

10 KEY RECOMMENDATIONS

In the context of increasing global interdependence, the European Union needs to emphasise long term strategic thinking to react to the tectonic changes occurring on the global scene. In order to anticipate the negative spill-over of the economic and financial crisis on the EU's international influence and avoid the progressive marginalisation of Europeans, the EU must equip itself with a more integrated external action strategy, by:

1. Improving the coherence of internal and external EU policies

The benefits of the Single market – as a springboard for the promotion of European common interests abroad – are limited by the slow development of the external dimension of internal policies. In addition, the fragmentation of external policies and the delimitation of tasks between the European Commission (EC) and the European External Action Service (EEAS) stand in the way of a more political mindset, which is a prerequisite for developing a comprehensive forward looking strategy.

To emphasise the external dimension of internal policies in fields where Member States can concur on the long-term strategic interests of the EU, and to improve the consistency between new foreign policies and traditional diplomacy, a more active cooperation between the two institutions is required and could be usefully supported by initiatives amongst which:

- the appointment in the next 2014 Commission of a Commissioner for Enlargement and Neighbourhood that is also deputy to the High Representative for Foreign Affairs and Security Policy;

- the creation of permanent joint task forces allowing for the pooling of expertise, instruments and resources of the EC and the EEAS on specific issues, for instance on mobility.

2. Addressing the fragmentation of economic governance within the EU and its external representation

Member States hope to make up for the lack of EU domestic demand with proactive national trade diplomacy emulating the “geo-economic” strategies of rising economies. This will likely not be sufficient to boost the EU’s economic competitiveness. Beyond the Commission’s mandate for the negotiation of market access, there is little emphasis on trade as a coordinated EU external strategy and competition between Member States undermines their long term interests. The priority for the EU’s long-term economic competitiveness is therefore:

- to knit Europe’s markets closer together by consolidating the Single market, especially in relation to services.

Leveraging EU economic performance abroad also requires strengthening the EU’s voice in global macroeconomic and financial affairs. In particular two initiatives seem promising:

- the creation of a single voice for the euro area at the IMF;
- the extension of the recently established European Supervisory Authorities (ESAs) as institutional platforms to coordinate and represent European views in global financial regulatory negotiations.

3. Engaging with traditional and new global players – especially with China

Within the current multipolar framework, strategic cooperation between the EU and the US is required to create a global level-playing field promoting

western values in global economic governance and addresses the ever more recurrent abuses of state capitalism.

Vis-à-vis new economic powers, and in particular China, the EU will lack assertiveness if relations remain channelled through individual Member States. New initiatives aiming at developing mutually beneficial relationships include:

- transparency on the sovereign debt bonds purchased by China;
- the creation of a system of incentives supporting existing demands for liberalisation and pointing at a ‘second opening’ of the Chinese economy (encouraging Chinese private initiatives in order to strengthen Chinese private capital; supporting the development of private company ownership, IPOs, intellectual property rights, etc.).

4. Developing a comprehensive strategic approach for sustainable growth and access to strategic resources

Green growth and sustainable development, a pillar of both the EU’s internal and external actions, will remain at the forefront of the EU agenda despite the burden of the financial and economic crisis on its Member States’ green transition. Highly strategic interests, like quality of life and economic competitiveness, would be threatened if climate change and natural resources depletion were to be unsuccessfully managed. These challenges are not only internal but global in nature, requiring better coordination and coherence between these two dimensions.

For the EU this implies:

- gaining credibility at the global level by strengthening internal instruments, particularly saving emissions trading from irrelevance;
- empowering Europeans via collective rather than unilateral actions, especially in relation to accessing key natural resources such as natural gas;

- developing the external dimension of key internal policies (energy and other raw materials);
- avoiding the trap of a narrow Eurocentric vision when developing renewable energy projects abroad, by conceiving these as mutually beneficial endeavours, for instance in the promotion of low-carbon energy in Mediterranean Partner Countries;
- meeting food security and environmental challenges in European agriculture;
- and systematically looking for more efficient and ecological ways of managing natural resources on both internal and external markets.

5. Supporting legal migration

Beyond the short term challenges induced by rising unemployment, the labour force shortage fuelled by the ageing of the European population calls for a serious debate and further action regarding a more comprehensive EU migration policy. The following three initiatives would be of particular interest:

- Within the framework of Mobility Partnerships, groups of states, sharing a similar need for (highly) skilled workers and offering similar working, salary and living conditions, could cooperate more closely to put in place attractive and mutually-reinforcing policies for the recruitment of workers with the right profile.
- Internally, the EU should improve existing rules on the admission of migrants and reinforce the possibility for residing migrant workers to move within the EU for employment purposes.
- Enhanced coordination of integration policies is needed to support this process.

6. Moving beyond a “security-driven perspective” on migration and developing a comprehensive approach with other EU policies

A foreign ministers’ approach would allow broadening the debate on migration to social, economic and environmental issues and should be developed by:

- strengthening the role of the European External Action Service.

EU policies which have an impact on migration, such as development and cooperation policies, need to be taken into account to achieve consistency. This implies:

- abandoning the principle of conditionality which makes support for development conditional upon results obtained in migration control (readmission and border control). Cuts in development aid will not help address migration issues.

7. Moving from a defensive attitude towards the neighbourhood to the development of mutual interests

The EU has yet to find an adequate response to competing influences in the neighbourhood (illiberal values, alternative attractive markets...) and to react more promptly to the mismatch between on one hand the EU’s long-term policies and institutional slowness and on the other hand the fast-paced changes and urgent demands of its neighbours. Whilst article 8 TEU mandates Europeans to actively engage their vicinity, a more positive outlook on the opportunities that could be seized in a stabilised and integrated neighbourhood implies:

- addressing the decrease in effectiveness of the principle of conditionality used in EU policies, by setting political and policy benchmarks with measurable criteria (e.g. very narrowly defined objectives, such as freedom of speech) for a more rigorous allocation, or reduction, of funding;

- support regional stability through innovative incentives more strictly correlated to the pragmatic short-term objectives and interests of the neighbouring countries' civil societies (particularly in trade and mobility) and acknowledging the potential of partners' traditions in promoting pluralism and democracy.

8. Shifting towards a proactive and cooperative engagement with other regional actors like Turkey and Russia

Specific forms of cooperation with Turkey could help achieve shared objectives in the neighbourhood, particularly in the Mediterranean region.

- Whilst assertively engaging Brussels and Ankara in finding a solution to the Cyprus issue, the EU and Turkey should jointly and strategically engage with neighbours - notably the Arab states, appreciative of the Turkish model - in as many regional projects as possible (infrastructure, higher education and research, business development, etc.).
- The feasibility of a progressive opening of the EU-Turkey customs union to other neighbours could be investigated in order to boost intra-regional trade and the economic transformation of the region.

The engagement of Russia is a more daunting task yet there is no alternative.

- The Common Spaces dialogue should be revamped to serve as a forum for constructive exchange between working groups of ministry officials on small-scale projects in their shared neighbourhood.
- But the official track has to be accompanied by a strengthened outreach to civil society (partnerships between municipalities and schools, student exchanges and trilateral projects with East European partners) in order to gain an acute understanding of partner expectations and to support actors that are key for the successful implementation of the EU's goals in the East.

9. Conducting an EU defence policy review

The Common Security and Defence Policy (CSDP) will not become a vehicle for great military power competition; but nor should the EU expect to only have to deal with relatively-small peacekeeping operations. There are a number of potentially important tasks in-between that may require the use of military force, ranging from responding to major humanitarian crises to protecting maritime trade routes.

EU governments should therefore re-state the purpose of CSDP by:

- conducting a “European defence review” outlining the EU’s geo-strategic priorities, the threats to European security, and the types of operational scenarios EU governments must prepare for.

10. Grasping the nettle of military capabilities

EU governments need to consider how they intend to maintain and develop military capabilities that give them the agility and autonomy they need to respond to future crises and challenges. If cuts in national budgets and capabilities continue their current trends, most European armies might eventually become irrelevant. EU governments should therefore:

- look beyond their current “pooling and sharing” efforts towards integrating military capabilities;
- and make more efforts to integrate their procurement needs, which would help further consolidate the European defence industry.

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This selection remains under the responsibility of the rapporteurs.