

“The Europe We Want!”

At no time in living memory has the project of European integration been beset by so many different crises and by divergent opinions and national policy positions. *Europe's World* has invited a broad cross-section of people to set out their hopes and fears for the future, and their views offer a kaleidoscope of analysis and opinion



Nils Muižnieks

Here's a 'to do list' for the refugee crisis from Strasbourg's human rights watchdogs

Migration is the most controversial issue in Europe of this decade. It is creating new divisions between European countries and is feeding the widespread euroscepticism that far-right political movements have so promptly exploited.

The climax of these tensions, old and new, came when hundreds of thousands of Syrian refugees had arrived in Europe to seek asylum. Many European governments proffered a mix of nationalist, religious and economic reasons to counter calls for greater solidarity in sharing the responsibility of the refugees. The European Commission's proposal for modest mandatory quotas was nevertheless pushed through by qualified majority voting, and hopes

are rising that EU countries have come to understand that go-it-alone migration policies would be a mistake of historic proportions. To save the whole integration project, European countries will have to work together on immigration in their common interest.

Renewed co-operation on immigration has to bring about reform of the legislation governing asylum. The so-called “Dublin system” leaves a few frontline southern EU countries to bear a disproportionate responsibility for asylum-seekers, and in any case it doesn't conform with international human rights standards.

EU countries need to agree on a new system based on the principles of interstate solidarity as well as on effective human rights

protection. Legislation on humanitarian visas as well as on family reunifications should be eased to facilitate refugees' safe passage to Europe. Carrier sanctions on transport companies should be abolished in order to reduce refugees' dangerous and often deadly journeys by sea or land, and to counter the increasingly well-organised networks of people smugglers.

The EU also needs to boost search-and-rescue operations in the Mediterranean by mutualising efforts that so far have rested on the shoulders of a few countries, notably Italy. The increased resources and enlarged mandate given to Triton is a positive initiative that the EU must sustain in the long term.

EU countries have to team up not only to save lives but also to ensure common minimum reception standards across Europe. The European Council's decision to help Greece, Turkey and Western Balkan countries strengthen their reception and asylum systems is a positive first step. It should now be extended to other EU countries, in particular in the Baltic and eastern regions, which often have sub-standard reception capacities and integration policies. Crucially, the EU should make more resources available to member states and their

local authorities to help strengthen their capacity to integrate refugees.

Another key element is political discourse. Legislative and policy changes will hardly be possible if political leaders continue pandering to people's fears and insecurities. Political leaders have to explain that refugees are people fleeing countries where civil wars, widespread violence or political repression leave no option other than to leave. The same leaders must promote examples of European tolerance, acceptance and solidarity.

They must explain that Europe is not the problem, but the solution.

Achieving these goals demands much political determination. The EU and its member states should use the expertise we at the Council of Europe have built up and should also react more promptly to our recommendations and to the judgments of the European Court of Human Rights. This would greatly improve the situation on the ground. ■

Nils Muižnieks is the Council of Europe's Commissioner for Human Rights



A European space for mobility must go far beyond the EU itself

Anna Terrón Cusi

Our 21st century EU is a common area within which its citizens can move freely. Opening up our internal borders wasn't easy, as an open Europe had always to be balanced against internal and external security needs.

The Amsterdam treaty incorporated the Schengen agreement – and with that the freedom of movement as an EU right – and set the goal of creating an 'Area of Freedom, Security and Justice' (the AFSJ). It confirmed the steps needed

for free movement, and also established a mandate for the remaining elements of the AFSJ, which included immigration and asylum policy. Today, the treaties define Europe as an Area of Freedom, Security and Justice and oblige member states to guarantee a degree of international mobility that is unique in the world. In line with the AFSJ objectives, the treaties also established the need for a European migration and asylum policy. But the legal framework for both isn't well balanced, with some EU

states hanging on to their sovereign powers over both.

Managing immigrant and refugee flows while preserving the right to free movement and residence of EU citizens has been a major source of intra-EU tensions. And it has been thus for longer than many care to admit. One need only look back to 2011 and the episodes following the Tunisian revolution to see that the present situation is a crisis that should have been foreseen. After years of grappling with such

crises, the EU has finally managed to respond to the refugee crisis of recent months. Such a show of solidarity has been long overdue. Now a longer-term vision for governing the AFSJ is needed.

The current AFSJ's limitations are having a corrosive effect within the EU and have badly weakened our external policies just as we face enormous challenges beyond our borders. The link between external policy and what we consider to be domestic policy is becoming clearer by the day. We Europeans are

now proposing a shared management of mobility to our neighbours, something that was unimaginable some decades ago, while at the same time our security is interrelated with theirs as never before.

A European space that is both open and secure requires a wholesale reform of the AFSJ. We cannot go on thinking of the area of freedom as a common construction internally, while managing asylum and immigration policy nationally without common governance rules and mechanisms.

We need to strengthen the links between the different elements of the Area of Freedom, Security and Justice and move towards effective and complete implementation. Doing this will bring enormous political difficulties with it, but the risks of not doing it are already unacceptable because they call into question crucial elements of the European Union itself. ■

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It's up to Europe to show the way towards global refugee policies

William Lacy Swing

Forty years ago, the world witnessed one of the Cold War's turning points – the closing of the U.S. Embassy in Saigon, followed quickly by the panicked evacuation of Americans and their allies from the region. What followed was the mass exodus of hundreds of thousands of Vietnamese fleeing across the South China Sea. I witnessed this painful denouement as a young Foreign Service officer, and I was horrified by the tales of people on rickety crafts confronting fearsome typhoons and

the predation of pirates to rob them of whatever they carried. That tragedy, and the concerted generosity it drew from the international community, now seems uplifting compared to what we are witnessing today.

In the late 1970s, when huge numbers of refugees fled Vietnam, Cambodia and Laos for the open sea, the world reacted swiftly by launching resettlement efforts that carried many of those seeking settlement to safety – first to Thailand, and then to the far corners of the world. Eventually,

hundreds of thousands found haven in the U.S., France, Australia and even South America. Can the same happen for today's generation of desperate refugees?

A tide of distress is surging from the Mediterranean onto Europe's doorstep, but this time the world's reaction is hesitant. Unlike when our leaders forty years ago pulled together to help, the sight of those in distress is pulling today's leaders apart. The Mediterranean has already swallowed more than 6,500 lives in

just the two years since the October 2013 shipwreck off the Italian island of Lampedusa. That single tragedy took 368 lives and horrified the world. Europeans swore such shipwrecks would never again be tolerated, yet at least three catastrophes have each taken twice as many victims since then.

This is not a Mediterranean problem, or even a European one. It is a humanitarian catastrophe that demands the entire world's engagement. Haiti's 2010 earthquake was not a matter for one hemisphere, nor was the 2004 Southeast Asian tsunami. Those disasters were met by an outpouring of humanitarian

action, and so must this one.

Europe must welcome those fleeing from conflict zones by raising resettlement quotas, issuing more humanitarian visas and extending Temporary Protective Status to citizens of countries in distress. We must also ask what policies we want to put in place to better prepare us for such challenges in future. Put simply, we need a comprehensive approach that covers all facets of contemporary mobility.

We need generous asylum provisions for refugees and others who have a strong claim to protection. But we equally need properly-designed

labour migration programmes to enable migrants of all skill levels to access labour markets that are crying out for supply without having to risk their lives.

The bottom line is that we, the international community, have created a world in which mobility is the norm rather than the exception. We cannot go backwards. We must ensure that people can move safely and with dignity. ■

William Lacy Swing is Director General of the International Organisation for Migration



The European Union needs a new foreign policy strategy

Margot Wallström

Russian aggression against Ukraine, or the brutality of ISIS and the terrible tragedies claiming the lives of people fleeing war, oppression and poverty are very different issues. However, they all tell the same story: that the world around the European Union is no longer the same as in 2003, when the EU adopted a security strategy that opened with the proud declaration that Europe had

never been "so prosperous, so secure nor so free".

Against this background, I warmly welcome that EU Heads of State and Government have now responded to the suggestion by Sweden and some other countries and have tasked the High Representative Federica Mogherini to develop a new strategic concept to guide the EU's relations with the rest of the world.

The EU's Security Strategy of 2003 identified three strategic objectives; to address threats such as conflict and terrorism, to promote an international order based on effective multi-lateralism and to build security in our own neighbourhood. Now that it is drafting a new strategy, the EU must aim to do better and more.

First, we should upgrade our work on the current

agenda. The objectives identified a decade ago remain central.

Second, we must update these objectives to reflect the changing environment. The threats we face are not only linked to conflict and terrorism but also to hybrid warfare, disease, poverty, environmental hazards and climate change. The emergence of new domains that range from outer space to cyberspace also require new global policies. With serious turmoil in our immediate vicinity, we need not only a determined enlargement process and an upgraded neighbourhood policy, but also increased engagement with the next ring of countries, the strategic neighbourhood, or the neighbours of our neighbours.

Third, we must become more proactive. Our thinking must go beyond issues of security, and beyond merely establishing global rules of the game. The next EU strategy should clearly define the EU's interests and make it clear that the EU will stand up for its values and principles. But EU foreign policy should also assist in the development of democracy abroad as well as competitiveness at home. It should not limit itself to protection from danger; it should seek to make full use of the

possibilities offered by the world of tomorrow.

We should be smart, understanding that our resources are not infinite and that the things we seek to promote are sometimes contested by others. We should be bold and make gender equality a prominent part of our foreign policy, so that the EU will be at the forefront when the full potential of half the world's population is, albeit not without difficulties, released. We need to work together with our partners, such as the United Nations, regional organisations and the U.S., as the core of the multi-lateral order that we seek to promote.

However, most of all we need to be fully aware of the magnitude of the challenges that we will face.

Preventing new disasters in the Mediterranean will require action across a broad spectrum of issues and over a sustained period of time. Saving lives at sea is the immediate priority, but the situation will persist unless we manage to do away with the conflicts and the poverty forcing people to flee. In the same way, addressing the threat posed by ISIS can only be handled through a combination of military action, humanitarian relief and political engagement to resolve the disputes that

provide fertile ground for terrorism to grow.

The EU's relations with strategic global actors must be an integral part of its new foreign policy strategy. The EU and Russia ought to be natural strategic partners. However, given the Russian aggression against Ukraine and the direction of its foreign policy, such a partnership is currently not possible. The EU's policy towards Russia needs to combine measures to back up its values and principles with a readiness to engage. In parallel, the EU needs to do more to support the resilience of our partners in the East, including the eastern neighbourhood.

The challenge posed by Russia means that the EU has to become more strategic. In this context, a new EU foreign policy strategy will be a timely reminder of what is at stake. Only a united EU with clearly defined interests, ready to stand up for its principles, will be able to safeguard European peace and stability, and ensure that also in future, Europe will remain prosperous, secure and free. ■

*Margot Wallström is Sweden's
Minister for Foreign Affairs*



Sebastian Kurz

We Europeans can preserve our way of life by better harnessing our crises

It's now 20 years since Austria joined the European Union, so under-30s like myself can hardly remember life before then. Europe has become as natural a part of our identity as Austrian citizenship. A recent Eurobarometer survey showed that while in 1995 only 11% of Austrians considered themselves to be Europeans, by the end of last year that had risen to 87%.

Yet public opinion all over Europe is increasingly critical of European integration. With migratory pressures mounting and economic recovery slowing down, the imperfections of the EU's Economic and Monetary Union have been mercilessly laid bare.

Our way of life in Europe is characterised by excellent social security and healthcare systems, comparatively comfortable living standards and high levels of public security as well as high environmental standards. But as regions beyond Europe become more and more competitive, we are facing new pressures. Forecasts suggest that by 2030 the EU's share of the world population will fall from 7% today to only

4%, and Europe's share of global GDP from 25% to 15%. At the same time, around 30% of global social security costs will still be paid out in Europe in 2030.

"What we need most of all is a strong sense of common purpose among the EU member states! Faced with the challenge of globalisation, we can only safeguard our way of life if we stick together"

Citizens right across Europe have grown accustomed to high living standards, and not only expect them to be maintained but even to improve. Our primary task as policymakers in the coming decade will therefore be to do whatever is necessary to ensure that our way of life can be maintained and safeguarded for future generations.

How can this be achieved? What we need most of all is a strong sense of common purpose among the EU member states! Faced with the challenge of globalisation, we can only safeguard our way of life if we stick together, agree on common objectives

and join forces to attain them. This doesn't mean that everything has to be dealt with at EU level. We Austrians remain convinced that subsidiarity and proportionality are key principles; they help avoid unnecessary harmonisation at the lowest possible level and maintain necessary competition.

We need to focus on those pressing issues that require a European answer. A case in point is migration. Migratory pressures are rising disproportionately in some EU countries, and are weighing heavily on their social security systems. If we want to find a fair answer to this challenge, we have to look at each member state and take into consideration the number of migrants it has accepted in the past. We must also remember that migration without integration will lead to societal problems and to widening gaps within our societies.

Another case in point is the stabilisation of Europe's wider neighbourhood. The prospect of EU accession for Western Balkan countries is a driving force for reform, so we have to keep this

goal alive. We also have to improve our own European Neighbourhood Policy for regions to the east and south of the EU. Developments in Ukraine and in North Africa show us that the neighbourhood policy needs to become more flexible and should take into account each

country's situation. It should also be made more political by becoming integral to the EU's foreign policy.

The European Union has often taken its greatest leaps forward in times of crisis, as crises tend to create a sense of common

purpose and solidarity. That's what we need now; a common vision of the future and an awareness of what is politically feasible will help us to safeguard our way of life. ■

Sebastian Kurz is the Austrian Minister for Europe, Integration and Foreign Affairs



Linas Linkevičius

To strengthen our security, we must also recover our sense of solidarity

Europe's security demands a clear strategy on hybrid threats, and that also means closer EU-NATO co-operation on improving our capacity to respond to threats. The EU's contribution to the partners' (especially the Eastern Partnership countries) capacity to fight against hybrid threats will be essential.

On information security, Europe needs to respond to disinformation within the EU and in neighbouring countries by raising public awareness of the dangers posed by propaganda. That will mean specific actions to strengthen new and independent media in Eastern Partnership countries, and it will be important to ensure the financing of strategic communication initiatives.

As to the neighbourhood policy, the EU's need for a stable and secure neighbourhood must remain an important focus. We need to support our eastern partners' enhancement of their own capabilities through intensified co-operation on security and defence. In the ENP review this autumn, the EU should avoid sending any signal that third countries ("neighbours of neighbours") would be

"We need to support our eastern partners' enhancement of their own capabilities through intensified co-operation on security and defence"

allowed to dictate the terms of our engagement with our neighbours.

On migration, solidarity is a key element to cope with current challenges. Special attention should be given in managing conflicts and poverty – the root causes. This should lead to a set of comprehensive measures and strengthened co-operation with third countries, especially in development and humanitarian assistance as well as readmission related challenges.

Taking lessons from the current migration crisis, the protection of the EU's land and sea borders must be strengthened. Modern and efficient EU external border management requires smart systems to tackle irregular immigration and human trafficking. Discussions on the possible creation of a European system of border guards should move forward.

Europe's economic future also demands the abolition of remaining obstacles preventing the single market from operating smoothly. On energy, establishing the Energy Union is a top priority, as is completion of the EU's internal energy market and the enhancement of energy security. Discussions on governance of the Energy Union need to move forward, as does the synchronisation of the Baltic

States' power systems with the European Continental Network to secure a fully-functioning EU internal market.

For the digital agenda, the barriers to e-commerce must be lifted so that there is a level playing field for online business. The EU needs common network and information security and EU-wide mechanisms for the digitalisation of industry, the stimulation of

innovative start-ups and for boosting digital skills.

For its social dimension, the EU needs to avoid labour restrictions that defend the so-called principle of "equal pay for equal work". This leads to a paralysis of the functioning of the single market for services. ■

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The Europe I want now is still the one I wanted 40 years ago

Joaquín Almunia

I remember the Europe I wanted 40 years ago. Spain was on the verge of transition to democracy after the death of Franco and the end of his dictatorship. To be a member of the then European Community gave us a fantastic opportunity to consolidate our democratic institutions, to start the construction of a welfare state and to strengthen our international role. All these goals were achieved, and are very good reasons for renewing Spain's original support for the European integration process.

But some major uncertainties are now

looming, so a political response at the highest level is needed. The euro area must evolve into a fully-fledged Economic and Monetary Union. Our growth rates and competitiveness levels should again represent a solid base for our social model and so reduce inequalities and offer opportunities for all. The EU's single market has to be extended to the energy sector, the digital economy and capital flows. Free movement of persons must be guaranteed, and the EU's external action service must become the best platform for ensuring that our common values and interests will still

be relevant to the 21st century.

I am fully aware of the resistance from those who still think that national sovereignty is our best asset for preserving our identity and our way of life. But I am convinced they are wrong. A strong Europe and a more political European Union is the best way to reinforce our democracies, protect our freedoms and provide for a better future. ■

Joaquín Almunia is a former European Commissioner for economic affairs (2004-2010) and competition policy (2010-2014) and a Trustee of Friends of Europe



Jürgen Trittin

We have to reshape Europe if we are to overcome its crises

The EU has been getting a bad press of late for its handling of the eurozone crisis and then the refugee crisis, and for the overall state of the union. Some voices declare the failure of Europe, and nationalism is rising.

While not all of the criticism is undeserved, the lesson from both the financial and the refugee crisis is that Europe remains more part of the solution than the problem. We therefore have to reshape Europe to overcome these crises. We need “more Europe” in a number of areas.

First, Europe has to rekindle the European spark, that sense of community and possibility. The refugee crisis and the eurozone crisis put Europe’s core values of common responsibility and solidarity to the test. The member states need to meet these challenges together and actually live the solidarity solemnly repeated in European documents and speeches.

We need a common European fiscal policy to secure the common currency, and we need

massive investment to overcome the economic crisis of unemployment, and the de-growth in the south along with destabilising surpluses in the north.

“The new strategy should address the so-called ‘new’ challenges such as fragile and failed states, growing inequality, the security implications of climate change and energy security”

We need a common European refugee policy. We have to overcome the Dublin System and the idea of a Fortress Europe. For refugees on one side and migrants on the other, we need legal access to Europe with a fair distribution of burdens and advantages. That will drive out the human traffickers.

We need a revised common European security strategy that is deserving of the name. The new strategy should address the so-called ‘new’ challenges such as fragile and failed states, growing inequality, the security implications of climate change and energy security – and how

these issues correlate and exacerbate each other.

None of the EU member states can face the current challenges alone – and they can’t pass the buck to their increasingly overstretched ally across the Atlantic. That realisation has not yet set in. While the number of UN peace-keeping missions has gone up, EU participation has gone down. Interdependent conflicts and crises require more civil and civil-military engagement. We therefore need a policy shift, different equipment and different training.

Way down the road, we need a common European army, which would be a different kind of army with a strong civil component. New hybrid challenges can only be met with centralised and integrated capabilities. A European army may be a long-term project, but it’s also a necessary one if we consider that we Europeans are committed for the long haul. ■

Jürgen Trittin is a former German minister for the environment, nature conservation and nuclear safety (1998-2005)



Why we must tackle Europe's four major challenges

Monica Frassoni

The Europe I want is far from Viktor Orbán's walls or the fences of David Cameron and François Hollande. It is much closer to Hungary's volunteer workers and the welcoming crowds in Munich. The refugees' surprise at all those smiles after their many unwelcoming encounters was a hymn of joy that refugees and helpers alike could sing. The wall of indifference and fear crumbled then, but perhaps only for a few days. Nevertheless, I am convinced that if we don't restart the emotional drive of the European project we won't be able to find the right policies to address our common challenges. Instead, we will destroy it with regulations, numbers, calculations, criteria and conditions, just as we were

about to do at the peak of the Greek drama.

The EU faces today four major challenges. The first is the threat of Grexit, and the absolute need for Greece to change its economic priorities away from austerity towards an increased mutualisation of debt and assets, a larger EU budget and decisive economic policies and investments to develop the new skills that can rescue us from unemployment and decline.

Then there's Brexit. Europe must not give in to the blackmail of a UK government that can choose to stay out of the EU, but must not be allowed to go on disrupting and weakening EU integration in the way it has successfully done for the past 35 years.

Europe must connect again with people, and recover its credibility as a defender of their rights and values. And that means, as my fourth point, changing the way the EU decides by creating a more transparent, efficient and common decision-making process. The multiplication of summits and micro-summits, often inconclusive, and the overwhelming preference for intergovernmental methods rather than the community legislative process is making the reaching of decisions painful, often delayed and inappropriate. The Commission and Parliament must relaunch the battle for supranational democracy. ■

Monica Frassoni is Co-President of the European Green Party and a Trustee of Friends of Europe



Forging a stronger EU means avoiding “directorates” of the strongest countries

Dóra Bakoyánnis

Europe has been remarkably unsettled for more than a decade. Europeans, particularly the younger ones, sense

a dual lack of legitimacy, with their faith diminished in both the nation state as well as in the EU because of its lack of democratic

legitimacy and inspirational leadership. The EU appears relatively weak in dealing with economic and social crises, and is perceived

as impotent *vis-à-vis* world affairs and also the great crises in its own immediate backyard: Ukraine, Syria, ISIS, North Africa and the Caucasus.

Yet there are unexpected signs of strength. In my own country, nearly 80% of the Greek people uphold their belief in the EU and in the euro after five years of hardship. That said, internal EU problems like the debt crisis in the south and the refugee problem point to an urgent need for a renovation of both policies and institutions.

That means we need to promote political union and democratic supervision avoiding

informal “directorates” of the strongest EU countries at the expense of weaker ones. We must enhance the Union’s democratic legitimacy by, among other things, amplifying the powers of the European Parliament and strengthening the democratic base of both the Council and the Commission.

Second, we must complete the EU’s Economic and Monetary Union. Building a new eurozone consensus will be hard. National elections are being fought on polarising dissent, but the EMU cannot go on walking with just one leg. That demands an economic, fiscal and

banking union, as well as effective governance of the eurozone, preferably with its own Parliamentary Group.

Europe has to learn from the 4% growth rate in the U.S. and strengthen the supply side in our economic policy. We have to set out new policies, new rules, and a clearly development and jobs oriented convergence strategy. It is also essential to conclude the TTIP and move towards a more balanced euroatlantic free trade zone. ■

Dóra Bakoyánnis is Member of the Greek Parliament and a former Minister of Foreign Affairs



Eric Labaye **Sven Smit**

Here’s how Europe’s policymakers should seize on their window of opportunity

Europe has been grappling with some formidable challenges, and there is still more to do to strengthen the eurozone, overcome debt burdens and cope with an ageing society. Shocking though it was when Pope Francis likened Europe to a “grandmother, no longer fertile and vibrant”, we see grounds for optimism.

Citizens may be more willing to accept economic reform than is commonly thought. Our colleagues at the McKinsey Global Institute (MGI) have surveyed 16,000 Europeans in eight countries and found high aspirations for healthcare, education, disposable income and infrastructure, with people willing to make tough

trade-offs, including longer hours and reduced social protection. 91% of respondents said they would support changes to the status quo even if that meant making sacrifices.

European countries are already world leaders on the societal progress that citizens value. And at least one of the EU

countries is a global leader on one or more dimensions of economic activity. Think of Germany’s export competitiveness, the United Kingdom’s world-beating position in e-commerce, France’s transport infrastructure, Portugal’s excellent record on bringing women into the workforce and Denmark’s energy efficiency.

But the challenge is to turn Europe as a whole into a true “leading practice club” that is successful across the board. A strengthened European Semester could form the institutional nucleus for this, and MGI has identified 11 growth drivers that we believe can deliver sustained 2-3% growth over the next ten years while unleashing investment of between €250bn and €550bn every year and creating more than 20m new jobs. Three-quarters of these growth drivers can be achieved by EU national governments if they are able to replicate successes achieved elsewhere.

The reforms needed for these leading practices to be a reality require investment support and job creation in these times of weak demand. Some pundits have criticised the eurozone’s fiscal compact of 2012 that enforced budget discipline on member governments, and have

instead called on Europe’s national governments to step up fiscal stimulus and move faster on quantitative easing. That’s in line with textbook economics, but those pundits have not always acknowledged that some version of the fiscal compact was an inevitable pre-condition for mutual fiscal support within the eurozone, and that quantitative easing (QE) has fewer, and different, transmission channels in Europe than in the United States.

“But the challenge is to turn Europe as a whole into a true “leading practice club” that is successful across the board. A strengthened European Semester could form the institutional nucleus for this”

There are some investment and job creation support options that might be more compatible with Europe’s institutional set-up than QE or extending deficits limits. Governments and European institutions could count public investments as assets that initially enter a balance sheet, and only count toward fiscal deficits as they depreciate over their lifecycle – just like private corporations do. If the government builds a bridge for €1bn, for instance, it should appear

in government finances as a cost of €40mn p.a. over the 25-year lifetime of the bridge rather than as €1bn additional deficit at time of construction. This style of policy could avoid the bias against public investment during times of fiscal consolidation and thus unlock €140bn a year in extra investment. And the European Central Bank could issue vouchers directly to households (a form of helicopter money). Although risky and contentious in legal as well as political terms, this could have a much more direct impact on consumer spending as well as fewer of the undesirable consequences of QE.

Thanks to today’s lower oil prices, the euro’s favourable exchange rate and the effects of QE, 2015 looks set to be a relatively strong growth year for Europe. It is therefore a window of opportunity in which ambitious reforms can be undertaken to get the continent onto a more competitive footing, and to stimulate investment and job creation. It’s time to seize the moment. ■

Eric Labaye is a Director of McKinsey and chairman of MGI based in Paris and Sven Smit is a Director of McKinsey based in Amsterdam



Let's underline European solidarity with an EU-wide minimum wage

Michaela Marksová

A decent wage for a decent job still has to be fought for in a good many European countries. In my own country, the Czech Republic, the 2010-2013 government was conservative in economic policy terms, and saw fiscal responsibility primarily as budgetary cuts. The minimum wage was not increased, and when election time came, voters decided that this was not the path for them. In the new government formed of Social Democrats and the new ANO centre-right party along with Christian Democrats, I became the minister of labour and social affairs. With my colleagues in government, we decided that as our minimum wage is still among the lowest in the EU, we would raise it every year to reach 40% of the median wage.

We are doing our best to deliver on this commitment, but still the rate of increase is not as fast as we would like. We have been criticised for raising the minimum wage in "shock waves", with employees complaining that it is difficult for the private sector to adapt to rapid change. Had there been

a steady increase in the minimum wage when the previous government was in power, there would be no need for these sharp increases.

"Europeans, in general, and especially the people of the central and eastern European EU states, need to integrate their social policies so as to confront recent negative trends like the lowering of standards in the name of economic competitiveness"

The Czech Republic's unemployment level in recent years has been among the lowest in the EU, so there's no real reason why the Czech minimum wage should still be so low. Turning to this issue at EU level, we should now be seriously discussing the possibility of a European minimum wage. Europeans, in general, and especially the people of the central and eastern European EU states, need to integrate their social policies so as to confront recent negative trends like the lowering of standards in the name of economic competitiveness.

An EU-wide minimum wage would underline such values as solidarity, and would benefit all member countries. As a consensual solution, it would deter any governments tempted to race to the bottom. Europe's best way out of crisis is not just through austerity policies but through investment and through maintaining our living standards. We don't need cuts if we are not deeply indebted, but we do need to retain the trust of our citizens if they are not to turn to extremist parties.

Criticism of the EU is increasing in many countries with the power of the eurosceptic political parties growing. People nowadays tend to forget that the most important reason the EU was established was to secure peace in Europe, and therefore we must never again allow any one country to be much poorer than others. ■

Michaela Marksová is the Czech Republic's Minister of Labour and Social Affairs



Eamon Ryan

The crucial next phase of Europe's clean energy revolution is within our grasp

We are in the midst of a clean energy revolution that's set to change our world. The EU has committed itself to being at least 80% carbon neutral by 2050, but to hit that target we will need a completely new power system by then.

It's an immense challenge, but over the last two decades we have already made a quarter of the transition, so we know we can get there. Global investment in power generation from renewables overtook fossil fuel spending in 2013 for the first time ever. Renewable power is now setting the market price for electricity, while the drive to promote energy efficiency has shown how we can grow our economy and still reduce our energy demand.

The transition so far was achieved by inserting renewables and energy efficiency into existing energy markets. The next 25% of the whole transition isn't going to be quite so easy because the system itself will have to change. We will start to see electricity taking a bigger role in meeting our heating and transport needs, and the electricity market will have

to shift from today's model where big power plants chase customer demand to one where flexible power supplies and demand management adapt constantly to stay in balance.

It is a revolution that will be as big a step for Europe as the founding of the original coal and steel community. Because new communications systems will have such a central role in operating these new flexible balancing markets, we should call it what it is – a new 'digital and power' community that will deliver the defining economic change of our time.

The year ahead will be a tough test for our European institutions to see if they can deliver the rules and regulations needed to make the revolution happen. The Energy Union proposals by the Commission are a step in the right direction, but EU governments have to break out of the national mindsets that have dominated energy markets for too long.

A new European energy system will work best if there are regional markets for balancing variable power sources and the digital services that drive energy

efficiency. The German government has shown some leadership in pushing for this sort of regional co-operation, and UK prime minister David Cameron will have everything to gain by running with free market developments of this sort during his EU membership referendum campaign. France's government will also surely have an interest in an energy revolution that amounts to the best way to deliver on our likely promises at the Paris conference in December.

The Nordic electricity pool is a good example of how this co-operation can work. It won't be easy to replicate the same approach across Europe, but if the EU could do so it would send the clearest signal that European countries are overcoming the divisions and uncertainties that characterised many of their responses to the financial crisis. The message it would send out is that Europe can deliver on its promises on climate change and show real global leadership. ■

Eamon Ryan is the leader of the Irish Green Party. He is a former Minister for Communications, Energy and Natural Resources (2007-2011)



Thomas Fazi

Here's how the eurozone could be made democratic and sustainable

The global financial crisis has exposed the euro's original sin of depriving member states of their fiscal autonomy without transferring this spending power to a higher authority – some form of central government.

The result has been a deeper and more prolonged crisis than the Great Depression of the 1930s, leading many commentators to welcome German finance minister Wolfgang Schäuble's call for a 'fiscal and political union', but is this the kind of fiscal union Europe needs?

UK-based economists Philip Arestis and Malcolm Sawyer argue that an effective fiscal union would require tax-raising powers at EMU level of at least 10% of the EMU's GDP, accompanied by fiscal transfers from richer to poorer countries, a federal authority with the capacity to engage in deficit spending, the European Central Bank's support in the operation of fiscal policy, and a proportionate transfer of democratic legitimacy and participation from national levels to a supranational level.

Schäuble's idea of fiscal union, on the contrary,

revolves around a European budget commissioner with the power to reject national budgets, but doesn't foresee a federal institution with legislative and spending powers. As Greece's former finance minister Yanis Varoufakis has written, 'the new high office would be annulling the sovereignty of a European people without having replaced it by a higher-order sovereignty at a federal or supra-national level', thus accomplishing the neoliberal dream of a complete separation between the democratic process and economic policies. This would be politically untenable and economically unsustainable.

That said, the political conditions are clearly not ripe for fully-fledged fiscal and political union. The only sensible solution in the short-to-medium term is to acknowledge that a number of eurozone countries, especially those of its periphery, are in balance sheet recession – a situation in which individuals and companies focus on saving rather than spending, so reducing aggregate demand. They are therefore in desperate need of fiscal stimulus, and should be allowed to pursue much

more expansionary fiscal policies.

This means scrapping the Fiscal Compact. For this to be politically and economically viable there should be no increase in Germany's sovereign or private liabilities *vis-à-vis* periphery countries, which need to ensure that their savings do not flow abroad but are invested in local government bonds. This could be achieved by introducing different risk weights for local and foreign bonds. Germany's fears of debt mutualisation could be assuaged by reinstating the 'no bailout rule' and creating a mechanism for restructuring the debts of insolvent sovereigns. This would have an immediate macroeconomic impact leading to increased debt sustainability, and could engender a more positive attitude toward European institutions. The effect would slowly re-create the conditions for moving towards a solidarity-based, democratic fiscal and political union. ■

*Thomas Fazi is the author of *The Battle for Europe: How an Elite Hijacked a Continent – and How We Can Take It Back**



Mojmír Hampl

The closer integration mantra is stifling Europe's spirit of competition

Europe's integration model is running out of steam, and that's partly because it over-emphasises the idea that being different can be harmful. Cross-border differences on economic policy, wages, social conditions, agriculture or taxation are seen as problems and a threat to European integration, and we are often told that these differences imply unfair advantages and disadvantages.

But why should this be? Surely the reality is that it's healthy for countries to compete with each other for taxpayers, investors and workers, and that competition is also a good thing within countries. This can be seen in federal and quasi-federal states; the wealthy United Arab Emirates compete economically with the rest of the Middle East and more widely, and on top of that the emirates of Dubai and Abu Dhabi are rivals. The result is not just one but two excellent airlines in one country, and not just one but two cities thriving side by side. The Swiss cantons also vie with one another for taxpayers, although

admittedly less strongly than they used to, and the same applies to some extent in the United States.

"We need to resuscitate the word "competition" and to stop confusing integration with the constant averaging of things ranging from bank business models and forms of company financing to sales regulations and the price of such services as roaming"

But for many in the EU, national differences in corporate taxation are a problem. Their ideal for EU integration is often no more than sameness, identicalness. That may guarantee that no one ever beats anyone else unfairly, yet levelling the playing field for everyone and everything could be a recipe for collective stagnation rather than faster growth. Making everything the same necessarily involves trimming back the best, even though it is these that always drive society forward. And averages are dull and grey; anyone who diverges upwards is taxed and regulated,

while anyone who deviates downwards has to be subsidised and supported.

We Europeans are allowing ourselves to be seduced by the myth that more integration will always mean more prosperity. But why should we believe this? A popular train metaphor has it that the more securely we couple the carriages, the faster the train will travel. In practice, though, the opposite can occur. Connecting different carriages more firmly together means that the train will need an extremely powerful locomotive if it is to move forward. Nor is it certain that all the passengers can agree on which direction to take.

Is it therefore such a surprise that the less integrated non-eurozone EU countries are showing faster long-term growth than those in the euro, and is multi-speed integration truly something to be so scared of? Oh, come on! Let the EU have ten or fifteen speeds just so long as it moves. For this to happen, we need to resuscitate the word "competition" and to stop confusing integration with the constant averaging

of things ranging from bank business models and forms of company financing to sales regulations and the price of such services as roaming.

An important facet of this lack of healthy competition is the dearth of debate about the nature of the EU itself. Healthy debate is in itself a form of competition, yet discussion about the European integration project has become

abnormal. Instead of a vigorous exchange of views it often features entrenched positions, with the mainstream on one side and heretics on the other. And it seems more about beliefs than about practical solutions. Mainstream advocates of integration often sink into stifling and defensive groupthink, while the heretics descend into empty and destructive extremism. The two forces make it hard to have a

sensible debate about the EU, and this is aggravated by the fact that the genuine pan-European public arena is very small and fragile. Anything important is “translated” into national contexts, hampering useful debate between countries. It is yet another reason why it is vital to resuscitate competition as a guiding principle for the EU. ■

Mojmír Hampl is the Vice-Governor of the Czech National Bank



My war is on red tape and unnecessary legislation, and they are not solely generated by Brussels

Eva Kjer Hansen

The European Union's policies have had a hugely positive effect on growth and innovation throughout Europe as the removal of trade barriers and the gradual harmonisation of laws has helped to create a level playing field for entrepreneurs. Yet with Europe facing new economic and social challenges, the crucial question is how we overcome these and deliver on our ambitious policy goals.

Part of the answer came recently from EU Commission President Jean-Claude Juncker when he

said: “I want a European Union that is bigger and more ambitious on big things, and smaller and more modest on small things”. This implies a greater focus on agendas that can deliver added-value, like growth and sustainability, as well as a determined effort to do away with superfluous EU legislation.

A good example of the latter was provided not long ago, when recipients of subsidies for organic farming were told by Brussels that they must put up posters on their land stating that they get EU financial support, with

failure to do so resulting in a reduced subsidy. The aim was allegedly to increase public awareness of the benefits of EU financial aid, but surely this can be done in smarter ways than putting up signs in the middle of the countryside?

The recent reforms of the Common Agricultural Policy are another case in point. Over the course of three years, about 2,500 pages of legal acts, interpretation notes and so forth have been produced by EU officialdom, and it would be naive to suppose that this volume could be generated without a few slip-ups. And sure enough,

even before the reforms could be implemented at national level, member government representatives had submitted 800 pages proposing adjustments and improvements.

But clearly not only the EU institutions are responsible for creating red tape. “Gold-plating”, when national authorities implement legislation that exceeds EU requirements, is far too common. This can impose increased costs, unnecessary regulatory burdens and competitive disadvantages. I myself have been doing my best to counteract this in the Danish Parliament, and will continue to do so as it is a high priority

for the new Danish government.

Mindless gold-plating is also all too common elsewhere, so both EU member states and the European institutions need actively to combat it. That said, one of the more discouraging features of EU-level politics is the widespread reluctance of member governments to take responsibility for superfluous or counterproductive legislation. National authorities often shrug off their own responsibility by denouncing “yet another blunder by those bureaucrats in Brussels”. For their part, the EU institutions are wont to

disclaim responsibility with the excuse: “the Council diluted our original proposal”.

The reluctance of decision-makers in the EU system to accept responsibility is dangerous. The result can be that obsolete and inappropriate legal acts remain in place, while much-needed new legislation stays in the pipeline. Remedying this is far from easy, but in the end it is all about having the courage to decide what works and what doesn't, and in the latter case, doing something about it! ■

Eva Kjer Hansen is the Danish Minister for Environment and Food



A common foreign policy is still a big vote winner, and defence would be too

Wolfgang Ischinger

If there is one EU goal that enjoys wide support among EU citizens, in spite of the euroscepticism spreading today, it is a common and more powerful European foreign policy. The EU needs to fully seize the opportunities for this offered by the Lisbon treaty. Far too often, the EU's institutions are assigned minor roles when it comes to dealing with international crises and strategic

challenges – not only in the case of Ukraine.

“A good starting point could be a closer integration of EU states' armed forces, often called for in political positions papers but so far not effectively tackled”

A practical formula has recently been proposed

by Poland's former foreign minister Radek Sikorski. First, member states should assess whether a particular foreign policy issue would be better dealt with by individual states or at EU level; then, in the vast majority of cases in which common action is best, member states should provide full support to the EU institutions and allow them to get to

work. Consequently, Tusk, Mogherini and Juncker should play leading roles far more often.

A good starting point could be a closer integration of EU states' armed forces,

often called for in political positions papers but so far not effectively tackled. Germany and other EU countries should put their full weight behind "pooling and sharing" and even more ambitious initiatives.

The vision of a European army should not be treated as a taboo subject. ■

Wolfgang Ischinger is Chairman of the Munich Security Conference



Andris Piebalgs

Defence and education are both key to Europe's future

Big problems usually mean loud voices shouting for more Europe, forgetting that only a short time before the same voices were crying for less Europe. European politicians need to think ahead more instead of concentrating on current problems. There are two areas where we need to anticipate challenges – defence and education.

Defence matters more than ever in light of events in Ukraine. In Latvia, our defence spending is now growing rapidly and will reach 2% of GDP by 2018. But that spending alone doesn't fully reflect our defence capacity. Latvia is a NATO member, but some other EU countries are not. And while the EU's overall defence spending adds up to the world's second largest defence budget, we Europeans have so far

only marginally increased our defence co-operation.

In late 2013, a special European Council on defence looked at ways to work together more effectively on the building, buying and operating of military assets. It was a good start, but we need to follow it up by being more ambitious still.

"Using the strengths of all EU countries, we can cope with the weaknesses of some of them, and the EU's Youth Guarantee initiative needs to be supported in the whole area of education"

Turning to education, this has always been a very sensitive issue. All European countries have rich cultural heritages,

and these should not only be preserved but also developed. Youth unemployment is a huge challenge, and the single market cannot save the situation unless national the respective education systems are able to give young people a top quality education and professional training. Using the strengths of all EU countries, we can cope with the weaknesses of some of them, and the EU's Youth Guarantee initiative needs to be supported in the whole area of education. ■

Andris Piebalgs is a former European Commissioner for energy (2004-2010) and development (2010-2014) and Trustee of Friends of Europe



The strengthening of EMU needs a much faster timeframe

Anna Diamantopoulou

The handling of the Greek drama showed once again that "nature abhors vacuum". Germany tried to benefit from French weakness, and when France took back the initiative by proposing feasible compromises, Germany stepped down and equilibrium was partially restored. But Europe can't rely on the goodwill of national leaders to manage any future disastrous momentums. This has to be the role of the EU institutions, namely the European Council, the Commission and the Parliament.

Europe, at very least the eurozone, needs coherent governance; that is to say a new architecture with all the checks and balances in place to assure democratic control.

Deepening and strengthening the EMU along the lines of the Five Presidents' Report must be an absolute priority. But completing the three stages of reform by 2025 is too long given the gravity of the situation and the urgency to master it. A tighter timeframe has to be decided so that the whole

plan can be completed by the end of the current Parliament and Commission mandates in 2019. Work can be sped up by reducing red tape, which will also make all business easier and will greatly reduce administrative costs. Talks have already started, but we need to see some immediate reforms.

"The urgent issue to tackle is unemployment, which is related to education and vocational training. During the years of depression, education has received less financial support, worsening the challenge of young people to meet the requirements of an increasingly competitive labour market"

Our duty is to give a real sense to the solidarity clause. Solidarity is the very essence of a nation state, but it also has to cement the European project. It means for the Union and its member states to share both the advantages of prosperity and the occasional burdens when things go awry. The urgent issue to tackle is unemployment,

which is related to education and vocational training. During the years of depression, education has received less financial support, worsening the challenge of young people to meet the requirements of an increasingly competitive labour market. This is not solidarity!

What is really needed is a solid investment package to erase education inequalities and assure a better future for the young generation in each member state. To ensure that the resources are available to do this, we can exclude from each EU country's public spending deficit calculation that part of government spending for education that is lower than the last five-year eurozone average. ■

Anna Diamantopoulou is a former Greek Minister for Education and Development (2009-2012) and former European Commissioner for Employment and Social Affairs (1999-2004). She is President of the Network-DIKTYO and a Trustee of Friends of Europe



This is how we should rise to the challenges of the digital revolution

Axelle Lemaire

The European institutions are excellent vehicles for expanding the impact of the digital revolution on our societies and our economies. The cross-border nature of the digital world is such that it is at European level that the major issues surrounding the digital transformation must be addressed. These concern the safeguarding of personal data, the circulation of knowledge, the roles of major online service platforms and the development of connected infrastructures.

One of the ways EU policymaking can help us to succeed is through the digital single market, which is central to the plan tabled in May by the European Commission. But we should also look to a digital Europe to convey our shared values of freedom and pluralism. We need it to uphold our shared commitment to a social market economy that caters for the most vulnerable members of society and protects individuals' rights. Reconciling economic goals with our social models has long been part and parcel of the European project.

As matters stand, the Digital Agenda for Europe looks set to help the EU's relevant stakeholders lay the groundwork for ensuring that European countries will be hotbeds of innovation and creativity and providers of open but secure "digital spaces".

A number of key digital initiatives have already been launched. These include initiatives on Internet governance, where the EU has been making its voice heard on taxation issues and on the protection of personal data. In the very near future, the EU is to adopt a common framework for net neutrality and an open Internet that allows users unfettered access to the wealth of content and services on offer. There are other projects in the pipeline that focus on the operations of the major online service platforms and ways Europe can glean the greatest benefit from a data-driven economy and the spread of cloud computing.

The timeline for some of these projects is long. The constantly shifting digital environment is throwing up an increasing number of economic opportunities

and is transforming the daily lot of Europeans. At times it is even shaking the foundations of our social models, so lawmakers must be more reactive and responsive. That's why European initiatives must be supplemented and even foreshadowed by the actions of member states. It was this I had in mind when I began preparing the digital bill that I'm now championing in France. Our national debate in the coming months on subjects like the status of data and on platform fairness will, I hope, help enhance the work of the EU and inform its discussions.

We in Europe can point to an almost countless number of shining digital success stories. The sharp increase in the number of start-up ecosystems, not just in major cities but far beyond, bears witness to our ability to innovate and to our citizens' entrepreneurial drive. We need to give these start-ups all the support they need to develop as major European businesses.

Axelle Lemaire is France's Minister of State for the Digital Sector and a European Young Leader (2012)



Shifting healthcare in Europe to the EU level would be a great investment

Ricardo Baptista Leite

Health policy in Europe, and certainly at EU level, is still perceived as less important than other areas of government. The reason is in large part that these policies remain firmly under the jurisdiction of national governments. The idea of "We, the European People" doesn't apply to health. There have been some attempts to overcome the various barriers, notably the cross-border care directive, e-health platforms and most recently the joint-procurement agreement that allows EU member states to buy medicines and equipment collectively, but quite simply it's not enough.

We Europeans spend €700bn a year to tackle the chronic diseases that are responsible for 86% of our deaths. The costs of new health technologies are skyrocketing to unacceptable and unaffordable levels and at the same time we lack specialised health professionals. Europe is ageing rapidly, and our social systems are on the verge of collapse.

EU member states spend 3% or less of their health budgets on health promotion and disease

prevention, which means that the mass of available resources are spent on the treatment of often preventable or curable diseases. But instead of taking the lead, our governments simply react when it comes to health, thus compromising the sustainability of our health systems.

A big step towards better health and the narrowing of inequalities would be for EU member states to concede more power and resources to the European Commission. Staying within the current EU framework, we should start by ensuring that the European Centre for Disease Prevention and Control (ECDC) has a more influential role. The merely hypothetical idea of an Ebola-like outbreak in the EU makes it clear that we need strong leadership that can be acknowledged by all.

The EU needs to be able to guarantee that all health ministers have the political leverage needed to implement health-orientated policies. No matter the nature of each national health system, all must move towards a common value-based strategy that gives top

priority to health outcomes. In other words, we need to shift from the current bureaucratic-based management philosophy towards a clinical and patient-centered system that makes people healthier.

Science must be placed at the service of the people. When the evidence is clear, then our European institutions should act on that evidence. The Commission must tackle head on, with the support of member states, anti-health lobbies like tobacco, alcohol or anti-vaccination movements.

The positive impact of good health on the economy makes it an investment. European structural funds should be shifted towards financing cost-effective initiatives and innovations that promote measurable health gains. Access to health is a basic human right, and investing in health has proven to bring growth, jobs and wellbeing to all. The time has come to make "European Health" a reality. ■

Ricardo Baptista Leite is a Member of the Portuguese National Parliament and a European Young Leader (2015)