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CONTENTS

Challenges of today, solutions for tomorrow	1
Pushing forward with growth-friendly policies	2
The imperative of protecting EU fundamental values	4
The transformative potential of the EU-US partnership	6
Think Tank Twitter	8
BEPA News	10

EDITORIAL

By Isabelle Ioannides

Challenges of today, solutions for tomorrow

On 11 September, President Barroso delivered his annual State of the Union speech before the European Parliament, setting out the Commission's vision for the EU and outlining what needs to be done in the year ahead. The complexities of the difficulties at hand call for more integration (rather than less) and for working together.

The EU is about combining economic dynamism with social fairness – this is particularly relevant as the European Parliament elections edge closer. More than ever, Europe needs to demonstrate through its actions that it is providing the kind of solutions for today's challenges that can offer citizens a better future.

When addressing the EP, President Barroso emphasised among his top priorities: the reform of our economies – including the fight against unemployment, notably youth unemployment, and the financing of

the real economy. He underlined in parallel strengthening the social dimension because the EU is much more than a market: the European ideals touch the very foundations of European society. These are goals that speak to Europeans in their everyday life. To achieve them we not only need strong political commitment but also a united front at a European level.

It is in this spirit that this month's *BEPA Monthly Brief* has invited three commentaries on some of the key issues on the EU agenda: deepening the economic and monetary union by advancing and implementing the banking union and delivering on growth; safeguarding EU values, such as the rule of law; and linking the EU more closely to growing third markets to boost our place on the global scene, notably through the Transatlantic Trade and Investment Partnership with the US.

In recent years, Europe has made progress; yet much is left to be done and we must continue to push forward with our efforts to find solutions for tomorrow. As President Barroso put it, "let's engage! If you don't like Europe as it is: improve it!"

1 Pushing forward with growth-friendly policies

By *Alessandro Leipold**

In his 2013 State of the Union speech to the European Parliament, Commission President José Manuel Barroso covered – as is apposite for such addresses – a broad range of issues. Opportunely, though, President Barroso was clear as to what he saw as taking precedence: “What we can and must do, first and foremost, [is] be concrete in delivering the banking union. It is the first and most urgent phase in the way to deepen Economic and Monetary Union.” He furthermore pressed this priority for the right reason: “Ultimately, this is about one thing: growth.”

Cleaning up the banks

Indeed, progress in stabilising the European banking system is essential, not only because of the longer-term goal of banking union but, more immediately, because addressing banking problems is itself a core crisis resolution issue. It is key to rekindling growth and exiting the crisis. Possibly the main reason (albeit certainly not the only one) that the United States is growing and Europe is not, is that the former has done a far better job of cleaning up its banks, while Europe remains saddled with ‘zombie’ institutions unable to provide credit to finance growth – much as in Japan during its prolonged stagnation. The growth rate of loans to the private sector, which turned negative in 2009, remains in the doldrums: the latest figure indicates a 2% decline in August 2013 over the same period a year earlier. The incipient recovery, despite welcome signs, will remain timid and fragile as long as credit flows do not oil the cogs of growth.

It follows that the single most important contribution EU leaders could make to bolster growth is to create the conditions for a revival of lending by strengthening the continent’s banking system. This in turn hinges on the rigour and credibility of the ECB’s upcoming stress tests and asset quality review, on the availability of adequate fiscal backstops to cover any revealed capital shortfalls (*viz.*, the deployment of the ESM’s ammunition), and on the proper working of a single resolution mechanism.

Work is underway, or decisions have been taken, on all these fronts, and there has been undoubted forward progress, spurred also by the Commission’s proposals. Still, the approach agreed at the political level provides too much national discretion, and remains too spread out over time. The excess of national discretion will allow countries with the means to bail out (and not bail-in) troubled banks to do so more fully than weak countries – contrary to the very spirit of a ‘banking union’.

Time is money

The extended timetable should be revisited. On present agreements, direct ESM bank recapitalisations will be possible only when a single supervisory mechanism is established – rendering this vital programme operational only towards late 2014, well beyond the schedule recommended by the ECB itself. The bank recovery and resolution directive is, for its part, slated to enter into full effect only in 2018.

There are fortunately opportunities to improve the framework and hasten the timetable. The calendar is undoubtedly tight: the European Council of December 2013 is slated as a ‘make-or-break’ occasion for the future of European banking union, and the EP’s elections of May 2014 narrow the legislative window. But such pressure of time and events generally serves to focus minds. This, in any event, has been the story of Europe’s crisis management to date. Still, success will require a highly concerted effort by all – first and foremost, of course, by the European Council itself.

Growth-friendly budgetary surveillance

A second key ingredient to growth is that of an appropriate macroeconomic policy stance, both at the level of individual countries – surplus and deficit alike – and of the euro area as a whole. The recently strengthened economic governance procedures are to play a key role in this regard. In particular, this autumn will see the first round of application of the so called two-pack, the procedures agreed in March 2013 to enhance euro area budgetary surveillance. Under these procedures, eurozone member states’

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budgets for 2014 will be subject, for the first time, to *ex ante* mutual scrutiny.

The Commission is essentially to assess individual countries' budgets with regard to compliance with the obligations of the Stability and Growth Pact. In doing so, it is important that the assessment bears in mind the elements of flexibility set out by the European Council of 14-15 March 2013 to provide "strategic guidance" for member states' national budgetary policies. That Council struck a notable shift in tone on budget consolidation, as highlighted in the following passages from the summit's conclusions (emphasis added):

- "The European Council stresses in particular the necessity of *differentiated growth-friendly fiscal consolidation*;"
- "There should be an appropriate mix of expenditure and revenue measures [...] including *short-term targeted measures to boost growth and support job creation [...] and prioritising growth-friendly investment*;"
- "The possibilities offered by the EU's existing fiscal framework to *balance productive investment needs with fiscal discipline objectives* can be exploited in the preventive arm of the stability and growth pact."

In practice, the implementation of "growth-friendly" fiscal consolidation requires that the upcoming assessment of national budgets focus unambiguously on the structural balance and the underlying structural effort. As noted in a timely contribution from the European Commission's *ECFIN Economic Brief* (Issue 20, March 2013), under the Stability and Growth Pact, an excessive deficit procedure is not to be triggered if the "structural effort" (specified in terms of changes in the cyclically-adjusted balance net of one-off and temporary measures) has been delivered.

Under this approach, the emphasis is (correctly) placed on long-term measures to improve the underlying fiscal position. In practice, however, the primacy of structural adjustment struggles to establish itself, and the public discourse and related peer pressure tend to be largely framed in terms of nominal targets: the holy grail of a deficit within 3% of GDP. Adherence to nominal objectives when growth deviates from assumptions clearly exacerbates cyclical swings – in upswings as much as downswings. It is what caused pro-cyclical fiscal

stimulus during, for example, Spain's real estate boom. Nominal targets were fully respected (as they were in Ireland), but the fiscal stance was unduly expansionary. The failure to build up adequate fiscal buffers during 'good times' restricted the scope for countering the subsequent slowdown.

Moving forward

This autumn's first application of the two-pack provides the opportunity to demonstrate, in practice, the announced emphasis on "growth-friendly" consolidation, with a related focus on the underlying, structural effort. In so doing, it would bear out President Barroso's reassurance, in a wide-ranging interview with US talk show host Charlie Rose on 26 September 2013, that one "cannot say today that Europe is dogmatic about the deficit." In short, harmful pro-cyclical – in both expansions and recessions – should be banned from EU member states' fiscal arsenal.

Alongside the evaluation of individual countries' budgets, the new procedures also require the Commission to publish a comprehensive assessment of the budgetary outlook for the euro area as a whole. In this regard, it would do well to provide an opinion on the desirable aggregate fiscal stance, assessing whether the summation of national budgets results in an appropriate stance from a cyclical viewpoint for the euro area as a whole. Given the still fragile outlook, an overall stance that, if not stimulatory, is at least broadly neutral, would appear appropriate. Such a stance would also be supportive of the ECB's forward guidance, with interest rates "at present or lower levels for an extended period of time."

In conclusion, at the current juncture, much hinges on a successful and proximate exit from the present crisis. The consolidation of the early, encouraging signs of recovery depends on a host of factors, many of which remain beyond the control of the EU institutions. But two elements that are within such control, albeit of course still strongly subject to inter-governmental decisions, are the design and speed of European banking union, and the conduct of effective surveillance over euro area countries' budgetary policies. Getting these elements right will determine both immediate prospects and the longer-term success of the European project.

2 The imperative of protecting EU fundamental values

By Israel Butler*

The European Union is strong in bringing countries up to high standards of democracy, the rule of law and fundamental rights before they join, but struggles to ensure that they continue to live up to these values after accession. Several member states are now in a democratic crisis, leading the Council to call on the Commission to propose a mechanism capable of upholding the EU's fundamental values.

EU and Council of Europe reports show that Hungary is perhaps the most extreme example of backsliding on respect for democracy, the rule of law and fundamental rights, with one party having captured many of the key institutions that protect independence of the judiciary and media pluralism. Worrying moves are appearing in other parts of the EU on the treatment of ethnic minorities, press freedom and judicial independence. Angered by economic recession and austerity, significant proportions of the EU public have lost faith in the ruling political elites and has supported parties with a xenophobic populist agenda. Some mainstream parties have adopted parts of the populist agenda – such as anti-immigrant measures – either to recapture votes or to appease coalition partners.

Potential risks to EU achievements

Three vital achievements of the EU are at risk because of these political dynamics. *First* is the right to free movement. Mass deportations of Roma are continuing in a number of member states, in some cases less publicly than in others. Four member states have called for restrictions on the free movement of persons, arguing that EU citizens from Romania and Bulgaria are causing an excessive drain on welfare systems. The Commission has challenged the governments in question to prove that this is genuinely a significant and widespread problem.

Second are rules preventing discrimination. Ten years after the deadline for transposition of the Racial Equality Directive, many national authorities are reluctant to promote racial and

ethnic equality in practice, even if national laws are in compliance on paper. The fact that further equality legislation (the 'Horizontal Directive') is stagnating in the Council further demonstrates that certain member states are unwilling to present their citizens with greater legal protection for groups vulnerable to discrimination.

Third is the EU's achievements in raising democratic standards as part of the accession process. The media and the courts, two essential components of a democratic society under the rule of law, are suffering challenges to their integrity in a number of member states. Media freedom is threatened by state censorship and intimidation of journalists in some member states, and there are worrying ties between media owners, business interests and the government in others. Judicial independence, compromised by political interference or corruption, is also at stake. Restrictive access to the courts in some countries also reduces the ability of the judiciary to keep the government in check and guarantee the rule of law.

These developments clearly threaten the EU's values, but the Union has not elaborated an adequate response yet. Article 7 of the Treaty on European Union is unlikely ever to be triggered because it is a nuclear option that requires consensus within the Council. The Commission's recent Justice Scoreboard does little to monitor the ability of national courts to safeguard the rule of law. The Commission has also taken the view that infringement proceedings cannot be used as a tool of enforcement because few pieces of EU legislation directly regulate its fundamental values. Vice-President Reding has indicated that a new mechanism to protect the EU's fundamental values is needed, but reform of the treaties would be required to create it, which is politically difficult now.

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Options for EU action

The EU – and the Commission in particular – has the power to act in the short term. Three options would plug the gap in protection of the EU’s fundamental values.

First, where the EU already has tools, it should use them. The EU does have clear standards in place to protect racial and ethnic minorities. It should enforce the Racial Equality Directive through infringement procedures where this is warranted (e.g. on the treatment of Roma).

Second, the Commission could develop a mechanism to monitor implementation of its fundamental values under existing powers. This would ensure at least some progress, even if treaty reform does not happen. A Commission Communication (2003) stated that Article 7 of the TEU implied the need for a “regular monitoring” mechanism that would “make it possible to detect [...] the risk of breaches of” the EU’s fundamental values. For this purpose, the Commission established a network of independent experts on fundamental rights, which reported on rights implementation (including areas outside the scope of EU competence) by individual member states. The Commission could revive this network, which was discontinued after the establishment of the EU Fundamental Rights Agency in 2007.

This network could synthesise the country reports and recommendations produced by Council of Europe and United Nations human rights monitoring mechanisms, as well as the comparative reports of the Fundamental Rights Agency. This would avoid duplicating existing monitoring activities. The country synthesis reports could serve as the basis for Commission recommendations. The member state under examination would be invited to explain how it intends to implement these recommendations during a joint meeting of the Commission, Council and Parliament.

Third, this process could be coupled with a fundamental rights litigation strategy, which would give the Commission a means of enforcing at least some of its recommendations. Even though there is little legislation directly protecting the EU’s fundamental values, there are many rules

in core areas of EU competence that protect these values indirectly. The Commission could develop a catalogue of ‘fundamental values friendly’ legislation, and prioritise infringement proceedings where these rules are violated. Three examples include:

- *EU competition rules on state aid*. These could be used to combat discriminatory advertising practices in the media market. Some governments in the EU actively interfere with media pluralism by systematically placing advertising with politically friendly media companies. This distorts free competition in the media market, since those media outlets that are consistently excluded have difficulty surviving. These rules could be used to protect freedom of expression and effective democratic participation.
- *EU public procurement rules*. These could prevent governments from awarding lucrative public contracts to business allies. The Commission would also be able to demand repayment of structural funds, where these are involved, and block future payments. These rules could be used to protect democracy by ensuring that governments act in the interests of voters, rather than owners of private companies.
- *The general principles of EU law*. These oblige member states to ensure that individuals have access to effective national judicial procedures to enforce their rights under EU law. Where the independence of national courts is compromised, a member state would not be able to guarantee that its judiciary can deliver effective remedies. This rule could be used to protect the independence of national courts.

These three measures are not the whole answer to the question of how the EU can monitor and enforce compliance with its fundamental values, but could go some way towards addressing the problem. Urgent measures are needed and the advantage of those proposed above is that they could be implemented immediately while longer-term reforms are debated and negotiated. They would also deter governments from taking actions that contradict EU fundamental values and show the rest of the world that the EU is willing to practise at home what it preaches abroad.

3 The transformative potential of the EU-US partnership

By Eric Peters*

Fast and deep geopolitical shifts to EU-US relations

Following the WWII, transatlantic cooperation was institutionalised essentially around defence and military cooperation through NATO. Although US President John F. Kennedy called for a “declaration of interdependence” as early as 1962, all attempts to shape a closer and comprehensive economic bilateral framework have failed. This includes EU’s attempts to spur a bilateral trade pact initiative under Sir Leon Brittain or under the German Presidency in 2007.

What is happening today is a rebalancing of the transatlantic relationship from security to economy, with a rising focus on leveraging the bilateral trade relation for economic growth.

On security, the relationship is still important, but Europe is not anymore US’s first ‘line of defence’ for security matters, in the context of the Asia-Pacific pivot and of a more inward-looking US defense policy. Europe has thus evolved progressively from the position of *the* essential partner, central to US security calculations, to one of a ‘forward partner’ with mainly a regional importance, having to count on its resources for its own and its neighbors’ security.

On the contrary, bilateral economic cooperation is on the rise, linked to bilateral and global factors. For the US and Europe, bilateral trade is a powerful engine to stimulate their economies, heavily and durably constrained by budget consolidation needs. For both partners, low growth is not an option as it would fuel social unrest and undermine the political basis for federal integration in Europe – and to some extent in the US – as illustrated by the rise of populism. Ultimately, stagnation would also increase the risk of losing ground in terms of innovation, in particular in Europe where R&D spending is increasingly limited, while Asian countries have increased their share dramatically.

On the global stage, the world powerhouse is shifting fast and the case for leveraging the transatlantic relation as a mean to influence the

future disciplines has considerably increased on both sides of the Atlantic. By 2030, Asia is projected to have surpassed North America and Europe combined in terms of global power, based upon GDP, population size, military spending, and technological investment. This new situation makes the modernisation of global disciplines more indispensable (e.g. fostering trade in services and FDIs to foster global innovation), but also more difficult.

An ambitious TTIP is compelling

An ambitious Transatlantic Trade and Investment Partnership (TTIP) deal would undoubtedly stimulate growth at home. It would foster bilateral trade flows by more than 30%, and spur growth with a 0.5% GDP gain. This would be by far the biggest FTA ever signed, connecting more closely the two world biggest economies. The political equation will certainly be tainted by difficult discussions on agriculture and domestic regulations, but negotiators can count on wide public support, as shown in the recent Pew Research Centre survey: 58% of Americans believe that increased trade with Europe would be positive for their country and 69% of Europeans are in favour of a new effort to deepen economic ties between the EU and the US. For US businesses, the EU remains attractive despite its current hurdles. It has the highest environmental and social standards and its leadership in technology, industry and services is very strong and wide-ranging. There are more Global Fortune 500 companies in Europe than in the US and many EU companies are world leaders in technological sectors, such as the French-based ArianeSpace for satellite launch or the German SAP in the software business. And last but not least, London remains the biggest world financial centre.

The TTIP can shift frontiers

The *first frontier* is about maintaining a global open economy, which cannot be taken anymore for granted, with the WTO negotiations stalemate. Especially since challenges are growing:

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protectionist pressures fuelled by people's fear of globalisation are on the rise in advanced and emerging markets, the multilateral system is failing to adapt fully to the rise of the BRICs, and new rules have to be developed to catch up with the new challenges of a digital economy. Contrary to 70 years ago, the EU and the US cannot face these challenges alone, but neither should they accept inactivity. Together they can create a confidence shock at home and vis-à-vis other partners. Internally, the TTIP is a golden opportunity to update our common trade rule book and to develop a more positive narrative on the benefits of trade for growth and jobs, highlighting notably the value of imports for advanced economies. Externally, both partners should advocate that these new fair rules could revitalise WTO negotiations: as before the Uruguay rounds, bilateral deals should be seen as incentives to reinforce the multilateral trade system.

The *second frontier* is about sustaining global growth in a world with limited natural resources. This is one of the most important challenges of this century. A defensive Malthusian approach would be as wrong as 200 years ago, and the only way out is technological innovation. The TTIP can play a decisive role to foster innovation with a better allocation of resources, new common standards, new services and more financing. Even more decisively, both partners need to increase public confidence in innovation so as to ensure that the wheel of progress will keep moving in the right direction and at the right pace. The TTIP is therefore an opportunity to move closer to a common approach to science-based risk management, ensuring that technological progress is managed rather than stopped by fear.

Third, the TTIP could definitely help push forward Europe's integration frontier, towards a more united, stable and responsible EU. This is clearly in the interests of the US. With the TTIP, Europeans will have to act as a group, as negotiations are conducted by Brussels on behalf of Paris, London, Berlin and the 25 other capitals. More importantly, the TTIP will build a second pillar to the transatlantic partnership set up decades ago around security and defence with NATO. This economic pillar, based on a strong

EU DNA, will represent solid incentives for citizens and states to remain in the EU remit and give new arguments against eurosceptics in the member states.

Finally, the *fourth frontier* is a step forward in the development of a real 'Atlantic Space', which would also include African and Latin American countries. While most of the world focuses today on the Asia Pacific region, we should not forget that the Atlantic space is already vivid and offers huge opportunities with only limited geopolitical conflicts. This region represents notably a huge energy potential with 40% of world petroleum reserve, 33% of global gas production and crystallising economic prospects with a rocketing growth in some African regions.

TTIP as a test of our leadership domestically

So far, opinions have been positive on both sides as indicated by polls. But civil society and parliaments have to be taken on board. This may be the most difficult part of the political equation. It will require maintaining the eye on the ball of the overall strategy. More importantly, policy maker should pay attention to ensure that the necessary domestic changes induced by a closer partnership will be acceptable politically and socially. In a sense, the TTIP will be a test to our capacity – both in the US and EU – to make the necessary domestic reforms to become fully integrated in a globalised world, be it on industrial standards, environmental protection or the liberalisation of services. Protectionist reflexes and sensitive issues such as private data protection, will have to be addressed with all the political care needed, to avoid that they do not hijack an endeavor, which precisely aims at strengthening EU and US weight and influence in tomorrow's world. In this respect, it is always important to remember that after WWII, the transatlantic relation has been pivotal to shaping and energising the global economy. It has enabled several decades of unrivalled prosperity and peace, building on the multilateral infrastructure and the mix of free market economy, democracy and rule of law. In a rapidly changing and unpredictable world, the TTIP may be the once-in-a-generation opportunity to continue and extend what was initiated 70 years ago.

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

Rethinking the EMU and Making Greater Europe Positive Again

Among the several challenges that the EU face at this time of crisis, three shocks must be addressed: the sovereignty shock, which has led many Europeans to believe that they do not have a say in European matters; the globalisation shock, which calls on Europe to stand by its values and be open at the same time; and the human error shock, which demands the acknowledgment of mistakes in the single currency set up and crisis management. In order to address these challenges, the Economic and Monetary Union must be restructured around differentiation, without changing the treaties. Europe is not only about the economy; it is about peace, cooperation and solidarity and can be both a global power and a source of influence in diverse fields (e.g. the environment).

<http://www.notre-europe.eu/media/emugreatereurope-delors-ne-jdi-june13.pdf?pdf=ok>

Europe's Way Out of the Crisis: Time for a "grand bargain"

With European parliament elections edging closer and euro-scepticism on the rise, it is becoming increasingly urgent to put in place a comprehensive political action that would push Europe out of a deep governance crisis that is weakening the EU project as a whole. The financial problems, the democratic deficit of EU institutions, and the lack of real capability at member state level to confront corporations and financial markets, threaten the integration of Europe. Only a "grand bargain" between major European political, economic, civil society actors and institutions could revert this critical situation. For that bargain to materialise, persistent obstacles (e.g. the nonexistence of an articulated European public opinion and the difficulties of the emergence of actors able to go beyond national linguistic boundaries) will need to be overcome.

http://www.cidob.org/en/publications/notes_intl/n1_75/europe_s_way_out_of_the_crisis_time_for_a_grand_bargain

A Realistic Bridge towards European Banking Union

The tensions that have long existed between a European Single Market for financial services and a lack of European banking policies have become obvious during the financial crisis. To address these pressures, the author identifies two milestones towards a banking union: the handover of supervisory authority to the ECB in 2014; and necessary treaty changes at a later date. To ensure effective transition phases, the author suggests that policies decided now ensure that the ECB is an effective supervisor and that the banking union breaks the 'doom-loop' between banks and governments. After 2014, the single supervisory mechanism will be in place and, although inconsistent, the banking union will be a workable 'timber-framed' arrangement. Years later and through much continuity of purpose, treaty changes will make the banking union 'steel-framed' and fully established.

<http://www.iie.com/publications/pb/pb13-17.pdf>

Banking System Soundness is the Key to More SME Financing

Southern European small and medium-sized enterprises (SMEs) in particular have problems with finance access. The urgent need for growth and jobs makes the quest for easier access to finance a top priority. The numerous European initiatives in this area have not had an important impact on the situation and have only reached few SMEs – the situation has further deteriorated in southern Europe. In response, the author suggests three options for action: firstly, to strengthen the role of public institutions (e.g. the European Investment Bank) making them direct lenders; secondly, to secure SME loans through European Central Bank asset purchases or guarantees; and lastly, to aim at central bank-based funding. These options would work best if accompanied by a clean up of banks and the promotion of economic growth.

<http://www.bruegel.org/publications/publication-detail/publication/785-banking-system-soundness-is-the-key-to-more-sme-financing/>

The Water, Energy & Food Security Nexus. How to govern complex risks to sustainable supply?

The report focuses on the political dimension of interconnected risks in water, energy and food supply security (WEF) nexus and outlines governance measures needed to sufficiently assess and tackle these risks. These include: policy and institutional coherence addressing resource supply and sustainable development; an integrated perspective for data collection/analysis and risk assessments; a recognition of the difficulties of access to WEF in the nexus approach; more consistent application of political and economic relevant instruments; price incentives to help reduce resource consumption and boost efficiency; rewards for maintaining or improving ecosystem services; policies to promote measures that reduce vulnerability and increase resilience to the WEF nexus risks; support for research and innovation on how to further reduce resource consumption and waste.

<http://www.swp-berlin.org/en/publications/swp-comments-en/swp-aktuelle-details/article/water-energy-food-security-nexus.html>

Transatlantic Trends 2013

The report explores how Americans and Europeans view the transatlantic relationship and a number of growing challenges facing the world: transatlantic trade; approval rates of leaders in the United States, Europe, and Turkey; governments' handling of economic recovery policies and the euro; and views on major security issues (North Korea's nuclear program, imposing sanctions on Iran, training the Afghan army and police, and intervention in Libya and Syria). The report also analyses perceptions of Russia, China, and Turkey, and their roles in the world. This year's survey includes public opinion on mobility, migration, and integration in the United States, Europe, and Turkey. Three findings stand out: Europeans' growing dissatisfaction with the EU and the euro; widening divides in Europe between successful and troubled economies; Turkey's shift towards foreign policy unilateralism.

<http://trends.gmfus.org/files/2013/09/TTrends-2013-Key-Findings-Report.pdf>

Democratization in the Arab World: A summary of lessons from around the globe

The authors examine democratisation processes around the globe to draw conclusions that could be applied to the transitions in the MENA after the Arab spring. These include: economic improvements can help consolidate democracy; external economic assistance can influence democratisation only when countries depend on foreign aid; although low levels of institutional development in the country do not hinder democratisation, for democratisation to be successful elites must be committed to the process; the police and military can be stewards of democratisation, but need to be reformed eventually and brought under civilian control. On external support for democratisation, policies for every Arab country must be differentiated. Also, the long-term nature of democratisation processes should be considered. Finally, top priority areas for support include civil society capacity building and elections.

http://www.rand.org/content/dam/rand/pubs/monographs/MG1100/MG1192z2/RAND_MG1192z2.pdf

Armaments duplication in Europe: A quantitative assessment

In view of the European Council on security and defence (December 2013), this policy paper calls on member states firstly: to provide clear guidelines for the restructuring especially of the naval military sector; secondly, to fully exploit existing and potential sharing and pooling opportunities in this sector; and lastly, to minimise the social impact of the naval sector consolidation through the use of existing institutional instruments (e.g. structural funds). Until now, defence and security cooperation has only been driven by economic necessity and has lacked a political vision. It has led to costly duplication of material, such as platforms (vehicles that bear weapons), compared to the United States. In times of limited budgets, it is necessary to manage resources efficiently to ensuring Europe's ability to guarantee its own security.

<http://www.ceps.eu/book/armaments-duplication-europe-quantitative-assessment>

5 BEPA News

Arrivées et départs

Le BEPA a accueilli le 1^{er} juillet Maria Eloina Albert Gomez, l'assistante personnelle de la chef adjointe du BEPA.

Paola Colombo est partie pour neuf mois au Center for European Studies de l'Université de Caroline du Nord où elle conduira des recherches sur la sécurité alimentaire dans le cadre d'un fellowship de l'UE. Maurizio Salvi a quitté le BEPA le 1^{er} septembre pour rejoindre le JRC, où il travaillera dans le domaine de la sécurité numérique du citoyen.

Activités

Le 9 juillet, le BEPA a organisé un séminaire de haut niveau consacré à l'innovation dans le secteur public. Cette réunion a rassemblé d'éminents spécialistes qui ont partagé leurs opinions et leurs expériences dans ce domaine et qui ont discuté des opportunités et des défis auxquels doivent faire face l'Europe et les Etats membres. Ce séminaire a été ouvert par le Président Barroso. Esther Duflo, lauréate de la "John Bates Clark Medal" pour les jeunes économistes, a prononcé un discours d'ouverture sur l'expérimentation scientifique des innovations de politiques publiques. Des initiatives prises par les Etats membres ont été mises en lumière, tel que l'ambitieux plan de réforme du secteur public irlandais, les performances de l'e-gouvernement en Estonie, le MindLab danois, le parc d'innovations sociale du pays basque ou la réhabilitation de logements sociaux à Malmö.

Le même jour, les membres du Conseil Consultatif des Sciences et de la Technologie (STAC) se sont réunis pour la troisième fois cette année. Le Président Barroso et la Commissaire en charge de la recherche, l'innovation et la science, Maire Geoghegan-Quinn, se sont joints à leur séance de l'après-midi. Les débats ont porté sur la politique européenne en matière de sciences et les moyens et politiques mis en œuvre pour renforcer chez les citoyens l'adhésion et l'implication en faveur des nouvelles technologies. Le STAC a ensuite présenté au Président son premier *policy paper* intitulé *Science for an informed, sustainable and inclusive knowledge society*, que vous pouvez lire sur le

site du Président: http://ec.europa.eu/commission_2010-2014/president/advisory-council/documents/stac_policy_paper_no_1_290813.pdf

Le 11 juillet, le Président Barroso et le Premier Ministre polonais Tusk ont participé à l'« Assemblée générale sur les formes d'imagination et de pensée pour l'Europe », qui a eu lieu à Varsovie, dans le cadre du projet pilote « Un nouveau récit pour l'Europe ». Des intellectuels, des artistes, des scientifiques et des membres de la société civile y ont débattu de l'identification de valeurs culturelles communes unissant les citoyens européens à travers les frontières et sur le rôle de l'Europe dans le nouvel ordre mondial.

Dans le cadre d'un dialogue structuré et continu avec les think tanks européens, le Président Barroso a reçu le 2 septembre des experts afin de discuter avec eux des politiques européennes clés et des attentes des citoyens, un exercice de réflexion utile pouvant alimenter son discours sur l'état de l'Union, livré après du Parlement européen le 11 septembre. Cette réunion a été suivie par un échange de vues organisé par le BEPA le 20 septembre entre Johannes Laitenberger, Chef de Cabinet du Président, avec des groupes de réflexions. Cela a été l'occasion d'avoir les réactions des experts et de débattre avec eux des thèmes essentiels développés dans le discours du Président, leurs donnant ainsi l'opportunité de contribuer au cycle de planification stratégique et de programmation de la Commission.

Le 9 septembre, la Conseillère Scientifique Principale Anne Glover et le directeur général du JRC Dominique Ristori ont organisé une réunion de haut niveau entre la Commission européenne et l'Euro-Case (European Council of Academies of Applied Sciences, Technologies and Engineering). Les présidents de la plupart des Académies des Technologies nationales ont participé à cette rencontre. La Commission européenne était représentée par de nombreuses directions générales, dont le directeur général de la DG Entreprise Rafael Calleja. Le but de cette réunion était double : permettre à la Commission

de se rendre compte de l'expertise technologique qu'offrent les Académies ainsi que discuter des priorités politiques de l'UE qu'un avis provenant du monde des sciences et des technologies peuvent étayer.

A la demande du Président, le Groupe Européen d'Éthique des Sciences et des Nouvelles Technologies (GEE) travaille actuellement à l'élaboration de son Opinion sur les technologies de sécurité et surveillance. Dans ce contexte, les Rapporteurs de l'Opinion se sont rencontrés le 31 juillet à Copenhague pour travailler à l'élaboration du texte. Le Secrétariat du GEE a également organisé deux rencontres internationales à Bruxelles. Le 17 septembre a eu lieu le 5^e dialogue international sur la bioéthique de la Commission européenne, qui a rassemblé les présidents des conseils nationaux d'éthique des Etats membres ainsi que des pays tiers de tous les continents, pour partager leurs expériences liées au thème « Sécurité de la recherche et recherche sur la sécurité ». Le lendemain s'est tenue la table ronde publique sur l'éthique sur la sécurité et les technologies de surveillance. Le GEE s'est ensuite réuni en session plénière le 19 septembre.

En ce qui concerne le projet ESPAS, les trois groupes de travail interinstitutionnels ont été conviés à des séminaires spécifiques organisés

par les consultants engagés pour les trois études sur l'économie, la société et la gouvernance internationale afin de communiquer leurs derniers commentaires sur la version finale de leurs projets de rapport respectifs. Le 26 septembre, la task force interinstitutionnelle ESPAS s'est réunie pour discuter des trois *trend reports*, dont la finalisation est imminente. Elle a aussi planifié des contacts extérieurs dans les prochains mois avec des experts de l'étranger, des responsables de planification politique au niveau national, des parlementaires et des collègues des institutions impliquées et du SEAE. La Task Force a aussi réfléchi à la manière dont ESPAS pourrait se développer en système permanent.

Activités à venir

Le 17 octobre, le BEPA organise, en coopération avec la CEC (Conference of European Churches) et la COMECE (Commission des évêques de la Communauté européenne), un séminaire portant sur « Le changement climatique comme défi pour les politiques européennes – Le rôle de l'éthique, des modes de vie, de la solidarité et de la justice globale ». Ce séminaire réunira pendant une journée une soixantaine de représentants du monde catholique et protestant ainsi que des institutions européennes, autour de trois tables rondes.



Le Président Barroso donnant son discours lors de l' « Assemblée générale sur les formes d'imagination et de pensée pour l'Europe » le 11 juillet 2013 à Varsovie.