EDITORIAL
Par Jean-Claude Thébault*

Le BEPA en mutation

BEPA Monthly vous propose ce mois-ci une parution un peu atypique. Vous prendrez connaissance dans les pages suivantes de trois articles aux sujets très divers. Le premier évoque un séminaire organisé le 16 octobre en collaboration avec le German Marshall Fund, portant sur la découverte de gisements gaziers en Méditerranée orientale. Il s’agit d’un sujet aux implications économiques et géopolitiques majeures, porteur d’espoirs pour toute une région et pour l’Union européenne, mais également de risques et de tensions, tant les enjeux qui y sont liés sont importants.

Le deuxième porte sur le dialogue « ouvert, transparent et régulier » que la Commission mène avec les églises et les associations ou communautés religieuses, ainsi qu’avec les organisations philosophiques et non confessionnelles. Cette activité de la Commission demeure mal connue. Il s’agit pourtant d’un dialogue ancien, institutionnalisé depuis la mise en œuvre du traité de Lisbonne et qui donne lieu, plusieurs fois dans l’année, à des rencontres et des échanges sur des thèmes d’intérêt commun. Le troisième, enfin, fait le point sur l’avancée du projet ESPAS (European Strategy and Policy Analysis System). Ce projet interinstitutionnel, mené par le BEPA et développé conjointement avec le Parlement européen, le Conseil et le Service européen d’action extérieure, vise à établir ce que pourraient être les grandes tendances du monde en 2030, et la stratégie que l’UE devrait adopter pour les prendre en compte et y répondre.

Le choix de ces trois textes n’est pas le fruit du hasard : nous avons souhaité, à travers eux, évoquer la diversité des sujets que le BEPA est amené à traiter au quotidien au titre de ses activités d’analyse et de communication. Tous s’inscrivent dans le long terme, en faisant appel à cette capacité d’imaginer et de penser le futur qui nous permet d’esquisser l’Union européenne de demain.

La parution de ce mois est également atypique puisque elle n’a plus lieu sous la direction d’Antonio Missiroli, que nous avons vu partir avec regret vers de nouvelles fonctions, il est vrai prestigieuses. Isabelle Ioannides, qui le remplace temporairement, sait pouvoir compter sur notre soutien et sur votre intérêt pour cette publication.

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1 Gas Resources in the Eastern Mediterranean

By Isabelle Ioannides*

Recent discoveries of large offshore gas fields in the eastern Mediterranean not only offer encouraging prospects for a region that has been energy dependent, but also raise a number of political, security, economic and geostrategic challenges both for the EU and its neighbours.

It is in this context that, on October 16, BEPA and the German Marshall Fund convened a symposium on the wider implications of the discovery of large natural gas fields in the eastern Mediterranean. It was the occasion for a distinguished panel of experts – including Simon Henderson of the Washington Institute for Near East Policy; Michael Koehler, Head of Cabinet of Commissioner Oettinger; Michael Leigh of the GMF; Sagi Karni from the Israeli Ministry of Energy and Water Resources; and Vice Rector Toula Onoufriou of the Cyprus University of Technology – to discuss with officials from the European institutions, think tankers and the business community how to ensure that the new energy resources coming on stream over the next decade can contribute to energy security in the region and how to diversify Europe’s energy sources (in terms of their geographic origins and type).

The exploration of gas resources can have common benefits for Cyprus, Israel, the Palestinian Authority and Lebanon: less reliance on energy imports from uncertain suppliers; investment in upstream and downstream industries promoting economic diversification; increased water supply from desalination plants fuelled by natural gas; and improved trade balance and sounder public finances.

While Cyprus comes to the energy game late, it can capitalise on European experience (e.g. UK, Norway, EU) on exploration. The two-fold advantage for Cyprus will be the likely opportunities for creating interim confidence-building measures to help bring the peace process forward, and the economic and political prospects emanating from building the necessary infrastructure for gas exploration (e.g. building relations with multinationals, strengthening partnerships with neighbours, increasing internal investment in tourism and financial services, and establishing strategic cooperation in education and science).

Israel will develop its energy potential according to five principles: export benefiting industry; the safeguard of minimum reserves in Israel to satisfy its needs for the next 25 years; the setting of a cap at 500 bcm for export; the destination of exports (Israel’s neighbours will import gas for their own needs); and an understanding that a major company will be needed to help with the exploitation of gas fields. The Israeli government will remain the tax and royalty collector and will approve partners and destinations. The potential for building bridges among neighbours is palpable: Jordan and the Palestinian Authority are natural partners.

The European Union can also benefit from the exploration of gas resources. These would reinforce the economy of Cyprus which is currently exposed to the euro crisis, support partners in the European neighbourhood (Israel and Lebanon) that are dependent on energy imports, and provide an opportunity for enhancing EU partnership with Turkey. The added gas resources could also bring energy prices across Europe down at a time when there is increasing demand for energy, and create new markets (e.g. Asia) in which the EU could tap into.

With the many benefits come certain challenges, however. Notably, questions are raised as to the laws regulating exports considering that Israel and Turkey have not signed the Law of the Sea. Political risks are also at stake: delimitation disputes between Israel and Lebanon, as well as Cyprus and Turkey; instability of political regimes in Egypt, Lebanon and the ongoing violence in Syria; and unresolved political conflicts in the region. To these can be added potential security risks (e.g. further escalation and spill over from regional turbulence, as well as the security of installations set up far offshore). While the region’s energy independence would increase, gas discoveries are not sufficient to substantially reduce Europe’s energy needs.

The possible challenges and remaining open questions provide ample opportunity for future debates on diversifying European energy resources, reinforcing energy security, consolidating cooperation with major energy producers, and using energy as a catalyser for peace in the tumultuous Mediterranean region.

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2 Beyond the Economy
The dialogue with churches, religions and philosophical and non-confessional organisations

By Katharina von Schnurbein*

In the search for a new narrative for the European Union, the Nobel Committee has reminded us that overcoming the division of the continent following the World War II and the end of Communism, and establishing peace and stability in Europe remain the essential achievements of the European Union. The Nobel Peace Prize reminds us of the fact that the founding fathers of the EU, such as Robert Schuman, Alcide de Gasperi and Konrad Adenauer, did not envisage above all an economic or political Union, a single market or a currency, but rather a community based on common values.

It was EU Commission President Jacques Delors, who after the fall of the Iron Curtain, saw that the challenges ahead (such as EU enlargement) could only be tackled successfully if supported by a broad consensus in society. The starting point was thus talking to representatives of organisations active in the fields of science, culture and also religion. The aim was to exchange ideas about the meaning and implications of the European integration process.

In this spirit, the European Commission introduced a regular dialogue with the three monotheistic religions. This tradition was kept and intensified by all the Commission Presidents who followed. President Barroso expanded the dialogue to communities of convictions or what is called in Art. 17 TFEU ‘non-confessional and philosophical’ organisations, acknowledging the pluralism of our modern society. Besides the high-level meetings with religious leaders that take place between the President of the three institutions – European Commission, Parliament and Council –, in 2009 President Barroso introduced high-level meetings with philosophical and non-confessional organisations. The Commission attaches great importance to these meetings, as they are a visible sign of a European Union ‘beyond the economy’.

Over the years, possibilities for citizens to participate in policy-making and in the European integration process have steadily increased – the latest instrument being the Citizens’ initiative launched in April 2012. Nowadays no legislation is tabled at a European level without extensive prior consultation with stakeholders and interest groups. The dialogue with churches, religious organisations and philosophical and non-confessional organisations under Art. 17 TFEU is yet another instrument to engage civil society into ongoing topical debates within the European institutions. To facilitate the information flow, the Commission encourages organisations that want to contribute to the Art. 17 dialogue to register under the Transparency register.

The idea behind this ‘open, transparent and regular’ dialogue is to feed ideas of the so-called ‘Art. 17 interlocutors’ into the policy-making process in the Commission. The topics of our discussions are therefore chosen with view to the EU political agenda. Beyond formal consultations and seminars, Art. 17 interlocutors are invited to voice their concerns and ideas regarding all policy issues relevant to them.

Due to the economic crisis and the demographic projections in Europe, questions about budgetary, environmental and economic sustainability have

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become ever more pressing. How to ensure a high standard of living for the current generations without living at the expense of the generations that follow? In 2012 intergenerational fairness was thus a key theme in the discussions with religious leaders as well as philosophical and non-confessional representatives. Another focus was the increasingly important issue of ‘Freedom of religion and belief’ within the EU as well as in the context of the Middle East and the EU policy towards the ‘Arab spring countries’. Also, as the European External Action Service prepares its Guidelines on ‘Freedom of religion and belief’ for the EU Delegations, Art. 17 interlocutors were consulted and invited to comment. ‘Freedom of religion and belief’ together with the right to ‘Freedom of expression’ will remain important issues in 2013.

In the coming year we will also look at the challenge of bringing Europe closer to the citizens. In order to exit the current economic crisis, Europe has undertaken major efforts to deepen the Union. Competences have been transferred to the European level with great efficiency, but the average citizen has found it difficult to grasp the changes that have come about. Protectionism, nationalism and populism seemed as an easy way out. But those ideas and ideologies lead to a dead end.

To bridge the gap, the European Union must reflect in a self-critical manner on its structures and perspectives for the future. As President Barroso stipulated in his State of the Union last September, we need the “development of a European public space, where European issues are discussed and debated from a European standpoint”. In this context, in 2013 the Commission encourages churches, religions and philosophical and non-confessional organisations to contribute their ideas on the European construction of the future and how to bridge the (perceived) democratic deficit. How can we foster our European values? What are our common interests? How can we achieve common responsibility and solidarity? How can we create more European unity in the face of globalisation? How can we strengthen social cohesion? And how can we move towards a “federation of nation states”, to borrow President Barroso’s words?

Churches, religions, free thinkers, humanists, freemasons and others have the chance to elaborate their arguments on these critical questions within the Article 17 dialogue. After all, Churches with their local parishes and other Art. 17 interlocutors with their unique structure of regional and local chapters, offer the possibility to listen to what is happening ‘on the ground’.

The European institutions need feedback in this restructuring process in order to get it right. From European values to the value of Europe, we need a broad discussion across the EU in order to make the necessary changes now that will keep the train on the right track.

Dialogue seminar on intergenerational solidarity, in September 2012, with COM-ALACE, an umbrella organisation of liberal and adogmatic freemasons.
3  ESPAS – Next steps forward

By Graeme Carter*

The next steps forward in the inter-institutional European Strategy and Policy Analysis System (ESPAS) project are well underway. Following the report of the pilot project produced by the EU Institute for Strategic Studies earlier this year, BEPA issued calls for tender for three trend reports – on the economy, society, and international governance and power – to advance the policy analysis and forge closer cooperation between the participating institutions.

Evaluation committees are currently finalising their decisions on contractors who will work with the institutions to produce reports in the three above-mentioned core areas of interest. To ensure effective cooperation between the institutions and to embed a culture of ever-closer dialogue, the working groups composed of representatives of each of the participating institutions – the Commission, Parliament, Council and the EEAS – will oversee the work of the contractors. BEPA has the key role of helping to steer the work of the contractors and the working groups as a whole to ensure integrity in policy analysis and methodology.

The end product of this second phase of ESPAS will be the publication of three final trend reports in the areas outlined above. Building on the pilot project report *Citizens in an Interconnected and Polycentric World*, the working groups and contractors will identify likely and possible policy challenges and options for the Union, with an eye not only on the 2030 time frame but also the next institutional cycle 2014-19.

The working group on the economy will focus on the likely key structural factors for economic growth (e.g. science and technology, manufacturing, trade, and investment flows and financial transfers). It will also examine the main quantitative trends for global economic development in terms of GDP growth, capital production, investment, productivity and employment. The group will additionally analyse future trends in globalisation and how heavily the challenges of competitiveness and indebtedness could affect Western economies and the EU in particular.

The second working group will focus on societal trends including the implications of the rise of a ‘global middle class’ in the emerging economies in terms of income distribution, consumption patterns, social cohesion and political behaviour.

The speed and spread of information technology, increased access to education and the empowerment of individuals will also be addressed. In the case of the latter, the working group will explore if there is a growing empowerment of individuals, groups and networks and a parallel disempowerment of states and institutions, as well as the likely impact on political and social development.

The third working group will investigate trends and policy implications in the changing nature of power in the world, the future of multilateralism, threats to the EU, conflicts and challenges at regional and local level, and the tools, and capabilities that will be needed to address shifts in the global power balance. In particular, the group will focus on the perceived decline of traditional state power, the prospect of new regional alliances and the consequences for global and European security. In addition, work will be progressed on assessing the future of global governance, climate change and resource scarcity. Possible challenges to European security arising from events in the European neighbourhood, terrorism and arms proliferation will also be studied. The working group will also explore possible foreign and security policy instruments and resources required in the years ahead to meet these challenges.

In January 2013, an ESPAS conference will bring together the main players in the project to assess the interim findings of the three reports. Experts involved in global trends and forecasting from other parts of the world will also be invited to share their insights. In the meantime, a new dedicated website is being developed to generate an online global trends community. The three trend reports will be synthesised and published in a single report to be presented to the incoming Presidents of the institutions in 2014. By then, proposals for the establishment of a permanent EU inter-institutional analytical foresight system will be in the public domain and Europe will take its place in the community of global trends analysis.

ESPAS is about Europe’s future and how we can best shape it and enable it to meet the major policy challenges of the next twenty years. Others have been in this business – at government level and in think tanks across the world – for some time. As the world’s largest single market, a great trading power and with interests across the globe, the time has come for Europe to equip itself with the tools to anticipate the future and to be ahead of the curve.

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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

A Political Union for Europe
This paper outlines and analyses a number of concrete proposals by member states regarding strengthening the EU legitimacy and democratic control. The Union currently faces challenges of democracy, an increase in the number of member states, and a decision making process impaired by crises and the pace of globalisation. While taking into consideration the legal feasibility of different proposals, the authors suggest implementing three methods that would allow the EU to address these challenges without waiting for modifications to the treaties. These include: the ‘convention’ method as a response to the democratic requirements; ‘convergence’ as a response to the Union’s enlargement; and ‘strategic cooperation’ as a response to globalisation. The authors conclude that the EU’s legitimacy crisis will worsen if politicians do not address the EU’s democratic and executive deficits.


The Importance of Mobility for European Youth
The report argues for increased youth exchange, stating mobility does not produce ‘Europhiles’ in the sense of supporters of Brussels’ policies, but rather European citizens engaged and able to participate in the European debate. Youth mobility programmes, including Erasmus, are seen as being ambiguous on whether their objective is to train mobile competitive workers or to establish a political and cultural European identity. At a time when the financing of the Erasmus programme appears under threat and in order to raise awareness regarding the importance of mobility for the future of the European Union, the authors advocate: scientifically documenting the usefulness of mobility programmes; increasing grants; providing additional resources to those interested; and diversifying exchange possibilities to include a wider spectrum of participants.


Banking Union: Are the EMU design mistakes being repeated?
A stable European Banking Union must consist of three pillars: European banking supervision, a common bank resolution authority, and a common deposit insurance. The report points to the risks of only putting in place the supervisory pillar – as suggested in the European Commission proposal of September 2012 – and of not following up with the remaining elements of its Banking Union. By remaining vague to attempt to prevent opposition and by postponing essential decisions, the risk is to repeat the mistakes of the EMU design. Only by being clear about what it aims to achieve, will the EU be able to convince financial markets and its citizens that it is serious about creating a functioning Banking Union that could tackle the on-going debt crisis.


The Value of Europe
After years of living in crisis, many EU citizens have started to doubt European integration and solidarity and instead are analysing the European project through the lenses of its personal economic cost to them. However, Europe has always been and continues to be a political project. Focusing on the economic side depoliticises and emasculates the European idea while encouraging the spread of neo-nationalism. Europeans must decide, writes the author, whether they want transnational democracy or post-democratic executive federalism and should understand that they can only retain their welfare state societal model and influence on global policy-making through joint action and pooled resources. In order to create a stronger and better EU, citizens need to be willing to transfer national sovereignty power to the European level.

http://www.bertelsmann-stiftung.de/cps/rde/sber/SID-7A7441-0F-89BF09537 bst/BS_Spotlight06_EN_web.pdf
Single Market Entrepreneurs in the Single Market
To celebrate 20 years of the single market, eight experts shared ideas on empowering entrepreneurs and examined how the single market could be streamlined and improved to overcome Europe’s biggest weakness: the low levels of innovation driven entrepreneurialism. Authors suggested that the government should boost the profiles of local entrepreneurs to generate additional business, investment and awareness. Empowering women innovators and entrepreneurs could also be a powerful economic and social resource to leverage the single market to more rapidly and sustainably recover from the economic crisis. Furthermore, several authors encouraged governments to establish a direct dialogue with the community through regular meetings and events, thereby creating a positive feedback loop through which businesses could help governments’ structure policy.


The Euro Crisis: Ten roots, but fewer solutions
One of the most pressing issues threatening the integrity of the euro that has not yet been addressed is the deepening economic contraction in southern euro area member states. Solutions to address this include: domestic structural reform and appropriate fiscal consolidation; wage increases and slower fiscal consolidation in economically stronger euro area countries; a weaker euro exchange rate; debt restructuring; and an investment programme. Growth could also be improved through business regulation, network regulation, human capital, infrastructure and innovation, which are absent in southern European countries. To adequately address current challenges, more institutional changes are necessary, including the deployment of a euro area economic stabilising tool, managing the overall fiscal stance of the euro area, some form of Eurobonds, and measures to increase the effectiveness and legitimacy of euro area level decision-making bodies.


Securing EU Growth from Services
With extra public spending ruled out, private spending stagnant, and almost no increase expected in labour and capital, the call for the better functioning of services markets in Europe grows constantly louder. Since the mid-1990s, EU member states and the EU itself have realised that services markets have been underperforming. Although there has been a clear reduction of the restrictiveness of services regulation, the potential for further reforms, especially in domestic services markets is considerable. The authors argue that one can speak of a “triple dividend”: what member states can reform also serves the broader EU goal of economic growth, whereas the EU pursuit of the single market not only serves this goal, but directly helps the national reform efforts. Finally, authors maintain that promoting domestic services enables the proper functioning of the monetary union.


Democratization in the Arab World:
Prospects and Lessons from around the Globe
The study identifies conditions and decisions likely to influence whether regime changes in the Arab world will lead to democratisation. It focuses on the main possible challenges to democratisation in the region, how countries across the world have overcome (or not) similar challenges, and how the international community can assist transition. To answer these questions, the authors analyse structural conditions and policy choices, including the mode of regime change, the country’s past experience with political pluralism, critical policy choices, state and social cohesion, economic characteristics, the external environment, and external policy choices and assistance. The authors conclude that there is reason for optimism in the MENA world, if policy approaches are, among other, individualised, adapted to the local context, embedded long-term, and if they recognise the limits of outside intervention.

http://www.rand.org/content/dam/rand/pubs/monographs/2012/RAND_MG1192.sum.pdf
Arrivals and Departures

BEPA congratulates Antonio Missiroli, adviser and head of the ‘European Dialogue’ sector in the Outreach Team, on his new position as Director of the European Union Institute for Security Studies. We welcome our two new blue book stagiaires, Adriana Padilla-Albaladejo and Sarah Reinheimer, who joined BEPA in October.

Events

On 2nd October, BEPA organised a high level conference titled “Connecting Europe Facility” (CEF) attended by key players in the transport, energy and communication sectors. President Barroso opened the conference with the Cypriot Minister for Communication and Works, Efthymios Florenzou (representing the Cypriot Presidency of the Council) and the President of the European Round Table of Industrialists, Leif Johansson. Participants also included Commission Vice-Presidents Kroes and Kallas, and Commissioners Hahn and Oettinger. The Estonian Prime Minister closed the conference.

On 16 October, BEPA co-organised with the German Marshall Fund a seminar titled “Symposium on Gas Discoveries in the Eastern Mediterranean: Implications for the European Union and International Partners”. The event addressed: the diversification of European energy sources; the challenges and opportunities for Cyprus and Israel; their neighbours’ roles; necessary infrastructure for eventual export to Europe; and strengthening energy security in the region.

On the same day, the inter-institutional Working Groups for the three ESPAS tenders on ‘economy’, ‘society’ and ‘governance and power’ were launched. The ESPAS Task Force meeting that followed addressed the project’s work programme, the methodology for the working groups, the organisation of outreach activities, and the development of the ESPAS website.

BEPA and the Committee of Representatives of Orthodox Churches to the EU (CROCEU) jointly organised on 17 October, a dialogue seminar titled “Promoting Solidarity in the Current Economic Crisis: The Contribution of the Orthodox Church to the European Social Policy”. Commissioner Damanaki discussed the creation of a sustainable future to overcome the economic crisis. Participants discussed the impact of the economic crisis on the social structure of European society, social cohesion from the perspective of the Orthodox Church, and intergenerational solidarity.

On 3-5 October, the EGE Group met in Nicosia, in the context of the Cypriot Presidency of the Council, to discuss the EGE Opinion 27 on “Ethics of the Energy Mix in Europe”. Also, the National Ethics Council (NEC) Forum, an independent platform organisation, met to exchange information on the Horizon 2020 Programme, the function of NEC forums as dialogue platforms on science within the EU, the adopted EGE Opinion 26 (Ethics and ICT), and the forthcoming EGE Opinion 27.

From 29 October to 1st November, BEPA coordinated – for the second time – on behalf of APEX Brazil, the visit of a Commission delegation to Brazil. The participating DGs included BEPA, AGRI, CNECT, RTD, TRADE and the EEAS.

Upcoming events

On 22-23 November, BEPA and the Order of Malta are organising a forum in Limassol titled “Protection and Conservation of Cultural Heritage in the Mediterranean: A Common Responsibility”. It will follow on a seminar on the same topic that took place in March 2011. This year’s forum will focus on the impact of natural phenomena and armed conflicts on heritage, new perspectives in light of the Arab Spring, issues of sacred heritage, and the responsibility of key players for the conservation of universal heritage in the context of the economic crisis.

On 27 November, BEPA will bring together European philosophical and non-confessional organisations to discuss “Intergenerational Solidarity: Setting the Parameters for Tomorrow’s Society in Europe”. Commission President Barroso will chair this event with EP President Martin Schulz and European Council President Herman Van Rompuy. Issues to be discussed include establishing stronger intergenerational solidarity and creating a sustainable future for young generations.

On 30 November-1st December, BEPA and the High Economic Committee of Morocco will host in Skhirat a conference on “The Initiative for an Atlantic Community”. This event follows on two conferences that took place in Skhirat and Brussels in May 2009 and July 2011 respectively. Participants will discuss the Atlantic contribution to global governance, promoting EU-Atlantic economic interdependence, supporting the Atlantic basin energy revolution, strengthening food security, and the role of private sector investments.