

**BÖLL LUNCH DEBATE**  
**Reconnecting Europe I**

## **What Are the Main Challenges Facing the European Union in 2017?<sup>1</sup>**

*2016 was the year the fissures in the structure of the EU became visible even for those who had preferred to ignore them. The UK has decided to leave Europe and in many other countries the Eurosceptic and populist voices are getting stronger. In 2017 people in the Netherlands, in France and in Germany will have to decide about their countries' (and Europe's) future. What will their verdict be? Also, will Europe succeed in pulling itself together or will it give in to pressures, interferences and provocations from its powerful neighbours in a situation where not much support, moral or otherwise, can be expected from the other side of the Atlantic? With an unsolved refugee crisis on our hands, a simmering eurozone crisis and the threat of further terror attacks hanging over the continent, the prospects for 2017 are bleak. We can no longer downplay the seriousness of the situation, neither is it helpful to look for a scapegoat. It doesn't matter who or what got us into this mess, what is important is to get out of it together fast. Of all the serious problems the EU has to face up to at the beginning 2017 what are the three most serious challenges? This is the question we asked the three speakers invited to this 2017 kick-off event of the series 'Reconnecting Europe'. It is also the question we put to the participants of the event. Here are the answers:*

- Prof. Dr **Sven Biscop**, Director Europe in the World Programme, Egmont – Royal Institute for International Relations and Professor, Ghent Institute for International Studies, Ghent University:

*'In 2017, the EU, and the governments of its Member States, will have to reconnect with citizens by reconnecting with the heart of Europe, i.e. the **welfare state**; the EU will have to decide whether it can be the security guarantor of its friends in its own **neighbourhood**; and the EU will have to position itself in the evolving **balance of power** between the **US, China, Russia** – and ourselves.'*

- **Reinhard Bütikofer**, Member of the European Parliament (Greens/EFA):

*'The main challenges for 2017 are: to implement a paradigm shift from austerity to **innovation oriented investment**; to strengthen the voice of parliaments and the **voice of the people** and to fight corporate privileges. Last but not least it is crucial to find a strategy to form a strong reformist alliance against the **wave of authoritarianism**.'*

- **Kirsty Hughes**, Senior Fellow, Friends of Europe and visiting fellow, Constitutional Change Centre, University of Edinburgh:

*'1) **Solidarity and strategy within the EU**: The EU is struggling to find a coherent, strategic sense of direction at a time of multiple challenges. With a lack of solidarity*

---

<sup>1</sup> The event took place on 8 February 2017. It was moderated by **Klaus Linsenmeier**, Director Heinrich-Böll-Stiftung European Union



*across Member States on different issues from refugees to democracy to youth unemployment.*

2) **Challenges across the EU's neighbourhood:** *The EU has lost its confidence in its ability to positively influence its neighbourhood, from the Balkans, to dealing with Putin's Russia (ever more difficult with the Trump presidency) to Turkey and the Middle East.*

3) **Brexit:** *The EU has to manage both the Brexit negotiations and the fall-out from Brexit, protecting the EU27's interests while avoiding an acrimonious stand-off with the UK.'*

The **participants** of the event had chosen for the following main priorities: 1) **populism** and 2) (ex aequo) **Brexit** and **restoring solidarity/prevention of further disintegration**

The current **lack of solidarity** within the European Union is a crucial problem as the EU needs a reasonable degree of political consensus and political energy in order to develop strong leadership and strategic direction. The European Union has become very defensive. The system is stuck in an old economic theory, has lost political confidence and the long cherished common values have been repeatedly compromised. But in spite of all its flaws and unsolved problems, questioning the Union as a whole cannot be the answer. Europe definitely needs to regain and keep its confidence, its strength and hopes.

This lack of solidarity also has repercussions on the **neighbourhood** policy (ENP) and on the way the EU interacts with the neighbouring countries. As the 'Ukraine referendum' in the Netherlands has shown, the EU is facing internal concerns regarding its neighbourhood policy. A clear ENP strategy is not visible. The EU needs to clearly define its ENP aims and think about what it takes to reach them. Many people within the EU as well as in the neighbouring countries want to believe in Europe, but wonder how the EU deals with the global crisis and global issues. This question logically arises due to the EU's absence as a global player – compared to Russia, Turkey and the United States who seem to be more involved in important global decisions. The European Union seems to only act after an agreement to solve a conflict or a crisis has already been adopted by the conflicting parties. The question on how the EU is contributing to an agreement or to the resolving of problems remains unanswered. So what is the EU contributing to the negotiation of a peace agreement? And what does the EU do to shape its environment?

What the EU is promoting in the new version of its neighbourhood is **resilience**. In the context of the European neighbourhood policy resilience means that if a problem hits a country – and it usually hits the country because the EU is not willing to do anything to solve the problem when it is emerging– the EU will help and support the country after the problem has hit it. Continuing this line of thought resilience means helping a country after a problem occurred so that this problem will not spread out over Europe. There are some democratic states in the neighbourhood and the EU wants its partner states to be resilient to internal and external shocks and problems. But what does this mean? Does the EU try to make the people resilient to president al-Sisi in Egypt for example? How does Europe want to do that? It is in the interest of all EU Member States that neighbouring countries democratise but is the EU willing to act for example when democracies in the neighbourhood are threatened from the outside? The example of Tunisia was mentioned, the only success story of the Arab spring so far. However, it



is still a young democracy and a fragile country. If there was a serious security problem would the European Union act – and if needed – interfere with military force? So far these questions have remained unanswered. The challenges in the neighbourhood are obvious. The EU needs to improve its capability to act, it needs to decide whether the Union should be the security guarantor of the new democracies in the neighbourhood and it needs a clear understanding of its responsibilities.

Another major challenge the EU is facing is **youth unemployment** and how to empower youth in general. The youth unemployment rates in the European Union are almost everywhere in the double digit range, in some countries they even reach 30 to 40%. At the same time the policy responses to youth unemployment initiatives and other funds are very low. An EU that lets these youth unemployment rates persist is one that is in contradiction with its own morality and priorities. The recent idea of the European Solidarity Corps can be a useful tool to empower young people to get involved with European social issues and to regain solidarity between the citizens. The European Solidarity Corps as a volunteer programme which supports young people to engage in social issues, could help facilitating pan-European activism of young people. However, the most important thing would be to find new ways of engaging young Europeans on a decision making level.

The **Brexit** referendum and its result which showed that the majority of the British population wants to leave the EU put the EU to the test. With this decision the UK is abandoning not just 40 years of its membership. The country is giving up the post-World War II order and is retreating into self-interest and isolation. So far, the EU has reacted remarkably well and kept to the promise ‘no negotiations before notification’. The EU has talked about Brexit in a way that it does sound manageable while at the same time knowing that the missing financial contributions of the UK will be a serious loss for the Union. The next two years will show us what Brexit is going to look like and how it will affect the EU 27. The question whether Scotland as a sub state of a former Member State will be able to stay in the EU or in the single market remains unanswered for now. There is also the possibility of Scotland having another independence referendum.

To solve all these issues the European Union needs to work on its crisis management and on its cooperation between Member States. There is high need for a better coordination of effort, more coherence and a better shared understanding of the multiple crisis we are living through. There is a crisis in solidarity and a political crisis combined with a lack of foresight. The **migration and refugee wave** we have seen over the last two years, for example, should not have been a surprise to anyone. What we currently witness is a worldwide migration and refugee crisis. The EU is not suffering from a ‘migration crisis’, instead we should speak of an inner European solidarity crisis and also a crisis of European solidarity with the rest of the world. More than 60 million people are on the run and approximately 24 million people have left their home country. In Europe there are around 1.5 million people, which indeed means that there is a challenge for the EU but compared to the situation worldwide, there is definitely not a crisis. On this account the core of the issue is whether the EU can come up with sufficient initiative, creativity and strength.

Another major concern is **the loss of people’s trust in the policy maker’s capability of dealing with challenges** making it important to strengthen the voice of the parliaments and the **voice of the people**. The EU is perceived as some distant institution. In order to regain the trust of the European citizens, the EU needs to find a balance between change and security. Change



is something people are afraid of and often overwhelmed by but at the same time there is a need for change because the status quo is no longer sufficient. Combining change and security is possible even though it is not easy. Moreover, it is important for the EU to **reconnect with the citizens** and therefore work on the **welfare state**.

The EU will not be successful by only making great foreign policies. In the end the social economic situation in the Member States is crucial for the citizen's satisfaction with the EU. The welfare state is important but it has to be connected to a strategy of devising an innovation boost. A paradigm shift from austerity to investment has to happen. This is not always easy due to the different approaches of the Member States. Additionally the EU needs to work on its taxation system, i.e. not harmonising taxes rather harmonising the fight against tax dodging. Furthermore the EU should be more flexible with and more open to new trading partners and allies for example with the Chinese. In the **balance of power** between the United States, China and Russia the question is not whom do the EU and its citizens like the most, the question is what are the European interests and with whom and on which topics can the EU cooperate in order to follow those interests. Therefore it is important to take a step back and look from another perspective on issues that seem overwhelming at first – regardless of the fact, that the North Atlantic Alliance (NATO) will remain a corner stone of the EU strategy. The priority of the EU should be following its own interests.

Under the current circumstances, the idea of a **multispeed Europe** is coming up again. A multispeed Europe would allow individual states to integrate more or less intense in different areas. Maybe the EU needs a little more imagination on how to position Europe in the world and on how to make Europe believe in itself. And maybe the EU has to get out of the dictate that says everything needs to be done together. If the EU keeps working like it is doing right now, this might lead to small groups of Member States blocking positive innovative approaches to solve severe problems. The best example here is the refugee challenge. An idea might be to convene a pan-European conference. Here the EU could work together with Norway, the UK, Switzerland and possibly Ukraine on general European challenges. The multilateral system we have been living in needs defending these days and therefore a European cooperation (not just between the EU Member States) could be a helpful tool to solve global challenges. The EU should have the confidence to show it is going to lead in its region. This pan-European Conference and the Brexit process could be happening parallel.

The concept of a defence union which was adopted in the **Bratislava Declaration** and Roadmap in September 2016 can be an important element for the future. The defence union is bound to enhance the statute of France in the European Union due to the French contributions and capabilities. With this defence union the uneven relationship between Paris and Berlin which is hampering the EU at the moment could become more balanced. This will not only fulfil the request of the citizens that Europe should play a larger role with regards to foreign security, it would also help to stabilise the internal balance between Member States.

Trump, Brexit and the realisation that the status quo cannot be taken for granted anymore could bring the European Union – Member States and citizens – closer together, strengthen cooperation and form a stronger leadership. The challenges can unite Europeans, but at the same time they can divide the continent. What we need is an agenda that gives substance to this realisation. The European Union has been going an endless way of deal making and compromise. Therefore not everything is shining but there are many successes. And compromises are good because it means that everyone leaves the room relatively happy



whereas in America in particular now with the new Trump administration a good deal is perceived as one where I win and the other loses. This attitude leads to one party being severely unhappy and that will cause new problems.

For the future of Europe innovation and flexibility are very important as well as the realisation that that challenges will not be solved by governments alone. There are many players in society that need to be integrated in the process of finding solutions for example on how to deal with migration and asylum seekers. The EU cannot continue to do business as usual. It needs to look forward and think about how to provide solutions to complicated problems and not leave the stage to populists who are following a doom and gloom scenario.