The Juncker Commission: Second Year Review

2016 ended for the European Union after a year of permanent damage control. The loss of control over external borders and the subsequent disintegrating reactions among EU member states has brought about the most serious challenges on the level of Europe’s human dimension. While the process of European integration has been the historic answer to a deep identity problem in Europe, between its states and among its people, the identity problem has returned to Europe. It coincides with two additional challenges for democracy in Europe: cleavages between concepts of representative and popular democracy have brought about paralysis in the wake of several referenda. Held in individual European countries, their consequences hold the whole EU hostage. The bitter truth is that elected and representative governments and the political parties which form them are often no less susceptible to populist – better: national-identitarian – instincts than their opponents which are so easily labeled populist. The return of the social issue as a matter of undermining social cohesion and delegitimizing elite-based decisions has added fuel to the different European fires burning more strongly than ever.

The publication of the EU Global Strategy in 2016 has been one of the achievements of the European Union which has gone without appropriate recognition in the wider public. While the media and most political discourses focused on Brexit, Trump and terror, the European Commission under President Jean-Claude Juncker has continued its course of action: sober, focused, with deliverables. The Commission program for 2016 continued the implementation of the ten policy priorities which stood at the outset of its work in 2014. Cooperation with the European Parliament and the European Council were often smooth and at times inevitably rough. ZEI continues to monitor details of the implementation of the EU work plan for 2016. The results deserve much more respect than is often found in the media or public debates. The EU is still trapped in damage control and overcoming shortcomings of past years, if not decades. The conclusions of our regular monitoring of EU progress were written again by ZEI staff and alumni. Our review shows: the lights are most often pointing toward the blue star rather than falling into the shadow of red, the color of failure.

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Goals and Key Players

As set out in its agenda of priorities, the European Commission implements a variety of policies to push economic growth and bring more people into better jobs. A key element is the “Investment Plan for Europe” to trigger private investments across Europe which remained on a suboptimal level for years already. Important actors in this policy field remain: the European Commission, the European Council, the European Parliament, the European Investment Bank as well as member states and private firms.

Progress in 2016

A new element in 2016 was the New Skills Agenda for Europe. The idea is to support people in their skill development from early on in life thereby increasing their human capital in order to prepare them for the modern knowledge-based economy. In this way, individual skills will boost competitiveness and growth on the aggregate level. The policy involves member states as well as all kinds of stakeholders. Lately, the Digital Skills and Job Coalition was initiated in collaboration with member states, firms, NGOs, social partners and education providers. It tackles the lack of digital capabilities in Europe, improving on the one hand chances for employability and economic equality, and on the other hand improving overall competitiveness. The Digital Skills and Jobs Coalition constitutes one of ten key actions proposed by the Commission under the New Skills Agenda for Europe.

In August 2016, the Commission delineated its plan for the EU Platform on Food Losses and Food Waste which was already announced in the 2015 EU Action Plan for Circular Economy. It is part of the long term goal to make the European economy much more sustainable and to significantly reduce energy and food losses during production and logistics. The platform involves around 70 organizations from both the public and private sector.

The European Fund for Strategic Investments (EFSI) established for realizing the "Investment Plan for Europe" is well on track to initiate the envisaged 315 billion euro in additional investments in the real economy. In particular, it has already triggered more investment at the level of Small and Medium-sized Enterprises (SME) than was originally expected.

Conclusion

The economic situation in the EU has slightly improved during recent years. While the overall level of investments still remains relatively low, there are also signs of the beginning of a recovery. The Investment Plan meanwhile delivers first results and the Commission expects a further increase in investments in 2017. In particular, further efforts are required in fields that are particularly important for the European economy such as energy, digital transformation and research and innovation. These are fields where we still find evidence of market failures and thus suboptimal investments. Moreover, skill levels have to be further improved as a relevant share of the European workforce (cs. 20 per cent) only have a low level of basic skills relevant to the job market.

Outlook 2017

The positive trend has to be strengthened to bring investment levels back to the higher long-term trend. Therefore, the Commission proposes ten actions to be implemented over the next two years including skills improvements, in particular digital skills and to better match skills and qualifications with labour market requirements to reduce frictions. In addition, the promotion of entrepreneurial and innovation oriented mind-sets and skills can help make the economic development in Europe more dynamic.

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Goals and Key Players

When it comes to the so-called 'Internet of Things' Europe's established pedigree has been largely confined to 'Things' rather than the 'Internet'. Developing the field is therefore one of the main priorities laid out in the EU’s Digital Single Market Strategy. Digitising the continent’s traditional industries is the extra push which will hopefully raise their contribution to the Union’s GDP up to 20% by 2020.

The Strategy is ambitious and comprehensive, including legislative and non-legislative proposals on the copyright of content, pro-e-commerce reforms, core updates of telecommunications and ICT platforms guidelines and regulations, as well as the European Free Flow of Data Initiative.

In order for such a marked change to be successful, a holistic and market-driven approach is needed on all levels - European, national and regional - while also adhering to consumer preferences for innovative, interoperable and technologically-neutral services and solutions.

Progress in 2016

The launch of the Strategy in May 2015 was followed by almost a year of consultations, assessments and adjustments. High levels of interest and anticipation from stakeholders across the EU spurred numerous Members of the European Parliament to come up with their own guidelines on how to build a robust, functional and successful Digital Single Market; shortly after, proposals covering a wide range of policy areas reached the Parliament’s Committees.

One of the highlights of the package was the Regulation on the Cross-border Portability of Online Content, which would enable Europeans to access their legally-acquired music, films and books from anywhere within the Union. It received a lot of positive attention and paved the way for four other copyright-related pieces of legislation, which, unfortunately, were widely seen as falling short of what many consider to be the best approach to modern copyright.

Conclusion

Enhancing people's digital confidence and skills is a key prerequisite for a successful completion of the Digital Single Market. So is a real, practical understanding of the rapidly-evolving digital reality by politicians on both the European and national levels.

The many challenges Europe experienced over the last 12 months, including the refugee crisis, the Brexit referendum and several coordinated terrorist threats, call for a Union that is economically strong and integrated, and digital technologies can be the needed impetus to accomplish that. It is encouraging that politicians have started to embrace digitalisation as a priority, but there is still a lot of progress to be made. New legislation needs to be future-proof and supportive of innovation; Europe can only become a digital leader if it succeeds in turning challenges such as the collaborative economy into opportunities.

Outlook 2017

Based on 2016’s outcomes and discussions, it seems that legislation that is strictly targeted goes swiftly and smoothly through the EU’s law-making machine. In order to avoid unnecessary delay and utilize the data revolution already underway, as well as to take advantage of the momentum of the abolishment of roaming charges as of June 2017, the Union will need to address areas such as localization of data, liability and standardization. Security concerns will also require timely adoption of effective measures to tackle cyber-threats, and protect user privacy and personal data.

The Commission’s plan to reduce the administrative burden on businesses by standardizing VAT regimes is another interesting development. Fewer political and economic crises would mean digital policy remains a priority for the Juncker Commission, allowing it to work through the finer details of and actually implement its strategy. Active cooperation is the only way for the EU to become the digital leader it strives to be, and to prepare its citizens for the demands of the job market in the 21st century.

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Goals and Key Players

2016 has brought many positive changes towards achieving the goals set by the “Framework Strategy for a Resilient Energy Union with Forward-Looking Climate Change Policy”. Firstly, the Paris Agreement that was fully supported by the European Union - in which the EU played a decisive role in building the coalition - was adopted last December. The European Commission has already put forward the legislative proposals to deliver on the EU’s commitment to reduce emissions in the member states of the European Union by at least 40% by 2030. The Paris Agreement proves that a new global cooperation on climate change and decarbonization is at the forefront of future ambitions to deliver commitments that the Energy Union has set. Secondly, the next list of the Projects of Common Interest will be agreed upon in 2017, making the promised delivery of security and solidarity among the member states even more concrete. These projects are essential for completing the European internal energy market and for reaching the EU’s energy policy objectives of affordable, secure and sustainable energy.

Progress in 2016

During the second half of 2016 the European Commission presented a package of measures that promises to keep the EU competitive as the clean energy transition is changing global energy markets. The Commission is looking for the EU to become a leader in the clean energy transition by committing to cut CO2 emission by at least 40% by 2030 while modernizing the economy of the Union as well as delivering more jobs and further growth for all European citizens. The approach the EU is taking consists of three main goals: putting energy efficiency first, achieving global leadership in renewable energies and providing a fair deal to consumers. The “Clean Energy for All Europeans” legislative proposals cover energy efficiency, renewable energy, the design of the electricity market, security of electricity supply and governance rules for the Energy Union. The package further explores the possibilities to accelerate clean energy innovation and encourages public and private investment.

Conclusion

The Energy Union has made several steps towards reaching its goals. Together with the Paris Agreement and numerous legislative proposals, the Union is on its way to becoming one of the leaders in charge of the change of energy markets worldwide. The next years shall show us how efficient the legislative changes can be and whether the EU can serve us with better connected energy markets across the member states.

Outlook 2017

The year 2017 will see many important decisions being taken: Firstly, with regard to extending the Nord Stream pipeline, the official auction on allocation of landline capacities in Germany of the OPAL gas pipeline used to supply gas delivered over Nord Stream 2 to the gas transportation system of Central and Western Europe will take place in the first half of the year. Secondly, the promotion of cost-effective mitigation measures will remain of paramount importance, not only in promoting energy efficiency and renewable energy measures, but also between different non-ETS (Emission Trading System) sectors.

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Commission Priority 4: Internal Market

Goals and Key Players

To keep up with social development and technological progress and because there are still considerable barriers to the free movement e.g. of Services, the Internal Market needs to be further developed on a continuous basis. The key Commissioner in charge is Elżbieta Bieńkowska (Internal Market, Industry, Entrepreneurship and SMEs). Due to its scope of content there are also major linkages to the portfolios of most of the other Commissioners as well as the Vice-Presidents of the Commission. To modernize the Internal Market, the European Commission published the following new initiatives as parts of its work programme for 2016 (see box):

Progress in 2016

The new Commission initiatives require the inclusion of third parties like the European or national parliaments, or societal actors. However, the actions of the Commission are not always deemed positive by those third parties: E.g. to revise the Posted Workers Directive the Commission released a proposal on 8th of March 2016. In reaction to this scheme, fourteen chambers of national parliaments of eleven member states sent reasoned opinions to the Commission stating that the Commission proposal does not comply with the principle of sub-sidiarity. This shows in a nutshell the usual difficulty of proceeding with a common reform agenda within the European Union.

However, concerning the Internal Market, the Commission could achieve considerable progress. On the 13th of December 2016, it presented a proposal for a Regulation on the coordination of social security systems to clarify the right of access to social benefits by economically inactive EU citizens. Furthermore, a couple of follow-up initiatives to the Single Market Strategy have been set in motion. The European Defence Action Plan has been published on the 30th of November 2016. It includes among other things a proposal for a preparatory Action Plan on defence research next year in the EU budget (€25m for 2017 and with a total of €90 m for three years).

Another Action Plan, on VAT, was published on the 7th of April 2016. It sets out key principles for a future single and fraud-free European VAT system. The corporate reform package proposal has been published by the Commission on the 25th of October 2016. It provides three new proposals to provide for a more modern and fairer tax system for business, to close loopholes between EU countries and non-EU-countries and to provide new dispute resolution rules to relieve problems of double taxation for business. The Space Strategy for Europe was published on the 26th of October 2016. The Galileo system shall be introduced into specific markets and areas, such as mobile phones, which means that new chipsets and receivers put on the European market should be Galileo compatible.

Conclusion

The progress made in various policy fields associated with the internal market illustrates that EU institutions keep working towards modernizing and deepening its level of integration. The initiatives in 2016 underline the typical incremental work progress of an administrative body like the Commission. Also, the initiatives mentioned above are often intertwined with each other and with additional measures concerning the Digital Single Market or the Banking Union. This exemplifies that there are not different policy fields detached from each other, but a more or less coherent system of norms and prescriptions.

Outlook 2017

In 2017 the work programme of the Commission highlights the further implementation of the Single Market Strategy, a fairer taxation of companies, the implementation of the Space Strategy for Europe and the Implementation of the Capital Markets Union Action Plan as new initiatives with regard to the internal market. This priority list appears to be even more focused towards the anchorage of previously started initiatives. This may be a successful approach, because it aims to achieve real impact ‘on the ground’. Like the Commission stated in its Work Programme 2017 Communication, priorities are to be put on subjects, ‘where effective European action can make a concrete difference in addressing the challenges facing Europe’s citizens, our Member States and the Union as a whole’.

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Commission Priority 5: Economic and Monetary Union

Goals and Key Players

2016 was a very challenging year with disrupting political and economic events like Brexit, a lack of growth and an unprecedented low-interest rate environment. Yet it is crucial to recognise the progress made by the European Union regarding financial market regulation and supervision in the last decade, which is crucial for stabilizing the Economic and Monetary Union (EMU). The post-crisis regulatory agenda specified by the G20 in 2009 might not yet be fully implemented, but EU legislation has so far meticulously introduced globally agreed principles, sometimes even going beyond them when looking at specific pieces of financial regulation, for example the European Market Infrastructure Regulation (EMIR), the Capital Requirements Directive IV (CRD) or the Markets in Financial Instruments Directive (MiFID II) with its accompanying Regulation, MiFIR.

With the Capital Markets Union (CMU) being one of the flagship initiatives of the European Commission under President Jean-Claude Juncker, it aims to enhance economic growth in the EU by increasing the role of capital markets in the financing of the economy and by leading towards further integration of financial markets. Eliminating obstacles to the free flow of capital across borders will reinforce the EMU by supporting economic convergence, risk diversification and helping to cushion economic shocks in the Eurozone.

However, cross-border frictions still impede companies’ access to financing from across the EU. Further integration of European financial markets is required to encourage additional non-bank funding and to diversify sources of funding.

Bank funding has been decreasing in response to higher capital and liquidity requirements. To close the gap in needed funding, alternative non-bank funding channels need to be further developed in a complementary way. Particularly to respond to financing needs of small and medium sized enterprises (SME’s) the whole spectrum of equity and debt financing instruments - whether it is venture capital, securitisation, bonds and initial public offerings (IPOs) – have to be taken into consideration. A major hurdle for easier access to equity financing is the wide variance in market practices, players and regulatory structures that govern the financial markets of the 28 Member States.

Progress in 2016

In September 2015, the Commission published its Action Plan ‘Building a Capital Markets Union’ and subsequently launched a number of legislative proposals targeting ‘low hanging’ fruits in terms of immediate political feasibility (e.g. the review of the Prospectus Directive, proposals on securitisation and venture capital).

As a part of the CMU Action Plan, the Commission in 2016 for the first time conducted a horizontal and holistic consultation with stakeholders titled “Call for Evidence” on the impact of the post-crisis regulatory framework on financing and growth opportunities. As a consequence, reporting and disclosure obligations of market players have gathered the Commission’s attention while liquidity issues on secondary markets require further quantitative analysis.

On 14 September 2016, the Commission announced to accelerate the delivery of the next phase of CMU actions (Report “Accelerating Reform”), heralding a more ambitious second phase in early 2017. This comes at the right time, and the announced measures seem to be pragmatic and well chosen.

Conclusion

Since the outset of the financial crisis, the EMU has been strengthened, particularly with the launch of the Banking Union. However, the EMU remains incomplete due to its existing political shortcomings. As a consequence, the “Five President’s Report” laid down a roadmap containing two stages towards the completion of the EMU. All in all, the Commission will adopt all necessary measures – building on existing instruments – to prepare the smooth transition from stage one to stage two.

Outlook 2017

In light of the Brexit-vote, EU Commission officials continue to strongly back the CMU Action Plan, arguing the project was more necessary than ever for the remaining 27 Member States to improve financing conditions, but also to function as a risk transfer mechanism between them. It is highly important to maintain a stable financial link to the United Kingdom; the second biggest economy in Europe and the globally leading financial hub. This way, financial centres across Europe might benefit and become more robust in competing at a global scale.

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Commission Priority 6: EU-US Free Trade

Goals and Key Players

On the 14th of October 2015, the Juncker Commission outlined its proposal for a more responsible trade and investment policy for the European Union. This proposal included three key pillars: increased effectiveness, transparency and values. These pillars were to be applied not only internally, but to external situations as well. This strategy was developed as a response to the scepticism and questions of transparency raised around the EU regarding the Transatlantic Trade and Investment Partnership (TTIP) with the United States. As two regions with the highest economic integration in the world accounting for half of the world’s GDP, it only seemed natural that some type of alliance would be formed to further alleviate barriers to that significant relationship.

Progress in 2016

The negotiations for TTIP, which began in 2013, were expected to come to a conclusion in 2016. It can be argued that quite the opposite actually happened in 2016. Negotiation talks, with the exception of three meetings in April, July and October essentially reached a standstill in 2016. Not only have the negotiations been inching along at a minimal pace, but 2016 has also highlighted the vast differences between Europeans and Americans regarding the standards and contents of the deal. Protests erupted in major European cities such as Berlin and Stockholm alongside outspoken criticism from prominent leaders such as France’s President Francois Hollande.

Conclusion

In general, according to EU statistics, most Europeans support the TTIP deal, with certain countries such as Germany and Austria having significantly lower percentages of support. The protests and concerns that do exist come mainly from the fear of decreased regulation, specifically regarding agricultural standards. While there is no doubt that the deal will offer a greater variety of choices for consumers, while simultaneously lowering prices, Europeans want to ensure that their current high standards for consumer protection, especially with regard to non-genetically modified organisms (GMOs) and non-hormonal beef, as well as environmental and social rules will remain intact.

Americans on the other hand, after experiencing negative effects from trade deals such as NAFTA, are sceptical of another trade deal of a similar nature and want to ensure that their jobs will not be sent overseas as a result of TTIP. They also want to essentially prevent the financial sector from being a part of the deal, as it was partially to blame for the economic crash of 2008.

Interestingly enough, there is common ground between Europeans and Americans to be found in one area of TTIP. They both agree that there is not enough information provided to the public regarding the details of the agreement. The lack of transparency and secrecy of the documents has only increased the scepticism surrounding the deal.

Outlook 2017

With the election of Donald Trump as President of the United States, the possibility of an EU-US free trade agreement in the near future is looking rather bleak. President Trump has been a stark opponent of any type of trade agreements and has claimed that they result in excessive job loss and economic downturn for the American people. If this position remains central to his Presidency, then the past three years of negotiations on TTIP will essentially have to be placed on the back burner for at least the next four years until the next US election.

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Goals and Key Players

A part from promoting an economic union, the European Commission is also mandated to ensure that the EU citizens are able to exercise the rights stipulated in the EU Treaties and the Charter of Fundamental Rights across the EU member states. Currently, four Commissioners - Věra Jourová, Julian King, Dimitris Avramopoulos and Frans Timmermans - are entrusted with the monitoring and enforcement of justice and fundamental rights in the EU, thus pursuing the objectives declared by President Juncker in 2014.

Progress in 2016

With its Work Programme for 2016, the Commission announced the implementation of a European Agenda on Security as an initiative to pursue a renewed Internal Security Strategy. In the context of this agenda, the Commission took several actions aiming at promoting security cooperation and efficiency. Since January 2016, Europol’s counter-terrorism capacity has been strengthened with the creation of the European Counter-Terrorist Centre (ECTC) with the mandate to streamline intelligence-sharing and expertise in terrorism travel and financing and better address online terrorist propaganda. Furthermore, in February 2016, the Commission announced targeted amendments to the recent Fourth Anti Money Laundering Directive, as well as legislative proposals on harmonising relevant criminal sanctions across the EU and on illicit cash movements.

The progress made on the European Agenda on Security was assessed in the Commission Communication of April 2016 which also promoted the concept of collective security in the form of an ‘EU Security Union’, followed by the announcement of further areas of cooperation aiming to prevent and tackle violent radicalisation in June 2016.

The Commission is set to produce monthly reports as requested by President Juncker on the progress made towards the accomplishment of the Security Union. With the first progress report in October 2016, the Commission defined its priority areas of strengthening the fight against terrorism and outlined operational measures in this direction. In November 2016, with the second progress report, the Commission took further action including measures to strengthen EU defence and resilience, such as enhancing security at the external border, strengthening information systems with the establishment of a European Travel Information and Authorisation System (ETIAS) and improving information exchange with the implementation of the EU Passenger Name Record (PNR) Directive.

Conclusion

President Juncker’s political guidelines were ambitious in their emphasis on strengthening justice and fundamental rights across the EU. However, in 2016, significant security threats resulted in issues such as radicalization and extremist propaganda being higher than ever on both EU and national agendas. The Commission made significant efforts to address this through the introduction of the European Agenda on Security. Its progress was significant especially in the second half of 2016. However, several aspects of the EU security policy are still not implemented and it will require greater effort to bring the Agenda to completion by 2020.

Outlook 2017

On the 25th of October 2016, the Commission announced its Work Programme for 2017. In the area of justice and fundamental rights, the Commission presented two initiatives to implement this priority: a) the introduction of a Data Protection Package and b) progress towards an effective and genuine Security Union. It is therefore clear that the Juncker Commission will continue to pursue greater cooperation in security aspects and in tackling terrorist financing. For this endeavour to be successful, both the Commission and the member states need to focus on deeper and more convergent policy making on security (which still remains primarily under the remit of the sovereign member state authorities).

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Goals and Key Players

After Jean-Claude Juncker’s reorganization of the European Commission in 2015 migration was propelled to the top of the European Agenda. Over the past two years, migration has not only become a key issue for the European Parliament, the Council and EU agencies but was also assigned a decisive role within the Commission. Especially Federica Mogherini, within her responsibilities as High Representative and Vice President of the Commission, as well as the European Commissioner for Migration, Home Affairs and Citizenship, Dimitris Avramopoulos, have played a leading role in finding solutions, coordinating responses and building a long-term framework based on solidarity and responsibility sharing. Without doubt, however, member states continue to be the key stakeholders in the management of unprecedented mixed migratory movements and the implementation of EU programs and initiatives. In addition, neighboring countries, especially Turkey and African countries have been made key EU partners in 2016.

Progress in 2016

The launch of the European Agenda on Migration in 2015 built the framework of the EU’s response to the crisis by equipping the EU with tools to handle the most pressing and immediate challenges. Throughout 2016 the Commission focused on the temporary relocation system, the hotspot approach, the safe third country concept, the fight against trafficking and smuggling, the creation of a European Border and Coast Guard, and a reform of the Common European Asylum System (CEAS). The greatest importance, however, was assigned to a new Partnership Framework with third countries focused on close cooperation with Turkey (Turkey-EU Agreement) as well as with African countries. The High-Level Dialogue on Migration and a revised European Neighborhood Policy, have been re-aligned towards these new frameworks.

Even though the Commission has made tremendous efforts over the past year, the decision to relocate 160,000 asylum-seekers from Italy and Greece has led to the relocation of only 8,162 people by the 8th of December 2016 in total, while 11,852 people have been resettled from outside of the EU to member states. At the same time, efforts to fight smuggling and trafficking in the Mediterranean Sea have seen some progress through EU-led initiatives including the operations “EUNAVFOR” and “Sophia”. However, death-at-sea rates have reached unprecedented numbers with an estimated 4,690 lives lost by mid-November 2016, with no significant decrease in crossings despite the colder weather conditions. Simultaneously, the humanitarian circumstances in frontline member states remain dire.

Conclusion

The movement of over 1 million refugees and migrants across the Mediterranean Sea brought long needed attention to the inadequacy of the global humanitarian system and European migration policies. Overall, the European response to the refugee crisis in the past year has been led by pragmatic yet innovative ideas followed by action on the side of the Commission. This has however, not been matched by member states.

Outlook 2017

The newly presented Work Program for 2017 “Delivering a Europe that protects, empowers and defends” lists new initiatives geared “towards a New Policy on Migration” through increased border protection and a “responsible migration policy”. Overall, the new Program will depend on the adoption of key proposals including the reform of the Dublin rules for the CEAS, the transformation of the European Asylum Support Office, a reinforcement of the European fingerprint database for identifying asylum seekers and irregular border-crossers (EURODAC), a renewed resettlement framework, and measures geared towards better managing legal migration. The elections in key European member states in 2017 will heavily impact the direction and implementation of European migration policies.

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Commission Priority 9: EU as a Global Actor

Goals and Key Players

The European Commission is a crucial player in EU politics but has always had an ambivalent role with regard to the goal of promoting the global actorness of the EU. With the Juncker Commission coming into office in 2014 and following the goal of being a political Commission, the new project team “Europe and the World” was created consisting of the High Representative and the Commissioners for Development, Neighborhood Policy, Trade and Migration – to name the most important ones.

However, in spite of this ambitious joining of forces, the goals that the Juncker Commission set up for priority area 9, were formulated with reservation and in a way that at least some progress could easily be presented (see box). These goals both display ambition and a sense of reality.

Progress in 2016

With regard to the annual work programme, the Commission mainly aimed to promote two processes of strategy formulation. The first was the framework for a Post-Cotonou Agreement and the second was the Global Strategy. While the first process is running a bit behind schedule, the EU’s Global Strategy was released in mid-2016. The problem was that hardly anybody took note because on the very same day, the Brexit vote left the EU paralyzed from shock.

Apart from these major tasks, the goal of contributing to capacity building in the security sector was of a structural nature. More importantly, the Commission presented its “European Defence Action Plan” (EDAP) on the 30th of November 2016. The EDAP aims at boosting EU defence research, funding and the functioning of the internal defence market.

Conclusion

Regarding the Global Strategy one cannot yet judge whether a Brexit might eventually be an advantage for the development of a Common Foreign and Security policy. The UK was known to be a hurdle on the way towards a security and defence union. At the end of 2016, a defence package was adopted including goals for a more intensive security and defence cooperation and a closer relationship with NATO. The Commission’s main field of action will be to contribute to a stable legal framework for a European defence industry. With the EDAP, which also forms part of the package, it is heading into this direction, playing the role of an initiator and enabler. Even if the EU tried to seize the momentum of the Brexit-vote and the Trump election, implementation will continue to remain at the mercy of the member states’ interests.

The “principled pragmatism” that the Global Strategy mentions is needed. The so-called Turkey deal is one example, although many might rightly ask where the principles are, when it comes to Erdogan’s domestic policy. If the EU comes to understand that it sometimes has to bite such bullets and forges interest-based short term deals while at the same time putting strong efforts into long-term solutions, it has already learned a lesson. However, there remains a lot of work to be done in 2017 concerning these long-term solutions. One maybe promising first step was the adoption of a European External Investment Plan in order to trigger private investment in development countries.

Outlook 2017

The year 2017 will probably focus on implementing the documents that were adopted and on evaluating their progress. This is what the Commission’s work programme says. Africa and the Middle East will remain the two crucial regions - with the 5th EU-Africa Summit planned for 2017, with the Post-Cotonou framework planning to continue, a new European Consensus on Development to be adopted, with the fragile Turkey-Deal and the ongoing war in Syria. This constellation makes clear that a strong European cooperation is needed more than ever before. The Commission will certainly try to stick to its goal of being a political actor. However, it would be wise to cautiously examine where it can trigger member states’ engagement and where being too political might be rather counterproductive.

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The grand and noble promise of making the EU more ‘democratic’ is a seemingly unending task and although identified as a core priority of the Juncker Commission it has played a low profile role during a tumultuous 2016. With only one objective set out in the Commission’s 2016 Work Programme progress has been restrained. The goal for 2016 - the proposal of an interinstitutional agreement for a mandatory transparency register - was in fact nothing new, but rather a left over from the 2015 Work Programme. The key player has been the Commission, in particular Vice President Frans Timmermans who is responsible for the priority of Democratic Change.

Progress in 2016

Scandals directly relating to transparency and corporate influence involving ex Commission President José Manuel Barroso, who accepted a job advising Goldman Sachs and ex-Commissioner Neelie Kroes who failed to disclose her involvement in a company while she was competition Commissioner, put extra pressure on the Commission to push for greater transparency.

In March 2016 the Commission launched a public consultation and on the 28th of September Frans Timmermans presented the Commission’s proposal for an Interinstitutional Agreement for a mandatory transparency register. “Citizens have a right to know who tries to influence EU law-making. We propose a simple rule: no meeting with decision makers without prior registration.” The proposal is now being discussed by the European Parliament and Council. In doing so, the goal of making a proposal has been achieved. However, the hard work of negotiations and implementation is still to come.

Conclusion

A mandatory transparency register would replace the current voluntary one which by now is the largest register of its kind in the world with over 10,000 entries. It is proposed to cover all three institutions (Council, Parliament and Commission), whereas the current voluntary register does not include the Council. Meetings with decision makers will be conditional on prior registration.

The proposal has been criticised for being too ‘timid’ and ‘cosmetic’ by Transparency International. The main criticism being that the coverage in the Council is only limited to Ambassadors and deputies of current and forthcoming presidencies, and the senior Council’s Secretary General and Directors General. Coverage in the Commission also remains limited to only the highest level officials namely; Commissioners, their Cabinet members and Directors-General. Which leads to the criticism of the Corporate Europe Observatory: “the vast majority of lobby meetings will still be off the radar and unregistered lobbyists can go about their business unchecked.”

Outlook 2017

The proposal will now be discussed by the Parliament and the Council. Whether it will be accepted by the previously resistant Council is yet to be seen, even though coverage of the Council is so limited. Following the Commission’s introduction of the “no registration, no meeting” rule and now following the proposal for the interinstitutional agreement registrations have again increased. Therefore, we can assume that registrations will continue while the negotiations on the mandatory agreement proceed.

The Commission must persist in its efforts to streamline and make EU law making more efficient and transparent. The rise of populism makes this overarching priority more important than ever. The future of the European Union is reliant on European citizens being convinced that the EU is working for them in an open and accountable manner. Better regulation, accountability and transparency are somewhat of a mantra for this Commission, however more needs to be done and more tangible action is needed.

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Book Release: Coming soon
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