EDITORIAL

By Antonio Missiroli

2011: sowing new seeds

As Danish Nobel Prize winner for Physics Niels Bohr famously put it, “prediction is very difficult, especially if it is about the future”. Forecasting has indeed become a dangerous profession after the spectacular misses and blunders of the past few years: both optimists and doomsayers in turn have been proved wrong while crystal balls keep conveying only cloudy, unfocussed images.

The fact is that the pace of change and the occurrence of unexpected events – in the financial world as much as within countries in and around Europe – have increased exponentially. It is tempting to recall the even more famous statement by US Secretary of Defence Donald Rumsfeld about the “known and unknown unknowns”, which has delighted linguists, philosophers and bloggers since it was made in early 2002. Yet it is true that both wild cards and black swans are making it ever harder to engage in credible forecasting.

Public policy, however, badly needs reliable data and extrapolations about possible trends in order to formulate options and prepare decisions. Even politics needs to look to the future in order to inspire: Bill Clinton’s popular soundtrack during his victorious presidential campaign in 1992 – which triggered a decade of sweeping transformations across the globe – was “don’t stop thinking about tomorrow”.

How true this is for the European Union. Most of our common policies are conceived and carried out with a medium- to long-term horizon, with elaborate mechanisms to draft, negotiate, agree, launch and implement them. But the events and developments of the last two years – first an external financial crisis, then a mainly internal one hitting a core element (EMU) of the integration process – have generated a quintessential end-of-an-era sentiment and a pressing need for a comprehensive rethinking of Europe’s position, role and opportunities in the 21st century.

This cannot be done without, first, a spectrum of foreseeable trends (facts and figures rubbing shoulders with educated guesses) and, second, a full menu of possible scenarios for action.

A worldwide web

Easier said than done, of course. Some efforts have already been made, with mixed results. For
instance, the Report delivered to the European Council in May 2010 by the Reflection Group on the Future of the EU, chaired by former Spanish Prime Minister Felipe Gonzalez (Project Europe 2030 – Challenges and Opportunities), emphasised the urgency of pursuing even more decisively the structural reforms already under way. Yet, finalised as it was in the midst of the Greek sovereign debt crisis, the Report was unable to provide a set of broader, and possibly more radical, options. On top of that, its limited mandate prevented it from giving recommendations about how to carry out those reforms that it deemed urgent and necessary.

It is also true that policy decisions have become ever more complex and inter-connected – across countries and geographical areas, as well as across functional domains. This is already quite evident in the financial world but is no less relevant when it comes to regulating the movement of goods and people or in the field of foreign and security policy. The external projection of a country (or region) is no longer just a combination of trade, diplomacy and defence: all players are involved in multiple and inter-related games – a tangled web whose eventual shape, colour and scope are still largely undetermined.

Inherited or even recent wisdom does not suffice either. We Europeans thought that, with the introduction of the Lisbon Treaty reforms, our common “foreign” policy would be on the right track – only to discover quickly that our future global role and status will probably depend much more on our ability to adapt our economies and act collectively and credibly on such issues as climate, energy and raw materials than on the number of “hats” worn by Baroness Ashton.

In the less ‘Western’ world that is taking shape, the capacity to read in advance what may happen in, around and especially beyond our “West” will be crucial. The grand transformation currently under way has a bright side that we often forget: billions of people the world over are leaving poverty behind them and gaining access to adequate nourishment, safety, education. The flip side of that is that Europe’s share (and control) of global wealth and security is shrinking, at least in relative terms. But exactly how far and how fast remains unclear, and may depend much on decisions to be taken sooner rather than later. What is clear is that all EU countries are too small now to make a difference by flying solo: we must act together – and, to do this, we need a joint analysis of the situation and a shared vision of how to move forward.

A common ESPAS

As a first contribution, a pilot project has just been launched jointly by the European Parliament, the European Commission (through BEPA), the Council and the EEAS. This issue of BEPA Monthly Brief is entirely devoted to its presentation, since the European Strategy and Policy Analysis System – ESPAS, as it has been branded – constitutes a premiere in terms of both method and substance.

A joint inter-institutional Task Force will ensure the political ownership and oversee the unfolding of the project, whose initial duration is limited to 2011. BEPA will act as the grant-making body, and the EU Institute for Security Studies (EUISS) – the recipient of the grant – as the hub for the preparation and delivery of final reports aimed at highlighting challenges and scenarios for the Union, horizon 2030.

The EUISS boasts a distinguished record in this domain: its 2006 study on The New Global Puzzle already looked at 2025 as a term of reference for a systematic analysis of foreseeable trends at the global level. And BEPA has this in its own DNA, so to speak: not only was it originally created as the Forward Studies Unit, back in 1989, but a couple of years ago it also delivered – jointly with the Commission’s DG Research – a similar, multi-authored report on The World in 2025.

This time around we will look at 2030, in the awareness that prediction is indeed difficult but also conscious of the fact that we need to think globally and long-term if we want to act locally and short-term, sowing the seeds now for a brighter future.
1 New ESPAS for Europe
By James Elles*

My own concern about the lack of broad strategic thinking in the European Union can be traced back to the European Parliament’s guidelines for the 2007 EU Budget for which I acted as general rapporteur.

On 17 May 2006, I urged colleagues to recognise the need “to set a new strategic tone to the way in which the European Union delivers its policy agenda”. I commented that “when reading the APS document, there is a strong sense of complacency – a real lack of urgency – about how to tackle the global economic and political challenges facing the European Union. Not least, for example, there is no specific mention of the rapid rise of China and India in the global economy: this will undoubtedly affect substantially both internal as well as external policies in the years ahead”.

My ideas crystallised in work I was doing at the time in my political group in the Parliament. As chairman of the EPP Group’s internal think tank, the European Ideas Network (EIN), I was struck by the fact that, if one could access information and analysis from outside sources about how the world might look in 2025, we might be able to detect some long-term trends that could already be useful in shaping today’s policy-making.

An intriguing puzzle

The EU institutions were not producing much in this area, but one important and interesting report – “The New Global Puzzle: What World for the EU in 2025?” – did attract my attention. Produced in 2006 by the EU Institute for Security Studies (EUISS), the document attempted to engage in exactly this kind of forward thinking.

At this stage, I did not know the authors of “The New Global Puzzle”. The opportunity to meet them came the following May, when I was asked to participate in a conference organised by the EUISS in Paris, assisting the US National Intelligence Council (NIC) in completing its own report, “Global Trends 2025: A Transformed World”. This was the fourth report prepared by the NIC in recent years for incoming US Presidents since 1996. The Paris conference revealed interest in continuing to work across the Atlantic on long-term policy trends in an ad hoc way. The Transatlantic Policy Network (TPN), which I am also active in, agreed to host a one-day conference in Brussels in December 2008 to gather policy-makers together to look at the document’s conclusions.

The US document gave an excellent analysis of long-term trends and provided Washington policy-makers with a view of how world developments could evolve over the next 15 years, identifying both opportunities and potentially negative developments that might warrant policy action in the greater global context. It covered issues such as global economic shifts, resource scarcities and security concerns.

The biggest relative certainty, for example, was predicted to be a continuing shift in wealth and economic power to the East, in particular to parts of the world which do not necessarily share a similar approach to democracy, human rights and the rule of law as ourselves. The key uncertainty was the speed with which the West would shift from fossil fuels to new, alternative energies. It is a highly readable analysis of possible outcomes ahead.

The first joint exercise by the EUISS and the NIC – the first time that the NIC ever did a project with a non-US body – took place in early 2010. Entitled “Global Governance 2025: At a Critical Juncture”, it was presented in the Parliament’s Foreign Affairs Committee on 27 October 2010, and publicised by the Atlantic Council in Washington.

Back to the future

Listening to our US interlocutors, I felt more than ever that it was essential for the EU to have...

*James Elles is a British MEP and the draftsman of the ESPAS-related budget amendment.
its own credible, independent capacity to engage in analysis of long-term trends.

I found that when the EU took major decisions, it tended to rely on external evidence but had no separate system for analysing information itself. I found out later we were not alone in the global system in acting in this way – and that in fact the only country regularly to use long-term planning for policy-making over a five-year cycle was China.

Longer-term strategic thinking could be an essential component of EU policy-making, in order to improve the quality of our domestic policies and give greater coherence and consistency to EU external action. The Millan Mon report (in the EP in April 2009) first drew this need to the attention of the Commission and the Council.

For this reason, I decided to draw the threads together by proposing in the Budgets Committee of the Parliament that 2010 EU Budget include a Pilot Project to develop “an inter-institutional system identifying long-term trends on major policy issues facing the EU”. This should provide “common analyses of probable outcomes on major issues to be available for policy-makers”. The system would be coordinated between the Parliament, Commission and Council, using the EUISS, at least in the first instance, as “a core for the system”.

The amendment also drew attention to several positive developments, such as the fact that the incoming President of the European Commission had set a long-term 2020 target in his document “Political Guidelines for the next Commission” and that the Parliament administration had already prepared a long-term analysis document covering the period 2009-19 for its incoming President in July 2009.

Fast forward: ESPAS 2011

The amendment was approved by the Parliament and Council for the 2010 Budget, with formal responsibility for implementing the Pilot Project falling to the Commission.

The purpose of the proposed new system is to develop, over time, a habit of cooperation between the policy planning staffs of the various institutions and to enable the Union to benefit from more coherent, higher quality analysis of policy trends, challenges and choices over the medium to long term. It is not intended to set up any new bodies, but rather promote the closer networking and interlinking of existing structures within the institutions. This network would be consistent with the Lisbon Treaty commitment to promote closer long-term planning between the institutions.

In order to enable the other institutions to assist and guide the Commission in its implementation of the Pilot Project, the Commission has established a task force for the duration of the project, in which senior officials (from the Commission, Parliament, Council and EEAS) can discuss how to coordinate the work of their existing policy staffs and monitor a series of specific studies which have been devolved in the first instance to the EUISS.

On 14 December 2010, the Pilot Project – provisionally called the “European Strategy and Policy Analysis System” (ESPAS) – was formally established by the European Commission, when it signed a contract with the EUISS to produce two major scene-setting reports in 2011. The EUISS reports will provide: (a) an assessment of the long-term, international and domestic, political and economic environment facing the EU over the next two decades; and (b) an assessment of the main policy challenges and choices which are likely to confront the EU institutions during the next institutional cycle from 2014-2019.

If the Pilot Project is a success, it will then fall to the Commission to decide in due course whether to come forward with a proposal for a formal decision of the institutions, backed by appropriate funding (if necessary), as part of the normal legislative and budgetary processes, to create a permanent system.
In a period of transition in the international environment, in which the Western-led hegemonic order is fast receding and global interdependence is giving rise to “multipolarity”, there is a clear need for the EU to understand the long-term implications of the changes that are afoot. How will power relations evolve in the next two decades? Will China emerge as the predominant actor on the global stage? Will the power and influence of the US and the EU decline, as some forecast? How will all of this impact on the major issues with which EU citizens are increasingly preoccupied – like arms proliferation, climate change and resource scarcity?

EU policy formulation crucially depends on the timely identification of long-term global trends. Strategic thinking is essential both to prevent decline and drive EU domestic policies and to give coherence and consistency to the EU’s external action, bringing together common institutions and individual states. The next institutional cycle of 2014-2019 will already need to start preparing the EU for such challenges. In the field of foreign policy the institutional reform introduced by the Lisbon Treaty and the creation of the European External Action Service make the development of EU strategic thinking an unquestionable priority.

**Trendspotting: an inclusive approach**

The EUISS has been identified as the core of the proposed trend-monitoring system branded as ESPAS (European Strategy and Policy Analysis System), steered by a “quadrilateral” inter-institutional task force (BEPA, the Council Secretariat General, the European Parliament, and the European External Action Service). The involvement of member states, and in particular of their policy planners, is also essential if the project is to contribute to a common vision of the EU’s common strategic interests, based on a shared analysis of the various international trends that will affect the EU’s future.

The EUISS will systematically seek the close involvement of experts from all EU strategic partners – namely the United States, Brazil, China, India and Russia – and bring on board experts from key countries and regions, e.g. Africa, the Middle East and Turkey (see chart below). This will allow for the establishment of a “network of networks” that will support future activities even beyond this pilot project.

The EUISS will fully exploit existing expertise in the EU institutions. Brainstorming sessions and regional conferences in each one of the major regions under consideration will also contribute to completing and testing research findings. A final conference in Brussels, in late 2011, will represent a key opportunity to bring the main findings and the debate that these may generate to the attention of a larger European public. The setting-up of an inter-institutional ESPAS-dedicated website will be an important instrument for interaction among all relevant actors of this project.

Post-Lisbon mechanisms affecting the constellation of EU foreign and domestic policies will be examined for their potential, assessed on the basis of their initial performance and effectiveness, and contrasted with the critique of the preceding frameworks and instruments.

This assessment will be based on fresh research – relying on structured interviews with decision makers and practitioners from national and EU administrations and civil society actors. It will also be based on the systematic survey of existing literature, including the wealth of network-of-excellence analytical, prospective and prescriptive research conducted under the European Commission’s FP6 and FP7.

Current trends in European public opinion and pressure groups will serve to anticipate future trends regarding support for (or rejection of) EU policy clusters. Brainstorming and closed-
door workshops will expand the pool of expertise and refine the assessment of findings as appropriate. A set of public and semi-public conferences will be convened to supplement research requirements and to begin the process of dissemination of the pilot-study’s results.

Methodology and objectives
The conceptual framework behind this pilot-study is predicated on the consideration that we need to go beyond the present fascination with (old and new) big powers and bring many other actors – including medium and small states, multilateral organisations, global or regional and non-state actors – into the picture. This is, after all, a precondition for an effective and fair multilateral order, which is a cornerstone of the EU’s approach to international affairs.

This inclusive approach should also help provide a clearer picture of the global challenges facing the Union in the two decades to come and the fuller range of policy choices available to the EU at an early stage of policy formulation.

The examination of the core trends, challenges and opportunities facing the EU in the medium to long term will be broken down into two reports. The findings of the first report (entitled “Challenges”) will provide the basis for its twin report (entitled “Choices”), looking mainly at the implications of such developments for the EU and its domestic and external policies. The purpose is not to draw up specific prescriptions but to highlight the priorities for decision-making, outline strategic choices and, where appropriate, include a range of policy options at all levels.

Key policy areas and issues will be addressed using a common analytical grid, so as to allow for global prospects across the board. The aim is to present policy makers with a set of broad strategic choices to deal with likely scenarios, which in turn entail taking relevant decisions at the outset of the next institutional cycle.

Because these decisions will have an impact on the very scenarios they are expected to address, special efforts will be made to outline costs and implications of the possible choices proposed for each identified core issue, and to highlight their regional interconnections.

As for the EU’s external action, the outlook and strategic priorities of key global and regional actors constitute the point of reference to develop customised approaches to a more effective dialogue with them and a more consistent approach to global governance reform.
3  BEPA News

Départs et arrivées
Anna Melich, conseillère de l'équipe d'analyse part en retraite à la fin du mois. Nous la remercions pour son long service à la Commission européenne et lui souhaitons une bonne continuation.

Nous souhaitons la bienvenue à Jyri Ollila, expert national détaché du Bureau du Premier Ministre finnois. Il rejoint l'équipe d'analyse du BEPA en tant que conseiller et suivra les dossiers sur l'agriculture et les fonds structurels et les fonds de cohésion.

Événements
Le 11 janvier, le Président Barroso a rencontré des rédacteurs en chef provenant des Etats membres, des experts de laboratoires d'idées et des faiseurs d'opinions pour un échange d'idées sur le sujet de gouvernance économique.

Le BEPA a organisé conjointement avec la DG ECFIN une conférence intitulée “Vers une gouvernance économique intégrée dans l'UE: Le semestre européen” qui a eu lieu le 12 janvier à Bruxelles. Cet événement a marqué le début du premier semestre européen rassemblant les principaux décideurs au sein des institutions européennes et ceux des gouvernements et parlements nationaux, ainsi que des experts de laboratoires d'idées et du milieu universitaire. Le Président de la Commission européenne José Manuel Barroso et le Commissaire européen aux Affaires économiques Olli Rehn ont présenté leurs points de vue dans les discours d'ouverture et de clôture. Le discours du Président Barroso est disponible sur le site du BEPA.


Le 25 janvier, le Président Barroso a participé à un débat avec des représentants de laboratoires d'idées dans le contexte de la conférence “State of the Union: Brussels Think Tank Dialogue 2011. Europe 3.0: Building a Viable Union”.

Activités à venir
Le 1er février, une réunion entre les conseillers spéciaux des Commissaires, le Président de la Commission et des fonctionnaires européens de haut niveau aura lieu à Bruxelles afin de discuter de questions clés d'actualité face à l'Union européenne, en mettant l'accent sur le cadre financier pluriannuel.

A l'occasion du premier anniversaire de l'entrée en fonction de la Commission Barroso II, le BEPA, en collaboration avec le service juridique de la Commission et en coopération avec la Direction générale de l'éducation et de la culture, organise une conférence intitulée “Implementing the Lisbon Treaty”, qui aura lieu à Bruxelles les 9-10 février 2011. L'objectif de l'événement est de débattre des implications potentielles de la mise en œuvre du nouveau traité pour le processus d'intégration européenne. Parmi les nombreuses personnalités distinguées sont inclus le président de la Commission européenne, les Commissaires Šefčovič, Reding et Vassiliou, la Ministre allemande de justice Leutheusser-Schnarrenberger; le secrétaire d'Etat polonais aux affaires européennes et de la politique économique Dowgielewicz, le président de la Cour européenne de justice Skouris, des membres du Parlement européen et des universitaires.

Le 11 février, le BEPA organise une réunion de réflexion sur la question de l'équité intergénérationnelle. Des débats seront organisés autour de quatre thèmes: l'éducation, la santé et la protection sociale ; la durabilité et l'efficacité des ressources ; une gouvernance efficace ; et une croissance intelligente, inclusive et durable.

Le BEPA organise également le même jour un débat autour du thème “Transatlantic 2020” rassemblant des conseillers du BEPA, des membres du Service d'action extérieure et des experts de laboratoires d'idées américains et européens. L'objectif de la réunion est d'examiner les tendances fondamentales sociétales, économiques, politiques et de sécurité qui toucheront l'Europe et les États-Unis au cours de la prochaine décennie.