

Brussels Think Tank Dialogue – State of the Union 2014

“The EU's New Leaders: Key Post-election Challenges”

Brussels, 28 January 2014

Opening speech by Aart De Geus, Chairman and CEO, Bertelsmann Stiftung

Excellencies,

Ladies and Gentlemen,

Dear colleagues,

It is my pleasure to welcome all of you today to the 2014 edition of the Brussels Think Tank Dialogue. For the fifth consecutive year, ten leading think tanks have joined forces to organise this event.

For those of you who participate for the first time, let me briefly explain what this initiative is about. The Brussels Think Tank Dialogue is an annual forum for critical reflection on the state of the European Union. It is designed to address pressing political concerns and to offer recommendations on how to improve EU policies.

I would say that the Brussels Think Tank Dialogue is quite a unique format, since it gathers the knowledge and expertise of ten European think tanks, each of them with a different profile and angle of view.

The ten think tanks that stand behind the Brussels Think Tank Dialogue are:

- Bruegel,
- the Centre for European Policy Studies (CEPS),
- Confrontations Europe,
- the Egmont Institute,

- the European Policy Centre (EPC),
- Friends of Europe,
- the Institut français des relations internationales (IFRI),
- Madariaga – the College of Europe Foundation,
- Stiftung Wissenschaft und Politik (SWP),
- and my organisation, the Bertelsmann Stiftung.

I would like to thank all of our partners for their efforts to organise this event.

I would also like to say a special “thank you” to this year's media partner, European Voice. We are very pleased that you teamed up with us for our conference. We are also delighted about your practical support. Simon Taylor, Deputy Editor of the European Voice, has kindly agreed to chair the directors' panel at the end of the conference.

Ladies and Gentlemen,

The theme of this year's Brussels Think Tank Dialogue is “The EU's New Leaders: Key Post-election Challenges”.

Let me talk about the EU's new leaders first. 2014 will without a doubt be an exceptional year for the Union as it will be marked by a complete reshuffle of the top positions, namely:

- the President of the European Parliament,
- the President of the European Commission,
- the President of the European Council,
- the Eurogroup President, and
- the High Representative for Foreign Affairs and Security Policy.

According to the current schedule, the now 28 Member States and the new European Parliament shall agree on these five top jobs as well as on the composition of the next College of Commissioners by October. If

everything runs smoothly, the new Commission would take office on November 1st, followed by the new President of the European Council on December 1st.

Actually this “if” is however, a rather big one. As we have learned in the past, it might prove extremely difficult to agree in the European Council on a balanced package deal for the five EU Presidencies. But beyond that, things will get even more difficult since, for the first time, the political groups in the European Parliament will have run their campaigns all over Europe with own candidates for the position of the Commission President. This might cause additional frictions with the European Council.

And, last but not least, things might be further complicated by the impact of the elections on voting majorities in the new Parliament. The outcome of the elections could make the work of the next European assembly extremely cumbersome. If forecasts are right, its composition will be much more heterogeneous and particularly the share of seats held by anti-European, populist and right-wing parties will drastically increase.

In this context, the newly formed right-wing Alliance of the French Front National – which might more than triple its number of seats – and the Dutch Partij voor de Vrijheid is particularly worrying. Overall, the anti-European parties are currently holding under 20% of the seats. Their share might, however, rise up to almost 30% providing them with considerable troublemaking power.

Having all these obstacles in mind, I would not be surprised if it took quite a bit longer to bring the new EU leaders into office. And even worse - they will most probably have to work in a much more polarized and unstable political environment for the next five years.

If the pessimistic projections for the outcome of the European elections this May should become reality, this would mirror the fundamental loss of citizens’ trust that the European Union has suffered from in recent years – at least in parts of its Member States. From the point of view of a growing number of people, the political institutions of the EU have lost their legitimacy and become part of the problem, not part of

the solution of the manifold economic, social and democratic crises we are witnessing all over the continent.

Even though the EU seems to have bottomed out, and even though the doomsday scenarios for the future of the Union and the Eurozone have proven wrong, current EU leaders' crisis management has failed, so far, to restore public confidence in the European project. This is, from my point of view, the key challenge EU policymakers will have to address after the elections.

To achieve this objective, we need a Europe that delivers. The citizens want a Union that thrives and that offers stability, peace and prosperity. They also want an EU that is a strong and visible player at the global stage, able to defend their economic and political interests worldwide.

At the same time, however, they want democratic institutions and procedures that give them a stronger say in EU decision-making and a Union that pays due respect to the traditions and political cultures of their home countries.

This twofold task of striving for a Europe with strong capacities to act worldwide, on the one hand, and building a more democratic Europe, on the other, requires strong political leadership. And although the next EU leaders will have to tackle with a much more difficult political environment, they will have to address both objectives with utmost determination.

Ladies and Gentlemen,

Against this backdrop, we have identified three major challenges for today's conference that should be amongst the top political priorities of the incoming EU leadership. Our three topical sessions deal with the following issues:

- On Panel 1 we will address the question how to organize the future interplay between the European Parliament and the national

parliaments to give citizens a stronger say in EU affairs.

- On Panel 2 we will discuss what kind of Banking Union we need to take the next step towards a Genuine Economic and Monetary Union which provides for economic stability.
- On Panel 3 we will identify key tasks for a common foreign policy that aims at strengthening the EU's role as global actor.

As far as the European Parliament and the national parliaments are concerned, the Treaty of Lisbon has strengthened their role. However, during the euro crisis, we have observed a shift of political power to the European Council and a renaissance of the intergovernmental method. In addition, the new European Economic Governance has also had a strong impact on the budgetary sovereignty of national parliaments. In the first panel we therefore want to have a closer look at the existing instruments for the involvement of national parliaments in EU policymaking and ask whether they are still appropriate.

As concerns the Economic and Monetary Union, the euro crisis has painfully revealed its construction flaws. In recent years, considerable efforts have been made to overcome these flaws and to get a more resilient and stable EMU. In this context, the decision to establish a Banking Union was essential, but it remains to be seen whether the reforms adopted by the EU's finance ministers in December are sufficient. Panel number 2 will assess the outcomes of these negotiations and discuss what else needs to be done in order to enhance Economic and Monetary Union.

Panel 3 starts with the observation that the EU has remained a key actor on the global stage, so far. The global landscape, however, is constantly evolving. The US have realigned their international strategy and put a stronger focus on the Pacific region. Emerging countries like China, India or Brazil are competing for more power and influence both in economic and political terms. Due to these developments, the EU has to re-assess and renew its foreign policy if it wants to preserve its role as global player. What are the key tasks for a new EU foreign policy? How

should the EU frame its relations with the different regions of the world? Does the EU need a stronger commitment for a common defence and security policy? These are the questions we will address in our third session.

For each of the three panels, the think tanks involved have prepared discussion papers that you can find outside the room at the reception desk and after this conference on the websites of all our partners.

Finally, we will wrap up the results of our exchange in the concluding directors panel.

Last but not least, I would like to mention that our conference will be followed by a reception. I hope you will have a drink with us and use this opportunity to continue the discussions of the day.

Ladies and Gentlemen,

So much for setting the scene. Let's get to work now and discuss what we believe are the key challenges the next EU leadership has to tackle.

I hand over to Janis Emmanouilidis from the European Policy Centre who will chair our first panel.

Thank you very much for your attention!