



FUTURE OF EUROPE OBSERVER

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This issue of the ZEI Future of Europe Observer is the kick-off publication of ZEI's reframed research project on the annual work programs of the European Commission. It includes analyses on the goals of the Commission's six policy priorities. This project will build upon our previous work on the Juncker Commission and illustrate the EU's legislative progress with the ZEI Monitor traffic lights.



Legislative proposal not tabled yet or withdrawn



Pending Ordinary Legislative Procedure



Legislative proposal passed

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Future of Europe Observer

accompanies the debate on governance and regulation in the European Union. Authors are ZEI Scholars, Master of European Studies Fellows and Alumni.

Von der Leyen: Europe's New Deal Despite Corona?

The last five years have not been smooth sailing for the EU. Nevertheless, the negotiations and the successful conclusion of the Brexit withdrawal treaty have strengthened the bloc's unity. Regrettably, the pan-European outbreak of the Coronavirus (SARS-CoV-2) has catapulted the EU into a unprecedented public health crisis with hard-hitting political and economic implications not yet fully conceivable.

It may prove existential unless EU institutions and national capitals manage to contain the spread of the epidemic and avert the frightening conditions experienced in Northern Italy, in other parts of Europe. Failure is not an option. There will only be a new normal, if leaders succeed. Painful debates as to whether existing solidarity instruments such as the Union civil protection mechanism (rescEU) and the European Medical Corps established by the Juncker Commission will have to made more binding and new ones will need to be created.

In this new normal, European Commission President Ursula von der Leyen has the chance to build on her predecessor's four most notable achievements between 2014 and 2019: 1. the so-called Juncker Plan, which has so far stimulated a total investment of 458 billion euro according to the European Investment Bank (EIB 2020). 2. Following through on its 'Better Regulation Agenda' by reducing the number of legislative initiatives by 83 per cent as compared to the Barroso II-Commission (European Commission 2019); 3. Pushing through the establishment of the European Public Prosecutor's Office ('the EPPO') to fight criminal misappropriation of EU funds, which is a precondition

for containing the pressing EU rule of law crisis originating in Poland and Hungary; 4. Concluding several free trade agreements (e.g. with Canada, Japan, Mexico and Vietnam).

Von der Leyen and her Commissioners have expressed equally ambitious goals. The success of advancing Juncker's legacy will depend, to a large extent, on whether the Commission will live up to its pledge of being a "geopolitical" one. It needs to be capable and willing to adapt to the competition of global powers. As the overriding theme of von der Leyen's first annual work program, the proposed European Green Deal will not only prove key to restructuring EU value chains and reaching out to the African Union but also critical to revitalizing the economy by way of incentivizing climate-friendly investments after the Corona recession. For this to come about, von der Leyen will require the help of like-minded member states to secure sufficient funding for the next long-term EU budget 2021-2027 (MFF).

As in previous years, the Center for European Integration Studies (ZEI) will continue to trace the work progress of the EU's institutions. Our affiliated research and Master of European Studies-Fellows, as well as Alumni will form a crucial part of this venture. This Future of Europe Observer is meant to be a kick-off publication. As a basis of our institute's established publications, the ZEI Monitor provides a useful gateway for doing research on the European Commission's work programs and the progress of EU legislation.

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Commission Priority 1: The European Green Deal

The 'European Green Deal' is Ursula von der Leyen's first headline priority of her Political Guidelines steering the European Commission's agenda from 2019 to 2024 (European Commission 2019a). With the goal of becoming the world's first climate-neutral continent by 2050, the European Green Deal is a response to tackling climate and environmental challenges and is so far the most ambitious and developed priority, with legislation having been tabled within the first 100 days of the new Commission's term. The European Green Deal is based on four pillars including transforming the EU's economy for a sustainable future; mainstreaming sustainability in all EU policy; the EU being a global actor; and finally, a European climate pact wherein the EU citizenship and stakeholders are called upon by the Commission to act together (European Commission 2019b). The central importance of this first priority reflects von der Leyen's aspiration for a geopolitical Commission. One of the prime novelties in forming this geopolitical Commission lies in its structure, especially how coherently the College's activities and decisions are to be coordinated as well as the newly introduced working methods to avoid intransigent management of policy departments (European Parliament 2020a). As first among equals and de facto second-in-command, Executive Vice-President Frans Timmermans is entrusted with the task of bringing the European Green Deal forward—described as our generation's defining task—as well as the climate action portfolio (European Commission 2019c).

As once front-runner to be EU Commission President himself and with his already gained experience in the position of First Vice-President of the Commission under Juncker, von der Leyen's pick for lead Commissioner on the European Green Deal appears to be strategic and sensible. In his commitments made during the Commissioners-designate hearings, Timmermans states that one of the biggest challenges the new Commission faces is to ensure "joined-up thinking" and consistency across policies (European Parliament 2019). Time will tell whether von der Leyen's structure for the Commission will aid in overcoming this, yet it will be up to Timmermans to ensure all member states will support the European Green Deal. This may bear some

difficulty. For example, on the one hand, Timmermans states that bigger funds are needed for the transition to a climate-neutral continent by 2050 than even what the Just Transition Fund can provide, especially for countries heavily dependent on coal. Yet, on the other hand, Timmermans clearly points out it will be "inescapable [...] to phase out subsidies which are being directed towards fossil fuels" (European Parliament 2019). Timmermans' precarious popularity among the largest coal producing member states, chief among them Poland, will require ample amounts of (climate) diplomacy (BBC News 2019; European Commission 2019d).

Nonetheless, the European Green Deal comprehensively includes a multitude of policy areas with the intention and aspiration of making Europe a global actor as the first climate-neutral continent by 2050. The Roadmap for the European Green Deal sets to transform the EU's economy for a sustainable future in which "economic growth is decoupled from resource use" (European Commission 2019b).

Foremost, the EU's climate ambitions for 2030 and 2050 are to be increased with a vision having been set by the Juncker Commission in 2018 in its long term strategy 'A Clean Planet for all' and a proposal to be made to

enshrine the 2050 climate neutrality objective into law by the von der Leyen Commission in March 2020.

The transition to a climate-neutral economy is broken down into relevant sectors. The objective of **clean energy** builds on the progress made by the Juncker Commission on establishing an Energy Union (ZEI Monitor 2014-2019). Under the new Commission leadership, the European Green Deal seeks to fully decarbonize the energy system while benefitting consumers with the risk of energy poverty being addressed and an emphasis placed on smart infrastructure.

Regarding the move toward a **sustainable industry**, the roadmap leans on the tenets of a circular economy. This was a major focus under the Juncker Commission, albeit rather with an environmental policy perspective and seeking to establish a functioning raw materials markets building on previous progress made in waste management. The European Green Deal's circular economy for a sustainable industry focuses on modernization of energy and resource intense sectors while in-



Commission Priority 1: The European Green Deal

cluding “measure to encourage businesses to offer, and to allow consumers to choose, reusable, durable and repairable products” (European Commission 2019b, 8). Innovation, collaboration and digital technologies are to become “critical enablers” in delivering on the ambitions set out. **Building and renovation** is outlined as a policy area in which application may be observed most directly. With a view to being an energy and resource intensive sector, increased digitalization and climate proofing technologies are to be rolled out as well as a renovation initiative bringing stakeholders together on an open platform to develop innovative financing possibilities, to promote energy efficient investments and to pool resources for creating economies of scale.

In parallel, with transport accounting for a quarter of the EU’s emissions, **sustainable mobility** is to become automated and multimodal. A vital element in this area is to be the inclusion of the maritime sector in the emission trading system. Simply by no longer subsidizing polluting means of transport or providing those industries with tax exemptions, but actually including an environmental cost into the price, is to accelerate the shift to sustainable and smart mobility. The strategy ‘**From Farm to Fork**’ included in the European Green Deal sees farmers and fishermen to be key in managing the transition as well as the strategy overall contributing to a circular economy. Even though a revision of the Common Agricultural Policy is not foreseen until 2022, the Commission seeks to find opportunities throughout the value chain from reducing the use and risk of chemical pesticides, fertilizers and antibiotics to addressing healthy consumption and food waste. This strategy is part and parcel of the Commission taking **biodiversity** stewardship more seriously and valuing ecosystems as providing essential services. In addition to measures for afforestation, forest preservation and restoration, the blue economy is also to play a central role in mitigating and adapting to climate change, including accounting for the cost of the maritime sector, growing the potential of offshore re-newable energy and upholding a zero-tolerance for illegal, unreported and unregulated fishing. An overarching aim of achieving a climate-neutral economy is the ambition for a toxic-free environment with **zero pollution**. The efforts to be made in the aforementioned policy areas are to steadily contribute to clean water and clean air in order to protect Europe’s citizens and ecosystems.

The European Green Deal will be no mean feat. In addition, it requires a financial overhaul. The Commission’s second pillar of the European Green Deal outlines exactly how to mainstream sustainability in all EU policies. Timmermans has passed his first hurdle in delivering on a proposal for the **Just Transition Fund**. As

part of a Just Transition Mechanism, which in turn is part of the European Green Deal Investment Plan, also known as the Sustainable Europe Investment Plan, the Just Transition Fund will primarily target those most vulnerable to the harmful effects of climate change and those most affected by the transition to climate-neutrality. It will be administered under the Cohesion Policy (European Commission 2020; European Parliament 2020b). As such, the Just Transition Fund, in addition to its own budget of 7.5 billion euro, will be drawn on transfers from the European Regional Development Fund and the European Social Fund Plus as well as receive direct co-financing from member states, totaling between 30 to 50 billion euro (European Parliament 2020b). Two additional elements of the Just Transition Mechanism with a broader geographical and thematic scope are made up of InvestEU to crowd private investment, replacing Juncker’s European Fund for Structural Investment, as well as the European Investment Bank acting as a loan facility in order to leverage public financing (European Parliament 2020b).

Beyond pursuing green finance and investment to ensure a just transition, further ways of mainstreaming sustainability included in the European Green Deal are to green national budgets and to send the right price signal; to mobilize research and foster innovation; to activate education and training; and to pledge a green oath in order to ensure legislation is in line with achieving the goals of the European Green Deal (European Commission 2019b).

The final sections in the roadmap of the European Green Deal may be two sides of the same coin, representing what may be the main challenge and the greatest expectation: the EU as a global actor and forming a European Climate Pact with an engaged European public. On the one hand, a European Climate Pact can be leveraged as an example in order to encourage world economies to join in a global consensus that matches the ambitions set out in the European Green Deal. This—to an extent—has been set in motion through public pressure from groups such as Extinction Rebellion or individuals like Greta Thunberg. However, ensuring that all member states are fully on board and committed to promoting and forming a European Climate Pact will require a decent amount of leadership from the EU as well. To achieve that overall goal of becoming the world’s first climate-neutral continent by 2050, all member states will have to be fully committed and sufficient budgetary capacities will need to be made readily available for mainstreaming. Being a global leader and forming a European Climate Pact must become a virtuous cycle.

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Commission Priority 2: A Europe Fit for the Digital Age

The policy objective ‘digitization’ and European Union Law

I. A Europe Fit for the Digital Age

Ursula von der Leyen, in her capacity as the President of the new European Commission, in office since 1 December 2019, set out the political priorities for her term of office. One of the six priorities that the Commission will focus on during its term is to build ‘A Europe fit for the digital age’. Digital technologies, in particular, block chains, artificial intelligence, the Internet of Things and the industry 4.0, are considered as being of great importance not only in respect of Europe’s economic, but also social and cultural development. Primarily, it aims at modernizing the provisions on data protection, providing better access to digital goods and services, and establishing an optimal framework for the availability of digital networks and services. Citizens and companies should receive all advantages available from digital communication technologies. In short, Europe should make significant progress in the area of digitization during the new Commission’s term of office.

A key element of the overall concept of ‘digitization’ is the comprehensive availability of digital high-speed networks. In its Gigabit Communication 2016, the Commission already underlined that the economic and social benefits of the intended digital transformation could only be fully exploited if Europe succeeds in comprehensively deploying high-speed networks in both, rural and urban areas (EU Commission, 2016). The Commission set ambitious targets: by 2025, Europe is to be transformed into a ‘Gigabit society’ by providing access to Gigabit-capable broadband to every European household as well as to businesses and socio-economically important institutions, such as schools or hospitals. Likewise, a high-performance 5G network connectivity is to be achieved through the ‘5G Action Plan’ which aims to provide full coverage for at least all urban areas by 2025.

However, in realizing these ambitious deployment and connectivity goals, the EU’s legal framework has to be observed closely.

II. The EU’s Legal Framework

First, sector-specific regulation applies to the telecommunications sector. Telecommunications infrastructures, including digital high-speed networks, are usually natural monopolies that make sustainable competition in the telecommunications market more difficult. In such monopolistic markets, the state must

step in in order to enable competition, for example, by securing access to monopolistic infrastructures for and their use by potential competitors. Such access obligations, however, reduce incentives for private sector investments, as private investors may be deterred from setting up digital high-speed networks, as these would not be reserved for their exclusive use only. To that extent, when it comes to sector-specific regulation, there is a tension between enabling sustainable competition on the one hand and sustaining investment incentives on the other. The European Electronic Communications Code (EECC), which was adopted at the end of 2018 and has to be transposed into national law by the member states by the end of 2020, provides for new important impulses for an investment friendly climate and, thereby, for the achievement of the deployment and connectivity goals.

For example, regulatory access obligations regarding newly built high-speed networks are sometimes less strict: they, inter alia, allow investors to charge higher prices for the use of their infrastructures by competitors, thereby increasing the profitability and, in turn, investment incentives in respect of the deployment of digital high-speed networks. Nevertheless, the basic regulatory mechanism described above still applies and must always be considered concerning the precisely differentiated particularities.

On the other hand, private sector investments alone do not suffice in order to achieve the deployment and connectivity goals. On the contrary, especially in rural areas there are only limited economic incentives for private investors to offer digital high-speed networks and/or 5G network connectivity. In these areas, the deployment of networks can often only be achieved by the state granting financial aid to network operators. However, EU state aid law generally prohibits the granting of financial aid to undertakings by the state pursuant to Art. 107 (1) TFEU in order to preserve undistorted competition within the internal market. State aid may be permitted by way of an exemption if the potential distortions of competition caused by the aid are minimized.

Distortions of competition may be found to exist, however, where private investors are crowded out or where investments already made are devalued due to a subsidized deployment of networks. The Commission is responsible for the assessment of the exceptional permissibility of an aid and is fitted with a broad margin of discretion. In spite of the Commission’s broad margin of discretion in respect to the permissibility of state aid for the deployment of digital high-speed networks, it cannot, without infringing EU state aid law, override

Commission Priority 2: A Europe Fit for the Digital Age

the general supremacy of private investments that exist in order to minimize potential distortions of competition. In respect of the achievement of the deployment and connectivity goals, it follows that the deployment of high-speed networks and 5G network connectivity may be promoted through state subsidies to the extent permissible, but such subsidies cannot be the sole means on the way towards establishing a Gigabit society. Hence, EU state aid law is – in addition to sector-specific regulation – a second important and influential factor that has to be considered when implementing the Commission’s digitization priority.

Nonetheless, financial aid that is granted to undertakings directly by the EU is not subject to EU state aid law. EU state aid law only applies to financial aid granted to undertakings by the member states (or through member state resources).

In addition to the permissible financial aid granted by the member states, the deployment of digital high-speed networks and 5G network connectivity can therefore be promoted through EU subsidies. For this purpose, ‘The Connecting Europe Broadband Fund’ was established at EU level. This fund has as its purpose the provision of financial support for the deployment of high-speed networks as well as high-capacity 5G network infrastructures. As with state aid, in particular the principle of the supremacy of private investments applies in order to avoid distortions of competition as far as possible. The requirements for EU funding ultimately follow the same assessment standards as applicable under EU state aid law. EU subsidies shall be limited to small projects in particularly underserved (rural) are-

as whilst it is for the market and other support mechanisms to realize larger projects and deploy networks in other areas.

III. Conclusion

The priority set by the Commission President Ursula von der Leyen to achieve substantial progress in the area of digitization (ZEI Monitor 2019-2024) is, without doubt, to be welcomed. Eventually, the implementation of policy goals always – more or less – depends on the applicable laws. Even in consideration of the legal framework outlined above, considerable progress can be achieved regarding the availability of high-speed networks following the implementation of the digitization priority. The same applies to high-capacity 5G connectivity that is of particular importance for the transport, health, and industry sector. For the successful implementation of the priority, one should not merely rely on one instrument, such as state aid, but rather combine several instruments on the way to a ‘digital Europe’. It remains to be seen whether the deployment and connectivity goals as set out in the digitization priority will actually be achieved. After all, what counts is: where there is a will, there is a way!

**European Commission
Work Program 2020**

- Europe Fit for the Digital Age
- A European Approach to Artificial Intelligence
- Digital services
- Increasing cybersecurity
- Digital policy for consumers
- A new industrial strategy for Europe
- Aviation services package
- Towards a European Research Area
- Digital finance

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Commission Priority 3: An Economy that Works for People

The European economy: Reality and Challenges

In the European Commission's Recommendation for a Council Recommendation on the economic policy of the euro area (COM (2019) 652 final) it is stated that the impact of economic development in recent years has not been felt evenly across member states and regions. In some euro area countries, economic growth remains below pre-crisis levels. The above-mentioned document suggests that the number of people at risk of social exclusion has decreased by five million in most member states between 2019 and 2012. However, this figure remains higher in the euro area than in 2008. Some member states were moving towards the best per capita GDP. However, the document states that significant differences remain.

European Commission (EC) President Ursula von der Leyen in the political guidelines presented plans, including a plan to create "an economy that works for people" in Europe. This priority provides an overall frame for policies over the course of the ongoing legislative period in which climate change, demographic change, and digital issues will be key challenges. The development of the social market economy is identified as relevant and directly connected to today's realities.

In the political guidelines for the European Commission 2019-2024 considerable emphasis is given on small and medium-sized enterprises (SMEs). The importance of SMEs to the European Union economy is not a new issue. On the 7th of June 2018, the Commission proposed the new Single Market Program, both aiming for SMEs to take full advantage of a well-operating Single Market as well as to empower and protect consumers. As for the EU's next long-term budget 2021-2027, Commissioner Elżbieta Bieńkowska suggested allocating four billion euro to the Single Market Program (ZEI Monitor 2014-2019) and an additional 2 billion euro under the InvestEU Fund, in particular through its so-called SME-Window (European Commission 2018). The noti-

on of stimulating the activities of SME's is also reflected in a series of previous European Commission documents for market development. However, new sources of support and funding for small and medium-sized businesses are likely to emerge under the new political guidelines of the von der Leyen-Commission. There are plans to create private and public funds specializing in Initial Public Offers for SMEs, covering European Union and private investment. It is important to note here that quick decision-making at all levels would help businesses. However, in the context of Industry 4.0, it should be noted that the new technologies play a major role. Assessing their scale and complexity as well as adapting human resources will be key challenges. Meeting them will be of critical importance for SMEs as well.

The action plans of the newly formed European Commission focus on social and equality issues. It is important to pay attention to digital transformation. These new challenges are affecting the labor market and require new knowledge and skills.

The European Economic Development Plan also focuses on deepening the integration of the Economic and Monetary Union. The role of the euro is being given great prominence as a factor in bringing European citizens closer. The use of the Stability and Growth Pact is expected to strengthen fiscal responsibility and growth.

However, account should be taken of the factors which are salient for the sustainable functioning of the monetary union

and the requirements which are usually imposed on the countries of the single currency: intensity of trade and product diversification, compatibility of economic structures and cycles between countries, wage flexibility, mobility of production factors, with an emphasis on labor mobility. These important factors should be encouraged in order to make the monetary union more efficient.

The European Economic Development Plan envisages the completion of the Banking Union and the European Deposit Insurance Scheme. In the wake of the cri-



Commission Priority 3: An Economy that Works for People

sis in Europe, major disruptions were seen throughout the European banking sector. The situation of banking instability has increased distrust both of banks and the European Union as a whole, which has led to tighter banking controls in Europe as the crisis unfolded.

The new EU crisis management framework for the financial sector proposed by the European Commission should help solve the problems of financial management. The bank tax proposed by the European Commission would cover the costs of rescuing bankrupt banks, since the proceeds of bank fees would go to funds set up by national governments of member states and the funds would be used to wind down insolvent banks. This will lead to closer supervision of banks operating in different EU countries.

The most important thing is that this single banking system will bring greater confidence to banks and economic stability. By the way, an important advantage for taxpayers is that the tax revenues of state budgets will not be spent to cover the debts of bankrupt banks and should strengthen the confidence in banks. It could also have a positive impact on the stock market and investors.

European economic policy is an integral part of social rights, industrial competitiveness and climate change issues, and this is clearly reflected in European economic plans for the future. The European Semester is part of the Economic Development Plan and an important instrument for integrating the United Nations Sustainable Development Goals. The President of the European Commission, Ursula von der Leyen, also said that the economic governance of the European Union should be more clearly reflected in the work of the European Parliament. This would be a significant step towards deepening the integration of the Economic and Monetary Union.

The reports presented on the results of the Macroeconomic Imbalance Procedure (as part of the European Semester) show that the implementation of the Country Specific Recommendations is limited or does not even show progress in 2018. However, a continuous increase was observed during the period from 2014 to 2018.

The European Commission's new action plan on that topic reveals a number of differences in macroeconomic and social indicators. The situation varies between countries both in terms of the implementation of the EU 2020 targets, and the macroeconomic, social indicators (Economic Dialogue with the EC on the 2020

European Semester Cycle, European Parliament 2020). The employment rate in 2018 (percentage of population aged 20 to 64) ranged from 59.5 per cent in Greece to 82.6 per cent in Sweden. The General Government Gross Debt percentage of GDP ranged from 181.2 per cent in Greece to 8.4 per cent in Estonia.

There are also differences in the EU 2020 targets indicators for investing in Research & Development. The average target for investing in R&D in Europe is 3 per cent of GDP in 2018. The different behavior of countries when it comes to investing in science and technology can be revealed by comparing Sweden and Romania: Romania – 0.51 per cent of GDP, country target – 2 per cent of GDP; Sweden - 3.40 per cent of GDP, country target – 3.31 per cent of GDP.

The indicators of renewable energy can be compared in terms of final energy consumption. The European target (28 countries) in 2017 is 20 per cent of renewable energy of final energy consumption, the result is 17.5 per cent.

Resolving the economic, social and environmental challenges is important for the EU's economy as a whole, which requires efforts in all policy areas and greater involvement, not only at EU but also at national level. Sustainable investment and European Union funds and national roadmaps play an important role here. Therefore, it is important for member states to prioritize development when planning investments in high-tech manufacturing that generates income, which requires knowledge, human capital.

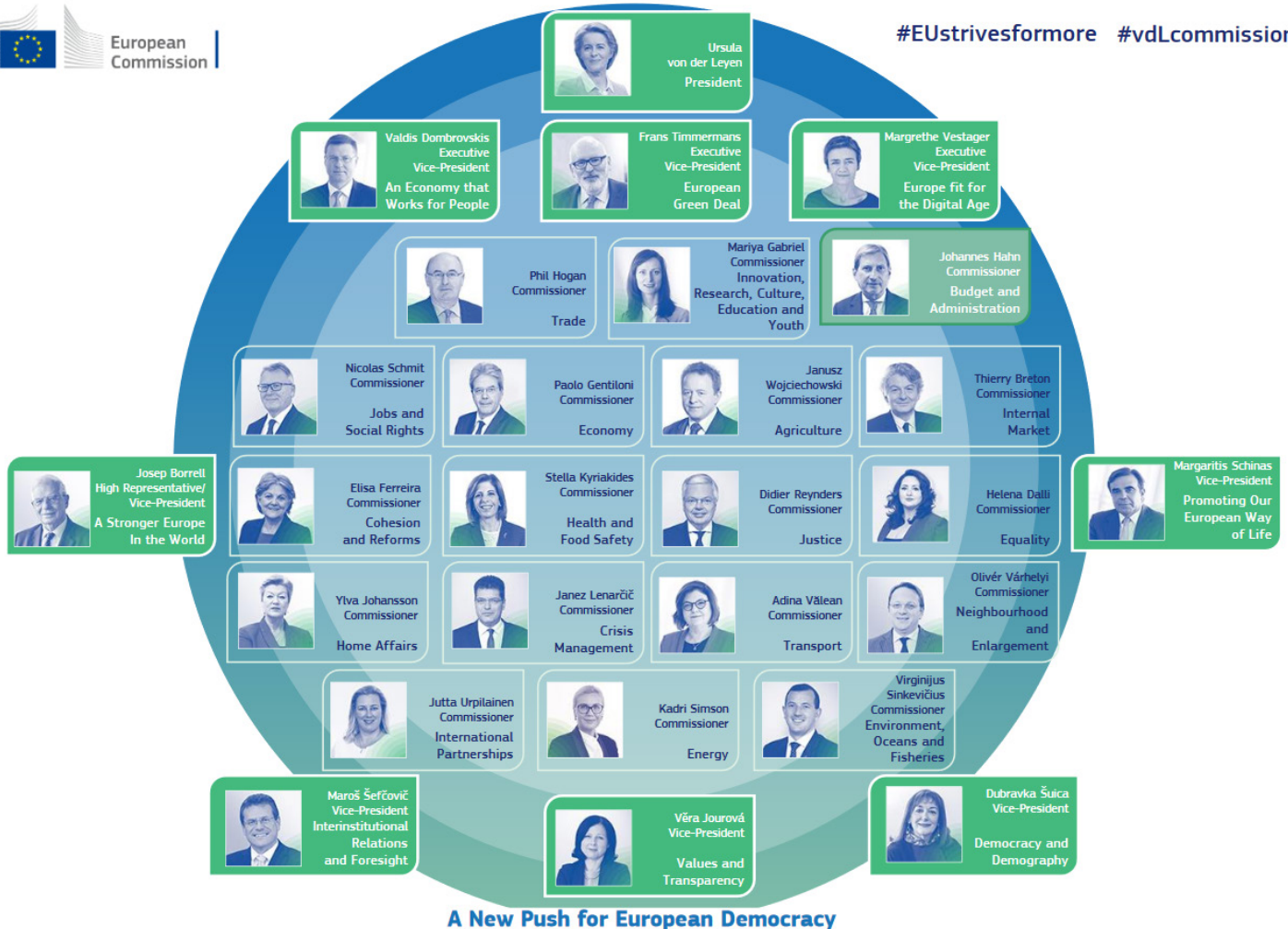
As new technologies evolve, it is important to address the fundamental challenges of cross-industry change across technology and society, to build science-business partnerships, and to develop high-tech, high value-added industries. We need to understand and appreciate the socio-economic impact of the Industry 4.0 - a major trend towards automation and data exchange in manufacturing technologies and processes. Even in the event of a decline in EU funding, EU decision-makers should make a responsible assessment of priorities and increase the efficiency of available funds, so that even with fewer resources the intended results can be achieved.

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The College of European Commissioners 2019-2024



#EUstrivesformore #vdLcommission



Source: European Commission 2020

“Class of 2020” in Brussels and Luxembourg

ZEI fellows from the “Class of 2020” got the opportunity to experience firsthand the functioning of the EU institutions during their excursion to Luxembourg and Brussels from 27 – 30 January 2020. In Luxembourg, the visit to the European Investment Bank helped the fellows understand the purpose and functioning of the EIB which supports sustainable projects across the world. ZEI Alumnus – Matthieu Bertrand shared his valuable experience of working at the EIB with MES fellows who posed important questions pertaining to the functioning of the EIB. The next day, ZEI fellows attended the hearing of the ‘Hinkley Point C’

EU. Axel Voss, Member of the European Parliament, from Germany, shared his views about his responsibilities as an MEP with the ZEI fellows while they visited the European Parliament. The highlight of the excursion was the European Parliament’s Plenary Session on Brexit debate. For ZEI fellows, attending the historic Brexit debate was a surreal experience, which they will remember for the rest of their lives. ZEI fellows’ visit to the European Commission was replete with information sessions ranging from the enlargement policy to the Multiannual-financial framework 2021-2027 of the Union. ZEI Alumni Alexandra Pana, Desislava



case in the Court of Justice of the European Union, which enabled them to gain firsthand understanding of court proceedings of the CJEU and received a briefing on the case from the responsible Advocate General. During the information session in the CJEU, ZEI fellows attended the presentation on the importance of multilingualism in the CJEU, which gives access to legal proceedings to every EU citizen in their respective language. In Brussels, ZEI fellows visited the Permanent Representation of the Federal Republic of Germany to the EU where they had a great discussion with ZEI Alumnus-Patrick Schäfer who shared his insightful experience of working as a diplomat in Brussels. The visit to the House of European History exposed the ZEI fellows to the historical perspective of the

Ekzarova and Johannes Noack shared the insights from their work experience at the Commission. The visit to the European External Action Service enriched the fellows with the understanding of the EU’s foreign and security policy services. Mr Adrianus Koetsenruijter, a Career Diplomat and former Ambassador of the EU, discussed the role and priorities of the EEAS with the ZEI fellows who enjoyed the discussion on EU’s role in world politics. Along with these visits to the EU institutions, ZEI -fellows had a networking opportunity with the ZEI Alumni who shared their EU related work experience.

Muhammad Murad is a ZEI Master Fellow “Class of 2020”.

Commission Priority 4: A Stronger Europe in the World

As we commence a new decade, the ever dynamic space of international relations demands that the European Union implements a new vision and strategy that will ensure that the EU becomes an even more relevant actor in global relations.

In order to enhance its credibility as an active player in the post Cold War international system the EU must first seek to project stability throughout its immediate vicinity. As highlighted in its global strategy the EU must adopt a number of regional strategies that seek to restore stability and offer a positive outlook along its eastern and southern borders.

The new EU Commission must manage relations with the Balkans so that the process of EU enlargement is firmly back on track. This includes providing applicant countries with a clear perspective towards membership. Such a positive outlook will assist in countering the Brexit narrative that has dominated headlines in recent years. Successive enlargements have been a positive driving force for the EU and should continue in the decade ahead.

The time has come for the EU to conduct an overhaul of its Neighborhood Policy. This should include introducing policy measures that focus more on supporting specific political reform and economic development challenges along the eastern and southern borders of Europe. The EU should dedicate its political and economic resources to the specific necessities of its different neighboring countries in an effort to promote stable regional relations.

A decade since the 'Arab Spring' it is imperative that the EU introduce a more robust diplomatic engagement with the Arab world. The entire MENA region should be addressed in this review but the EU should focus on promoting stronger specific sub-regional relations with the Maghreb and Mashreq regions.

A strategy that enhances Euro-Maghreb ties is long overdue and urgently required if the aspirations of civil society in general and the younger generation in particular across North Africa are to be achieved. This strategy must encourage good governance at all levels and provide a substantial pro-economic growth policy framework that results in job creation across the Maghreb.

In the Mashreq, the EU must be more visible as a political actor promoting diplomatic initiatives across the conflict-ridden spectrum. EU credibility hinges upon it being both a player and a payer. The time has come for the EU to demonstrate its leadership credentials by

championing diplomacy in Syria, Palestine and Cyprus. The huge energy discoveries throughout the eastern Mediterranean offer another opportunity to strengthen further Euro-Mediterranean relations.

The Euro-Africa Partnership demands a more prolific and dynamic EU policy perspective that seeks to create a functional cooperative framework to manage common challenges including irregular migration. With the population of sub-Saharan Africa projected to double from 1 billion to two billion by 2050 it is essential that the European Union create and implement a more coherent strategy towards Africa, which provides more opportunities throughout the continent.

Sustainable development must be the cornerstone of such a policy with the EU coupling its technological capabilities with educational training programs throughout the African continent. Looking ahead, boosting trade not aid must be the EU's mission statement towards Africa.

The EU must also manage more effectively trade relations with an ever more unilateral leaning United States. A top priority must be that of negotiating an agreement with the Trump Administration that avoids any escalation of a potential 'transatlantic trade war'.



Commission Priority 4: A Stronger Europe in the World

The interdependent political and economic transatlantic community must be prepared to adapt to the more post Cold War multipolar system of states. A negotiated trade deal between the United States and the EU will ensure that both sides of the Atlantic continue to prosper.

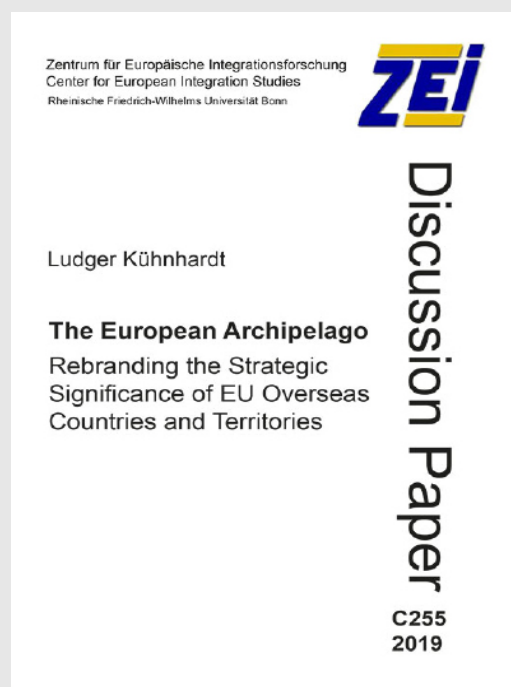
The EU must simultaneously manage trade relations with China including devising a strategy that ensures safeguarding Europe's economic interests vis-à-vis China's Belt and Road Initiative. While it is clear that China will continue to implement a foreign policy strategy that seeks to guarantee it access to markets and resources, the EU must ensure that this does not undermine its own competitiveness.

A stronger Europe in global affairs requires better coordination of member states' foreign policies strategic objectives. The continued implementation of the Permanent Structured Cooperation (PESCO) is essential in this regard. Only such an approach will enable the EU to become a more relevant actor when addressing the multitude of contemporary transnational security challenges.

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ZEI Discussion Paper C 255/2019

In this paper, Ludger Kühnhardt argues that Overseas Countries and Territories (OCTs) attached to France, the Netherlands and Denmark can only become a strategic asset for the European Union, if the EU puts them on an equal footing with its outermost regions (ORs). Through Brexit, the number of overseas countries and territories associated with the European Union is shrinking by almost fifty percent. As maritime issues in all aspects are of growing



importance, it is a matter of urgency for the European Union to rediscover the Overseas Countries and Territories attached to France, the Netherlands and Denmark as strategic assets in the projection of the EU's global ambition. The European Union is a global archipelago. No other global power can claim what the EU can: the territory of its member states is spread across all continents and oceans. With or without Brexit, the assets defining this global European archipelago remain important. In fact, the return of maritime geopolitics enhances their strategic importance exponentially. Efforts are desirable and, in act, urgently needed, to enhance the perception of the European archipelago as a pillar of the global role of the European Union.

This ZEI Discussion Paper gives an overview of the importance attached to the OCTs in all four corners of the world. In 2018, the European Commission presented a draft new Overseas Association Decision which shall take effect in 2021. This paper provides a critical analysis of its strengths and weaknesses.

Commission Priority 5: Promoting our European Way of Life

A European way of Life?!

In the summer of 2019, Ursula von der Leyen announced that one of the political priorities of her Commission would include ‘the protection of our European way of life’. This portfolio would interlink various politically sensitive policy areas, including migration, security, employment and education. However, prior to debating the context of the portfolio, the title of the dossier led to institutional and ideological controversy regarding what is meant by ‘a European way of life’—and if this would need protection. Even though the wording was not new, previously used by Manfred Weber, leader of the EPP, in reference to the defence of European values in society, the phrasing became von der Leyen’s first public challenge in building her Commission and setting her work program.

This was underlined in the debates preceding the Commission formation and played into the hands of critics, including those of Marine Le Pen who had referred to the title as an “ideological victory” (Sheftalovich 2019). Others, for example, Guy Verhofstadt (Renew Europe) underlined that associating migration with the need to protect a European way of life echoed the language and ideas of Victor Orbán and others going against EU values and principles (Canali 2020). This position was supported by Socialists and Democrats alike as well as the outgoing Commission President Jean-Claude Juncker (Canali 2020). The phrasing also called into question whether a European way of life exists and by extension a common European identity—a topic that has long been debated between academia and civil society.

Von der Leyen justified her choice based on the fundamental principles enshrined in the Lisbon Treaty and that these constitute values worthy of ‘protection’ (Von der Leyen 2019). During the Hearings for Commissioners, Margaritis Schinas, now Vice-President of the Commission, echoed this sentiment: “at its core, being European means protecting the most vulnerable in our societies. [...] It means having the same opportunities. [...] Being Europeans means peace, freedom, equality, democracy, and respect for human dignity” (Timsit

2019a). Eventually, the final work program showed a softening of language with von der Leyen’s fifth political priority focused on ‘promoting’ our European way of life.

The political priority emphasizes ‘protecting our citizens and our values’ and is built around three main pillars: upholding the rule of law (judicial cooperation and fundamental rights); strong borders and a fresh start on migration; and internal security (security union). In addition, consumer protection is also listed as one of the policy areas. The portfolio is run by the experienced European politician Schinas who was put in charge as Vice-President, coordinating a group of Commissioners and ensuring coherence between the policy areas (European Parliament 2019a). With the continued cluster structure of the Commission that was initiated by Juncker, von der Leyen avoids ‘silo’ management of the portfolios and simultaneously ensures a strong political leadership of the institution. Furthermore, this set-up establishes that policy areas are dealt with from multiple angles through the crosscutting of issues within a single portfolio (Bassot 2020).



Two of the three pillars, namely ‘upholding the rule of law’ and ‘strong borders and a fresh start on migration’, include a number of legacy challenges from Juncker’s Commission Work Program. In order to tackle those regarding the rule of law, von der Leyen has envisioned a comprehensive European mechanism, based on objective criteria that is applied in all member states and overseen by the Commission and the Parliament. This is particularly relevant as the rule of law has increasingly come under pressure within the EU in recent years, markedly in Poland and Hungary (Bassot 2020). Furthermore, von der Leyen has underlined her support of making the rule of law a vital part of the next multiannual financial framework (MFF) as well as to strengthen the EU mechanisms enforcing the rule of law (European Parliament 2019a).

Similarly, von der Leyen has highlighted the need to ‘find a common solution to the shared challenges of migration’, the seriousness of finally reforming the Eu-

Commission Priority 5: Promoting our European Way of Life

European asylum system and reinstating a functioning Schengen area (Bassot 2020). Although the Juncker Commission did not fail at these reforms due to a lack of prioritization, reforms were instead blocked by individual member states and political interests within the Council. As such it remains to be seen if the envisioned 'New Pact on Migration and Asylum' will become a reality or yet again will just be debated upon (European Commission 2020). Furthermore, Schinas will be faced with the challenge of creating pathways to legal migration and striking a balance between the external and internal dimensions thereof. Overall, the 'New Pact on Migration and Asylum' already seems to be loaded with the same issues and challenges that the previous Commission was confronted by, finding itself in a repeated crisis mode without being able to break the deadlock surrounding the notion of solidarity.

A further point of unfinished business from the Juncker Commission includes that of achieving a 'genuine European Security Union' (European Commission 2020). Here Schinas will be faced by the challenges of closing the gap between the internal and external dimensions of security policy and to find new ways of coordinating responses to hybrid threats (European Parliament 2019a). Von der Leyen has also underlined that cross-border cooperation must be upgraded in order to close the divide in the fight against serious crime and terrorism, through reinforcing the mandate of the European Public Prosecutor's Office (EPPO) as well as the mandate of Europol and other measures on Critical Infrastructure Protection (Bassot 2020). Moreover, in the fight against terrorism, the Commission is focusing on battling organized crime, trafficking in human beings and sexual child abuse as well as drugs within this portfolio.

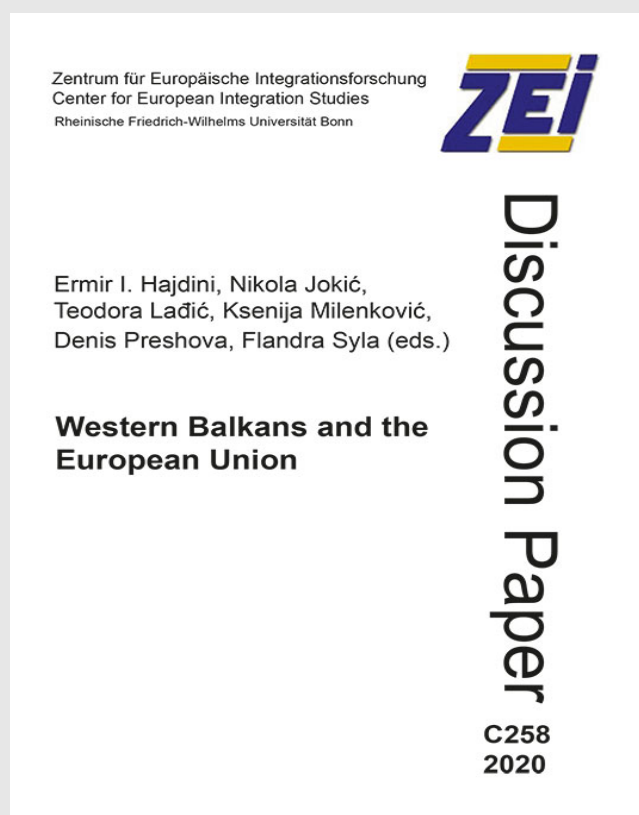
In addition, von der Leyen's work program has disclosed reforms within the area of 'Fostering skills, education and inclusion', which calls for an updated skills agenda as well as a new action plan on integration and inclusion. Here, already existing programs such as the European Solidarity Corps and DiscoverEU are to be extended (European Parliament 2019a). Further, culture and sport policy are to be implemented to contribute to integration measures. Simultaneously, under 'protecting health' a 'Beating Cancer Plan' is envisioned as well as a 'Pharmaceutical Strategy for Europe' (European Commission 2020). Finally, with consumer protection as an already well-developed policy areas, no directly related policy proposals have yet been put forward.

Overall, von der Leyen's new cross-cutting and inter-linked approach towards policy portfolios reflect the realities and the challenges that the EU is faced with internally as well as externally. What remains to be seen is if the new Commission manages to truly approach those challenges as a new beginning with innovative ideas and constructive policy actions.

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ZEI Discussion Paper C 258/2020

After a decade of neglect, time has come to re-start the full inclusion of countries of the Western Balkans into the European Union. ZEI Alumni from the region, representing a wide range of emerging leaders, express their frustration, but even more their expectation: The new EU leadership must complete the unfinished agenda of EU enlargement in the next few years should the EU not be blamed for loosing the youth of the Western Balkans.



Commission Priority 6: A New Push for European Democracy

In which constitution is Europe – which constitution for Europe?

“A new push for European democracy” in order to strengthen the European way of life – this is the rhetoric benchmark Ursula von der Leyen formulated as political guidelines (European Commission 2019) for her term as the President of the European Commission. It does not suffice to take stock of the ambitions of the new Commission by measuring these objectives as too vague, too hollow. In fact, the last, the sixth priority of Ursula von der Leyen’s list is the most ambitious of them all. It summarises the detailed agenda outlined in the policy fields defined by her commission. It asks to judge her work by the degree of legitimacy she is able to advance to the European Union as a whole. It opens the door wide into the future of Europe. The specific policy fields addressed by the work program of the European Commission and the other organs of the EU can be assessed by their practical, pragmatic success. Legislative action, the degree of implementation, impact assessment – the approach to judge the work of many of Ursula von der Leyen’s initiatives and, in fact, the work of most members of the Commission is perfectly known from any democratic procedure. Voters will have a say in the next election of the European Parliament, with Spitzenkandidaten or not, to decide whether they are satisfied with what has been done by then: “A European Green Deal, an economy that works for the people, a Europe fit for the digital age, protecting our way of life, a stronger Europe in the world” - these headlines like many others unfold as the process of politics proceeds in the EU.

But the objective of “a new push for democracy” is of a different nature. Superficially, this objective might be defined by the degree of the satisfaction among voters when they will be asked to judge the work of Ursula von der Leyen’s Commission and its partners in the European Parliament and the European Council. But “a new push for democracy” claims to lead to something new, unknown and different. The policy guidelines of Ursula von der Leyen mention several policy initiatives she and her colleagues might advance with political action:



- The right of initiative for the European Parliament: she promised to act unilaterally by simply accepting when the parliament demands a legislative action.
- An improved form of European democracy: she wants to address “the issue of transnational lists in the European elections, as a complementary tool of European democracy”.
- The installation of an “independent ethics body common to all EU institutions”: this sounds practical, but will require the definition of a specific mandate, and more difficult, a genuine form of implementing powers.
- A digital method “to tackle issues such as disinformation and online hate messages”: the announcement of a European Democracy Action Plan remains rather vague.

However, most practical ideas, which the European Union could address beyond its current scope of action would require a recalibration of competences. The closer the ideas get to the sphere of core state powers, the trickier will it be to find a quick solution. Legislative or political decisions will not suffice. From all experience, it is evident that a treaty revision is among the most challenging and delicate issue of all. And yet, with the announcement of a “Conference on

the Future of Europe”, starting in 2020 and running for two years, Ursula von der Leyen has courageously opened the Pandora box of treaty change. Immediately, the list will become long and longer. And immediately, the need will grow to reduce the text to get shorter and shorter in order to gain legitimacy. A “Conference on the Future of Europe” will only make sense if concrete results follow. Talking alone will not be good enough here. Acting on details blurs the horizon. Putting things into context and perspective is a noble idea but daunting as long as the EU is as myopic, divided and timid as most of its leaders are today.

“The record-high turnout in the 2019 European elections shows the vibrancy of our democracy. We must respond to that call by giving Europeans a stronger role in decision-making. We will go further than ever before to make this happen.” (European Commission 2019)

Commission Priority 6: A New Push for European Democracy

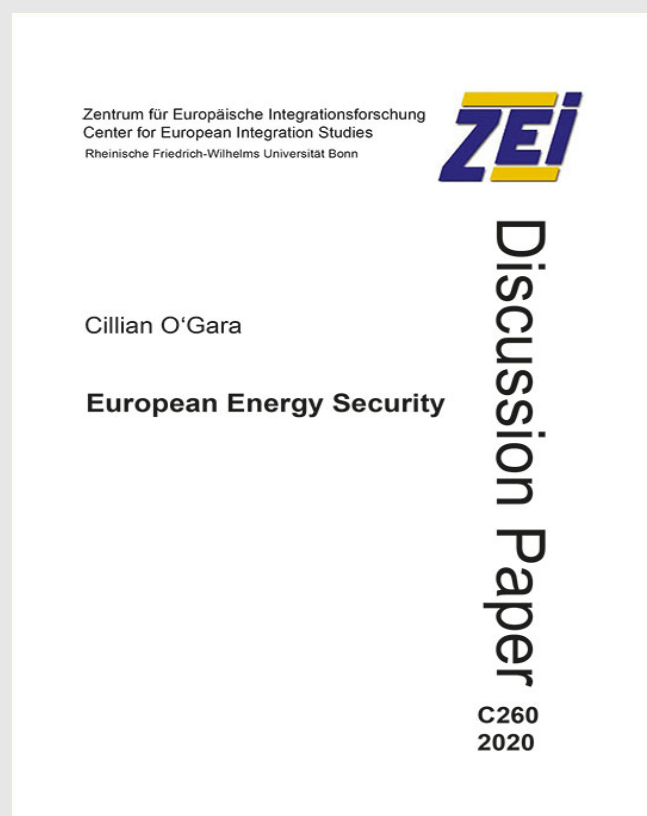
Ursula von der Leyen has set an ambitious benchmark to be judged by. She has given, at least partly, an answer to President Macron's vision of European sovereignty. But she has not given a German answer although her very appointment to the helmet of the EU's executive is a partial solution to the succession of Chancellor Angela Merkel. As the President of the European Commission, Ursula von der Leyen, is no longer Germany's constructive European voice, but the face representing the entire EU. Hence, her words must be transformed into an EU-wide consensus if they are worth being heard.

European integration depends on the preconditions that the integration process itself cannot generate. Hence, societies across the EU should feel invited to engage with the organs of representative democracy in a constructive way. The objective is clear: to improve the state of the Union, the constitution in which the EU finds itself before its citizens go to the polls in 2024. The most evident project Europe needs to tackle is the creation of a genuine European constitution worth the name. The ongoing incremental constitutionalization of European integration has reached a tipping point. While in the past, competences and modes of operation have been measured, time has matured to re-define the competences and modes of operation of those who act on behalf of the EU. The political arena as such has to be re-designed. A European constitution must address the power questions that prevent the EU from truly becoming a political power inside Europe, and a global power able to shape global affairs side-by-side with the USA and China. This touches on a tall agenda, but first and foremost it requires trust. Regaining trust among countries and societies across the EU, overcoming blame games of past years and simply addressing the main question of what Europeans want to do together: Ursula von der Leyen is suggesting with decent caution and sufficiently vague promises what is required. In doing so, she has raised a very high benchmark for eventually judging the work of her Commission and herself. Only a European constitution can be the reference point to judge whether or not divisions have been overcome, policy actions have succeeded and the will to protect the European way of life has become, finally, a political reality.

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ZEI Discussion Paper C 260/2020

In the wake of the European Union's enlargements in 2004 and 2007, which saw the accession of 12 new member states, lengthy debates and discussion took place on the burden of onboarding the new member states and the dependence of many of these states on a single supplier for their energy needs. This ZEI Discussion paper examines the



EU's efforts to form a comprehensive energy security policy in recent decades, paying particular attention to the evolution of the theory of energy security and the main developments of the EU's energy security policy in recent years. In addition, the Energy Union, a flagship initiative launched by the European Commission in 2015, is assessed through an examination of its governance structure and achievements in specific policy domains. Finally, this paper explores the controversy over the Nord Stream 2 gas pipeline project and the EU's response to concerns raised by several member states.

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