



Carrefours

Newsletter

FORWARD STUDIES UNIT

Editorial

The Forward Studies Unit is celebrating its tenth anniversary. In creating the Unit in January 1989, the Commission's objective was to give itself the means to monitor and, above all, anticipate trends in European integration. Consequently, throughout these ten years the Unit has tried to obtain a medium- and long-term perspective on European issues and to spot possible priorities and opportunities. To achieve this the Unit performs four concrete roles: advisory, monitoring, networking and research.

Advisory role: the Forward Studies Unit aims to help the President and the Commission with their various activities and to give all those involved in the decision-making process a better overall picture.

Monitoring: prospective analysis work needs a monitoring system, which detects and analyses significant events and deep trends, which can shape the medium and long-term future, and any discontinuities. The monitoring thus covers changes in society, which are just beginning to emerge.

Networking: this activity consists, as far as outside contacts are concerned, of collaboration with correspondents. For example, since 1991 there has been an informal but permanent dialogue with the churches, religious and humanist organisations in Europe. On an internal level, the Unit seeks to promote collective discussions on European integration within the Commission's departments and to act as a point of contact and forum.

The Unit possesses a *prospective research capacity* and each year it carries out a number of studies that are pertinent to the general field of European integration either in-house or, as is more often the case, in co-operation with various partners. These analyses are only use-

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ful or justified if they help make the step from discussion of an issue, to action, i.e. public decision-making.

Against an increasingly complex European and international background, dominated to a large and increasing extent by uncertainty, this function is as useful as ever. It offers clear benefits for an institution like the Commission which, in its role of guarantor of Europe's general interests and strategist of European integration, must be able to meet medium- and long-term concerns by opening up new perspectives on the future, while adapting to situations in rapid and constant change.

The Commission must not lose sight of the longer term, despite the «tyranny of the short term» and the varied nature of the dynamics with which it has to grapple.

This said, prospective analysis is only justified if it serves as a link between reflection and action between the short and the medium to long term. The prospective activity must aim at providing advice, which is solidly based and placed in its proper perspective. It is on this basis that the Forward Studies Unit will continue to fulfill its role of identifying policy choices for the Commission.

Jean-Claude THÉBAULT —■

Our projects

THE WORK PROGRAMME

The work of the Forward Studies Unit is focused on three main areas - the rallying themes around which many of its activities are based, and to which each member contributes according to their area of expertise:

- governance, politics and citizenship;
- technical, social and economic innovation;
- foreign policy towards neighbouring countries and Europe's place on the world stage.

The ability of the Forward Studies Unit to provide worthwhile advice and to keep a critical eye on issues depends very much on the quality of its information sources and the scope of its investigative activities. Networking - cooperation with other think-tanks - is of vital importance in this connection.

In this spirit the Unit will develop a better structure in order to optimise its network activities both at the European and international levels.

At European level, many organisations, which are active in the field of forward studies, maintain some form of contact, but they do not coordinate their work to any great extent. The «Europeanness» of the FSU and its status as a Commission department could allow it to usefully act as a catalyst and network leader for European forward studies professionals.

At international level, the Unit will maintain the dialogue it has initiated with certain North American and Asian organisations and institutes. Moreover, the FSU will diversify and extend its contacts in geographic terms.

Boosting the network will apply equally to the other think-tanks within the Commission : the

setting up of think-tanks in other Directorates-General is a positive development in itself as they help to identify the problems which need to be addressed when policies are being formulated and implemented. However, the numerous objectives to be reconciled and the difficulties which the Directorates-General have in distancing themselves completely from issues in their own particular sector may lead to inconsistent strategies being developed in different parts of the Commission. Some consistency based as far as possible on a shared vision of the problems to be tackled is required.

Interdepartmental cooperation on matters of common interest will be strengthened. The FSU will play a greater role in facilitating multidisciplinary studies, both by providing its own expertise and by helping the departments concerned to work together. The first initiative of this kind has already been taken, with the setting up of an interdepartmental group on risk analysis, which will be co-chaired with the Directorate-General for Consumer Policy and Consumer Health Protection (DG XXIV). As a general rule, the FSU will make an effort to be more proactive in coordinating cross-disciplinary initiatives.

With regard to its prospective research activities such as the Europe in 2010 set of Scenarios remains an absolute priority for the FSU and will take up a substantial part of its resources in 1999. Numerous requests for presentations of the scenarios have already been received from diverse professional and other circles - even from non-member countries.

So our aim is in fact already being achieved - the purpose of these scenarios being to provide a tool to stimulate study and debate on the future of European integration both inside and outside the Commission.

Beyond the Europe in 2010 Scenarios, the FSU will concentrate its energies on a fairly small number of projects, but will call on a range of collaborations as wide as possible to amplify the work research. Given these guidelines,

here are the outlines of the tasks, which have so far been worked out, for each of the three main areas discussed above.

GOVERNANCE, POLITICS AND CITIZENSHIP

Institutional reform will, of course, be central to the FSU's work. However, as a theme, it does not in itself constitute an area of study as such. What the FSU can and will contribute is rather the knowledge and insights which have already been acquired in this area, in particular on the topic of governance.

More specifically, the FSU will continue its collaboration with the Commission's Joint Research Center (JRC) (the Institute for Prospective Technological Studies (IPTS) and the Institute for Systems Informatics and Safety (ISIS)) on *technological risk assessment and the management of uncertainty*.

This project will be followed up by work on *the mechanisms of public participation in risk management*, also in association with the JRC (IPTS). The aim will be to establish a useful typology of the innovative measures taken in the last few years by public authorities to associate the public more closely with the decision-making process, particularly in the fields of risk management (health, environment, safety), town and country planning and technological choices. The intention is to glean information, which might be of use in European and international decision-making mechanisms.

The study being conducted with the Maastricht Institute and various Directorates-General on the *decentralisation of regulation and the role of agencies* will be continued.

Finally, following completion of the study «*Women and Governance*» commissioned by the FSU, a seminar was held in March 1999, in cooperation with Directorate-General for

Science, Research and Development (DG XII), on «the gender dimension in new approaches to governance». The question of whether to undertake more specific additional research in this field will be examined.

TECHNICAL, SOCIAL AND ECONOMIC INNOVATION

The FSU will endeavour to clarify the concept of «sustainability», which is being used increasingly in connection with Community policies (sustainable agriculture, sustainable mobility, sustainable consumption etc.). Although enshrined in the Treaty, the principle of sustainability is understood differently in different departments. The work will be carried out in close cooperation with the Directorates-General concerned.

Four other research projects have been selected or are underway.

The first, which is almost complete, is on *the impact of an ageing population on entrepreneurship*. This project, which primarily concerns SMEs, is based on a study contract granted to a British university and is being conducted in partnership with Directorate-General for Industrial Relations and Social Affairs (DG V) and Directorate-General for Enterprise Policy, Distributive Trades, Tourism and Cooperatives (DG XXIII).

The second, carried out in cooperation with DGXII, concerns *the policies of public aid for research in the United States and in the Union*. Two seminars, to be attended by American and European experts, will be held with a view to analysing and comparing systems of public aid for research in the United States and the European Union.

The third project is on *the future of industrial relations in Europe*. The emphasis will be on the role of systems of industrial relations in the reform of the welfare state and on the implications of EMU for the future development of industrial relations. This project will be car-

ried out in partnership with Directorate-General for Economic and Financial Affairs (DG II) and will be completed in June or July 1999.

Finally, a talk on *impact of intangibles on business* will be organised by Directorate-General for Industry (DG III) and DG XII at the end of April.

EUROPE'S PLACE ON THE WORLD STAGE AND ITS POLICY ON NEIGHBOURING COUNTRIES

The study on the *Sustainability of societal development in East Asia*, which was announced in 1998, will continue in 1999. A second seminar, following an earlier one in Seville, which began to establish the relevant «indicators» to monitor, will be held in Singapore in June.

In the field of foreign policy, the work of the FSU can complement that of other Commission departments. With respect to policy on neighbouring countries, urgent thought needs to be given to the new boundaries of an enlarged Union. What new risks and responsibilities will the enlarged Union encounter on its new borders? How can we anticipate them now? In this regard, Central and Eastern Europe and the Mediterranean must become geographic priorities in the work of the FSU.

There are two tasks for 1999 which fit these priorities: (1) continuing *the work on the long-term implications of EU enlargement: the nature of the new borders*, in partnership with the Robert Schuman Institute in Florence; (2) beginning a study on *regional government in Central and Eastern Europe* in cooperation with Directorate-General for Regional Policies and Cohesion (DGXVI) and Directorate-General for External Relations: Europe and new independent states, Common Foreign and Security Policy and External Mission (DG IA).

Besides the above, the FSU will concentrate mainly on the globalisation process and its

implications for the European Union. A survey of the initiatives and studies undertaken by different departments has been made following the Lyon Carrefour in October 1998 on «Globalisation and new ways for global governance». The purpose of this inventory was to assess the consistency of the approach and the policies of the various Directorates-General concerned and to serve as a basis for the setting up of a research network on globalisation.

Such a network should encourage inter-DG cooperation and coordination and consequently minimise the risk of differing positions being taken up - in short, it should allow a body of common principles to emerge, since the

Union should not only speak with one voice on the world stage, it should send out a coherent message.

On a completely different subject, the FSU has begun a research project on «*the presence of Muslim communities in the EU*», with a view to obtaining a better picture of the growing Muslim community in the Member States of the Union and studying the consequences of its integration in societal, cultural and legal terms. On the basis of the results of this research, we will be working to see what could be the future implications for societies in Europe.

Our symposium

GLOBALISATION AND ITS CONSEQUENCES - NEW WAYS TO ACHIEVE GLOBAL GOVERNANCE Lyon, 15-16 October 1998.

Martin Bangemann, Member of the Commission in charge of industrial affairs and information and telecommunications technologies, instigated this CARREFOUR which was organised in cooperation with the INSTITUT ASPEN FRANCE and its President, former French Prime Minister, Raymond Barre, Mayor of Lyon.

Globalisation and the growing interdependence of markets, policies and societies certainly constitute one of the key features of the post-war international system, and its consequences increasingly shape our everyday life - in terms of enhanced mobility, the decline of distance as a decision criterion or greater international competition and division of labour.

The underlying causal factors and main occurrences of globalisation in the economic, politi-

cal and cultural realms are fairly well known and undisputed. For instance, in the economy and trade domain, the phenomenon can be illustrated by the continuing growth in world trade that consistently and significantly outpaced world GDP growth (6 per cent versus 1.5 per cent in 1990-96) as enabled by continuing progress in liberalising world trade, in particular in the WTO.

Other occurrences are the rapid expansion of foreign direct investment and the “dematerialisation” of the economy, *i.e.* a general trend towards the reduction of the importance of goods in favour of services and “virtual goods” in world transactions. Furthermore, the lightning development of information and communications technologies is creating what is quickly becoming a global network of economies. Convergence of the computer, telecommunications and media industries will further accelerate and provide a new dimension to globalisation. Finally, electronic commerce, by diminishing transaction costs, will further stimulate growth in world trade.

In the political realm, it has become clear that individual states are less and less in the posi-

tion, if at all, to impose national regulations upon multinational companies. Financial markets test the determination of political authorities to sustain their monetary parity. Cultural resistance to globalisation has risen, amidst fears about the decline of the nation-state, "loss of national identity" and appearance of a standardised "world culture".

Both Mr. Barre and Mr. Bangemann participated together with ca. 40 scholars, businessmen, politicians and experts and led the discussions.

However, the consequences of globalisation for national and international policy-making have been far less well explored.

THE CULTURAL DIMENSION

Globalisation has been discussed mainly in terms of economic trends and business strategies. In fact, the term itself made its appearance in business language. The integration of markets, including goods, services, financial flows and the internationalisation of production processes, is not a new fact in history. Yet there is "a change in the change", which has mainly to do with the speed and the extent of the flows, especially in financial markets, and the transnationalisation of firms.

The change, in turn, is linked to new technologies, especially in the fields of information and communication, which add to the perceived inevitability of the process.

Beyond its economic dimension, globalisation involves far-reaching cultural and societal transformations. It holds the promise of the emergence of a global civil society, based on universal values, such as the respect of basic human rights and the preservation of global commons. For an example of this evolution, take the role of NGOs or simple groups of concerned citizens in forcing changes in the behaviour of companies or states. However, globalisation is also seen as posing a threat to cultural identity and social cohesion, especially by those groups and regions that feel excluded from the main decisions and the benefits of change.

In general, there seems to be a gap of perception between the business or scientific-technological communities, which have been the main actors of globalisation and tend to see it in terms of new opportunities requiring new structures, and the politicians and public opinion at large, which tend to react defensively to globalisation and place their response in the traditional framework of the nation-state.

There is an almost universal agreement, after the collapse of centrally planned economies, that national and international policy-making need to cope more efficiently with the requirements of technological and market evolution. Yet opinions differ as to the extent of the ongoing change and the resulting reform options, as well as their desirability.

According to some, the "end of scarcity" in information storage and communication made possible by new technologies will have revolutionary consequences in the political realm as well: as distance becomes irrelevant for an increasing number of transactions, the organisation of power on a territorial basis, which forms the essence of the modern nation-state, will be increasingly questioned. In a not-so-distant future, it might be possible for people to belong to a number of functional communities, ranging from the local to the global, without any of them being able to claim the exclusive power traditionally associated with the state. The set of "services" which had grown to be regarded as government monopoly - including property rights and social protection functions - could be "unbundled" and lead to competition between governments and other organisations.

Others do not share this vision, which they regard as excessively centred around technological and market developments, which, moreover, are occurring in a relatively limited domain. If information and financial flows are approaching perfect mobility, human resources and, consequently, organisations relying on close human interaction remain strongly physically localised. For example, internationally traded services represent at most 10% of world GDP. Such relative immobility supports the continuation of states' power to tax and regu-

late. Those who argue for a relatively stronger role for the state also point out functions, such as redistribution and social insurance, which cannot be adequately performed by the markets.

ACTORS OF GLOBAL GOVERNANCE —

More fundamentally, the case for the state rests on its being able to provide its citizens with a sense of commonality, security and (democratic) participation, for which satisfactory alternatives are not evident. It is precisely because globalisation is perceived to undermine these functions without putting in place an alternative that public opinion often regards it more as a threat than an opportunity. Concerns about specific problems, such as the transmission of financial instability or the spread of international crime, highlight a more general sense of anxiety, which increasingly confronts policy-makers.

Whatever their ultimate implications, it is generally admitted that in some areas, technological and market developments are making regulation ineffective not only at the national but also at the regional (e.g. EU) level. For example, the widespread availability of safe encryption technologies and the convergence of telecommunication, information and audiovisual products on the internet, both of which are imminent developments, means that the taxation and regulation of any of these services will increasingly be unenforceable only at the point of production (which may not be situated in the same jurisdiction as that of the consumer).

Such developments, and the speed at which they are occurring, argue in favour of a self-regulatory approach, in which producers agree on codes of conduct to preserve recognised public goods (for example, protection of privacy and minors). Opinions differ, however, on how far this process can go: in other words, will self-enforcing mechanisms, such as those based on reputation, be enough to prevent “a race to the bottom” with no public regulation

at all? Or, on the contrary, will public powers and their enforcement agencies have to reassert themselves as regulators of last resort to guarantee the effectiveness and the legitimacy of the process?

For all those who do not believe in the sufficiency of self-regulation and self-enforcement, the increasing transnationalisation of issues that used to be considered as a national issue raises the problem of global governance. Global governance is not and should not be synonymous with global government. Besides being completely unrealistic from a political point of view, the idea of global government implies a “top down” decision-making process that runs against the nature of globalisation. Global governance refers to the multiplicity of ways in which national and international actors reach an understanding on how to solve problems that they face collectively.

Traditionally, most attention has been given to states as the main actors of global governance. International institutions and regimes, the number and scope of which has increased enormously in the last fifty years (there are some 540 international regimes covering different areas, according to a recent report), reflect a concept of sovereignty still predominant at the end of World War II, when the major exercise in international constitution-making took place with the creation of the United Nations and the Bretton Woods systems. Lack of legitimacy, effectiveness and coherence are commonly recognised as weak points of international institutions.

It would be unrealistic to expect radical changes in existing institutions and it would also be wrong to assume that global governance should rely exclusively on international institutions. Some ways forward, however, can also be explored in institutional terms.

The following approaches, moreover, might contribute to solving the problems at stake. One promising approach is the involvement of non-state actors in the work of international institutions. The International Labour Organisation provides an interesting experien-

ce in this regard. Contrary to most international organisations, the ILO has traditionally worked not only with representatives of states, but also with trade unions and employer organisations. More recently, the ILO has pursued its key goal of improving workers' conditions by obtaining that its members subscribe to a declaration of universal principles, which is not legally binding, but the enforcement of which relies on a system of monitoring and public opinion pressure (including the possibility of consumer boycotts).

Another way forward is the development of regionalism. In a number of situations, the regional scale is probably the best suited to achieving the optimal degree of effectiveness and legitimacy. The EU obviously holds the most experience in this respect. Its development is possibly the most noticeable supranational political and legal process that ever occurred: sharing sovereignty to build a democratic policy and a competitive but fair market. Not only on account of its economic weight but also of its own experience in exercising supranational coordination, the European Union is expected to play a leading role in international governance. How can it be ensured that Europe will live up to this expectation?



OPEN QUESTIONS

To ensure the future relevance of the European integration process and, in general, the progress of global governance, a number of questions need to be answered:

- Does globalisation require a strengthening of regulation and inter-governmental structures? Or is it possible to increasingly rely on the private sector and civil society to solve the problems between them by self-regulation? More specifically: in which areas does self-regulation work well? In which domains does it fail?
- What are the best methods to develop a new partnership between governments, the private sector and social interest groups, with a shared responsibility for a global governance which takes account of the necessities of sustainable growth, and social and ethical aspects?
- What can governments and administrations learn in this respect from the private sector in order to organise themselves in flexible, more or less formalised, networks for enhanced cooperation?
- How can the confidence and trust which forms the basis of any multilateral understanding be built? Which instruments could be used to establish the necessary cultural dialogue?
- All these questions show that globalisation constitutes a major challenge for political leaders, and requires new methods of policy-making and issue-management at international level. We, therefore, need a wider debate on how to handle globalisation at the political and policy-making level ("global governance").

Thomas JANSEN /
Lucio PENCH

**GLOBALISATION AND
SOCIAL GOVERNANCE
IN EUROPE AND THE US**
Brussels, November 19-20, 1998

Industrialised countries share the notion that societies are witnessing a profound change in domestic economic and social relations. The US and the EU as the two major economic world players, lie at the heart of this process. On 19/20 November, 1998 the Forward Studies Unit and the Centre for Applied Policy Research at Munich University organised a transatlantic round table on "Globalisation and Social Governance in Europe and the US" in cooperation with the German Marshall Fund of the United States. Through stimulating discussion and a transatlantic exchange of ideas, the event was designed to contribute to improving responsiveness of younger US and European policy-makers to the changes in international economics and their social and political implications in Europe and the United States.

A MATTER OF DEFINITION? _____

Although the term *Globalisation* has been used repeatedly over the last years, policy-makers do not seem to have a common clear-cut idea of what it means. In fact, the term is used to describe almost any development in economics and politics which can be related to cross-border activities. Therefore, in order to structure the round table discussion, it seemed useful to define particular tendencies of the "globalisation" phenomenon which can be explained by more familiar approaches, such as the following:

- changes in production patterns from mass production to flexible production;
- the use of information as the commodity of the information age;
- the growing importance of regional associations and schemes of regional integration;
- the growing interdependence of states, societies, markets and industries.

With these factors in mind, round table participants tended to identify technological progress and the liberalisation of cross-border capital flows as the driving forces of globalisation. During the discussion, however, it turned out to be impossible to clearly identify the origins of the above mentioned tendencies: was industrialisation in the 19th century already a part of what we today call globalisation? Should globalisation be regarded as a phenomenon of this century, or is it just a child of the 1990s?

On the one hand, as trade figures show, the world is just about to return to early 20th century realities: cross-border trade in the 90s is actually only just catching up with the pre-World War I levels. On the other hand, the figures in capital movements and particularly in foreign direct investment indicate an enormous upswing only within the last two decades. Thus, the identification of the starting point of globalisation is essentially a matter of the definition of the term.

Furthermore, globalisation does not seem to be as global as we had expected. It is predominantly taking place in the developed regions of the world, particularly in North America, Europe and East Asia. Even in these regions, it is sectoral, affecting merely those parts of services and industries which depend on the free flow of information and capital.

After discussion, participants found it difficult to agree on a concluding definition of the "globalisation phenomenon", mainly because the way globalisation is perceived by the individual depends heavily on his/her professional and national background. However, as most of the American participants suggested, we should not argue so much about definitions, but more about managing the effects and consequences of globalisation.

SOCIAL FABRIC _____

All western societies are facing challenges to their traditional social fabric, but to a very different degree. American society, with

its emphasis on self-responsibility and social flexibility, appears to be better prepared to adjust to world-wide competition and the unlimited flow of capital than most European societies with their more elaborate sense of social consensus.

However, discussion showed that on both continents traditional arrangements in labour relations are in decline. In the wake of companies streamlining their business to core activities, or the new industries being unreceptive to "unionisation", US and European labour unions alike are facing a decline of their bargaining power. To counterbalance such tendencies, unions on both sides of the Atlantic demand national and international regulations for the management of capital flows. They also argue in favour of an inclusion of labour and environmental standards into international agreements in order to compensate for the immobility of labour when confronted with the mobility of capital.

Another approach mainly discussed by the economists is to encourage companies to share their rewards with their workers. Moreover, unions should adapt to information age structures in order to empower workers to become self-confident stakeholders. This comes close to the ideas of "worker capitalism" and the "democratisation of capital" which were brought forward by employers' organisations. In general, improved information and training is the most consensual factor which could help strengthen workers employability and improve social mobility.

This discussion shed light on the question of how to ensure a decent standard of living. Some Americans reported that in the United States, there is a certain disenchantment with the formula "work is better than welfare." Welfare experts made clear that this formula, which is just about to enter the discussion in Continental Europe, can reduce unemployment, but not necessarily poverty in a society. The question remains whether the formula would also work in times of economic downswing.

The European discussion, however, is more about reducing or at least redressing the often costly institutional framework of welfare. In the view of most Europeans, the American practice can only serve to a limited extent as a model because of different societal approaches to social care on the two continents.

In general, the European and the American discussions about the role of low-paying jobs in reducing unemployment will have to take into account that work incentives are more effective if - through working in entry level jobs - people have the opportunity to improve their living standards.

Finally, with reference to the first part of discussion, the controversy remained unsolved as to whether the overall changes in social relations, be it in labour relations or in welfare provisions, could directly be related to globalisation, or whether these tendencies are just a part of necessary adjustment processes, e.g. an adjustment to technological change in certain industrial sectors.

PROVISION OF PUBLIC GOODS

The principle of territorial sovereignty has become blurred in a world of increasing activity of transnational enterprises. In this context, the round table discussed whether the "erosion of sovereignty" affects internal state sovereignty more than the external sovereignty of states.

With regard to internal sovereignty, new questions on the legitimacy of political systems arise if we take into consideration that state performance is often seen as interlinked with state ability to provide public goods. The proposals put forward during the discussion included the inclusion of corporations, labour organisations, communities and NGOs - together with state actors - in a public policy network governed by the principle of horizontal subsidiarity. As a consequence of this concept of "global public policy", governance (as a functional concept) would be delinked from government (as a territorial concept).

These proposals raised questions among the participants regarding democratic accountability or the emergence of a new kind of corporatism. The identification of suitable actors to be included in such a global public policy network, as well as the position of the state (weak or strong) were also a matter of controversy. It was finally concluded that today's model of western democracy does not represent the end-point of political thinking. Democracy will have to adjust to globalisation. The creation of policy networks, an idea which comes close to models of governance in non-western or European pre-industrial societies, is only one option to shape future governance.

With regard to European integration, the question arose whether globalisation in Europe is not really "europeanization". Figures presented at the conference show that the increases in the flows of goods and capital for European countries are overwhelmingly related to intra EU-trade. Can the EU serve as model of globalisation? Regional integration moderates the effects of globalisation (as in the case of the structural policies of the EU). At the same time, the EU integration process forces countries and business to adjust to increased intra-EU competition. Thus, the EU could indeed serve as one, but not necessarily as the only model for organising a global environment.

CONCLUSIONS

The round table showed that discussion about improving responsiveness to the issue of "Globalisation and Social Governance" must take into account the following points:

- despite tendencies toward globalisation, borders matter. Responsiveness to national philosophies which determine perceptions and policies will be crucial in order to identify best practices on both sides of the Atlantic;
- for a sustainable development of society, policy-makers will have to find solutions to combine economic growth with equity. Ways of empowering people to gain their share in the economic performance of their countries will have to be considered in order to raise public consent;
- the development of strategies to include non-state actors into public policy decision-making and implementation is a topic which will require future attention and responsiveness.

Wolfgang BÜCHERL —■

Our seminars

ENHANCED COOPERATION OR FLEXIBILITY: AN INSTITUTIONAL CHALLENGE

In view of the next round of institutional reforms, the two-day seminar on Flexibility (30/11/98-1/12/98) organised by the Forward Studies Unit and the Treaty of Amsterdam Follow-up Unit in cooperation

with the Stiftung für Wissenschaft und Politik, was of particular interest in two main respects.

First of all, the seminar constituted a significant occasion for dialogue and exchange between senior Commission officials and qualified representatives of the academic community. The contributions of these experts were very effective in stimulating a fruitful debate on such a strategic issue.

The issue itself is the second aspect of interest of this seminar. The relevant provisions in the Treaty of Amsterdam represent a specific political choice and a new institutional approach to a long-lasting problem. The question is how Member States who wish to can go further in their cooperation and develop common policies in certain fields, at the same time maintaining the overall unity of the system.

The actual and potential role of flexibility in different fundamental policy areas was the subject of various contributions by senior Commission officials. The issues dealt with included social policy, Justice and Home Affairs, Common Foreign and Security Policy, Economic and Monetary Union.

MAIN ISSUES COVERED

During the discussion following each presentation, various delicate points were mentioned and debated. First of all, the relationship between the use of enhanced cooperation and the voting system was referred to as a strategic issue for the effective functioning of closer cooperation. While flexibility in policy fields managed through unanimity might represent an effective instrument to overcome a political stalemate, this mechanism should not be employed when qualified majority voting is foreseen, as this already offers the necessary flexibility. Through the application of enhanced cooperation, two different legal statuses arise, with the consequent risk of political tensions.

The danger of progressive fragmentation was at the basis of a second cluster of questions, relating to the timeliness and the efficiency of a system which institutionalises a differentiation between Member States. An alternative solution would be to allow spontaneous forms of enhanced cooperation to grow and develop according to real needs and political interests. This has been the case, with positive results, of the Schengen Agreements, outside the Treaty, and of monetary cooperation leading to the EMU, inside the Treaty. There was agreement

to promote elastic models of enhanced cooperation, in particular with respect to political issues such as social policy, employment and budgetary policy. To avoid disruptive consequences and confusion, it was pointed out that enhanced cooperation should concern the wider policy issues, and not a myriad of detailed sectoral choices.

Thirdly, when asked about the link between enhanced cooperation and enlargement, the officials of the Commission suggested that this relationship should not be overemphasised. It is true that the countries applying for membership are much less developed than EU Member States, and that the *acquis communautaire*, is on the other hand, much deeper than before. But the *acquis communautaire* should be carefully distinguished from the *acquis* of closer cooperation, like the Schengen provisions, which do not have to be accepted immediately and implemented by applicant countries : this would indeed represent a discrimination for the latter.

A fourth stimulating discussion developed on the possibility of applying flexible integration in the implementation stage of EC legislation, rather than in the earlier preparative stages. The formal differentiation between different group of countries could thus be avoided.

Concluding the Seminar, academics referred to the vagueness of the criteria which authorize the establishment of closer cooperation, as listed in Article 43 TEU and in Article 11 TEC (Treaty of Amsterdam numeration). The feeling of the Commission representatives, in this respect as in more general terms, was relatively optimistic, in the light of the political uncertainties surrounding this topic. After all, even more strict criteria than the convergence criteria relating to EMU have been and are the subject of different political interpretations.

Given the guarantees offered to the countries opting-out, and the guarantees expressed with respect to the unitary character of European integration, both laid down in the Treaty of Amsterdam, enhanced cooperation is potentially an interesting tool which might enable

new developments in the integration process. The first meaningful move might be in the direction of a more effective common foreign and defence policy.

Giovanni GREVI —■

THE FUTURE OF DEVELOPMENT POLICY IN VIEW OF GLOBALISATION

Conducting a dialogue with religious organisations is one of the missions entrusted to the Forward Studies Unit, and in this connection we organise the "Discussion Seminars" in close co-operation with the Commission of the Bishops' Conference of the European Community (COMECE) and the European Ecumenical Commission for Church and Society (ECS) twice a year.

Church representatives, experts and civil servants of the Commission met at a Seminar on 23 and 24 November last year. At this meeting the European Parliament was represented by Maren Gunther and Michel Rocard. The participants set the scene for a better definition of co-operation and development.

The subsequent report published by COMECE, *Europe-Infos*, is reproduced below.

The globalisation and liberalisation of the world economy threaten developing countries' economic prospects. At the "Dialogue seminar" in Brussels on 23 and 24 November, however, Church representatives, have stressed that effective development policies could stand up to the relentless laws of globalisation and favour the poor. As advocates of the poor, churches must engage in constructive criticism of political and economic problems by leaning on the Gospel. They should not, however, fall into the function of judge but should rather make use of their competence to help to develop solutions. Joachim Wiemeyer, professor of social ethics in Bochum (Germany), has called for resistance to the cynicism and resignation commonly found with regard to politics of development and encourages an attitude of hope, even in times of crisis. In this regard, we

must conscientiously take stock of the union's politics up to the present, and work to improve on its weaknesses and on contradictions between the various European bodies. In this respect, the current Lomé negotiations present a good opportunity.

Philip Lowe, Director-General for Development at the Commission, gave a very mixed assessment of the co-operation between the Union and ACP countries. In spite of significant financial aid, African countries have hardly developed. Yet the Lomé Convention is a unique project of its kind. Contributing countries' determination cannot replace developing countries' ambition. As has also emphasised by Michel Rocard, President of the commission for Development in the European Parliament, policies of development for the ACP countries cannot succeed without political stability.

Pierre Defraigne, Director for North-South Relations, agreed that industrialised countries, should not let a feeling of guilt make them attempt to carry out unrealistic projects or to solve problems with large quantities of money. Third world countries are not merely victims. They are also responsible actors which often lack the necessary political will to confront their problems and to proceed with structural changes relating to issues such as tax fraud, democratisation and human rights violations. Furthermore, trade with the Union is largely open to developing countries, an opportunity which they do not take advantage of sufficiently.

It is up to these countries to market their produce on the world market and to invest in their own reconstruction. Defraigne pleaded strongly for a linkage of aid to certain conditions. For example, the Union should set minimum standards and supra-national requirements, for example regarding workers' compensations and protection of the poor. Aid makes sense only if it induces lasting political change. Pedro Morazan, representative of the German project Südwind, criticised the idea of making aid dependent on certain conditions, a policy also rejected by the ACP countries as interference in their internal affairs.

IMF experts also consider this approach as being bound to fail. According to Morazan, the Union and Member States do not have a coherent policy to face the forces of globalisation. With regards to other players such as the IMF and OMC, the Union's policy is not sufficiently coherent either. The seminar did not find an answer to the question of how to reduce the impact of globalisation on the development policy. The Commission recommended approach of regionalising of the Convention has yet to be tested.

As for the problem of debt, the members of the seminar all acknowledged that it cannot be resolved at Union level. 85% of ACP countries' debts towards the Union result from bilateral agreements with Member States. In order to resolve this problem, the churches must transcend the discussions between ACP countries and the Union, and turn towards other organisations like the IMF and the World Bank.

Alexander BRÜGGEMANN —■

MEETING WITH TEPESA

On 6 November 1998, the Forward Studies Unit met with the directors of the institutes belonging to the Trans European Policy Studies Association (TEPSA) to exchange views on FSU's *Scenarios 2010* project and to explore future developments in Europe following the informal European Council in Pörschach, Austria.

The one-day conference started out with a presentation of FSU's *Scenarios 2010* project by Gilles Bertrand and Lucio Pench. On the basis of a process of "structured brainstorming" involving over 60 Commission colleagues from 15 DGs over a two-year period, FSU has developed a set of plausible pictures of a future Europe bearing the titles "Triumphant

Markets", "The Hundred Flowers", "Shared Responsibilities", "Creative Societies" and "Turbulent Neighbourhoods".

Following the presentation, Hans Labohm from the Netherlands Institute for International Relations, Andrew Duff from the Federal Trust for Education and Research in London and TEPESA Chairman Wolfgang Wessels from the Institut für Europäische Politik in Bonn were invited to comment on the *Scenarios*. Participants were favourably impressed by the *Scenarios* project which they described as being innovative and timely.

The second working session of the FSU-TEPSA meeting was on "the future of the Union: the state of the debate and perspectives after Pörschach". Following a presentation by Jean-Victor Louis from the European University Institute in Florence, the debate highlighted the following points: after an unconvincing European Council Summit in Cardiff, the informal European Council in Pörschach came as a positive surprise in the sense that European leaders seemed willing to address long-term problems. The European Council would thus achieve an increasingly important role. This would mean, however, that other EU institutions be correspondingly less effective, which in turn could indicate a step backwards in the direction of intergovernmentalism.

Co-ordination difficulties between the European Council, the Council of General Affairs and ECOFIN point the need for institutional reform before enlargement. In particular, stronger political control of economic and monetary policies is essential. The successful management of international economic trends, for example the achievement of a common EU position for the next WTO round, is crucial to the future of European integration.

Céline RAMJOUÉ —■

New publications

THE EUROPEAN PEOPLE'S PARTY

Jansen, Thomas, *The European People's Party. Origins and Development*. Foreword by Jacques Santer, 1998.

Great Britain: Macmillan Press, London 1998,

ISBN 0-333-72057-1.

USA: St. Martin's Press, New York 1998,

ISBN 0-312-21062-0.

Thomas Jansen, member of the Forward Studies Unit of the European Commission, has recently published *The European People's Party. Origins and Development*, an in-depth study of the birth and development of the European People's Party (EPP).

The book is introduced by a foreword by Jacques Santer, President of the European Commission, underlining the importance of the topic of European political parties as the link between the citizen and the institutions of the European Union.

As Secretary General of the European People's Party from 1983 to 1994, Jansen gained an insider's view into the workings of the EPP, an experience which he draws on in his book. After an informative introduction on the evolution of the European Party System and the 1994 elections to the European Parliament (Part I), his book returns to the founding phases of what became the European People's Party. In the following step-by-step account of the development of the EPP, he explores the link between the Christian Democrats and the Birth of the European People's Party (Part II), the evolution of the party (Part III), as well as its structures, problems and procedures (Part IV).

Other than offering a complete and insightful analysis of the birth and development of the EPP, Jansen, throughout his book and in particular in his personal postscript, underlines why European political parties with transnational or federal structures are important for Europe and European integration. The author views European Parties and the European People's Party in particular as channels of participation for the citizens of Europe. These instruments of participation are increasingly crucial in the light

of the need for institutional reform, including the strengthening of the Parliament, and the request for more transparency and democratic participation. Furthermore, by striving for increasing internal cohesion, the EPP and the other European parties have the mission to encourage the construction and to foster the unification of Europe.

Celina RAMJOUÉ —■

L'EUROPE ET LES FEMMES : MÊME COMBAT

Hubert Agnès, *L'Europe et les femmes : identités en mouvement*, foreword by Jérôme Vignon, former Director of the Forward Studies Unit, Editions Apogée, 1998, ISBN 2-84398-019-4.

Do the recognition of the special place of women in our society and the successful integration of Europe depend on each other? This is the theme that Agnès Hubert, Adviser in the Forward Studies Unit, develops in *L'Europe et les femmes* (Europe and Women). Francis Whyte, editor of the «Commission en direct», has read this work for us. An outsider's view...

«Nationalism is war», declared the former French President, François Mitterrand, in his last speech to the European Parliament. In a way, Agnès Hubert, a member of the Commission's Forward Studies Unit and Head of the Equal Opportunities Unit in DG V (Employment and Social Affairs) from 1992 to 1996, develops this idea, although she does not use the actual phrase, in her recent book on Europe and women.

«The excesses of the world wars have hardened the image of the helmeted, swaggering warrior who was once the strength of the Nation State, making him less attractive, repulsive even,» our colleague explains. «Part of the role of European integration was to soften the outlines of a virility which had become untenable. The emancipation of women, for its part, seeks to open up new perspectives, to take the struggle to a new arena.»

«The construction of Europe is being conducted in a political context which is radically different

from the national political arena», explains Nicole Dewandre, at a symposium on Reflections on the future of European integration at the University of Toulouse-le-Mirail, on 6 and 7 February 1998. «It presupposes a relationship with territory and identity which does not exist, which must be created, and this relationship is built up by taking on board the way diversity benefits common objectives».

Agnès Hubert adds to this «by the links that are forged between individuals, through negotiation and compromise, by the recognition of others as equal but different and by the construction of dynamic and multiple identities; is it not, at the deepest level, the construction of an identity opening the way to a relationship with society that links European integration and the emancipation of women?»

Paradoxically, since 1992, it has been women's votes which have clearly tipped the balance against the European Union in referenda on membership of the Union or ratification of the successive Treaties. This is particularly disquieting since «the dynamics of European integration and the emancipation of women have sustained changes at work in our societies while continuing to encounter archaic resistance».

Agnès Hubert's book is far more than «just» a book on feminism; it offers us an original approach to the history of the Community institutions with a fascinating account of the way in which the European Union gradually made its mark in the «one country, one vote» universe of the UN, to the point where it played a leading role at the Beijing Conference on Women in 1995 and on questions such as the euro, enlargement to the East, globalisation, etc.

This is a fascinating and abrasive book by Agnès Hubert. For example, this is the first time I have read in a pro-Europe book that the failure of the European Defence Community was the best thing that could happen for European integration: «Provocative, simplistic this may sound,» explains our colleague. «But without the military option, the Union of European states has been forced to seek out other means of defending itself, the soft security option, and to work for peace in depth». Non-violence among nations ?

Francis WHYTE —■

M i s c e l l a n e o u s

LONG TERM IMPLICATION OF EU ENLARGEMENT : THE NATURE OF THE NEW BORDER.

The discussion of the reflection group on «Long-term Implications of EU Enlargement: the Nature of the New Border» set up jointly by the Robert Schuman Center and the Forward Studies Unit has produced its first result. A

report on minority rights and EU enlargement was published as a policy paper by the Robert Schuman Center in 1999, Giuliano Amato and Indy Batt» Minority Rights and EU Enlargement to the East, Policy Paper n° 98/5, September 1998.

A second report on national identity and culture will soon be published by the Robert Schuman Center.

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