its own resources not directly dependent on the whims of the member states. Thus the EU must have its own system of taxation in order to develop social schemes, redistributive mechanisms and public investments pro-

recognised by the Commission on several occasions. The interest rate of common debt should not be at the mercy of “market discipline” but rather should be controlled by the European Central Bank.

We know, of course, that it is very difficult to change the EU. Its institutional arrangements have been “locked in” by neo-constitutional means. To make the Union sustainable, including in view of the next major crisis, a Treaty revision is necessary, but there are many measures that can be taken within the present Treaty. The enhanced cooperation procedure is especially promising. For instance, a coalition of willing member states can start a system of common taxation in the knowledge that the current system of nationally based taxation is unsustainable.

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“Convergence
requires real
transformative
capacity on a
collective scale”*

@HeikkiPatomki



grammes, including in health and education. Convergence does not emerge from some miracle financial instruments, not even from a proper financial union, but requires real transformative capacity on a collective scale.

Whether we are talking about financial or macroeconomic stabilisation or reindustrialisation programmes, the EU’s capacity to borrow is also necessary for a sustainable Union, as



> AUTHOR

Heikki Patomäki is a professor of world politics at the University of Helsinki and is the author of *Disintegrative Tendencies in Global Political Economy: Exits and Conflicts* (Routledge, 2018).



| The ECB President takes part in a regular monetary dialogue with the Parliament's Economic and Monetary Affairs Committee

‘DYNAMIC RESILIENCE’ NEEDED IN EURO-AREA GOVERNANCE REDESIGN

by Paolo Guerrieri

The euro area has spent the best part of a decade fighting for survival. Significant institutional reforms have been introduced. More recently, the eurozone has been enjoying its strongest recovery since the financial crisis but complacency would be misplaced and the favourable economic expansion should be used as a unique window of opportunity for reforms. Economic Monetary Union (EMU) was left unfinished and is still a fragile construction. There is a broad consensus on the need to take further steps to strengthen it, but significant differences persist among EU countries and the European Commission. The eurozone needs ‘dynamic resilience’, explains Paolo Guerrieri.

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#DeepeningEMU
To stop the rise
of populism and
anti-EU, we need
to achieve a fair
income distribution
of the benefits of
economic growth.”
@PaoloGuerrieriP***



'Dynamic resilience' presupposes strengthening both the monetary system's resistance to shocks and crises and its policy space. The package of reform proposals recently put forward by the Commission are interesting suggestions but can only be a good starting point for the next phase of negotiations. In this regard three sets of measures and reforms should be pursued in order to increase the stability, growth capability and social dimension of the euro area.

Financial stability

The first set is those reforms to be launched and / or completed to increase the financial stability of the euro area. In the unfortunate scenario of a new and serious financial crisis – which is far from being ruled out – the euro area is not yet adequately equipped to deal with it and runs the risk of plunging into a deep crisis. In this respect completion of the banking Union is essential through the so-called 'second pillar', the single resolution mechanism regulation (SRMR), and the third pillar, common bank deposit insurance.

A backstop for the single resolution fund should be created by expanding the role of the European Stabilisation Mechanism, transforming it into a type of European Monetary Fund (EMF), with a substantial increase in the resources at its disposal and greater powers over the design and implementation of euro area bailouts. A key element here should be to bring the new EMF within the EU's legal framework – as in the Commission's plan – together with a reformulation of its governance.

Growth capability

The second set of issues relate to growth and diverging performances in the euro area. Despite its recent acceleration, the recovery remains relatively modest by comparison with all the economic expansion in the last three decades. Its main driving force is the unconventional monetary expansion of the European Central Bank (so-called 'Quantitative Easing') which is soon going to come to an end.

Together with structural reforms

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“Financial stability,
growth capability
and social fairness
reforms are needed
#EU”
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and Single Market consolidation as main supply policies there is also the need for policies to support aggregate demand in the euro area. It would serve to have a common fiscal policy managed for the euro area as a whole based on more symmetrical adjustment mechanisms (the so-called 'European fiscal stance'). In addition, the EU should give a strong priority to investment at the European level that has a high multiplier effect, going beyond the modest Juncker plan. In this perspective, the eurozone should have its own budget capacity – although initially modest – to boost investment, address future economic shocks and facilitate structural reforms. The introduction of a 'golden rule' in the fiscal pact that allows each country to finance additional national investments could offer a further contribution in this direction.

Social policy and inclusive growth

The third set of measures concerns social policies in Europe. What is needed today is 'inclusive growth', characterised by both more efficiency and equity. Inclusive growth means creating opportunities for all segments of the population of a country, so as to achieve a fair income distribution of the benefits of economic growth. It is the only effective way to respond to and to stop the rise of populist and anti-European movements. To this end, a series of social measures and policies (such as active policies against unemployment, reforming and reviving welfare, restoring social mobility) are needed at national

and European level. A European Pillar of Social Rights has been recently proposed. The real challenge concerns the implementation and enforcement of these rights and standards.

To conclude, financial stability, growth capability and social fairness are the three sets of interrelated reforms to relaunch economic governance and the integration process in the euro area and Europe. It is clear that every EU member country, including Germany, will have to be ready to make compromises. The radical shifts taking place in the geopolitical and economic landscape makes such steps appropriate and even indispensable.



> AUTHOR

Paolo Guerrieri is a Professor at the College of Europe in Bruges. He is a Senator of the Italian Republic and member of the Economic Budget Committee and the European Policy Committee in the Italian Senate.



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I “The challenge will be to give it an ambitious outline, not only with a sufficient size but also in its design and operation”
says Pierre Moscovici

THE NEED FOR AN AMBITIOUS ROADMAP FOR 2019

by Pierre Moscovici

At the December 2017 Eurozone Congress, several proposals were made. Pierre Moscovici, a former French Minister of the Economy and Finance, talks about his wish for an ambitious European roadmap for the 2019 European elections.

The road map for progressives in the 2019 European elections must be ambitious on the subject of the eurozone. The proposals I made on behalf of the Commission last December can constitute a solid basis here without restricting our horizons.

The overall context remains favourable but uncertain: France wants to have a stronger voice in Europe: in Germany the SPD is finally on the way into a coalition; the Commission wants bold proposals. It is when this "golden triangle" is mobilised and aligned that the Union gives the best of itself. Let's see if it can use the window of opportunity that is opening on reform and deepen the eurozone before the end of 2018.

#EUBudget "The last, and for progressives, most important element of the package concerns the eurozone budget."
@pierremoscovici



The December proposals have a simple objective: to avert the danger of a eurozone that

is economically and socially at two speeds, paving the way for its destruction by the populists.

They are a first step, which still needs to be improved in the dialogue with the European Parliament and the Member States. Let's take it as such.

Need for a European Monetary Fund

A European Monetary Fund (EMF) must be created to give Europe autonomy in managing internal economic and financial crises, such as with the Greece crisis. It will be established within the EU's structure to give a stronger voice to the European Parliament.

Above all, the EMF will provide a common budget support mechanism to the Single Resolution Fund – a "backstop" which will instil confidence in the European banking sector. The principle has already been agreed by national governments, but it has to be put into operation.

The last, and for progressives, most important element of the package concerns the eurozone budget. The challenge will be to give it an ambitious outline, not only with a sufficient size but also in its design and operation, so

as not be based solely on loans and conditionality.

Convergence is key

We must avoid falling into the trap set by the conservatives elsewhere on the Multi-annual Financial Framework (the EU's budget) - and resist the attempt to introduce into this context more conditionality, technical supervision, loans and financial instruments and less attention on convergence.

These proposals are not perfect but they contain promises that our family must grasp. Firstly, because they recognise our main concern - the need for convergence in the eurozone - and propose the embryo of a new tool to deal with it: a eurozone budget. Secondly, because they pave the way for a major institutional imperative: more democracy in the governance of the eurozone.

For progressives, these are useful foundations on which to build an ambitious agenda for 2019. Let's turn them into real breakthroughs.

*#EUBudget
"Commission proposals recognise the need for convergence in the eurozone and propose a new tool to deal with it (a eurozone budget) and they pave the way for more democracy in the governance of the eurozone."
@pierremoscovici*



> AUTHOR

Pierre Moscovici has been a European Commissioner since 1 November 2014. Member of the Socialist Party in France, he was a Member of the European Parliament between 1994 and 1997, Vice-President of the European Parliament between 2004 and 2007 but also Minister for finance and economy from 2012 to 2014 and as well as Minister for European Affairs between 1997 and 2002.

EU ECONOMY



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"Citizens in the 'North' believe they are 'paying' for others' mistakes, while citizens in the 'South' believe their economies are being vandalised by austerity." says Léo Hoffmann-Axthelm

EUROZONE REFORMS MUST FOCUS ON INSTITUTIONS AND THEIR DEMOCRATIC LEGITIMACY

by Leo Hoffmann-Axthelm

The Commission's proposals to deepen Economic and Monetary Union have been described as a "power-grab", but may restore balance to a field so far dominated by the largest EU countries.

The one thing that everyone can agree on is that the euro-zone needs reform. The 2010-12 crisis response had to be organised ad hoc, at all-night summits under constant

pressure from markets reopening on Monday morning. These reforms did not solve the crisis, but they were all that EU Member States could agree on. Calm returned only when the

European Central Bank (ECB) filled the vacuum, stretching its mandate to buy more time by doing "whatever it takes" to save the euro. Nonetheless, to this day, no-one really knows how Italy will service its debt

once monetary policy returns to normal. The time has come for further reforms, following formal proposals presented by the European Commission on

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#FutureofEurope
#euroarea
#Eurozone “A
eurozone watchdog
network has been
set up to push for
a more democratic
#eurozone.”
@leo_axt on
#ProgressivePost*



6 December. Germany may not have a government but Germany's Chancellor Merkel and France's President Macron did commit to presenting a joint vision of eurozone reform by March.

The Commission proposals were mainly criticised as a “power grab”, or as Brussels being pre-occupied purely with itself. While true on the surface, both these criticisms miss the point.

The EU's response to the financial crisis

The crisis response had been so far-reaching that it actually went beyond what was possible within the framework of the EU Treaties. This made “intergovernmental” solutions necessary, i.e. Member States acting among themselves, only delegating some tasks to the Commission. Working outside the treaties pre-empts many mechanisms that ensure democratic accountability, efficiency, and integrity. It cuts out bodies such as the European Parliament, the Anti-Fraud

Office, the Court of Auditors and European Ombudsman, to name but a few, thereby reducing direct democratic control, as well as checks on corruption or waste of taxpayer money that would otherwise be routine. Where the Court of Auditors has been able to indirectly assess the EU's bailout programmes, for example, far-reaching recommendations were deemed necessary. Policy outcomes have not always been optimal.

The recourse to intergovernmental arrangements therefore empowered an informal outfit composed of eurozone finance ministers. Created essentially as a talking shop for economic policy coordination, the Eurogroup was suddenly thrust into the position of having to micro-manage bailouts and fine countries that disregard budget rules. By making individual finance ministers responsible for the decisions of the Eurogroup as a whole, the Eurogroup's accountability has been fragmented, limiting control by national parliaments in practice.

At best, this leads to consensus agreements via peer pressure. At worst (read: when big sums of money are involved), it leads to all-night summits where ministers are arm-twisted into concessions behind the closed doors of the Eurogroup.

This stands in stark contrast to traditional EU working methods. From the first day, the EU has fine-tuned ways to protect small countries from large Member States throwing their weight around in pursuit of national

interests. This was done through a strong central authority tasked with pursuing the interests of Europe as a whole.

The Commission focused its narrative on the new reform proposals around increased democratic legitimacy. But this is more than a strategy to push the Member States out of their comfort zone. To improve policy outcomes, eurozone reforms have to address how decisions are made in Brussels. While fiscal responsibilities should remain at the national level, this does not mean that we need no accountability for the EU level coordination of such policies, especially if some decisions are effectively (yet informally) taken at that level.

Eurozone watchdog network set up

Everybody agrees that accountability is a good thing, but what this means in practice is usually left vague or negotiated away. This is why Transparency International EU has just launched a watchdog network on eurozone governance with 18 organisations, based on a manifesto for a transparent, accountable and democratic euro. As negotiations progress, we aim to spell out clearly what proper legal mechanisms to ensure accountability would look like, and insist on reforms that will make the single currency more democratic.

Transparency International calls on Member States to bring eurozone governance into line with

the EU acquis. A clearer role for EU institutions, and even the creation of an EU Finance Minister, hold the promise to clarify who is in charge, and how they can be held accountable.

Citizens in the ‘North’ believe they are ‘paying’ for others’ mistakes, while citizens in the ‘South’ believe their economies are being vandalised by austerity. In the medium term, this is not sustainable.

Having survived the financial challenge to the euro, anti-establishment parties may yet bring about an even more dangerous, political challenge. It really is time to fix the roof while the sun is shining...



> AUTHOR

Leo Hoffmann-Axthelm coordinates Transparency International EU's programme on the transparency and democratic accountability of EU economic governance institutions. Prior to joining Transparency International, he worked for the European Commission's Directorate General for Economic and Financial Affairs.

EU MIGRATION



Calais, France: Makeshift shed with slogan inside a camp for irregular migrants bound for the UK

REOPENING THE CHANNELS OF LEGAL ECONOMIC MIGRATION

by Guiliano Amato

We cannot fight illegal immigration on the assumption that only political refugees are admissible, while all economic migrants are, as such, irregular. The main antidote to illegal immigration is to restore legal migration on the basis of our labour markets' demand and consequently activate the main vehicle of integration, a regular job.

In 2007 I was Minister of the Interior and therefore a member of the European Justice and Home Affairs Council. At the time, the main course of action pursued by the Council was relationships with the countries of origin to promote legal inflows of migrants in order to meet the demand from our labour markets. We were well aware of the attention of our public opinions to the actual implementation of the readmission agreements whereby the irregular immigrants were sent back to their countries. But we were equally aware of the need for legal channels of immigration to Europe, both as the main disincentive for potential migrants to use the costly and risky channels of illegal entrance and as an incentive for

#Migrants “Setting the amount of admissible regular migrants on the basis of demand from labour markets was and still is a Member States competence” @GiulianoAmato, a former minister of the interior



their countries to cooperate in the enforcement of readmission agreements. Furthermore, we knew full well what everybody knows, namely that integration is the main antidote against the loneliness and the exacerbation

of their separate identities, which otherwise may easily affect migrants and that having a regular job is the main vehicle of integration.

Setting the amount of admissible regular migrants on the basis of demand from labour markets was and still is a Member States competence. However, nothing prevented us from jointly supporting the EU Justice and Home Affairs Commissioner, who negotiated with the countries of origin using the aggregate European demand for labour. What did he negotiate? On the one side he negotiated readmission agreements, on the other the initial experiences of ‘mobility partnerships’ and at the time a new European tool aimed at fostering legal migration.

What has happened since then? The programme of mobility partnerships still exists but very few countries have joined it and it is certainly not a priority in current migration policies. The fact of the matter is that ten years ago the main distinction was between legal and illegal economic migrants. Nowadays it is between political refugees (as such, legal) and economic migrants (as such, irregular). I understand the reasons for this incredible distortion, that range from the conflict in Syria, which has multiplied the number of political refugees, to the long and deep economic crisis that we have been affected by. The crisis has not reduced the inflow of migrants in search of a better life but has drastically reduced the demand for foreign workers by our firms. For sure

#Migrants “Integration is the main antidote against the loneliness and having a regular job is the main vehicle of integration” @GiulianoAmato, a former minister of the interior



the aftermath of these events leaves us with a discouraging landscape. On the one side, there is a formidable number of migrants who have illegally entered in recent years, who certainly do not qualify as political refugees. On the other side, there is a continuing inflow of (mostly) economic migrants, who we try to stop before their arrival, in Mali, in Niger (from where they still can go back), and, in the worst case, in Libya (where they remain prisoners).

The only way out is to restore the channels of legal migration and therefore give programmes such as the mobility partnerships the centrality that they deserve. This means relying again on our labour markets and on their demand for labour which, despite the impact of new technologies, is returning to the pre-crisis levels (in the wide area of services, and first and foremost health services, we are in desperate need of personnel that we have to look for outside Europe).

What about the irregular migrants who have already entered the EU? If we really think we can send all them back, let us do it. If we do not think so, ignoring them and treating them as the invisible men and women of our societies would pave the way to the worst risks. It is much better for us to give them, whenever possible, a regular job and to integrate them. Our overall population is shrinking and our birth rate is lower and lower. This ageing Europe has to be open to others.



> AUTHOR

Giuliano Amato is professor Emeritus at the European University Institute in Florence and at the Università La Sapienza in Rome, member of Parliament for 18 years, twice treasury minister, minister of interior and twice prime minister of Italy. He also headed the 2003-2005 International Commission on the Balkans and was vice president of the Convention on the Future of Europe.

EU MIGRATION



I Greece : Syrian refugees arriving at the Idomeni refugee camp on the Greece/Macedonia border

EUROPEAN PARLIAMENT CALLS FOR A FAIRER AND CENTRALISED DUBLIN SYSTEM

by Elly Schlein

The Dublin system has clearly failed, leaving most of the responsibilities for asylum to the frontline Member States of the EU. The time has come to reform it according to the principles of solidarity and equal sharing of responsibilities. The European Parliament has voted with a large majority to put in place a fairer and centralised Dublin system.

The EU's Dublin Regulation sets the criteria that determine the responsibility of a Member State for every asylum application lodged in the EU and is now being revised for the third time. When

looking for the reasons for its failure, one can easily point out the fact that, for more than twenty years, the Dublin system relied mainly on a hypocritical criterion, namely the "first country of irregular entry", that throughout the years has put most of the

responsibility for examining asylum requests on the frontline Member States. When the migratory flows started increasing as a consequence of political instability – particularly after the worsening of the Libyan situation and then the Syrian

crisis – and of increasing inequalities and impact of climate change, it became obvious that the current Dublin system was unfit for purpose and unsustainable. The time has come to finally address its shortcomings and move towards a fairer and

more effective system based on the principles of solidarity and equal sharing of responsibility enshrined in Article 80 of the Treaty.

Sharing the responsibility

As a progressive reform of the Dublin system should therefore first and foremost entail a real responsibility sharing system between Member States in order to create the basis of a unified, centralised and truly Common European Asylum system.

On November 16th, 2017, the European Parliament voted by a large majority (390 in favour, 44 abstentions and 175 against) for a major change in the Dublin Regulation. With this historical vote, supported by the GUE, Greens, S&D, ALDE and EPP, the Parliament approved a strong mandate to negotiate with the Council a reform of the Dublin system that finally deletes the first country of entry criterion and replaces it with a permanent and automatic relocation mechanism, in which every Member State has to participate by accepting a quota of asylum seekers (determined by population size and GDP). If the asylum seeker has no meaningful links with a Member State, the relocation mechanism would be triggered, providing them with a limited choice among the four Member States that are the furthest from reaching their quota. If a Member States should refuse to comply with its

obligations under the relocation mechanism, it would face consequences with regard to its reception of EU funds.

The Parliament has sent a very strong signal both to the Council and to European citizens: it wants common European solutions for what is clearly a European challenge that no Member State can face alone. And the message is even clearer for those governments that refuse to contribute in terms of welcoming refugees. It is not possible to want only the benefits of belonging to the Union without sharing the responsibilities that stem from EU membership.

#Migrants “After the failure of the Dublin system, the @Europarl_EN proposes a Copernican revolution to ensure solidarity and equal sharing of responsibilities” @ellyessex



The European Parliament’s innovative proposals

The text voted by the Parliament contains many profoundly innovative elements. It generally strengthens the procedural

guarantees and provision of information for asylum seekers, it introduces a special accelerated procedure for family reunifications (that could take up to two years now) and it ensures consideration of the meaningful links of the applicants with Member States (e.g. a previous stay or academic titles) with a view to facilitating integration. Specific guarantees are added for minors, by ensuring the swift appointment of a guardian and by stating that any decision on minors should be preceded by a multidisciplinary assessment of his or her best interests.

Furthermore, the Parliament has rejected the mandatory inadmissibility checks proposed by the European Commission, based on the very vague and discretionary concept of safe third countries, as well as the sanctions approach that was replaced with a much more effective mechanism based on incentives to comply and disincentives for secondary movements.

From a progressive point of view, the Parliament’s position is a big step forward. It deserves all the support needed to put pressure on the Council in view of a very difficult and delicate negotiation. The future of the EU hangs on its ability to develop more effective and more human migration and asylum policies and we bear a huge responsibility for this. This is not ‘an invasion’, as the extreme right tries to depict it. In 2016, 1,250,000 asylum requests

#Migrants “The Parliament wants common European solutions for what is clearly a European challenge, that no Member State can face alone.” @ellyesse



were presented in the whole of the EU, which represents only 0.25% of the EU’s population and the same number of refugees that Lebanon is hosting alone. With common European solutions based on solidarity and equal sharing of responsibility this phenomenon is not only perfectly manageable, but can also provide significant opportunities for local communities in the EU.



> AUTHOR
Elly Schlein is a member of the European Parliament and the shadow rapporteur of the Socialists and Democrats Group for the Dublin Regulation reform.

EU MIGRATION



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| Lesbos, Greece : Syrian migrants arrive in Turkey by boat after fleeing the war in their home country

THE NEED TO ADJUST A DYSFUNCTIONAL POLICY

by Catherine Woollard

Recent history of EU asylum policy could be summed up as ‘Dublin is dead. Long Live Dublin!’ While most commentators, analysts and implementers of the policy accept that the unfairness of the Dublin Regulation is at the heart of the dysfunctionality of the system, it nonetheless seems impossible for the EU to reach an agreement on reform. But reform Dublin it must. The alternative, to rely on a pure policy of externalisation is legally, politically and ethically questionable. And perhaps more important these days – it won’t work.

However, sticking with the status quo, i.e. with Dublin in place, means that there is always a risk that a manageable situation becomes a crisis, as in 2015. And with status quo, the perverse incentives for countries of first arrival to keep their reception conditions inhumane, the desire for and encouragement of secondary movement, the battles in the courts and transfers of people back and forth, and the attempt to prevent entry at any costs all persist.

Alternatives to the status quo

The European Council on Refugees and Exiles (ECRE) has put forward its alternatives both to the status quo and to the Commission's proposal. The latter does not go far enough because, while it tinkers around the edge of Dublin, it retains the principle that the country of first arrival should be responsible for asylum claims, with a solidarity mechanism that only comes into effect when the system is overloaded. ECRE's approach is to revise this principle itself: a set of factors beyond purely the geography of where people happen to arrive must be taken into account in the allocation of responsibility. Factors should include first, meaningful links with the country, including family connections beyond the narrow definition of family members in Dublin as it stands, and social and cultural links; second, the situation in the potential recipient countries,

#Migrants "Every Member State must accept asylum seekers and must either remain or become a country of asylum"
Catherine Woolard
@ecre



including economic and demographic situation (e.g. GDP, labour market needs); third, compliance with EU and international asylum law, with a focus on reception conditions and on quality of decision making; and fourth, the preferences of the person themselves, which have to be taken into account to some extent.

There are certain red lines: every Member State must accept asylum seekers and must either remain or become a country of asylum. It should not be possible for a country to buy its way out of the system. Strict enforcement of EU law is required so that Member States cannot de facto opt out by keeping their conditions so low that it becomes legally (and ethically) impossible to allocate claims to them.

Developing a functional asylum system

If the legal framework itself is to be based on the political objective of having a functioning asylum system in Europe rather than on keeping people

out then the restrictive elements proposed by the Commission should be removed, as ECRE has argued and as per the European Parliament's position. If the restrictive elements are not removed, the main effect will be increased numbers of people in irregular situations. In this scenario, the EU institutions and agencies would focus on compliance with asylum law, meaning that there are implications for the Common European Asylum System (CEAS) proposals on the table, for example that the mandate of the EU Asylum Agency must include monitoring compliance. Then, EU funding under the Asylum, Migration and Integration Fund

#Migrants "Introducing solidarity only when there is a crisis provides too much power to obstructionists"
Catherine Woolard
@ecre



(AMIF) but also other EU funding instruments should have, as its aim, support for a functioning asylum system, meaning that at least 20% of its funds should be allocated to the functioning of asylum systems in Europe and at least 30 % should be allocated to integration. The ECRE recommends that the EU Asylum Agency plays the leading role in implementing the allocation system, acting as a clearing house.

The relocation programme was important but the EU needs a permanent system that is fairer than Dublin. Introducing solidarity only when there is a crisis provides too much power to obstructionists. It is also too early to give up on protection in Europe – it takes years to adjust a dysfunctional policy but Europe has to do so: the rest of the world, including the major refugee hosting countries, expect Europe to do its fair share.



> AUTHOR

Catherine Woolard took up the position of Secretary General of the ECRE (the European Council on Refugees and Exiles) in 2016. ECRE is a pan-European alliance of 96 NGOs in 40 countries working to protect and advance the rights of refugees, asylum seekers and displaced persons.

EU MIGRATION



| Germany : Migrants learn a foreign language during integration classes

FINANCING MIGRANT INTEGRATION IN COMBINATION WITH MUNICIPALITY DEVELOPMENT

by Gesine Schwan

To meet human rights standards in refugee policy the EU should combine the financing of refugee integration with financing for the development of municipalities hosting these refugees. Respective community decision making should be based on multi-stakeholder participation. European governments should decide voluntarily on quotas of refugees and at the same time on setting up an integration and community development fund to finance integration and to fund the development of municipalities with the same amount.

The core question for the future of the European Union is how to achieve solidarity – both in financing common European infrastructure projects and public goods and in finding a decentralised settlement of migrants and refugees.

Promoting the integration of refugees

A strategy to promote refugees' integration could therefore enable us to take a crucial step forward in relaunching Europe. It could work out well if it is combined with the development of municipalities, thus bringing together European values and human rights with the interests of European citizens for the participatory democratic development of their communities. The poor from outside Europe would then no longer be in competition with the poor inside the municipalities.

US President Donald Tusk has recently suggested putting a stop to forcing European governments into solidarity in terms of receiving refugees. Instead of opposing Donald Tusk, European governments – especially the future German one – should take up this reasoning and make the following proposal.

European fund for municipalities

On a voluntary basis, European governments should propose

#Migration“#EU governments will propose quotas of refugees that they are prepared to host and agree an EU fund to finance municipalities who integrate the refugees.”

@Gesine_Schwan



quotas of refugees (from relocation and resettlement programmes) that they are ready to receive in their countries. At the same time they should agree to create a European fund which would finance the municipalities which are ready to integrate refugees. As a positive incentive these municipalities should get the same amount of financing for their own development. Integration and development strategies should be combined and elaborated by a multi-stakeholder group which would be invited by the municipalities' administration and which would bring together representatives within the communities from politics, business and organised civil society.

Thus national governments would be freed from deciding where to impose integration, which would work much better as it is a voluntary procedure. The ownership of the decision by the citizens would be enabled through preparatory

participation although the decision making would remain with the elected institutions. They would be well advised to accept what will have been elaborated by a broad citizen's commitment and consensus.

Given the growing social discrepancies in our municipalities and the lack of infrastructure, this is necessary even if there were no refugees to integrate.

Helping citizens identify more with the EU

Such a participatory strategy financed by the EU would at the same time strengthen the identification of European citizens with the EU. The strategy follows the old idea of identification through participation. No more abstract signs on buildings and bridges saying: "Financed with the help of the EU", but concrete experiences of citizens, e.g. in France and Portugal, that their democratic participation is being empowered by Europe.

#Migration“The national governments would be freed from deciding where to impose integration, which would work much better as it is a voluntary procedure.”

@Gesine_Schwan



There would not be any negative sanctions for national governments not granting access of refugees to their countries. But municipalities in their countries would probably start pushing to have the refugees accepted in order to obtain the financing of their development through the integration of refugees.

In order to introduce this strategy in the new Financial Framework starting in 2021, remaining funding could be spent on a demonstration project trying out the best working procedure for the proposed "Integration and Municipalities' Development Fund".



> AUTHOR

Gesine Schwan is a German political science professor and member of the Social Democratic Party of Germany.



| Paris: Homeless migrants from Africa sitting on benches near an urban migrant camp on the ring road in northern Paris

THE EU-AFRICA PARTNERSHIP AND MIGRATION SHOULD TOP OUR PROGRESSIVE POLITICAL AGENDA

by Antony Beumer

Overcoming the challenges of migratory flows and an effective EU refugee policy are pre-conditions for the survival of the European Union. Socialists and Social Democrats should step out of their comfort zone and make an effective and progressive migration management policy and the EU Africa partnership a top priority in the run up to the 2019 European Parliament elections.

“As progressives we might not be able to win elections with our migration policy proposals, but we can definitely lose them.” This quote from the Social Democrat Vice President of the European Commission Frans Timmermans refers to the challenges relating to the promotion of a progressive migration policy in the present political context in Europe.

In this article I would like to give five reasons why socialists and Social Democrats should move the EU Africa partnership and migration to the top of their agenda in the run up to the 2019 European Parliament elections.

First, between 2014 and January 2018, an estimated 15,565 migrants (<http://missingmigrants.iom.int>) drowned in the Mediterranean trying to reach Europe and many others died in the desert. Ending this drama should be our top priority. Every human being on the move, whether because of war, famine or a total lack of prospects, has the right to be protected.

Second, our voters are well aware of how Trump and the European xenophobic right wing forces want to “solve the migration crisis”. At the same time, we shy away from promoting a progressive plan for EU migration and EU Africa relations.

Such a plan should include all aspects of migration management, from saving lives at sea and in the desert to returns to the country of origin, from the care of unaccompanied minors to improved border control,

*#euafrica
“#migration and EU-Africa relations are too important to be left to the xenophobic right. Progressives should present their plans on these issues ahead of the European Parliament elections.”
#progressivepost*



from safe and legal ways to enter the EU to putting an end to violence and abuses by criminal networks, from assisted voluntary returns to socio-economic development in local municipalities.

Third, under the leadership of the EU’s High Representative Federica Mogherini, the EU is in the process of redefining EU-Africa relations based on mutual respect and long term cooperation and development. While Trump pulled the USA out of the UN compacts for migration and refugees in December, the EU is doing exactly the opposite by cooperating with the UN Secretary General Antonio Guterres. Even if the situation on the ground is often unstable and working in and with failed states such as Libya is extremely difficult, we are building up a long term and sustainable system of cooperation with a range of African countries of origin and transit. The EU’s holistic approach interlinking sustainable development, security and the management of migratory

flows is based on fundamental social democratic principles.

Fourth, we need to inform EU citizens why further progress on migration policy and EU-Africa relations is regularly being blocked. This is not because of the European Commission and the European Parliament. Very concrete plans have been elaborated by, in particular Social Democrat MEPs. We know what has to be done.

The problem lies with the EU Council and the scandalous behaviour of some EU Member States, who refuse to give shelter to even a small number of recognised refugees as well as a bigger group of Member States who have promised funding for EU support projects in Africa but refuse to make the necessary payments in the EU Trust for Africa.

*#migration
“Overcoming the challenges of migratory flows and an effective EU refugee policy are pre-conditions for the survival of the European Union.”
#progressivepost*



Fifth, overcoming the challenges of migratory flows and an effective EU refugee policy are pre-conditions for the survival of the European Union. The lack of an effective EU policy and solidarity between member states

erodes support for the European project, as we are currently witnessing in Italy.

Some progress has been achieved in 2017 and the Commission has presented ambitious plans for 2018, but nationalist and xenophobic forces in and outside member state governments will do all they can to prevent EU migration policy and EU-Africa relations from becoming a success.

Socialists and Social Democrats are strong and outspoken when it comes to priorities such as eurozone reform, sustainable development and fundamental rights. Let’s step out of our comfort zone and make an effective and progressive migration management and the EU Africa partnership a top priority in the run up to the 2019 European Parliament elections.



> AUTHOR
Antony Beumer is deputy Secretary General of the Socialists and Democrats Group in the European Parliament and former Secretary General of the Party of European Socialists.



| Johannesburg, South Africa

WHY DOES AFRICA MATTER FOR EUROPE?

by Ernst Stetter

The EU and Africa both need a wide-ranging partnership agreement. Ernst Stetter, the Secretary General of the Foundation for Progressive Studies, explains why.



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At the last Africa Union-European Union Summit, which took place on 29-30 November 2017 in Abidjan, European and African heads of state gathered to discuss a wide range of global and regional challenges, under the umbrella of African youth empowerment. Indeed, in the final declaration published on 7 December, emphasis was put on investing in youth as a prerequisite for building a sustainable future. As France's President Emmanuel Macron said during his speech at Ouagadougou University two days before the summit, the influence of this generation on the African continent will be decisive for the future of the world given that, by 2050, there will be 450 million young people looking for a job opportunity in the labour market and 1 in 4 working age people will be African.

Tackling the major problems

For Africa to have a sustainable future it will need to tackle the major economic and political problems of the continent: bad governance, political conflicts, a discontented population, food insecurity, massive displacement of populations and migration flows towards Europe.

However, when it comes to the debate about Africa there is as strong sense of 'déjà vu' with a lot of repetition of often quoted terms such as sustainable and mutual development,

*#AfricanUnion
"Creating opportunities for young people is the key ingredient for sustainable growth, stability and peace."
@ernststetter*



the partnership between the two continents, the strategic interests.

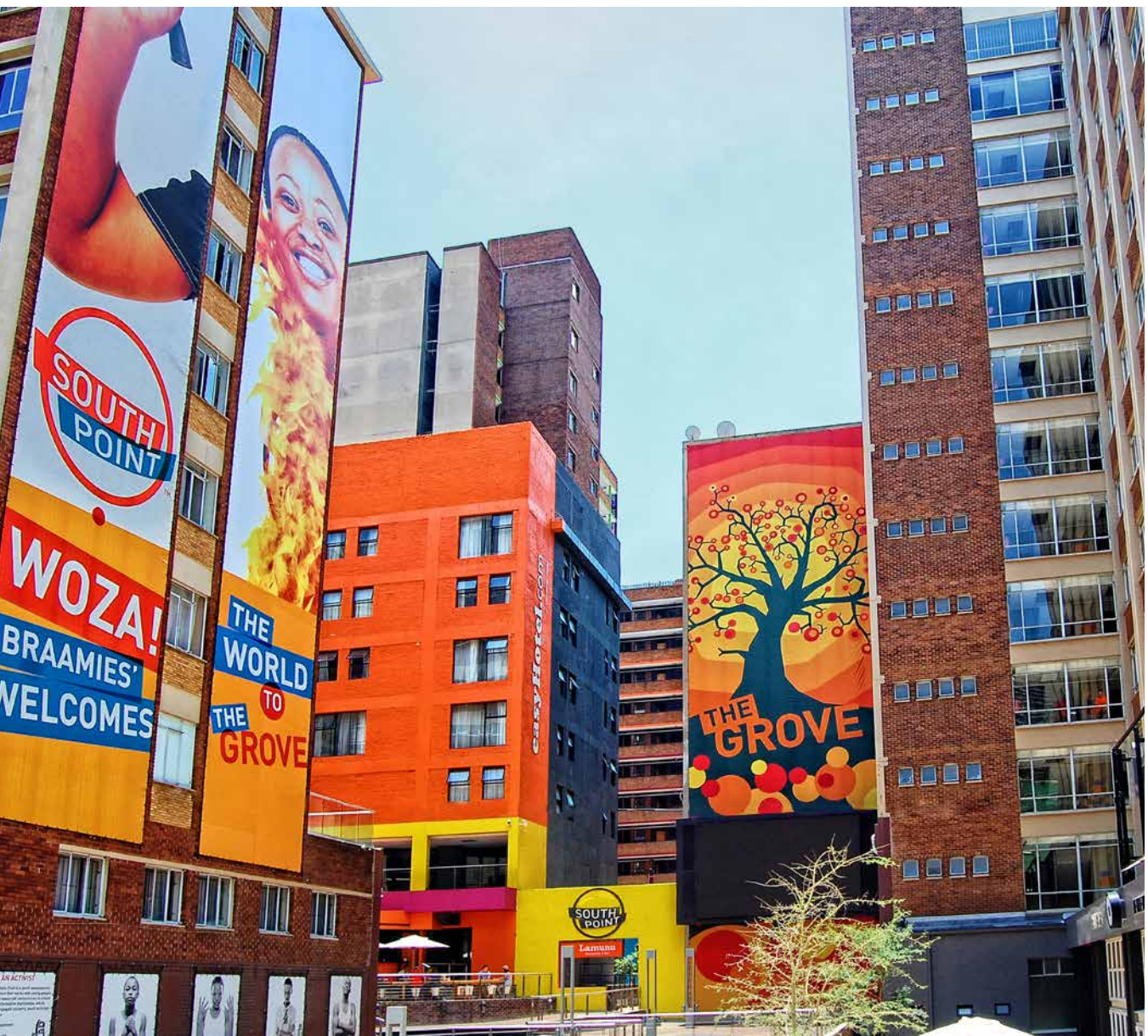
The most urgent issue is undoubtedly the migration issue and the ongoing tragedy of human losses in the Sahara and in the Mediterranean Sea. It should be clearly said that there is no short-term strategy either for Europe or for Africa to solve the root causes of migration and particularly irregular migration. Short-term increases in investment in Africa for jobs for younger people and Europe's focus on security approach will not immediately curb migration flows.

With the Africa-EU Joint Strategy (2007-2017) and the Cotonou Agreement coming to an end, respectively in 2017 and 2020, the renewal of this partnership between the two 'Unions' is essential and should be a genuine strategic compact that can last for at least another two decades. The future framework of this compact has to incorporate socio-economic and political features. It also has to overcome hollow wordings and to address the deep-rooted reasons for growing mistrust

between Africa and Europe as well as the ineffectiveness of EU-Africa cooperation. Ultimately the aim of such a 'cooperation compact' would be a common consensus and deeper understanding of the partnership. Both partners need to provide strong and compelling arguments to attract the international community and to give incentives for the business community.

Africa's major assets

Unquestionably Africa matters: The African continent is the second largest and second most populated continent with more than 1.3 billion inhabitants. With the population growing rapidly, it is estimated that, in 2050, approximately 2.5 billion people will be living in Africa. 2015 marks the 20th year since sub-Saharan Africa started on a path of faster economic growth. During that period, growth has averaged 5.2% per year. There are sustainable growth rates, rising foreign direct investment and foreign exchange reserves, robust export performance and lower debt levels in a lot of African countries. Environmentally, Africa matters because it has the greatest capacity for maintaining equilibrium in the biosphere and avoiding further depletion of the ozone layer. The continent has the largest reserves of bauxite, chromites, cobalt, diamonds and gold in the world. It is rich in palladium, phosphates, platinum group metals, titanium minerals, vanadium and zircon. African production accounts for 80% of the world's



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Johannesburg, South Africa

platinum group metals, 55% of chromites, 49% of palladium, 45% of vanadium and up to 55% of gold and diamonds. Africa's historical links and its geography provide European investors with a comparative advantage over North America and Asia, including China.

But the numerous factors that have increasingly contributed to the marginalisation of the continent on the global stage should not be forgotten. These factors include political weakness and bad governance structures since independence was declared in the 1960s.

Reforming Africa's political and economic governance is clearly the absolute priority, but it is first and foremost an internal problem for Africa. For more than 30 years, outsiders have tried without much success to support and contribute to more democracy, greater economic

growth and good governance. There is growing consciousness amongst the younger generation of the need to make progress on achieving lasting economic stability, sustainable growth and in particular better governance. Moreover, there is also growing awareness that the

continent has to overcome its public image, which is usually associated with hunger, poverty, disease and conflict, and which does not capture Africa's diverse reality.

However, one cannot address the migration issue and the youth problem without addressing the concerns of the fast growing population, which does not have adequate infrastructure to respond to its rapidly increasing needs. The number of people on the continent reportedly living under \$1.25 a day has continued to creep upwards from 358 million in 1996 to 415 million in 2011, the most recent year for which official estimates exist. The impact of the change away from the 'traditional' agricultural model, leaving many jobless and in precarious conditions, offering them no forward-looking education and training and urging them to leave rural areas and move to the cities has led to a huge problem of fast growing cities without sustainable urban planning and a shortage of job opportunities in almost all the African cities. For example, whereas Dakar in Senegal was, in the 1970s, a city of approximately one million inhabitants, it is now an urban area of more

*#AfricanUnion
"The creation of
a €44 billion #EU
External Investment
Plan for #Africa
is an opportunity to
foster private sector
investments"
@ernststetter*



than six million people. In the 1970s Senegal had a population of 6 million. This has risen to 12 million today. This means that, whereas only one sixth of the population used to live in the capital region, the proportion has risen to half of the population.

This is one of the most obvious reasons why poverty, insecurity and the lack of prospects for the future are leading many people to choose dangerous paths, risking their lives in the Sahara and Mediterranean Sea to reach the European continent or following radical speeches leading to Jihadism and terrorism.

Creating opportunities for young people to flourish and remain in Africa is therefore the key ingredient for sustainable growth,

stability and peace. But this is easier to agree on than to put in place. The crucial issue is education and training combined with access to higher education and, in particular, professional training on the job. As the major economic producers in most of the African countries, medium and small-scale industries need well trained and skilled people. Without them there is no production and without production there is no need for skilled workers.

Historically, the European Union has had always a positive impact when it comes to development assistance in African countries. As the fourth largest donor in the world (net official development assistance), the EU contributed with more than US\$15.7 billion in 2016 and has set the reduction of poverty and human development as a priority target. One of the decisions announced at the Abidjan Summit, the creation of the €44 billion EU External Investment Plan for Africa (in addition to the initiatives already put in place by the Multiannual Framework and the Fund for Africa), opens yet more opportunities to foster private sector investments that can lead to the creation of urgently needed, good and sustainable jobs.

Finally, Africa matters for Europe and Europe matters for Africa and both together should work towards forging a wide-ranging bi-continental partnership.



> AUTHOR

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

EU AFRICA



The last African Union–European Union Summit, took place late November 2017 in Abidjan, the economic capital of Cote d’Ivoire under the title Investing in the youth for a sustainable future

WHAT WE CAN DO WITH AFRICA, TOGETHER

by Federica Mogherini

Europe’s attitude towards Africa is changing rapidly and radically. For too long Europeans have been mainly divided between those who wanted to exploit Africa’s resources and those who wanted, patronisingly, to “save” the continent through charity. Neither approach could lead us far in today’s world. Finally, we are starting to see Africa not as a problem, but as a land of immense potential, not as a passive recipient of policies decided elsewhere, but as a partner willing to work together on its own recipes.

We – the European Progressives, Socialists and Democrats – have been driving this change. Our ideas are shaping the European Union’s new partnership with Africa. We share the United Nations’ call to leave no one behind and we put trust in every person’s aspiration to build a better future for themselves and for their communities.

EU commitment to Africa

The European Union with its Member States is the largest humanitarian donor – worldwide and inside Africa. In times when other global players are putting in doubt their commitments, we have no doubt: we will continue to care about Africa’s food security and sanitation, about healthcare and the fight against climate change, about millions of Africans who are fleeing from war and poverty. Yet we also know that the solutions to these challenges can only come from within the African continent: we are building partnerships and we are investing in the talent of Africa’s youth, in their aspirations and ingenuity.

We have realised that our job is not just to ask what we can do for Africa, but what we can do with Africa, together. This is the spirit that shaped our External Investment Plan: we aim at mobilising over 44 billion euros in public and private investments in Africa and our region, creating good jobs and truly sustainable growth. Investing in Africa’s youngsters and in

“We see Africa not as a problem, but as a land of immense potential. Not as a passive recipient of policies decided elsewhere, but as a partner willing to work together on its own recipes”
#withAfrica
@FedericaMog
@eu_eeas



women, in a better environment for business, in green technologies and innovation.

Constraints holding Africa back

Our African friends are asking for investment and support, but also for an opportunity to fulfil their own potential. This potential is currently held back by a number of constraints – first of all, by conflict and instability. The European Union is committed to peace and security in Africa: right now, ten thousand European men and women in uniform are serving in Africa, partnering with African forces. Our European missions have already trained thirty thousand African soldiers, policemen and judges. And today we are investing even more in African solutions to Africa’s security issues. We have been the first to support the Joint Force set up by five Sahel countries to counter terrorism and organised crime, as well as the Multinational Joint Task Force

against Boko Haram. This is not just the right thing to do, to bring peace and security to millions of people. It is also the smart thing to do, because Africa’s security is our own security. We work with Africa, to deliver on a common interest.

We – the European Progressives, Socialists and Democrats – believe in the value of each and every human life. Faced with a massive humanitarian tragedy in the Mediterranean, we worked first and foremost to save as many lives as possible: Operation Sophia, the European Union’s military operation in the Mediterranean, has saved tens of thousands, and we should all be proud about that.

Emptying detention centres

Today we are at work to stop another tragedy, by emptying the detention centres in Libya. We have decided to do so together with the African Union, the United Nations and its agencies such as the UN Refugee Agency (UNHCR) and the International Organisation for Migration (IOM),

#withAfrica. It is not just a hashtag or a slogan. It is a new thinking, and a new way of doing things. It is our own Progressive way and today it is our European way
@FedericaMog
@eu_eeas



setting up an unprecedented trilateral cooperation: together we are creating the conditions for thousands of African people to go back home in a dignified way. We are not just bringing them back to their countries: we are helping them learn a job, set up a new company, start a new life. All those who have the right to international protection must have the opportunity to reach a safe destination, including in Europe. But we must also work with Africa to fulfil its potential and create better opportunities for its youth.

Our group in the European Parliament recently organised an event on Africa under the hashtag #withAfrica. It is not just a hashtag or a slogan. It is a new way of thinking and a new way of doing things. It is our own progressive way and today it is our European way.



> AUTHOR

Federica Mogherini is currently Vice-President of the European Commission and High Representative of the Union for Foreign Affairs and Security Policy. She was Italy’s Foreign Affairs Minister before that.

EU BUDGET



Philippe STIRNWEISS, © European Union 2017 - Source: EP

| The European Parliament debating the EU budget for 2018 in Strasbourg

THE ELEPHANT IN THE EUROPEAN ROOM: THE BUDGET

by Nicolas Leron

Much more than a question of the macroeconomic stabilisation of a sub-optimal monetary zone, the question of the European budget remains a constitutive element of the political community. The EU is suffering from a crisis in public power which requires a budgetary leap of faith: a budget that is able to establish a European democracy worthy of the name.

What if the European crisis is a crisis of perspective and one that is only apparent when seen from a purely economic viewpoint?

The “economist” perspective is understood and applied to shape elements of our European reality through the sub-optimal nature of the eurozone and the incompleteness of the economic and

monetary Union. The magic word and the objective that underpins all future reform is ‘stability’ and not democracy. But if one inverts the economic perspective and considers as a starting point, the question of

democracy, then the European crisis becomes a crisis of public power.

This is when we can see the European Union (EU) budget in a new light. The latter seems

#EUBudget “Is the lack of European budgetary power and the reduction in national budgetary power responsible for structural crisis of public powerlessness” #EU? @nicolasleron



at first glance to be an obtuse accounting technique which is combined with a clever set of allocation keys to distribute the budget between Member States. In short, one of the most tedious subjects for the ordinary mortal and for the specialist on European issues who will prefer to focus his attention on the shining and resounding issues of on European integration. This is often how an elephant in the middle of the room passes by unnoticed for so many, seen neither by the visitor nor the master of the house. The EU budget is the elephant in the middle of the European room.

But why? The budget is the physical representation of democracy, the substantive form of public power and the political power of the citizen. Parliamentary democracy begins conceptually and historically with a vote on the budget, that is to say, with a vote on revenue. Principally this is the distribution of the collective wealth that the political community has elected to award itself. This is followed by a vote on expenditure which

determines the public goods (resources) that the political community is producing and the costs associated with the goods. Indeed, if democracy is for the Demos (the People), it is above all a Kratos (a Power). Democracy is a collective capacity to act collectively towards a common reality, which translates into a public power which itself is based on the budgetary power of Parliament. It is arguably the budget that provides citizens with the ability to choose between different public policy programmes and then the right to have their choice implemented by the elected majority.

The European Parliament has a budgetary competence to vote on the budget. But the budget they vote on is ultimately not a political budget. The budget is 1% of EU GDP and falls within the scope of a technical budget, the order of magnitude of which is to approximate the 0.7% that the United Nations prescribes as development aid to Member States. The European Parliament has no budgetary capacity and therefore no genuine budgetary power. It is not a parliament and the EU, without a real Parliament, ceases to function as a democracy. The EU is based on a sophisticated balance of powers intended to ensure institutional transparency, respect for the rule of law and that fundamental rights are protected for all citizens. But it is not a democracy because the parliament does not possess any genuine budgetary power.

The absence of a European political budget, the absence of a European democracy impacts on national democracies across the Member States. The rules which exist within Europe - the internal market and the concept of budgetary discipline serve to restrict and consequently reduce the budgetary power of individual national parliaments, which in turn affects the mechanical basis which supports democratic vitality within the Member States. When the lack of European budgetary power is combined with the reduction in national budgetary power the EU suffers from a structural crisis of public powerlessness.

#EUBudget “Parliamentary democracy begins conceptually and historically with a vote on the budget” @nicolasleron



Much more than an institutional democratisation of Europe, the crucial issue to note is that European democracy must be founded upon a new European Act that will form the constitutional basis of Europe, as we have witnessed previously with the internal market (single market) and the single currency. If one ignores for the moment the unlikely leap of sovereignty, which in practice tends to lead

to a backwards jump, then one can argue that it is necessary to strive for a democratic leap, that is to say a leap in terms of public power.

The question of the European budget is not a question of macroeconomic stabilisation of a sub-optimal monetary zone, nor is it a question of creditor state solidarity in exchange for the responsibility of the debtor state. It is a question of the constitutive dimension of the policy. By establishing a political budget that enables Europeans to achieve, society too will achieve.



> AUTHOR

Nicolas Leron is the founding president of the think tank EuroCité. He is the co-author of 'Double Democracy. A political Europe for growth' on Seuil éditions in 2017, co-authored with Michel Aglietta.

EU BUDGET



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A BUDGET TO BRING ADDED VALUE TO EUROPE

by Michel Aglietta

To revive democracy in Europe we must produce a European budget that provides added value to all citizens. An EU budget under the control of the European Parliament will result in long-term investments backed up by a revised budget.

A long-term vision is crucial if we are to take a new step towards European integration. This is essential if we are to promote sustainable development that combines investment in public infrastructure with investment in the environment and human resources that may exceed existing levels in each individual state. Europe is ideally positioned to undertake such investments and

can ensure that the investments produce European added value. This investment will in essence follow European public policies. This has a cumulative effect on the individual member state as the level of investment exceeds what could be produced by each country when the principle of subsidiarity is applied.

We must therefore make investments that are linked to political objectives which produce global

gains and not just local ones. Collective or public benefit is a common good. The reduction of external factors will result in a synergy that promotes the public benefit. Examples include an integrated climate policy, transnational networks (interconnectivity of energy, digital networks and transport) and international cooperation in the formation of territorial cohesion policies. European added value is an economic benefit that enables

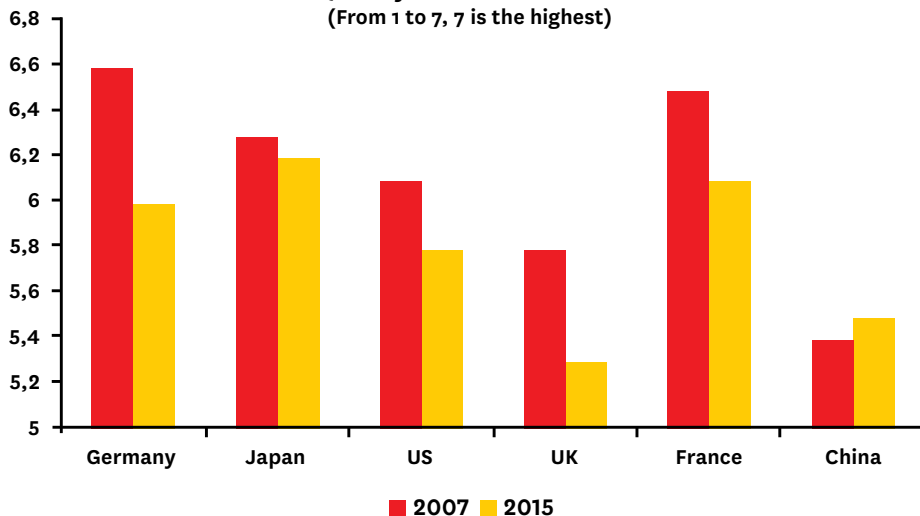
us to create public awareness of European ownership in nation states around Europe.

The democratic acceptability of onerous choices at different periods of time at a European level can only be enhanced by an ethical principle of social justice. However, a pro-European political orientation is not guaranteed to continue as we move towards a number of elections around Europe.

#EUBudget “The democratic acceptability of onerous choices can only be enhanced by an ethical principle of social justice”
Michel Aglietta
 @CEPII_Paris



Quality of infrastructure
 (From 1 to 7, 7 is the highest)



Source : World Economic Forum Competitiveness Report

That is why a complete European budget under the control of a European Parliament that is removed from national and partisan games would be a decisive step towards the concept of European added value.

At present the European budget is a zero-sum game. National governments are only interested in their contributions to the European budget and what they receive for such contributions. This situation must be transformed into a 'win-win' budget by allocating the budget to activities that produce European added value.

The budget often guarantees risky investments and that is why it is necessary to increase

#EUBudget “A complete European budget under the control of a European Parliament would be a decisive step towards the concept of European added value”
Michel Aglietta
 @CEPII_Paris



the size of the budget if Europe is to retain the present level of autonomy that it currently enjoys. As a result, we need to expand our own resources to promote public policies that are

aimed at encouraging long-term investment in infrastructure. Own resources can be funded through tax revenue to ensure that Europe has the support necessary to implement common policies.

To further enhance the budget, the connection between our own resources, democratic legitimacy and the concept of European added value must be enshrined at a political level. This connection would provide the European Parliament with fiscal power that is supported by the democratic decisions of the respective national parliaments on how to share the total tax revenue within Europe. Any overlap between national and European public power in the pursuit of a common advantage is the foundation of “double democracy”.



> AUTHOR
Michel Aglietta is Advisor to Cepii and France Strategy Emeritus Professor at the University of Paris Nanterre, an Honorary member of the Institut Universitaire de France and a former member of the French High Council of Public Finances.

EU BUDGET



| EU Regional Policy Commissioner Corina Crețu

A REFORM OF THE EU BUDGET IS THE BEST TOOL TO SECURE A STRONG COHESION POLICY

by Catuscia Marini

The EU budget is too often seen as a cumbersome obligation which has to be satisfied with money instead of a possible tool to increase investment in the European Union. And yet, for half a century, EU cohesion policy has been helping to reduce disparities in economic development and social standards between EU Member States. Catuscia Marini is calling for a reform of the EU budget given that it is now under more pressure because of Brexit and the funding needed for new policies.

In the current EU Multiannual Financial Framework (MFF), which runs from 2014 to 2020, a total of EUR 371 billion was set aside for economic, social and territorial cohesion. These funds have been used to finance crossborder infrastructure projects between Germany and Poland, water management projects in Italy, a bioscience technology centre in Croatia and the energy-retrofitting of some 70,000 social housing units in France, to name but a few examples. These are all projects with high added value for the entire European Union, and which make the EU's support for cohesion, solidarity and the environmental transition throughout the EU tangible on the ground.

*"#EUBudget reform is the best tool to secure a strong #CohesionPolicy"
@CatusciaMarini
@PES_CoR*



Brexit putting pressure on EU budget

The financial level of the European Commission's proposal for the new post-2020 MFF will determine whether these kinds of investments will still be possible in the future. Populists all over Europe are calling for a lower EU budget. The Brexit decision puts

*#CohesionAlliance
"Only a real reform of the #EUBudget can restore trust in the European Union and enable continued funding for visible results in cities and regions"
@CatusciaMarini
@PES_CoR*



the EU budget under additional pressure. It is currently estimated that the budget will be reduced by between EUR 12 billion and 14 billion due to the UK's withdrawal from the EU. The EU's Budget Commissioner Günther Oettinger has announced on different occasions that he thinks that the level of the EU budget is already insufficient.

So how can the EU budget compensate for the Brexit shortfall and the additional needs for the EU's new priorities of security, defence and migration? Are national finance ministers willing to equip the EU with additional resources? I fear that the answer is "No". Even if a lower EU budget might mean that not all EU regions can benefit from cohesion policy funding, national finance ministers are unfortunately rarely willing to support the EU budget with additional investment. So other ways have to be found to make the EU budget more independent, more transparent and more reliable.

New ways of financing the EU budget

In October 2017, the European Committee of the Regions adopted an opinion by Isabelle Boudineau (FR/PES), calling for real own resources for the EU budget. This change in the system, away from mainly national contributions to a self-financed EU budget, would not only prevent EU funding from being dependent on the goodwill of national finance ministers, but could also make the EU more accountable for the use of its budget. Whether portions of the income generated by the European Emission Trading System (ETS) are fed back into the EU budget or a tax on plastics is introduced, the new ways of financing the EU budget would complement the EU's ambitions to fight climate change and would also reform the EU budget and bring it up to date. Member States could refocus their MFF discussions on political priorities instead of engaging in horse-trading based on highly questionable calculations of net return from the EU budget for their country.

As President of the Italian region of Umbria, I know the importance of cohesion policy programmes for regions and cities. Even if a larger EU budget will be needed to keep the same share for cohesion policy, we cannot accept trade-offs between the financing of new EU policies, such as defence,

and cohesion policy-based investments in local and regional businesses, training courses for unemployed people or broadband connections for remote regions. The time has come to convince national leaders that today's world makes "business as usual" impossible. Only a real reform of the EU budget can restore trust in the European Union and enable continued funding for visible results in cities and regions and a strong cohesion policy in the next MFF.



> AUTHOR

Catuscia Marini is President of the Party of European Socialists Group in the European Committee of the Regions and President of the Umbria region in Italy. She is a former Member of the European Parliament and former Mayor of Todi in Italy.

TO WATCH

The man who was too free

Vera Kritchevskaiā, February 2017

Former governor of the Nizhny Novgorod region, 400 km east of Moscow, former deputy prime minister to Boris Yeltsin who would eventually dismiss him, Boris Nemtsov had become one of the main opponents of Vladimir Putin, before being assassinated on 27 February 2015, aged 55 years old with four bullets in the back at the foot of the Kremlin. Two years after his execution and while his sponsor, the Chechen Ruslan Moukhouidinov is still wanted by the police, the Russian director paints the portrait of this fierce opponent through interviews with another opponent, Alexei Navalny, who is still alive but regularly imprisoned and banned from attending the next presidential election in March

2018. With barely 100,000 euros and the uncertainty, until the last moment, that his film would see the light of day, Vera Kritchevskaiā, in the end, draws on a powerful document to highlight today's Russia and illuminate what is at stake in the next Russian presidency. MOSCOW, RUSSIA-MARCH 1: Tens of thousands march through central Moscow to honour the Russian opposition politician Boris Nemstov who was shot dead on Friday, 27th Feb near the Kremlin on 1st March 2015.



Clicks of conscience

Alexandre Lumbroso and Jonathan Attias, October 2017

What means do we have to express ourselves? How do we use participatory democracy wisely? An omnipresent participatory democracy in the sphere of the net.

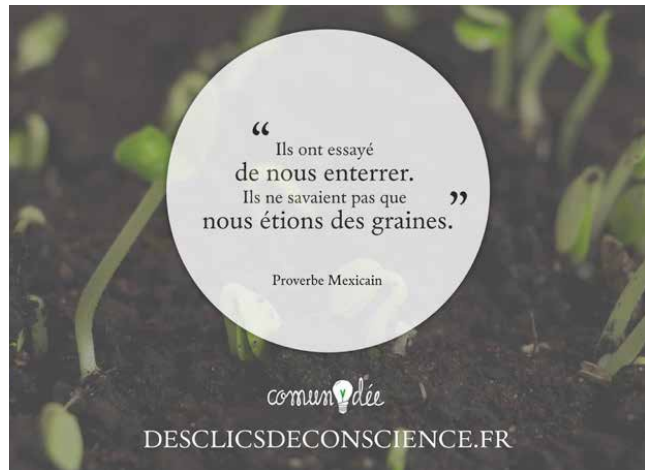
Online petitions flourish on the net, but there may be a few too many to be able to distinguish their real scope.

The documentary 'Clicks of Conscience' is part of a first #YesWeGraine venture, created by Alexander and Jonathan. On 4 June 2015, they launched their petition #YesWeGraine on Mesopinions.com to ask for the free use of farmers seeds.

In two weeks, they collected 20,000 signatures. They have promised to pursue this claim even further. First question: What is the scope of a petition?

From meetings with the teams of online petitions such as that of the BLOOM association, CHANGE.org, STOP Tafta Collective, they acknowledge the failures of our democratic system to involve citizens in political decisions.

What happens to our clicks once our signatures have been collected? During seven months of filming, the movie follows the citizen from the beginning of their lobbying in the pursuit of democracy.



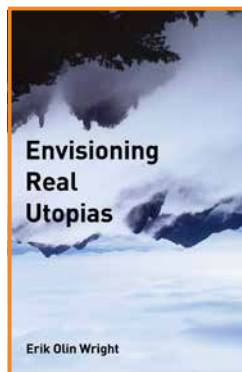
TO READ

Real Utopias, Paris, La Découverte, 2017

Eric Olin WRIGHT

Just the title of the book by the American sociologist Eric Olin Wright is interesting because it is symptomatic of ideological developments that have served to shape and strengthen a democratic post-capitalist expectation and counterbalances the temptation from authoritarian nationalism. So it should cheer up a European left that has fared badly in the ballot boxes and the polls. In the space of a few months, after the essay by Rutger Bergman, this second body of work moves the notion of utopia forward without condemning it for being overtly dangerous. Equally, the pessimistic parenthesis, which began in France with the "History of an illusion" by François Furet and in the US by Francis Fukuyama regarding the resources available to the idealistic imagination is perhaps closing and the approach is likely to redefine the future of society rather than simply a means to manage growth.

The text is all the more interesting because it is the work of an American Marxist intellectual who, after having contributed to defend the notion of "class", now welcomes an interpretation that moves beyond the confines of Marxism after more than a hundred years have passed since the first heretical interpreters of the socialist project. Eric Olin Wright aligns himself with the statements



of Eduard Bernstein who opposed the SPD (Social Democratic Party) leadership and the II (2nd) International at the end of the nineteenth century whilst modernising the position to reflect more recent developments. An executor of the testament of Friedrich Engels, Bernstein argued that rather than waiting in vain for the final crisis of capitalism it was better to tackle the transformation directly by constructing a social market economy to showcase forms of cooperation between citizens.

It is not that Erik Olin Wright sets out to diminish or decry the radical left which, even to this day, thanks to the works of Immanuel Wallerstein, believes that capitalism will soon disappear due to its inherent "internal contradictions". The book shows due reverence to the Marxist intellectual tradition. On the other hand, the list of methods proposed to transition society to a social market and liberal democracy are extensive. The methods outlined are not confined to an evaluation of participatory budgeting experienced in Porto Alegre. The book includes, amongst other things, a summary of the recent debates in Quebec as part of the social economy project; as well as other known proposals, such as the selection of representatives by drawing lots, a proposal strongly advocated by

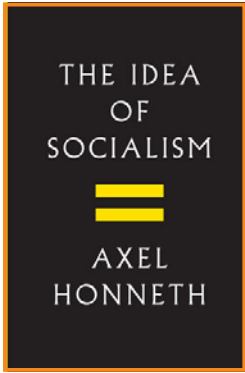
David van Reybrouck, or the lesser known "patriotic card" advocated by Bruce Ackerman as a means to contribute to democratic control of election campaigns by empowering the individual through campaign funding. Similarly, the book also contains Wright's original defence of the universal allowance (universal basic income). In fact, contrary to the traditional critique of a "real utopia" by the left, Wright argues that the unconditional award of a basic income could strengthen the workers' position against employers in collective bargaining.

The idea of socialism, Paris, Gallimard, 2017

Axel HONNETH

'The idea of socialism' is a surprising title for a book first published in German in 2015. It is in fact a typical of the 1920s or 1930s when the left embodied a collective expectation faced with the status quo which included exploitation of wages and the rise of fascism. It is much less typical of an era like ours where, including in Germany, progressive political parties in government, reputedly exhausted by the European project and weakened by their failure to address issues relating to insecure international relations are competing with xenophobic forces that wish to restore authoritarian style protective and protectionist states.

However, the title of the latest book from the new dominant figure at the Frankfurt School is not intended as a provocation. Nor is the title used as an excuse to begin a historical review. Far from a situation where the book contains numerous critics of the socialist project, Axel Honneth supports the development but only insofar as the move rediscovers the essentials of lateral movement on the political spectrum, if not altogether forgotten, of the labour movements of the twentieth century. In other words, his essay, built on a series of lectures delivered at the Institute of Philosophy in



Hanover, does not plead in favour of the unsurpassable nature of the national welfare state which flourished in western Europe for thirty years from 1945. Nor does he offer much comfort or false hope to the new left-wing parties who are fuelled by a cursory reading of Thomas Piketty's Capital

The idea of socialism that Honneth outlines takes inspiration from Marx's early writings and most notably the Hegelian influence. Accordingly, the book maintains a position of dialectical materialism supported by André Gorz and comments on the deafness of the left to problems beyond labour relations. The book reiterates that the issues which are raised by the transformation of capitalism that some may argue are necessary for the restoration of human dignity are not solely limited to the economy. While the material conditions of existence are important do matter, to the the question whose answer will determine people's development of society then the issue of an individual's into believing that a reduction of inequalities will automatically lead to a better world. quality of life is not that of the public or private system of ownernship but that of the articulation of freedom and solidarity. Admittedly prima facie the conclusion may seem somewhat abstract and

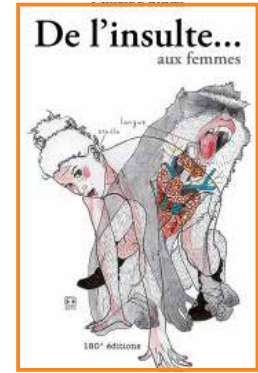
not very fertile. However, applied to your day-to-day life, it means that the socialist project is not a closed doctrinal corpus but is an invitation to experiment with new forms of living together in all spheres of private or public existence, whether in the family, the city or a company. As a result, socialism can be defined in terms that John Dewey would not renounce - socialism can once again be a call to collective intelligence to give individuals control over their existence without, as neo-liberal Darwinian commentators would argue, opposing each other.

From an insult ... to Women, Brussels, 180° editions, 2017

Laurence ROSIER

In French-speaking countries, the debate about the opportunity for a reform in grammar and spelling has moved outside the confines of a purely academic debate. Although at first sight a closed issue, the notion of "inclusive grammar" has hit the headlines on several occasions. The reason for this is straightforward: when one moves beyond the fundamental question of the rules of writing the issue becomes clouded with controversy. How best to define the standards is open to interpretation as is the assertion of gender in the written word, that is to say, to what extent do people have a right to escape biological determinism in the construction of their own identity. Moreover, at the heart of the gender issue is the question of the right of women to legal and social equality which even the most democratic states in the world are taking time to ensure. As a result, if we are to retain only one element from the proposed "inclusive grammar" it is that we are right to abolish the old refrain, heard right from kindergarten, that "the masculine triumphs" in the construction of agreements (plural nouns) etc.

As a professor who teaches at the Université Libre de Bruxelles and specialises in discourse analysis, the linguist Laurence Rosier regularly travels around in Belgium,



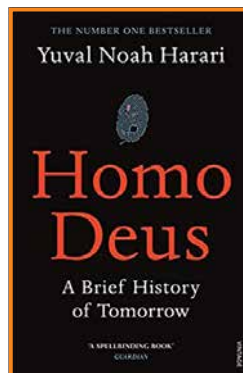
France, Haiti and Switzerland to answer the questions that the use of language raises or reveals. Inclusive grammar is an important issue, but it is not his only area of research.

His work as curator of the exhibition "Sluts and other names for birds" organised as part of the Maison des Sciences de l'homme showcase in Paris attracted the attention of the international media in the midst of the "Weinstein affair". The book "From an insult... to women" complements this exhibition whilst it also succinctly represents an overview of the work of the linguist.

Since the days of Chrétien de Troyes or Pierre de Marivaux the French language has been associated with courtly love and freedom but it is also, like so many others, now representative of a language of insults, degradation and negativity because the word not only refers to the pleasure we take from the exchanges, but also, and above all else, to the violence of power relationships. Laurence Rosier discusses this reality, illustrates it with examples and puts it into perspective. Amongst other things, his book illustrates how the modernity of the internet age has essentially given rise to technology that has altered how we perceive and treat

HOMO DEUS
*A Brief History of
 Tomorrow*

Yuval Noah HARARI



social relationships. Computer networks have increased the speed at which we communicate yet the content of such communication remains traditional and remains a place of verbal abuse of which women, whether famous or unknown, are, as in the street, the target. By combining case studies drawn from the web with studies from well-known writers such as George Sand and Christine Angot as well as reality TV star Nabilla Benattia, "From an insult..." attempts to encapsulate the constant insults in comments about or addressed to women when one of them deviates even a little from commonly accepted societal norms.

The book concludes extremely well by citing a poem by Léon Gontran Damas whose invective from the French conservative right in the National Assembly stifled the recital by Christine Taubira during the parliamentary debates on extending the right to marriage to homosexuals.

Homo Deus, in which the future is imagined in spooling detail, is the book to read. It is a highly seductive scenario planner for the numerous ways in which we might overreach ourselves. "Modernity is a deal and the entire contract can be summarised in a single phrase: humans agree to give up meaning in exchange for power." That power, Harari suggests, may in the near period give us superhuman attributes: the ability to extend lifespans and even cheat death, the agency to create new life forms, to become intelligent designers of our own Galapagos, the means to end war and famine and plague. There will be a price to pay for this power, however.

For a start, Harari advocates, it is meant, if current trends continue, to be vastly unequally distributed. The new longevity and super-human qualities are likely to be the preserve of the techno super-rich, the masters of the data universe. Meanwhile, the dismissal of labour, supplanted by efficient machines, will create an enormous "useless class", without economic or military purpose. In the absence of religion, overarching fictions will be required to make sense of the world. Again, if nothing in our approach changes, Harari envisages that "Dataism", a universal faith in the power of algorithms,

will become sacrosanct. To utopians this will look a lot like the "singularity": an all-knowing, omnipresent data-processing system, which is really indistinguishable from ideas of God, to which humans will be constantly connected. To dystopians it will look like that too.

"Organisms are algorithms and every animal — including *Homo sapiens* — is an assemblage of organic algorithms shaped by natural selection over millions of years of evolution. There is no reason to think that organic algorithms can do things that nonorganic algorithms will never be able to replicate or surpass." In Harari's book, the human "algorithm" will soon be overrun and outpaced by other algorithms. It is not the specter of mass extinction that is hanging over us. It is the specter of mass obsolescence.

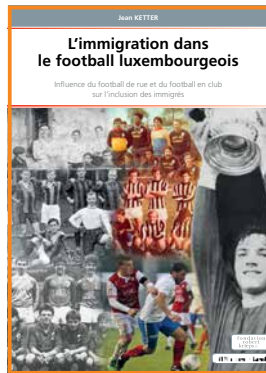
Yuval Noah Harari new book is a must for everybody who would like to reflect what could be the future of mankind and the world. It is a fiction but a book that gives us the responsibility to reflect much more on the way we live in our democracies.



“Women’s participation in EU politics - Učešće žena u politici Evropske Unije”

Sonja Lokar
Freelance international gender equality expert.

Gender equality and women’s participation have never been major focuses of the EU. But in time, due to the constant efforts of progressive, active women in the EU, these issues are slowly moving from being ‘non-issues’ to being important for the mainstream EU politics. This process was given a major boost at the beginning of the nineties when two Scandinavian countries (Sweden and Finland) joined the EU and when the EU was preparing for the 4th UN World Conference on women in Beijing.



**Immigration in Luxembourgish football
The influence of football practice on the street and in clubs**

Jean Ketter

Football practised on the street and in clubs has played a major role in the integration of foreign workers in industrial societies. It was the case in Luxembourg in the industrial south for Italian immigration since the end of the 19th century and then as from the 1960s for Portuguese immigration throughout the country.



One, two or more states in Israel-Palestine? That isn't the question

Nathalie Tocci

For a long time and for far too long a time, the Israeli-Palestinian conflict has been trapped in a perceived one-state/two-state dichotomy. This dichotomy has provided life support to the so-called Middle East Peace Process. The irony, or rather tragedy, is that it is precisely the persistence of such a process, and the time that it has provided Israel to pursue its own agenda, which has invalidated the one-state/two-state dichotomy and hampered any meaningful progress towards genuine peace.



Conspiracy theories in the French public domain

Rudy Reichstadt

The terrorist attacks in France in 2015 have brought to light the existence of a tangible current of conspiracy theories. Since then, the circulation of conspiracy theories or fake news in the public forum has been worrying. The Jean-Jaurès Foundation and Conspiracy Watch have therefore conducted a study to provide an estimate of the penetration of ‘conspiracy-ism’ in society and to define more clearly the profile of those who adhere to it more precisely. This is the most ambitious opinion survey carried out to date on this subject.



The politics of Talviavaara and representative claims

Maija Mattila
D Soc Sc

Representative claims as a way of talking about politics

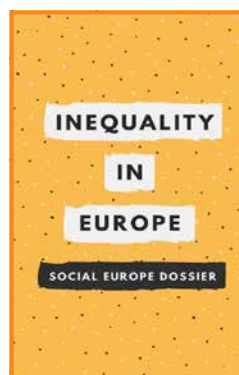
The report investigates the political rhetoric surrounding the so-called Talviavaara case in Finland between 2005 and 2015. It explores the different representative claims of people and their interests made by Finnish Members of Parliament and civic actors. The analysis shows that representative claims offer a seemingly neutral way to communicate political standpoints. Civic activism was important from a democratic viewpoint because it offered a distinctively different portrayal of people and needed policy solutions than MPs, who were prone to merely striking the balance between opposing viewpoints.



Globalisation and European cohesion. Proceedings from the Prague Social Europe Conference.

László Andor, Paul Mason, Bohuslav Sobotka, Maria João Rodrigues

The Prague Social Europe Conference (PSEC) 2017 took place in Prague on April 2017 to debate the future of the EU with academics, politicians and trade unionists from the CEE countries. The PSEC was part of a regional dialogue about the Future of Work initiated by the International Labour Organisation (ILO). Journalist Paul Mason, Maria João Rodrigues (MEP) and the Prime Minister of the Czech Republic Bohuslav Sobotka gave speeches about globalisation and European cohesion, regional development and rising social and economic inequalities. The proceedings contain transcripts of key notes and summaries of all the discussion parts of conference. The PSEC was organised by the Ministry of Foreign Affairs of the Czech Republic, the Friedrich-Ebert-Stiftung Office in Prague, the Ecumenical Academy and the Masaryk Democratic Academy.



Social Europe/Friedrich-Ebert-Stiftung/Institute of Economic and Social Research of the Hans Böckler Stiftung (eds.)

Hans Böckler Stiftung (eds.)

This project investigates various aspects of the inequality issue with a specific focus on the European dimension of inequality. Over the course of several months the project collected fifteen contributions by leading experts to help get a grip on what inequality means today. The contributions appear in three parts of this dossier, starting with a general section on understanding inequality and related issues such as globalisation, migration and populism followed by chapters on inequality in Europe and a final part investigating the inequality dimension in specific policy areas.

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PROGRESSIVE STUDIES

Rue Montoyer, 40
1000 Brussels - Belgium
+32 (0)2 234 69 00
info@feps-europe.eu

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