

October 2011 – Issue 50

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EDITORIAL

By *Antonio Missiroli*

Long run

October is a good month for marathon runners, as training schedules and weather conditions normally reach an optimal point of equilibrium. This may help explain the summit marathon the EU went through over the past few days, including two European Council and two “Euro” Council meetings in four days – and one night.

Still, the race is not over: fixing the euro zone crisis and laying new foundations for its economic governance will require additional efforts, more time, better tactics and, above all, a clear and agreed strategy. Many elements have been added to the equation now, but some need to be better quantified and then couched in a comprehensive, convincing, feasible package.

Substantial progress has been made thanks also to the brinkmanship and dramatisation of the past weeks. Perhaps most importantly, now everyone (inside as well as outside Europe) realises that the euro project is “too big to fail”. Yet much remains to be done, discussed and decided in what increasingly looks like a reform process for the long run rather than a one-off quick fix.

In fact, the Union looks torn between velocity, legitimacy and technicality. Crisis management requires quick (re-)action and an ability to play poker – the least transparent of games – rather than bridge or canasta, with their declarations and contractual rules. Yet the policy choices that need to be made now cannot be finalised without a political mandate and a public discussion, which, in turn, may slow down or even block the process (as we have seen also recently). Finally, the issues at stake are very technical in nature and entail a high level of expertise: this, in turn, risks antagonising citizens who feel marginalised or even harassed.

In the long run, this tangled web of contrasting requirements needs to be unravelled – bit by bit but also in its entirety (and this issue of BEPA Monthly Brief tries to contribute to this by highlighting some of what remains to be done, both internally and externally).

This is also why the October marathon is not going to be the last for the EU. It is rather likely to be a much longer race, run in stages of varying length and difficulty – a bit like *la Grande Boucle*, but hopefully crowned with a Grand Slam.

1 How to prevent, contain and resolve crises

By *Sony Kapoor*

The current euro crisis is multifaceted as it has financial, economic and political dimensions which have amplified one another – so much so that the EU, the euro area in particular, is now facing the biggest challenge in its history. To emerge from it stronger, Europe needs a two-pronged approach that combines short-term actions to stem the prevailing panic, and a medium-term blueprint to correct the structural, regulatory and governance problems that allowed the crisis to grow in the first place.

Without first stemming the crisis in the short term, the EU will not get the financial and economic space needed to make the necessary longer term structural changes. At the same time, without the EU first presenting a credible roadmap for where the European project is headed, it is unlikely that market confidence be restored in the short term. That is why action is needed on both fronts simultaneously.

Stemming the short-term panic

In order to restore confidence, a series of short-term measures is needed. These involve actions on:

- finance: recapitalising the financial system and temporarily increasing funding support for banks;
- economy: providing illiquid but solvent sovereigns (such as Spain and Italy) with funding support and pan-EU measures to stimulate growth;
- governance: creating and improving crisis response mechanisms.

Some progress is palpable in the measures announced this month by the European Council but they do not go far enough. Banks will be recapitalised but not enough. Agreement on supporting longer-term borrowing by banks excessively reliant on temporary funding from the ECB remains thin on details. Arguably, instituting a moratorium on bonuses and dividend pay-outs till enough capital has been built up in the European banking system would

significantly enhance the effectiveness of measures to restore confidence in EU banks and, at the same time, minimise any burden on the public purse.

Sovereigns are being supported by the European Financial Stability Facility (EFSF) but even with the agreement to expand its effective size through leverage such large countries as Spain and Italy would require additional support. While effective for helping small peripheral economies, the EFSF is not appropriate for supporting large core economies. The ECB, which is only reluctantly backing troubled economies through interventions in the bond markets will eventually need to ramp up those interventions. Without that, full confidence cannot be restored.

Without new growth the indebtedness problem that is affecting both banks and sovereigns is only likely to get worse. The current plans to kick-start growth are inadequate and need to be expanded and broadened. In particular, the callable capital of the European Investment Bank could be doubled in order to initiate an ambitious program of building trans-EU infrastructure in the power, broadband and transport sectors.

The timelines for Member States to meet deficit targets will probably need to be extended. While these may have been appropriate at a time when economic troubles were limited to a few small countries, they are too rigid now that the whole of the EU (not to mention other large world economies) is seeing a big economic slowdown. This also means that some Member States – particularly those that still have some spare fiscal capacity – may actually need to expand rather than cut back on public spending. Austerity may make sense individually but, if applied collectively to an economy the size of the EU, it will inevitably have a negative impact on growth.

It is now clear that EU institutions were designed for peace time, not crisis. Although it was set up specifically for crisis management, however, the EFSF also suffers from serious limitations. At

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present, the speed and effectiveness of the EFSF's (and its successor ESM's) response is limited, first, by a decision-making process that requires all EU-17 to agree on any major decision and, second, by the scarce number of instruments it has at its disposal. It needs to shift to qualified majority decision-making at least for urgent decisions, and to significantly expand its toolkit to be able, for example, to recapitalise weak banks in weak countries directly, i.e. without first lending to the sovereign. It will also need to provide temporary bond guarantees to banks to restore their access to funding markets. Asking banks to guarantee lending to the real economy in exchange for capital and funding support is a good way of preventing a credit crunch.

None of the actions discussed above would be credible without being backed by the political will of Member States. Indeed a less fractious political approach, whereby a unified stance is jointly communicated to the markets, would be far more effective.

Making structural changes in the medium-term

In order to tackle the problems posed by the financial sector the EU needs to institute a strong crisis management framework for financial institutions. This will enact legislation allowing troubled banks to be shut down without drawing on taxpayer funds. Provisions such as being able to automatically apply haircuts to bondholders would be required as well as mechanisms to simplify the notoriously complex structures of banks and financial institutions – so they can be taken over (or wound down) quickly. If implemented rigorously, such legislation would prevent banks from bringing sovereigns to their knees – as they did in Ireland and Iceland.

At the same time, reforms are also needed to make sure that weak sovereigns don't weigh their banks down – as they have done in Greece and, to a lesser extent, in Spain and Italy. Traditionally, banks hold substantial amounts of bonds of the countries they are located in, which makes them susceptible to any deterioration in the fiscal situation of the country. If the EU ever moves towards Eurobonds, one of their biggest (and least mentioned) advantages would be that they would be an excellent substitute for these

sovereign bonds. Another way of doing this (and one that would not require Eurobonds) would be to institute a limit on exposures to the debts of any single sovereign.

To make sure that fiscal sustainability is restored additional action is needed on two fronts: increasing growth and cutting deficits. To these ends, structural reforms that cut red-tape, boost infrastructure and green investments and enhance the functioning of the single market would be needed.

Cooperating at EU level on the ad hoc measures taken so far by individual countries against tax evasion could help bring substantial new revenues to Member States, thus reducing the need for extensive expenditure cuts of the kind that harm investments or reduce support for the poor. Increasing taxes on the financial sector (through levies on short-term funds for banks and/or a financial transaction tax) can both be a new source of substantial revenue and improve the functioning of markets. And increasing taxation on carbon emissions would help the EU regain its lead on establishing a green economy suited to the 21st century.

The EU will also need to make a decision on what governance reforms it would like to enact. The “six-pack” reforms that have just been adopted move in the right direction but will not be enough. By increasing the intrusiveness and scope of surveillance of national economies, it takes into account that whatever each Member State does now has an increasing impact on its neighbours. Surveillance, however, will only work if backed up with strong and credible sanctions, which need to be strengthened.

We will additionally need to hard-wire a lender of last resort function for the European Central Bank, so it can reliably backstop troubled EU banks and sovereigns if they face temporary liquidity problems.

Finally, a credible way – possibly involving variable reserve requirements levied by the ECB and countercyclical capital buffers implemented by Member States – needs to be found to minimise the possibility of instability generating negative real interest rates in the faster growing EU economies.

2 Mapping EU external competitiveness

By *Eric Peters**

The issue of Europe's global competitiveness is not new – at least not since the publication of Jacques Delors' White Paper on a medium-term strategy for growth, competitiveness and employment in 1993. Interestingly, the related key words have been extraordinarily constant ever since. Policy has been (and still is) focused firstly on innovation and then on structural reforms: namely, more flexible labour markets, the lowering of trade barriers to gain access to third markets and cheap imports, and the harnessing of globalisation in a context of fair rules. But the acceleration of the globalisation process justifies taking a new and fresh look at Europe's overall competitiveness.

The good news

To start with, the EU *does* have a positive story to tell regarding the overall performance of its economy on the global stage, one that is better than most "doom and gloom" stories reported in the media. The EU still derives major benefits from openness: it remains a major global player in trade, in particular for high-tech and high-quality goods, with a €207 billion surplus in manufacturing in 2010 [all EU figures from Eurostat].

The EU is also the world's biggest exporter of commercial services, with a 24.9% market share. It is both the largest provider and the biggest recipient of foreign direct investment (FDI) flows. Overall, EU companies invest more abroad than foreign companies do in the EU. The Union also possesses by far the biggest share (€3.6 trillion in 2010), and is the biggest host (€2.7 trillion) of foreign assets.

Moreover, open trade has boosted EU productivity and increased its external competitiveness. In 2010, one third of EU growth was a result of its trade performance; 20 % of technological innovation was linked to such openness. In 2010 one-third of EU growth came from trade. As of today, 35% of EU jobs are linked to foreign companies and 7.2% of EU

jobs depend on exports, while 18% (i.e. 36 million jobs) depend on trade more broadly. With 90% of global growth expected to come from outside the EU in the coming decade, trade will be increasingly central to the EU's future success.

It is evident, however, that the competitiveness agenda is now set by the rapid growth and industrial development of the emerging economies. China is the fastest growing one (and the EU's second biggest market), and it will represent 30% of future growth. The complexity of its pattern of production and allocation of resources has continued to increase, linked as it is to domestic factors (internal market, labour market, R&D, optimisation of chain of production within the EU-27), sector-specific constraints and regional strategies – e.g. in East Asia, South Korea, Japan, and China itself.

New trends are also becoming apparent. First, emerging economies are diversifying and upgrading their production capacity and extending to services and FDI: China, to name one, is turning into a high-tech exporter and has started to provide construction services and to develop its own FDI in Europe. Second, industrial performance is becoming more closely linked to a combination of access to goods, services and FDI: industry needs to have access to cheap intermediate goods, to efficient telecommunication, financial or distribution services, and to technology brought by FDI's.

On top of this, the chain of production is increasingly segmented both within the EU and worldwide: today, two thirds of EU imports are intermediate products, and part of the final production is re-exported. Yet developed countries, and in particular the EU, still control most of the high added value segments of production: R&D, marketing and distribution for example. The most famous example is the iPhone: its production chain is localised in 9 countries, including China, Japan, the US and Germany. Chinese added value, however,

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represents only 3.6% of production (2006) and, despite being manufactured in China, the iPhone generated 14 000 jobs and \$750 million in the US, compared to \$320 million abroad. In this model, competitiveness is based as much on capacity to import at a low price as on access to foreign markets in which to sell the final product.

Finally, the rise of China is a unique feature of economic history. It is clearly *the* challenge for Europe and the rest of the world – both a huge opportunity and a problem for ensuring the enforcement of fair rules.

New challenges, new responses

The EU is in the process of gradually adapting to globalisation. Candide’s “*tout est pour le mieux dans le meilleur des mondes possibles*”, however, should not apply here. Restructuring of the less competitive sectors still has painful consequences in terms of unemployment, especially in some areas. And a series of factors and issues is creating distortions that prevent the EU’s industry from reaping the full benefits of globalisation in terms of growth and jobs.

First, and as a general point, the global rules-based system and agenda are no longer completely in line with EU interests. Long gone is the time when the EU could shape the rules-based system it needed to influence globalisation (as it did, for example, when the WTO was set up), protect intellectual property or avoid dumping. This trend is clearly illustrated by the crisis or stalemate in major multilateral negotiations such as Doha or climate change. The EU needs to adapt its strategy and develop a positive agenda for reshaping and reinforcing the multilateral system to respond to its long-term interests and citizens’ concerns.

Second, concerns regarding unfair practices are growing – most notably in five key areas:

1. anti-subsidies and anti-competitiveness practices, which are distorting competition in a much more harmful way than dumping: these enable emerging countries to unduly capture dominant positions in some key sectors (e.g. China with solar/wind energy);
2. currency manipulation, which artificially boosts the competitiveness of some key economies (e.g. the Chinese renminbi);

3. protection of intellectual property, often inadequate to shield EU industry against counterfeiting, industrial espionage, technology “hi-jacking” and so on;
4. lack of access to public procurement tenders in the US, Japan, and most emerging countries (only 3% of the US public procurement market is in fact open to foreign bidders.);
5. growing security concerns in the energy sector, especially regarding essential supplies, the transfer of sensitive technologies and the defence sector.

Relevant policy proposals will be drafted by the Commission in the coming weeks. Yet some general conclusions can already be drawn from this analysis:

- The EU must keep a strong focus on its strategic interests and find the right balance between its growing dependence on external markets and its equally increasing willingness to ring-fence negative externalities;
- The EU should make better use of its influence and develop into a “smart” power to defend its strategic assets on the global stage with a view to ensuring fair trading rules and a rules-based multi-lateral system,
- The EU should seek growth where it is: this is critical for maintaining and strengthening the EU’s position in high-end and high-tech markets and services, providing better access for FDI in emerging economies, and remaining an attractive place for incoming FDI;
- At macroeconomic level, the EU needs to continue to address global imbalances and exchange rate misalignment at the IMF and G-20, while arguably being more open to considering a gradual rebalancing of formal shares in international financial institutions;
- More generally, the EU need to develop a more pro- and re-active and better informed policy-making process, namely one better adapted to the rapid evolution of market conditions and more in tune with European business needs.

3 Debating the next MFF

By Vasco Cal*

For the first time ever, a conference held on 20-21 October in Brussels on the Multiannual Financial Framework 2014-2020 brought together members of the European Parliament, the General Affairs Council, national Parliaments and the Commission. It was prepared by an inter-institutional group that encompassed the trio Presidency (Poland, Denmark and Cyprus), the European Parliament (President Buzek's cabinet), national Parliaments (the COSAC Secretariat) and the Commission (BEPA, in cooperation with other DGs).

Through its first session – which was open to civil society, non-governmental organisations and other relevant stakeholders – the event provided the representatives of the different institutions with an overview of the added value and real life impact of projects financed by the EU budget. Three Presidents addressed the Conference, namely José Manuel Barroso, Jerzy Buzek and the Polish Prime Minister and President of the EU Council Donald Tusk.

In his opening speech, President Barroso called on the forthcoming European Council to take decisive and immediate action on all aspects of the roadmap presented by the Commission. He stressed that the EU cannot solve this crisis without sowing the seeds for sustainable and job-creating growth and emphasised that investments at European level can make an important contribution to that, in particular in an austerity context. He called for new ways of financing the EU budget, namely through new own resources such as the Financial Transaction Tax. And he made it clear that the EU budget is not “money for Brussels” but for young people and researchers, calling on the participants to make the case for Europe and not give in to populism.

President Buzek stressed that the original idea of the conference came from the European Parliament and mentioned its contribution to the Commission proposals, which he considered fair and transparent. After all, the EU budget is lower than 20 years ago and the 5% increase proposed by the Commission is very moderate.

Prime Minister Tusk, for his part, qualified the conference as a unique event. The eventual decisions about the EU budget will be a direct manifestation of our ambitions and will affect every European. The Commission proposals on own resources may appear controversial but, if adequately supported, may end up being successful. If not, the budget will be downsized, and so will Europe's overall influence. PM Tusk also praised Poland's performance with spending EU funds and considered this the best protection against the crisis.

The discussion

The added value of the EU budget in different policy areas and programmes – regions, agriculture, Erasmus, research and innovation, equality of chances, also a pilot project concerning victims of torture – was then highlighted by stakeholders and recipients alike. Some Ministers and members of the Council – i.a. from Lithuania, Latvia, Italy – also took the floor and contributed to the debate. And dedicated sessions reserved to institutional players – notably on EU revenue, expenditure and “adding value” – offered an opportunity to start building a common understanding of the Commission proposals, which had been prepared (as Commissioner Janusz Lewandowski pointed out) in a very difficult context.

The session on *revenue* discussed how to ensure better equality among Member States; the financial autonomy of the budget; the proposed new VAT resource; and the Financial Transactions Tax. Commissioner Algirdas Šemeta argued that the current financing system is opaque and very complex: with the exception of the traditional “own” resources (customs duties and agricultural levies), the Union's sources of revenue have no link to its policy objectives. Moreover, many Member States find the existing system unfair either because of their limited capacity to pay or because they compare themselves with other contributors. Even correction mechanisms are perceived as a source of unequal treatment. In other words, the current

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financing system risks undermining both solidarity and fairness.

On top of that, national budgets and the EU budget compete for the same tax revenues: the way the EU budget is financed (with Member States contributions to the EU seen by many politicians as mere expenditure in the national balance sheet) inevitably creates tensions that poison the debate. The financing reform proposals tackle three main elements: the simplification of Member States contributions; the introduction of new own resources; and the reform of current correction mechanisms. Taken together, these proposals constitute a balanced package and one to be taken as a whole for the final decision.

As for the session on *expenditure*, the discussion was centred on how to invest – well beyond the present crisis – to meet the Europe 2020 objectives. The debate was mainly focused on cohesion policy and macro-economic conditionality and addressed the tricky relationship between national budgets and the EU budget with a view to generating added value. Most contributions to the Europe 2020 strategy, in fact, are financed by national budgets: better synergy may create savings at national level and more efficient use of public money.

For its part, the “*adding value*” session discussed all this in more detail, linking the debate to the European Semester and the current crisis. The main themes included the principle of subsidiarity (as related also to the concept of added value); fiscal consolidation and the need for growth-enhancing measures; the ceiling for cohesion funds and the allocation criteria among countries; and the way in which these issues could and should be communicated to the citizens – especially at a time when the European project enjoys less credibility but is more needed than ever.

The end of the beginning

In his closing remarks on behalf of the college, Commissioner Maros Sefcovic reiterated the firm desire to widen the discussion on the next MFF as much as possible. This entails the full participation of citizens and their representatives at both national and European levels as well as the full engagement of all EU institutions. He also highlighted the main points of convergence achieved at the conference, namely:

- the need to maximise added-value through a clear link between the resources made available and an agreed political strategy (Europe 2020);
- the need to focus on what is best done – and done best – at EU level: the single market and investment in infrastructure and research, to start with;
- the need to further simplify spending procedures and to make the life of users much easier, while acknowledging that this is a shared responsibility between the European and the national level;
- the need to have a more flexible budget and to focus on the quality of spending, if necessary through more conditionality in granting funds;
- the need to keep an open mind when discussing resources and to achieve a more transparent way of financing the EU – thus also bringing an end to the discussion about (and between) net beneficiaries and net contributors;
- finally, the need to continue the dialogue and, in particular, to involve national Parliaments more systematically.

Indeed, the conference constituted a milestone – and a remarkable precedent – in this respect: members of national Parliaments from across the EU could discuss directly with their colleagues from the European Parliament and with representatives of the Council. Considering the changes introduced by the Lisbon Treaty – on the role of national Parliaments, on the one hand, and on the responsibility of the European Parliament in the adoption of the MFF, on the other – the event provided an ideal platform for informal talks and exchanges of views on both the form and the substance of the inter-institutional negotiations over the 2014-2020 MFF.

It ended with convergence of views on many issues and showed the necessity to continue a broad dialogue on the basis of the Commission proposals. Many participants did not conceal their surprise about the consensual way the discussion unfolded and the large areas of convergence identified on the occasion. Participants, therefore, welcomed the announcement by the forthcoming Danish EU Presidency that a similar conference will be held in the next semester.

4 Think Tank Twitter

Think Tank Twitter (TTT) aims to provide regular information and updates on what is produced by think tanks and research centres across Europe (and beyond) on EU policy issues. As an analogy to the original Twitter, each summary – or tweet – does not exceed 140 words, rather than characters. Those who wish to signal new publications for possible inclusion can send them to the email address bepa-think-tank-twitter@ec.europa.eu

Gouvernement économique européen: la question n'est plus quand mais comment

This paper makes the case for strengthened European economic governance. The ongoing debt crisis inevitably impinges national sovereignty and should have national leaders come to terms with the necessity of sharing more sovereignty. Beyond the short-term answers to the risk of a banking crisis, it is still not clear how the “economic government of the Eurozone” should be shaped. According to the author, letting the Commissioner for Economic and Monetary affairs chair Ecofin meetings and represent the EU in international institutions would represent both a sensible and feasible improvement. Two risks are rightly pointed out: the absence of democratic accountability, which requires involving national parliaments better at European level; and the lack of autonomous financial firepower, which could undermine the credibility of such central authority.

http://www.robert-schuman.eu/doc/questions_europe/qe-216-fr.pdf

The Case against Austerity Today

Although they are far from insolvent, Eurozone's governments are subject to self-fulfilling prophecies against their ability to pay back their debt. With no lender of last resort, they risk falling short of liquidity much more quickly than other countries. For instance, Spain's debt level is much lower than that of the UK or the USA, and yet Madrid pays a much higher premium for it. Consequently, this paper argues that Eurozone leaders should consider reviewing the mandate of the ECB. Macroeconomic analysis suggests that debts are crucially needed to sustain growth today, and that their reduction should be gradual and context-sensitive. Only in good times should governments be forced to reduce their spending. Advocating austerity today might reflect a value-driven agenda aiming at reducing the state's size and role in markets.

<http://www.ippr.org/publications/55/8033/the-case-against-austerity-today>

The Rise of the Micro-Multinational: How freelancers and technology-savvy start-ups are driving growth, jobs and innovation

This forceful and hard-hitting policy brief analyses the deep-seated changes afoot in our economy. Currently, big companies are looking to compete mostly by downsizing at home or adding jobs in emerging markets while cash-strapped governments have put a break on hiring. By contrast, the only entities creating jobs in advanced economies are entrepreneurs, young companies and freelancers, many of whom have generated jobs for themselves amid slow employment growth and an anaemic economic recovery. The policy brief presents a nine-point set of recommendations for policymakers to create jobs and lay a foundation for future prosperity in Europe and North America.

<http://www.lisboncouncil.net/publication/publication/67-the-rise-of-the-micro-multinational-how-freelancers-and-technology-savvy-start-ups-are-driving-growth-jobs-and-innovation.html>

Rethinking Industrial Policy

Industrial policy has been negatively perceived by academia and policy advisers alike. This paper argues that three significant factors ask for a rethink of this issue. First, climate change: without government intervention to jump-start massive private investment in clean technologies, governments by default encourage investment in dirtier technologies. Second, a new post-crisis realism: laissez-faire complacency by many governments has led to misinvestment in the non-tradable sector at the expense of growth-rich tradables. Third, China and other emerging economies are big deployers of growth-enhancing sectoral policies. The challenge for Europe is how to design and govern sectoral policies that are competition-friendly and thus growth-enhancing. Although the EC recognises the importance of a sectoral focus (e.g. when defining its innovation strategy), the paper calls for stronger support for this instrument.

<http://www.bruegel.org/publications/publication-detail/publication/566-rethinking-industrial-policy/>

Can EU Strategic Partnerships Deepen Multilateralism?

This paper critically examines the objective of EU strategic partnerships to promote “effective multilateralism”. For a decade, the EU has bet on strengthened bilateral relations with emerging countries/regions aiming to embed them firmly in a rule-based international order. This overarching objective is compromised by inconsistencies, such as larger member states still acting unilaterally and even being unable to agree at EU level on the UN reform. Emerging powers often use multilateral channels towards unilateral assertive ends. A change of method is thus required for strategic partnerships: enhanced focus on bilateral relations and mutual understanding in the short term; and then building *ad hoc* coalitions on such controversial issues as trade, global peace and climate change. Only in the long term can the EU hope to see its partners come closer to its multilateralist reflex.

<http://www.fride.org/publication/943/can-eu-strategic-partnerships-deepen-multilateralism?>

Baltic Sea, Danube and Macro-regional Strategies: A model for transnational cooperation in the EU?

This comprehensive study is a first attempt to assess the relevance of macro-regional strategies, such as the Baltic Sea and Danube Region strategies launched in 2009 and 2010 respectively. These developments must be linked to the new Lisbon Treaty objective of territorial cohesion. They consist of functional cooperation networks, which intend to overcome national and administrative boundaries and to streamline EU funds along common objectives. While other macro-regions (e.g. the North Sea and the Alps) are foreseen, the author calls for caution in drawing any general conclusions from the current experiences. Although these two strategies have had a smooth operational start, member states and regional leaders are yet to be convinced by their added value, especially in the light of existing frameworks eligible for EU funds.

<http://www.notre-europe.eu/en/axes/competition-cooperation-solidarity/works/publication/baltic-sea-danube-and-macro-regional-strategies-a-model-for-transnational-cooperation-in-the-eu/>

Has Europe given up on Fighting Climate Change?

While coping with the Eurozone crisis and the economic downturn, the EU has had no time left to meet the climate challenge. If Europeans want to avoid an uncontrolled rise in average world temperatures beyond the consensual 2 degrees, they urgently need to raise their profile and engage with other big players. For political reasons, no unilateral move can be expected from the USA. Likewise, emerging powers still refuse to commit to binding emissions targets. Only Europe can show the way since the majority of its citizens remain concerned about the risks associated with climate change. European leaders should act more decisively to live up to the Europe 2020 objectives. Investments in the field of energy efficiency and renewable energy should be streamlined and given more substantial support in the EU budget.

<http://www.cer.org.uk/publications/archive/bulletin-article/2011/has-europe-given-fighting-climate-change>

The EU and Human Rights at the UN: 2011 review

The outcomes of the Ivorian, Libyan and Syrian crises at the UN revealed a mixed balance sheet for the EU. It succeeded twice in winning the support or the constructive abstention of non-Western powers in 2011, but Syria marked the return to bloc politics between a united Western front and non-Western powers. The authors therefore see the UN as an “institution in flux”, in which coalitions are more difficult to predict. This means potentially larger room for manoeuvre for the EU. Yet, a split on Libya and regular divisions over the Israeli-Palestinian conflict in the Human Rights Council have undermined EU credibility. European diplomats should be encouraged to strive for greater convergence after their collective achievement in early 2011, namely obtaining an enhanced observer status for the EU.

http://www.ecfr.eu/page/-/ECFR39_UN_UPDATE_2011_MEMO_AW.pdf

5 BEPA News

Arrivées

Le 10 octobre, deux stagiaires ont rejoint le BEPA pour une période de cinq mois: Jan-David Blaese, diplômé d'un master d'études européennes au Zentrum für Europäische Integrationsforschung de Bonn et Renaud Thillaye, titulaire d'un diplôme de Sciences-Po Paris et d'un master de politique européenne à la LSE. Le BEPA leurs souhaite la bienvenue.

Evénements

Le 3 octobre, le BEPA a organisé en collaboration avec l'IFRI un séminaire consacré à l'implication de la société civile dans le processus de transition au sein des pays du Sud méditerranéen. Des intervenants marocains, tunisiens, égyptiens et, bien évidemment, européens ont donné leur vision sur la contribution de l'Union européenne. Les actes du séminaire seront disponibles en ligne prochainement: http://ec.europa.eu/bepa/expertise/conferences/index_en.htm

Le 5 octobre, le BEPA a organisé un dîner entre le Président Barroso et Mme Shirin Ebadi, prix Nobel de la Paix 2003. En présence de la Vice-Présidente Reding et des conseillers de haut niveau du Président Barroso, cette rencontre a donné lieu à un échange informel sur l'actualité des politiques européennes, au regard de la question des droits de l'homme, du "printemps arabe" et du rôle des femmes.

Le 6 octobre, le BEPA a organisé, dans le cadre de la présidence polonaise, une conférence sur les sources de la croissance en Europe. Sur la base des rapports de la présidence polonaise et de la Banque mondiale consacrés à la croissance, économistes, banquiers, universitaires, hommes politiques et hauts fonctionnaires ont participé au débat. La discussion peut être visionnée en streaming : <http://scic.ec.europa.eu/str/index.php?sessionno=b628386c9b92481fab68fbf284bd6a64>

Le 7 octobre, le Président Barroso a inauguré les nouveaux locaux de la Fondation Jean Monnet de Lausanne. A cette occasion, il a remis la médaille d'or de la Fondation à Emilio Colombo, ancien président du Parlement européen, ainsi qu'à Javier Solana, ancien Haut-Représentant de

l'Union pour la PESC. Suite au discours prononcé par le Président Barroso, un échange avec les étudiants a également eu lieu.

Les 20 et 21 octobre, le BEPA a coordonné l'organisation d'une conférence sur le cadre financier pluriannuel pour l'UE 2014-2020. Cette manifestation, ouverte par le Président Barroso, le Président Buzek et le Premier Ministre polonais Tusk, a permis des échanges substantiels avec un grand nombre de parlementaires nationaux sur les enjeux du prochain cadre financier pluriannuel.

Activités à venir

Le 8 novembre, le BEPA organise une rencontre entre le Président Barroso et une douzaine d'acteurs du monde culturel, venus de toutes les régions de l'Union. Ce sera l'occasion d'échanger sur les perspectives financières de l'Union et leur impact dans le domaine des arts et du spectacle.

Les 15 et 16 novembre, le Groupe Européen d'Ethique (EGE) se réunira afin de finaliser son *Avis sur les implications éthiques sur les technologies de l'information et de la communication* demandé par le Président Barroso le 22 mars 2011.

Les 21 et 22 novembre se tiendra au Palais d'Egmont la conférence de présentation du rapport "Global Trends 2030" rédigé dans le cadre du projet ESPAS (European Strategy and Policy Analysis System). Le BEPA coordonne la Task Force inter-institutionnelle chargée de suivre ce projet-pilote confié à l'Institut d'études de sécurité de l'UE

Le 30 novembre, le BEPA organise la rencontre annuelle avec les organisations philosophiques et non-confessionnelles, conviés par le Président Barroso et en présence des Présidents Van Rompuy et Buzek. Les discussions porteront sur les perspectives en matière de droits de l'homme, de démocratie et de liberté confessionnelle dans la région méridionale.

Publications

Ioannides, Isabelle et Schinas, Margaritis, *BEPA Policy Brief: The Renewed European Neighbourhood Policy: Working with Partners*. Brussels: European Commission, 30 September 2011. Disponible en ligne : http://ec.europa.eu/bepa/index_en.htm