GRASPE

Groupe de Réflexion sur l'avenir du Service Public Européen
Reflection Group on the Future of the European Civil Service

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Cahier n° 50
Mars 2025

*Changer l'état des choses est aisé,
l'améliorer est très difficile*
ERASME

Diffusion strictement limitée aux personnels des Institutions européennes

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Editorial

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GRASPE, 25 years of reflection

to fuel debate in the European Union public service

*"What is a European civil servant? An 'Eurocrat'? An international civil servant cut off from realities on the ground, spending their time in committee meetings where they are the only one who can decipher the coded language? A servant of the general interest of a political Europe under construction? A liaison and spokesperson for civil society organising across borders? Answering these questions (and others) about our profession is all the more necessary as the Commission is still at a crossroads."
Graspe 2020* in Cahier n°1, January 2001.

25 Years in Existence

A quarter of a century ago, the GRASPE journal was launched thanks to European civil servants committed to reflecting on the construction of the Union. This quote, taken from the very first lines of the journal's first edition in January 2001, still summarises the aspirations of its contributors and the journal's steering group. 25 years later, the questions are not necessarily the same, of course, but the motivation remains: to be a space for analysis and exchange on contemporary issues of European public service and the institutional dynamics of the EU.

Since its creation, GRASPE has published 50 issues and brought together no fewer than 209 contributors in a total of 250 articles, conferences, and public meetings. Among the authors, we find leading political figures, trade unionists, academics, Directors-General, and many other luminaries in their field, but also civil servants who honour each edition by participating in the journal's reflections. This group, free and independent of any hierarchy or staff representation body, examines the conditions under which our duties are performed but also strives for constructive criticism of the European project. Over the years, the journal has evolved and accompanied the stages of European construction, its public service, and also the transformations of public management systems by exploring the challenges posed by globalisation, technological advancements, and the increasing expectations of citizens. Initially focused on the European Commission, the 2004 reform, and workplace issues within the institutions, GRASPE's contributions gradually broadened to cover a wide variety of subjects (a full table of contents is available here).

This anniversary is an opportunity to celebrate the journal's fiftieth publication, but also to reaffirm its essential role in promoting effective, ethical, solidarity-based, and forward-looking public administration.

"Changing the state of things is easy; improving it is very difficult." - Erasmus

GRASPE was created at the dawn of the European public service reform, known as the Kinnock reform, implemented in 2004. This reform, though considered necessary by the institutions, sparked concerns among staff who sometimes felt overwhelmed by the sheer number and complexity of the initiatives. Its main objectives were, in fact, the reduction of direct and indirect salaries (pensions), changes to recruitment methods, and the reorganisation of careers with the introduction of several new grades for administrator (AD) and assistant (AST) statuses.

Nevertheless, this reform was also perceived by many institutional agents as a way to depoliticise the European function by promoting a more technocratic direction. The reform also introduced the contractual agent status, leading to both flexibility and precariousness in employment within the European institutions, without, however, eliminating the recruitment of private agents outside of the civil service statute.

Facing these challenges, our group of civil servants created GRASPE to reflect on the future of the European public service, and thus on the future of the entire Union. This group aims to address crucial questions by drawing on past experiences and adopting a pluralistic and open approach. Its objective is to stimulate debate and encourage collective reflection on the active role of the Commission, as well as other

institutions, and on the conditions of the agents who work there, in the European construction that is their profession.

From the very first edition, the published texts explored and questioned the perception and role of European civil servants, as well as their position within the European Commission.

"Most European Commission officials are not traditional bureaucrats: they are, as much as possible, activists for the European project, which they consider their own responsibility. European officials want to feel that they are constantly improving their understanding of the issues at stake, that they are continuously improving their policies, that they are evaluating successes and failures, and that they are adapting them in a way that best meets the expectations of all those living in Europe." Cahier n°1, "The European Civil Service at a Crossroads," January 2001.

In each contribution, the authors strive to highlight the extent to which these civil servants face significant challenges, particularly due to doubts emerging about the Commission's role in European construction. Throughout its publications, the journal identifies several major themes that would become recurrent across editions. Naturally, European construction, reforms, and the evolution of European policies are frequently discussed.

"The approach to European administration reform has so far focused on management processes, but the Commission's 'crisis' also concerns political 'products' – that is, how we contribute – or fail to contribute – to giving Europeans a sense of common destiny through visible policies addressing their problems. This 'crisis' is illustrated, for example, by the low participation rate in the last European Parliament elections. Most European citizens want to know how the Union can help them solve the problems that concern them most, such as unemployment, climate change, organised crime and criminality, health and well-being, improving education and training systems, the stability of our borders, etc." Cahier n°1, January 2001.

Also Considering Societal Changes

Nevertheless, while an analysis of the articles shows an initial focus on administrative reforms and economic challenges, increasing attention to economic, environmental, and social issues emerged in later editions. GRASPE, in addition to exploring new themes, focuses on societal developments and is committed to understanding and sharing its contributors' analyses with its readers. For example, the issue of **teleworking** occupies a substantial place in the latest issues published in 2024, reflecting changes brought about by recent events such as the COVID-19 pandemic.

Indeed, the journal addresses many themes revolving around the issue of **work within the institutions**. Many contributors have focused on working conditions, harassment prevention, and social dialogue. In addressing social dialogue, the reflective work highlighted its historical importance and benefits in Nordic societies. At the same time, it aimed to shed light on the tensions between long-term economic advantages and negative perceptions from the perspective of competition and economic development. By providing illuminating examples such as trade union power in the United Kingdom facing Margaret Thatcher, this analysis fuels reflection and debate while advocating for solutions.

By questioning what are identified as **structural problems**, GRASPE invites every reader to grasp crucial subjects for the functioning and future of Europe.

"If goods and services markets are globalising but political authorities and workers' representatives are not, it is clear that an imbalance in social dialogue is developing. In generalised global competition (or so-called generalised competition), social dialogue is often seen as an obstacle to competition itself, which is seen as a source of economic and social progress, and as an anachronism leading to collective

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inefficiency contrary to the very interests of workers. All of this is far from empirically verified but results from a powerful ideological assertion that has almost become common thought, where the State has become the sole guarantor of a social peace that economic actors aspire to but to which it is economically useless for them to contribute." Cahier n°24, February 2015.

Furthermore, the theme of **education, training, and citizen participation** is also central to the journal's reflections. As a think tank on European issues, GRASPE particularly delves into the **European Schools of Brussels**. In its 15th edition, for example, the journal featured two articles on the subject of European schools, written respectively by Mr. Philippe Van Parijs, a Belgian philosopher and economist, and by the European Commission, which argued against the non-opening of these schools to non-civil servant social categories, an opening clearly planned when these schools were created. This dialogue is particularly important as it offers readers two opposing but constructive visions on a question such as European education. The readers were then presented with two well-argued viewpoints:

Van Parijs: *"There is educational apartheid when access to schools is granted or denied based on the race or caste of the parents of the children knocking at their doors. In this sense, there is apartheid in Brussels, where European schools host 4% of the Brussels school population according to criteria that exclude children whose neither father nor mother is a European civil servant. This regime of official segregation recalls the colonial school system forbidden to indigenous people in colonised countries. It also induces apartheid in the less precise sense of a separate life: for lack of forming the personal ties spontaneously created by sharing nursery and primary schools, 'European' families and 'local' families live in completely separate worlds."*

European Commission: "*The European Schools system was jointly created by the governments of the European Union Member States and the European Community. To date, there are 14 European Schools spread across 7 countries, hosting over 20,000 pupils. These schools are governed by the Convention defining the Statute of the European Schools. This Convention specifies that the European Schools aim to provide common education for the children of Community staff. The Convention stipulates that other children may also benefit from the schools' education within the limits set by the Board of Governors. Therefore, one cannot speak of 'educational apartheid' in the European Schools. While the vast majority of European Schools open their doors to children other than those of institutional staff, it is true that overcrowding problems have led to a restrictive enrolment policy in the European Schools of Brussels for several years, particularly for students who are not children of institutional staff. The Commission regrets that this restrictive policy must be maintained, as the infrastructure provided by the Belgian national authorities is insufficient to meet the needs."*

Connected to contemporary issues, GRASPE also published, in its Cahier n°38 of February 2020, a document from the "institutional footprint" working group produced by EU Staff for Climate. This is another role the journal has decided to embrace: giving a voice to institutional actors who are fighting for ecological changes. Many articles on climate issues followed, addressing the role of states and their budgets, as well as carbon management and ways to act in the face of the climate emergency.

In 2025, GRASPE's favourite topics continue to be structuring in the design and evolution of institutions. An eternal supporter of the construction of the European Union, the think tank is nonetheless critical to a certain extent. From its very first issues, the journal warned about the importance of the European public service pursuing the public interest. Even today, GRASPE retains its freedom of tone, always inclined to criticise the structural challenges of the Union.

The Penelope Project, in response to the Convention

Indeed, the Convention on the Future of Europe, created following the Laeken European Council in December 2001, was tasked with preparing a comprehensive reform of the European treaties and proposing a new legal basis for the European Union in the form of a treaty establishing a Constitution for Europe. The Convention was composed of representatives of governments, national parliaments, the European Parliament, and the European Commission, and was chaired by Valéry Giscard d'Estaing. The Convention's work began in February 2002 and concluded in July 2003 with the presentation of a draft constitutional treaty. This project aimed to address several challenges, including a better distribution of competencies between the Union and the Member States, the simplification of Union instruments, and the strengthening of democracy, transparency, and efficiency within the Union.

In our Cahier n°4, dedicated to the impact of this Convention on the Commission's role, we invited Medina Ortega, then a Member of the European Parliament and rapporteur on this draft reform of the European civil service.

"The European public service is a living organism essential for the functioning of the State. I believe that at this moment, this intergovernmental drift on one side, and this privatist drift on the other, based on a purely commercial or economic model of European institutions, endangers the nature of European public services. There is a strong emphasis on the idea of having an efficient and economical public service. This could be one criterion, but there are other criteria such as public interest, for example. Civil servants participate, in a way, in the political nature of the institutions they serve, and at the same time, there is a bureaucratic policy, a policy of civil servants, meaning that it is not something purely instrumental but that the public service is a living organism; there is a life of public service that is essential for the functioning of the State." Medina Ortega, Cahier n°4, May 2003.

In the same edition, revisiting the proceedings of a conference organised by GRASPE, we returned to the "Penelope" Project with Alain Van Solinge. The "Penelope" project was a preliminary draft of the European Union Constitution, developed by a group of experts at the request of the President of the European Commission, Romano Prodi, in collaboration with Commissioners Michel Barnier and António Vitorino. This project, prepared on the sidelines of the Convention on the Future of Europe, aimed to define the functioning of Community institutions and the policies to be conducted within the framework of the Union. It was made public on December 4, 2002.

However, the "Penelope" project, led by a group of Commission officials, was rather poorly received by the actors of the Convention, particularly its president, Valéry Giscard d'Estaing. The project was conducted in a context where the European Commission sought to influence the debates on EU institutional reform. The project aimed to prepare the ground for more ambitious proposals during official discussions. The project was not considered by the Convention and did not directly influence its official work.

Van Solinge, a European civil servant who participated in the project's development, recalled that such a significant enlargement as that of 2004 raised the question of how reforms, and thus European construction, would be adopted by 25 Member States.

"It's all very well to present a new text, but it still needs to come into force, it still needs to see the light of day. And I would say that, from September of last year, we asked ourselves: with 25 members, how do we do it? Do we keep the current procedures, meaning we will have to wait for the unanimity of the 25 governments and the unanimity of the 25 Parliaments (or referendums, depending on the states) for the Treaties to enter into force? Some called this the institutional rupture: do we need to find a way to bring this Treaty or this Constitution into force under other rules? The question is very simple. We will be 25 in a few months. Can one state block the system? And if so, what do we do? Do the other 24 accept failure and say:

well, we'll stick with Nice? Or do we try to find a system that allows the Treaty to enter into force with fewer than 25? In the Penelope project, we proposed a solution, admittedly a bit complicated, but which allows, after a phase of convergence of viewpoints, a certain number of states, I would say a very large majority of states, to move forward, without prejudicing the others." Alain Van Solinge, Cahier n°4, May 2003.

In the same vein, in our 8th edition published in June 2006, we welcomed Pierre Calame. This former senior official of the French Ministry of Equipment (now the Ministry for Ecological Transition) and Director-General of the Charles Léopold Mayer Foundation for the Progress of Humankind, had already joined us in June 2005 to discuss his manifesto "With the Interests of the Communities in Mind." This manifesto summarised GRASPE's first five years of reflection on the future of the European public service within the framework of the 2004 reform. In his contribution to our June 2006 edition, Mr. Calame revisited the administrative reform to highlight its pitfalls.

"Administrative Reforms: What Doesn't Work. Public administrations lag behind the private sector because companies have invested billions in their organisation and management for a century. However, public enterprises and administrations have remained stuck on old models, and only recently have they begun their own reform. The temptation is great, to save time and politics, to reduce the question of administrative reform to borrowing the best recipes from the private sector. And indeed, administrative reforms are most often inspired by private sector practices, in a spirit of often misunderstood copying of 'best practices'." Pierre Calame, Cahier n°8, June 2006.

As a Provisional Conclusion...

The GRASPE journal, since its creation a quarter of a century ago, has successfully positioned itself as an important player in the debate taking place within the European institutional landscape.

By bringing together contributors from diverse backgrounds, it has not only accompanied administrative and economic reforms but has also paved the way for collective reflection on the contemporary challenges of the European public service. The **diversity of subjects addressed**, ranging from working conditions to social dialogue, through education and environmental challenges, demonstrates GRASPE's ability to grasp the evolving societal, institutional, and administrative challenges of European society in its contributions.

Today, the journal wishes to continue offering a platform for debate and exchange. It also always aims to encourage constructive reflection on the role of European institutions and the civil servants who comprise them.

By celebrating its **25th anniversary**, GRASPE reaffirms its commitment to stimulating public debate and contributing to the construction of a more resilient, solidarity-based, and democratic Europe.

At a time when global challenges, such as **climate change, rising inequalities, digital transformations**, but also and above all the **rise of populism** at the helm of several states (and not the least), are redefining political and social priorities, GRASPE positions itself as a **catalyst for change**.

By highlighting the experiences and perspectives of actors on the ground, the journal invites everyone to actively engage in the construction of a common future, based on cooperation, innovation, and solidarity.

In summary, GRASPE attempts to nurture the hope of a united Europe, capable of overcoming present and future challenges through a shared vision and collective action.

Where is Europe Going in a Disrupted World?

Georges Vlandas:

Welcome. We're here for the first of our conferences this week on the theme: "Where is Europe going in a disrupted world?" Today, we'll discuss Europe's situation in the face of Donald Trump and Elon Musk. With the capitalist unification of the world complete after the fall of the Berlin Wall and the transition to market economies in all the former "democratic and popular" republics, we are now witnessing an exacerbation of competition between several blocs, for example, the Chinese bloc and the American bloc.

The evolution taking place in the United States breaks with what united us in sharing the same world and values: the rule of law and political liberalism. This led George Orwell, on the eve of the Second World War, to say that between an imperialism that would kill him if he expressed a dissident opinion and an imperialism that defended his freedom to criticise, he preferred the latter. In his case, it was British imperialism. Today, with the shift towards authoritarianism in liberal societies and the evolution of the United States towards a much more authoritarian model, the world is changing. The question that arises is our place, at the European level, in this confrontational world. To discuss this topic, we are joined by our friend Guillaume Duval. Guillaume Duval is a former colleague. He is the former speechwriter for Commissioner Borrell, and he is also a member of the editorial committee of the GRASPE journal, a journal that has existed for almost 25 years and is made by civil servants for civil servants and public service agents. Guillaume has written several articles for it and is an eminent journalist and economist. He was an editorialist for "Alternatives économiques," a leading French journal for economic analysis and information. Guillaume, the floor is yours.

Guillaume Duval:

Hello everyone. First of all, thank you to Georges for this invitation to speak to you about a very topical subject. Perhaps just a word before diving into the content. Georges introduced me, saying I was Joseph Borrell's former speechwriter, but what I am about to say in no way implicates Joseph Borrell. I have exchanged greetings with him, but I haven't discussed these particular topics with him recently.

Regarding Trump and Musk, we all knew that a Trump 2 presidency would be much tougher and quite different from the Trump 1 presidency, because there would no longer be what Americans call "adults in the room." During his first presidency, he was often somewhat hindered and controlled by the traditional Republican apparatus and the traditional American administration. We knew that would no longer be the case. Nevertheless, I think you're all like me – glued, terrified, and bewildered by what's happening. It started with Trump's appointments: people like Tulsi Gabbard, Robert F. Kennedy Junior, Kash Patel, etc. These are all clowns or dangerous people whom no other American president would have dared to nominate for the positions they are to hold, whether in internal affairs, training, espionage, the military, or health. Ronald Reagan and George W. Bush would never have nominated people like that; it's truly very serious.

Then there's the withdrawal from the World Health Organization, the withdrawal from the Paris Agreement, today's threats of sanctions against the ICC, Greenland, attacks against Canada, Mexico, Panama. And this morning, of course, or rather last night for them, the Gaza issue, which the Americans would take over after deporting all Palestinians. All of this is very serious and very surprising.

On top of that comes the personality of Musk and what he is doing. It's not yet confirmed by the Senate, but he has already virtually shut down USAID. He has already purged data from the Census Bureau to eliminate anything that might have to do with gender identity or similar issues. He has removed data displayed by NOAA, the US climate agency, such as CO_2 concentration data. He has taken control of the state apparatus, much like he took over Twitter a little over a year ago. And for now, no one is stopping him.

What prompted Georges' invitation was a reference I had recalled to an older past. Musk performed his Nazi salute on the day of Trump's inauguration. I simply recalled that there was a significant precedent in the United States: a man named Henry Ford, very famous for inventing the Ford Model T and making automobiles available to everyone, which truly revolutionised not only American but global societies at the beginning of the last century. Henry Ford himself was also a fervent anti-Semite, a fervent supporter of Hitler, who also nearly became US President in 1922.

Along these lines, there has long been a powerful far-right in the United States, which was already supported by major industrialists, just as we see today. It is always somewhat difficult and risky to pass definitive judgment on ongoing events; it is generally after some time that their true significance is perceived. But there is indeed reason, I believe, to draw the conclusion that Georges began to draw earlier about what is happening. There is indeed a historical rupture occurring in the United States, a historical rupture with the tradition of what we can call the West, the Western camp, which was characterised by ideas common to Europe and the United States concerning human rights, democracy, the recognition of equality between men and women, and also the idea of having an international rule of law and a multilateral system. This is what Trump is renouncing. It's not entirely new, of course. For both the United States and Europe, there has been a bit of double-speak on these issues in the past. European states behaved very poorly towards their colonies and their colonial populations. They behaved very poorly during the decolonisation wars. The Americans, for their part, trampled on their democratic values throughout the Cold War. They overthrew Mossadegh in Iran. They overthrew Salvador Allende in Chile. More recently, they intervened somewhat haphazardly in Iraq. The Western world had not greatly respected these values for a very long time. We have just seen this on a large scale again in the Israeli-Palestinian conflict, where we could be accused of double-speak.

But nevertheless, this double-speak did not prevent the values from remaining publicly displayed and common to Europe and the United States. What Trump is doing is openly breaking with these values, saying that democracy is not his problem, and multilateralism even less so. On multilateralism, it's already an old story concerning the United States; it's something to which Europe, the European Union, has always remained attached, and I think the work we've done has truly been to strengthen democracy. But the United States, after promoting it, after two world wars, did not wait for Trump to speak ill of the United Nations, of UNESCO, to try to financially twist their arm, not to renew their judges at the WTO to block its functioning, not to support international initiatives like the Kyoto Protocol against climate change, etc. Moreover, the United States has never actually acceded to either the International Criminal Court or the International Court of Justice. But here, we clearly have an open, definitive break, I would say, with multilateralism in particular, and with the values that are still today at the heart of the European Union and European peoples regarding democracy. Two possibilities now: the first is obviously that Europe, in turn, adopts illiberalism and authoritarianism. This temptation exists, it is strong, as you know, in Italy, Austria, the Netherlands, Hungary, Slovakia. This is one of the possibilities. Despite everything, I think there are reasons to believe that Trump's excesses and probable failure on quite a few subjects will rather weaken the European far-right, that is in any case the bet I am making today. Perhaps in a year or two, you will say I was very wrong, but that is the feeling I have today, that these excesses, exaggerations, this aggressiveness towards Europe are more likely to weaken that camp. We see it, Orban is rather

weakened in Hungary, Fico is weakened in Slovakia, Vučić is weakened in Serbia; I believe that is a bet we can make today. Europe is weakened but can survive, recover, and try to uphold its democratic values.

Nevertheless, Trump marks a deep and lasting rupture in the attitude of the United States and its functioning; we will see what remains of American democracy in two or four years. This also means that we are now obliged to consider the United States as enemies, as adversaries, in the same category, after all, as Putin and others like him. We must obviously not confuse the government of the United States and the American people, but we are now on very divergent paths. It is based on this that we must, I believe, react.

The fact that European institutions have been relatively silent until now, cautious in their expression, does not necessarily shock me. It's true that it's not a question of having flamboyant and very harsh speeches. The question is "what do we do concretely?" In the short term, Europeans, European institutions, are quite constrained, particularly by the war in Ukraine, especially if the Americans withdraw. Perhaps just a word on that: it is all the more important because, contrary to what is often said, I sincerely believe that Russia is losing this war. That is, the economic effects of the sanctions are becoming extremely noticeable on Russia, the currency is depreciating, the stock market is falling, oil exports are declining. Daily life is becoming increasingly difficult, despite everything, for Russians, and if we are able to maintain the effort, or even intensify it this year, we can still succeed in bringing Putin to his knees.

What is interesting in a way, but not necessarily a bad thing, is that the current European executive is probably one of the most Atlanticist we have ever had since the Treaty of Rome. Yet, it is this executive that will have to cut ties and adopt this new attitude towards the United States. Whether it's Ursula von der Leyen or Kaja Kallas, these are people who, until now, have rather fought against all ideas of strategic autonomy that some might have had, and who have rather defended a very strong and lasting alliance with the United States. It will now be up to them to build this strategic autonomy against which they have most often fought until now. This is not necessarily a bad thing because it is ultimately easier for very Atlanticist right-wing people to break with the United States than it would be for left-wing people like Borrell who are always suspected of being, *a priori*, anti-American. In fact, it's a rather classic figure in political life, the counter-employment that can work well. It was General de Gaulle, a conservative French right-wing general, who brought about Algeria's independence, not François Mitterrand or Guy Mollet; in fact, it was not left-wing leaders who did that.

So, if we have to confront the United States, what does that mean? We have tools to do it. The United States accounts for 29% of global consumption, which is considerable. But Europe is one and a half times the size of the Chinese market; even today, we have a market that remains indispensable for all multinationals, and for American multinationals in particular, on the issue of customs duties. We are not without tools to respond if necessary, insofar as the issue of customs duties is now a Community matter and does not depend on unanimity; a qualified majority is sufficient. Similarly, with regard to digital platforms, we have equipped ourselves with the DSA and GDPR, a number of tools that can be activated to try to curb Musk's interference or the fact that he allows Russian propaganda. The DSA nevertheless has a major drawback: it is the European Commission itself that is responsible for policing, not the courts, not an independent body; it can be subjected to rather active blackmail and it will be by Trump, Musk, and their American oligarch friends. Nevertheless, if it holds up, it has the tools to react. The other thing we can and must do, but this is almost independent of Trump and Musk, is that we really need to fiscally tackle American platforms, dumping, and what's happening in Ireland on the tax front, particularly with American firms. This is a permanent scandal that cannot last, especially in the current context. The difficulty, as you know, is that on taxation

issues, unanimity is required. Despite everything, I think we can exert very strong pressure on Member States.

Independently of this, the Commission has started using a very suitable tool: tackling tax havens, not from a purely fiscal angle, but from a competition angle, stating that with their excessively low taxes, they distort the internal market and that this is not acceptable. There have been back-and-forths with the European Court of Justice on this, but I think that now, the Commission has a good grasp of these tools and that is what needs to be done to avoid being overturned by the Court of Justice.

On the question of **defense**, we must obviously continue to make progress. I think, in particular, there is a slogan that has remained a slogan until now, but which urgently needs to become a very tangible reality: the issue of what is called the **European pillar of NATO**. Building this European pillar and linking it very closely with European defense institutions is a very urgent priority. I think Rutte seems very aware of these stakes and that we can make progress on this. The other element that is absolutely central and urgent, but which is ongoing regarding defense issues, is the **rapprochement between the European Union and the United Kingdom**, which must really accelerate. It is complicated on many subjects, but I think that on defense issues in particular, we should be able to make progress.

I would like to insist, to conclude, on two points. The **sinews of war** are always a question of money, and obviously, there is a problem here, but I think we can solve it. The problem is that, for now, in the face of the Ukrainian crisis, and even in the face of the considerable delay highlighted by the Draghi report on the technological front, the question of common debt has not been reintroduced into the European debate, or rather Ursula von der Leyen has dismissed the possibility of reintroducing the question of common debt into the European debate. I think it is absolutely essential to put this back into the European debate, because if we do not have considerable means to react quickly, both with regard to our delay and our technological dependence not only on China but also on the United States, and our delay and dependence on defense, not only against Russia but also against the United States, we will not succeed. For me, this is a truly central question: reintroducing the debate on common debt and on the European budget. You know, the European budget is 1% of the EU's GDP; even if we managed to double it, which is completely improbable during the next discussion, it would still only be 2% of GDP. This is not on the scale of what we would need to pool, both on the question of defense and technological catch-up, to get out of the current context, and on the other hand, it is far in the future, whereas we need things in the very short term now. That was the first thing, but the second is even more important in my eyes, and it is all the more important because we are not at all heading in that direction. In a world where we have Russia as an adversary on the Eastern flank, with China, and now in the West, people who are preparing to wage commercial war against us and use our dependence to bring us to our knees. Europeans have not understood at all for now that the only way out is to find alliances with what are called **global South countries**. So obviously, that means we must stop doing anything in terms of **migration policy**. We must abandon the suicidal policy of a fortress Europe. We must agree to put more money into climate to support developing countries in transition and adaptation; that means we must also provide resources to develop what is called **development aid** towards these countries, which has been lagging for decades on the reform of the IMF, the World Bank, and the UN Security Council.

If we want to have a chance to save multilateralism, the problem is that until now, and particularly regarding the war in Gaza, Europeans have done almost exactly the opposite of what should be done to move in that direction. They have deeply discredited themselves by supporting the Netanyahu government, they have deeply discredited our values, and this is reflected in what you see in the Sahel today, the advances of Russia, of China, in our immediate environment. The European countries that best know this environment, which could potentially lead the way, are notably France, because it has very old relations with Africa, the Maghreb, but it is

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totally discredited in that world. Today, it should be other European countries or European institutions that take the lead. The big difficulty I see is that today, particularly the countries of Central and Eastern Europe, which were completely cut off from the world for half a century, have no knowledge and a very weak understanding of what is happening south of the Mediterranean, what is happening in Africa, what is happening in the Maghreb, and it would be up to them, in particular, to play a driving role in this direction. I would add a final word that would please Joseph Borrell: the question of Latin America is more distant but also very important for us, because these people are traditionally also in somewhat complicated terms with the United States and are looking for alliances to avoid being "crushed" by them. In this context, and partly, they also have very important raw materials like lithium for the energy transition.

I also think, although I am French and in France this agreement has a very bad reputation, that it would be important to conclude and ratify the **agreement with Mercosur**. In the current context, we need allies against Russia and against the United States.

Georges Vlandas:

Thank you for this very detailed presentation. I will now open the floor to the audience and possibly intervene afterwards.

Matkovic:

 Hello, I work at the General Secretariat, at the Commission, and I am involved in the decision-making process. I was quite dismayed to see that for our new tool for planning, consultations, and the adoption of all acts that will come out of the Commission, we chose an American platform called **ServiceNow**. So I don't understand how we can get to that point today. My second remark is that I am surrounded by people who are gradually leaving WhatsApp for Signal, leaving Facebook for Mastodon, leaving ChatGPT for DeepSeek, which is Chinese, telling themselves that it would be better to be with the Chinese than with the Americans. This still requires a small sacrifice; is it useful, what do you think?

Guillaume Duval:

 Indeed, regarding **digital tools**, I think we quickly need to have European procurement policies, policies that encourage the creation and development of European players. It's true that today, this is not necessarily something that exists immediately on the market. France had launched a French artificial intelligence tool for national education called LUCIE. It withdrew it after one day because the results were absolutely catastrophic. It's true that today, we don't really have an alternative to ChatGPT or DeepSeek. I don't know your needs well enough and what alternatives there might be, but it's true that the fact that today, Europeans' data, European institutions' data, are in American clouds has become a **political risk**. After that, regarding social networks, the debate is very lively in France as well. In any case, as far as I'm concerned, I have remained on both Twitter and Facebook while also being present on Blue Sky, one of the possible alternatives. I think it's important to fight this battle on these platforms, not only individually but also collectively, through the regulatory tools we have and which must be used firmly, whatever the pressure exerted by Musk, Trump, and others on Europeans, on other subjects.

Virginie André:

Hello, I'm from the European Economic and Social Committee. I just wanted to say that besides ChatGPT and DeepSeek, there's the French **Mistral**, which perhaps should be supported.

Josiane:

Hello everyone. Regarding technological developments at the European level, it seems to me that we've waited a little too long. Now, is it catchable or not? We need to see with the new competitiveness policy if we can really do something; there's still a considerable delay to catch up on. Now, I think the brains are there and have the capacity. It's just also a question of how we finance the startup of these platforms. I don't think we're very competitive on that at the European level. Regarding the continued use or non-use of current platforms, particularly American ones, I am quite unconfident about what the eventual censorship on these platforms will become. Personally, I recently had a strange experience with a warning from Meta for criticising Trump or Musk on their platform; you have to be careful. When he says they no longer do "fact-checking," I think in fact, all of that is partly false, and they continue to "check" what suits them. Freedom of expression is not in all directions.

Person from DG EAC:

Hello everyone. Hello Guillaume. Thank you for this presentation. I obviously share your concerns; it's difficult not to have them. I'm also delighted to see the conclusion of your intervention on Mercosur. I also think, for my part, that agreements are absolutely necessary, beyond, of course, the existing limits, not only because we need partners, as you say, but because it's a framework, and we precisely need frameworks at a time when they are shattering. I wanted to ask you a question. It is neither a provocation nor a ridiculous question, but you must have seen recently that some political scientists, there was even an article in "The Economist," considered giving Canada a special status regarding the European Union. And I recall in this regard that the European Economic Area, in the past, created the status of, for example, an associated state. This doesn't seem like a stupid idea to me at all. I think we must be careful not to react too hastily to provocations, because it is largely about provocations, and we must react with responses that are much more structural and obviously more difficult to implement, but which are necessary. Personally, even if I didn't believe in it 20 years ago, I believe in it more and more: we need integration at different levels, considering the possibility of granting certain states the status of associated state could be, in my opinion, an interesting lever to consider from a political and economic point of view. What do you think?

Guillaume Duval:

There are several elements to the answer. The first is that one of the advantages of what is happening is that technological generations renew themselves quite quickly. It's indeed useless to try to catch up with the Americans on what is currently on the market. But there are reasons to believe that this will not necessarily be dominant in 10 years. We still have a lot of resources, as you mentioned earlier, the scientists are there, and it's time for us to do some **brain drain** ourselves. If the Americans are ahead on all these issues, it's not because of their efficient education system, because it's rather poor. It's because they are able to attract all the best brains in the world, Europeans in particular, to work in Silicon Valley. Many of these people are now asking very serious questions about staying and continuing to work in the United States. If we were able to have proactive policies to attract them and bring them back to Europe, I think we could catch up quite quickly with the Americans.

Canada is a very important question too and it also joins that of Mercosur because behind it, there is also the question of CETA which is still blocked, at least in part, particularly in France. We must indeed be proactive and reach out to the Canadians, including by buying fossil energy from them that they may no longer be able to sell to the Americans.

Jean-Claude Dardelet:

Yes, hello, we hear many business leaders, CAC 40 bosses, and recently Guillaume Faury at Toulouse concerning Airbus, raising an alarm signal saying that we don't need regulation, we need deregulation in Europe, and in a European Union fond of regulation where an act comes out every week. All these bosses evoke the decline in Europe's competitiveness and emphasise that this decline is accelerating, taking the example of the automotive industry. Globally, if we fail to deregulate like everyone else, if we fail to decentralise or, in any case, to speed up decision-making processes, to put funds where they are needed very quickly, we will be out of the game. This is a signal coming from many CEOs, more and more major bosses. I think we need to take it into account at some point.

Guillaume Duval:

On tax or social issues, but it's also true for regulation, if we want to please the big bosses and help them develop their businesses, which is very important, it is not to listen to them because they always defend their individual short-term interests, but this has the consequence of being very negative for their real medium-term interests. I know there is a great offensive for deregulation, to which the Commission is very sensitive with this "Omnibus" directive in preparation. We are witnessing a very astonishing operation: the Draghi report last autumn seemed to indicate that Europe was finally ready to adopt a proactive industrial policy with significant financial means. Six months after this report, nothing remains of the proactive policy and the financial means necessary to catch up with the Americans; that was swept away immediately. The only thing left is a major offensive of social, environmental, and regulatory deregulation for the protection of citizens and consumers. Today, if Europeans live on average three years longer than Americans, it is because we eat less rubbish, we have a less degraded environment, and we have a much better healthcare system. If we have fewer inequalities, if there are fewer gun deaths in Europe, it is also because we have stricter rules. Of course, there is bureaucracy to reduce, decision-making times to shorten; I think there are many ways to move in that direction and we must obviously do it, but to think that reducing social, environmental, and consumer protection regulations could boost innovation is completely false. It is regulations that precisely allow innovation to be boosted. It is when we force companies to invent new things to pollute less, to be more efficient because the cost of labour is high, that we innovate. If social low-bidding, environmental low-bidding, and regulatory low-bidding were the condition for innovation, startups would have been established in Bangladesh a long time ago, and to my knowledge, that is not the case. There are certainly things to change in terms of European regulation, but I think we need to be very careful. I know it's fashionable with madmen like Musk and Trump, but I believe that if we want to survive in the medium term, what is important is precisely not to follow the path of these madmen, including economically. We will see what Trumpism yields in the United States, but I would not be surprised if it were an economic catastrophe, a catastrophe in terms of economic dynamism and innovation for that country. I do not believe we have an interest in trying to follow them. I know that this is a very strong temptation today in European institutions. On aeronautics and space, there, I agree, there is a real problem. For the future of aeronautics and especially European space, it was an area where we had a certain lead, it was one of the rare areas where we had not had too foolish a policy in terms of competition, but we had not had a policy to build European champions, it is an area where we are losing ground. I believe that this is one of the areas where, precisely, the question of European preference, the question of the means we put to support industrial activities at the European level can and must play a decisive role.

After Airbus, it remains a complicated machine due to the complicated relationships between states, but I am not sure that deregulation is what they primarily need to develop. They need European orders. They need European states to support them more than other things, I think.

Gregor Schneider:

Africa is a big market that is opening up; we must be present, that is very clear. There are many individual initiatives from our Member States, and as you say, European institutions must take the lead, but now the question is: are European institutions capable of taking the lead, are we capable of taking this lead? Today, the EEAS's means and resources are being cut. The "Team Europe" approach is nice, it's a declaration we made, but does it really exist? If this approach needs to be intensified, are we capable of doing so with our institutions?

Georges Vlandas:

If you allow me, Guillaume, I would like to add another dimension: we are living in a crisis situation, and when there is a crisis, there are also solutions. Draghi could be a solution, but on the eve of the definition of the next MFF (Multiannual Financial Framework), we don't get the impression that we are going to increase the European Union's budget. The question that arises is Europe's response. We tend to consider it as something that enjoys absolute autonomy, whereas in fact, it enjoys relative autonomy compared to the Member States. The Member States are going through a political crisis and a social crisis, of which France, for example, and even Germany, are illustrations. And in this context, what about public opinion, what about the mobilisation of civil society and the intermediate bodies that reflect it? We get the impression, if we take the case of France, that the pro-European forces that would agree to go in the direction you describe are limited to a third of France or 40% of the electorate. Many people say they are convinced Europeans, but when it comes to making choices, convinced Europeans are paper tigers, as the Chinese used to say about American imperialism. We have a democratic mode of regulation, meaning that when we are on the eve of elections, history suspends its course. How could the articulation between action at the European level and rather dubious public opinions take place?

Guillaume Duval:

What is happening in Europe, and it's quite classic, and it always happens, is that all discussions around money, around the budget, in its various forms, always revolve around the question of how much I pay and how much I receive in return from European policies. The problem is that in an institutional game like this, the adjustment variable is always foreign policy because everyone knows how much it costs, but no one can say how much it brings to this or that Member State. And it happened again. I was indeed in the machine and I saw it during Next Generation EU. It was a very important step forward for the European Union. We borrowed 750 billion euros together to face the pandemic, but I don't know if you remember how the compromise was reached in the end. The compromise in the end was made because the "frugal" states accepted this loan in exchange for a reduction in the European budget for Europe's external action and a reduction in European defense policies, as if by chance. We are always confronted, and this is the background of what you just said about the situation of the EEAS and external action, with this difficulty of having a political agreement between states because it does not benefit anyone in particular to increase the Union's external action. However, it will have to be done, especially in the context I described earlier. One of the most interesting and important avenues, but it must go beyond a slogan, is what you mentioned about "Team Europe." That is to say, the European budget for external action as such remains very limited, very small, but if we combine all the development aid budgets of the Member States in particular and manage to effectively coordinate them, both in terms of projects and in terms of external action, we are in reality already a very important power in terms of development aid and all that goes with it. Simply, it is true that today, we still remain in a logic where each Member State wants, roughly speaking, to maintain control over its external aid budget, to maintain control over the projects it supports or does

not support, not to coordinate with its neighbours, etc... It's the same logic, by the way, in the field of defense; we must get out of this situation to coordinate our budgets which are important for each Member State.

But in any case, you are right to highlight this problem. We launched the Global Gateway in response to the Chinese. That was in 2023, I believe. Everyone unfortunately knows in Europe that it's completely eyewash, because there isn't really any additional money behind it. We've essentially "rebranded" projects that were already in the pipeline. This is precisely the kind of thing we would really need, but with real money. Since it's probably very difficult to do it with real budget money, it would have to be part of the money we borrow together to develop not only our defense, not only internal technological catch-up, but also to have stronger action outside the Union.

Georges Vlandas:

Thanks. Alexia reminds us in the chat that the EU and Member States are the leading providers of development aid in Africa.

Mireille Busson:

I work for DG JUST and I am French, and I would like to ask you two questions. First, should European action not monitor Member States' budgets more flexibly on investments and more surely on the functional budget? Because, clearly, we are in a period where we will have to invest enormously on all sides, whether it is in ecological transition, in defence, in research, and to ensure competitiveness and ensure that people can stay in Europe. My second question is: isn't there a risk of implosion at the European Union level, because states, obviously, like China, like Russia, and the United States will do everything to hinder the Union as such?

Guillaume Duval:

On the first question, this concerns the Stability Pact and the management of public finance balance within Europe. It is true that there was a missed opportunity in the last mandate. The reform of the Stability Pact did not bring substantial changes to the way national budgets are managed at the European level, and particularly to further promote investments in the future, investments in defense, investments in energy transition, etc. There remains a problem that is not easy to solve because it is an extremely sensitive issue for the frugal states, and it is in any case difficult to resolve because national budgets must not be allowed to drift either. One of the most effective and simplest ways to solve it would be to have common money for all these areas; we would have less hassle with managing the different Member States if we had more common resources, but I know that is easier said than done.

However, regarding what you say, there is still a difficulty. Most of the future investments that should be encouraged are not investments in the accounting sense of national accounting. Most of what should be encouraged are in fact operating expenses when we talk about education and research. This is not accounted for in investments in the classical sense of the term; these are state operating expenses. Much of what needs to be done, including in terms of energy transition, involves engineering and support expenses, which are in fact operating expenses. The simple idea that is often put forward is to say: "just be more flexible on investments and be tougher on operating expenses." In reality, this doesn't work because most of the investments we need are intangible investments that are reflected in national accounting as operating expenses.

On the risk of implosion, it is serious, it is permanent, and it is all the more important as we expand and increase the number of members. We will have to change the

operating rules of Europe and in particular succeed in eliminating the question of unanimity, notably but not only on the question of taxation, but also foreign policy and defense policy. So, I know that this is a very big subject because foreign and defense policy is the heart of national sovereignties, but what I have experienced for 5 years with Hungary blocking for months, the fact that we cannot disburse 6 billion euros to support Ukraine, or the fact that we have to wait two months to condemn electoral irregularities in Belarus, it is not possible for this to continue in the current context. We must manage to decide faster. I am not sure that this can take the form of the traditional qualified majority. For foreign defense policies, I think a super qualified majority will be needed, something tougher than today, or at least a rule that would apply, saying, it's unanimity minus one or two states. The internal blockages that can result today from the presence of Orban or people like him within the Union, we must manage to eliminate them.

Georges Vlandas:

Jean-Claude tells us in the chat: "little chance of incurring more debt for Brussels when the 750 billion from the recovery plan has no own resources for its repayment."

Guillaume Duval:

Yes, that's an excellent point, but what we can hope for, in any case, is that the question of repaying the debt incurred with Next Generation EU forces the issue of **own resources** back on the table for the next European budgetary cycle. But it's true that one of the blind spots in the 2020 negotiation was precisely this: that the question of own resources, which are indeed essential for repaying this debt, was not resolved at the same time.

Georges Vlandas:

So, next, there's a question from someone at the EUIPO: "Are we not abandoning democracy if we abolish unanimity votes?"

Guillaume Duval:

I remind you that unanimity votes, today, apply to a very small part of European decisions. It's an important part, since it concerns defense, foreign policy, and taxation, but all other areas are already under qualified majority. European practice will probably remain, in the future, that we don't vote. We seek unanimity and achieve a form of unanimity, but we succeed because everyone in the room knows that if disagreements persist, we will eventually go to a vote, and in that vote, if those who are against simply persist in being against and do not seek compromise, they will lose. But the fact that we have moved to a qualified majority in most areas of European action has not led to any particular state being marginalised. We continue to seek, and this is very good, broad consensuses that allow everyone to feel on board, but knowing that we can eventually have a qualified majority vote allows for this compromise to be reached, whereas in the unanimity system, there is an incentive *not* to reach compromise, meaning that every time Orban blocks, there is an incentive not to reach compromise. He needs to be given a few extra billions to unblock things. This is a behaviour, a way of doing things that is totally unacceptable and counterproductive.

Georges Vlandas:

Yes, and democracy isn't about agreeing on absolutely everything. Democracy, of course, is the rule of law and the foundation upon which we operate. But democracy

is also the right of the minority to express its views and defend its point of view. However, reducing democracy to what the minorities want is paralyzing. In any case, we don't operate like that, neither in Member States, nor in the various European parliaments, nor in trade unions, nor in political parties.

Marty:

Very briefly, some French industrialists feared that additional borrowing for defense would essentially go towards purchases from the United States. Are there any reflections in the discussions about this debt that Guillaume mentioned in his first point, to prevent this and allow a significant part of this money to go into investment in Europe and not into purchasing American equipment?

Guillaume Duval:

Yes, that's one of the issues that has largely blocked European support for Ukraine since 2022. It's a balance to be found, meaning that in the immediate future, European production capacities in various defense areas are largely insufficient to meet needs, particularly in the context of the war in Ukraine. We need to procure from outside, from Turkey, Korea, the United States. And there's no reason not to help states that want to do so, because there is no other immediate solution to have enough shells, enough tanks to deal with what is happening in Ukraine, with a Russia that has fully mobilised its industrial apparatus for defense production, also aided by North Korea, Iran, etc. At the same time, we must succeed in developing a European base independent of the United States, especially in the context I described earlier. We need to find the right balance and the right incentive tools to support the development of the European industrial base without hindering rearmament and aid to Ukraine.

Yves Caelen:

I have a question about the view of the liberal international world order shifting towards a return to mercantilism. How can a European Union, whose values are steeped in liberalism, continue to exist and survive in a world where fundamental values would change in this way?

Guillaume Duval:

Well, there are different forms of liberalism. What is very important for Europe is to maintain multilateral frameworks that work, despite the United States, despite Russia. I think we have many potential allies for this; all small countries in the world feel threatened in a context like this. As I said earlier, we must look towards the Global South, Latin America, but also Canada, and undoubtedly with a less moralistic approach than we have had so far. We must succeed in negotiating with India and with the Chinese, even if it is a terrible dictatorship. After all, Modi's India is not much more democratic today. The difference with Trump is that he wants to negotiate with everyone based solely on the balance of power. We, on the other hand, must negotiate to defend and develop international multilateral frameworks, including with people who, today, we don't particularly like, but who would agree to have international rules that apply everywhere in the economic sphere, but also in other areas.

Graziella:

Thank you for this presentation, Guillaume. We know that Europe today is quite divided regarding the international dimension; there isn't just a different vision among the various Member States, but there is also a different perception of the European Union within the Member States. I work in the field of migration, and sometimes we

hear echoes from EU ambassadors who are almost desperate, especially those working in African countries. They say that with our policy, we are giving Africa to the Chinese and the Russians. I believe that in the face of the Trump administration, Europe could have a card to play on the international scene. I would like us to develop a strategic approach that is not only focused on money. We need a strategic vision so that the money is well spent if we want to build a democratic vision.

Guillaume Duval:

That is indeed one of the key points, one of the hardest. If we want to reconnect with Africa, reconnect with the Maghreb, reconnect with many regions south of the Mediterranean, we must have a different migration policy than the one we have; we need to develop more significant channels for legal migration. I would also add that there is another problem that is psychologically and politically very costly and is not directly about migration. It's the **issue of visas**, especially temporary visas. That is to say, the attitude of France, French embassies, French consulates in Africa is a pure scandal concerning actors, singers, writers. It's almost impossible to obtain a visa from France to enter Europe for a two or three-week tour. It's the same for people who come to see sick relatives. It has become totally impossible, and it's truly a suicidal policy on the part of Europe which, as you rightly said, is selling, giving Africa to China and Russia. It's true that in the political context of France, Italy, and Europe in general, this is far from obvious, but I believe it would be part of a European leadership worthy of the name to speak frankly to Europeans and succeed in changing this, despite public opinion, for reasons of Europe's position in the world, but it's easy to say when you're retired and not in charge, I'm aware of that.

Georges Vlandas:

But speaking our minds and thinking things through is sometimes as important as acting. In any case, thank you for your contribution to the debate and also for your contribution to making GRASPE a tool for internal reflection within the European public services, which has existed for 25 years on a completely voluntary basis, and that is a unique case in the history of European institutions. Thank you to everyone, to all colleagues for your presence, good afternoon, and good work for European construction. Goodbye.

Artificial Intelligence at Work: Challenges and Issues

as Seen by an Occupational Health Lawyer

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Introduction

This discussion will address the **digital transition**, significantly accelerated by advancements in what is called **artificial intelligence (AI)**. The approach taken is a legal one, viewed through the lens of occupational health law. However, the digital

transition cannot be properly prepared without preliminary questions, particularly ethical ones. Asking the right questions leads to the right answers.

A first question relates to the economy, which, to be "healthy" itself, needs the workers who drive it to also be healthy. This also requires working conditions that allow people to stay healthy and perform well. A second question relates to the broad perspective needed to address the subject. The approach will be rather **holistic**, as the health-work system is part of a much broader environment, especially a digital environment that will influence these working conditions to the point of impacting the economy. Added to this are the spheres of economics, politics, demography, health, etc.[1]

This environment is also structured by **fundamental rights** of general scope and specific to work, which guarantee respect for human dignity, physical and mental integrity, the right to workers' health, and the protection of workers' occupational health. Besides international law, these rights are very present [and normally influential…] in the European Union. However, given the implementation of certain unregulated systems, one might tend to forget that these fundamental rights structure labour law and respect for occupational health. The Working Group on Business and Human Rights of the United Nations Human Rights Council, moreover, organised a forum from 25 to 27 November 2024, which brought together 3,000 participants on the negative impacts of business activities on human rights.[2]

This also refers to the **duty of care**, which the European Union strongly emphasises with the adoption on 24 April 2024 of **Directive 2024/1760**, which was preceded by a French law of 27 March 2017 on the duty of vigilance, introducing obligations for large companies concerning the negative impacts of their activities on human rights and environmental protection. Economic actors, such as multinational companies, do indeed have legal obligations under international human rights law. In addition, civil society plays a role in promoting the power and responsibilities of economic actors.

Greater involvement of civil society and socioeconomic actors in democratic processes becomes necessary to establish responsible governance. In other words, it would involve mobilising legal norms according to the theory of the "society of human rights" (i.e., the UN Guiding Principles on Business and Human Rights). Indeed, as human beings, and whatever their social condition, everyone possesses inherent, inalienable, and sacred rights. These rights are therefore enforceable in all circumstances against society and authorities.

The concept of human rights is by definition universalist and egalitarian, and incompatible with systems and regimes based on superiority. It advances human rights within society and in its human, social, economic, and natural environment. It thus goes beyond the carrot-and-stick model towards a model in which businesses produce more than just goods and services. The duty of care therefore aims to raise awareness of human rights and implement them.[3] Finally, it creates the conditions for implementing alert procedures. European Union law here expresses the conditions for necessary protection and a systemic thinking approach commensurate with serious and complex societal problems.

Protecting health at work, and therefore work itself, as the two are intertwined, is also protecting everything we have. Work produces all the material goods we possess; it supports the education system, the health system, the social security system, and the economy. However, we are facing dynamic and evolving transformations and crises, which, while testing them, remind us more than ever of the importance of the principles upheld by law in the field of occupational safety and health.

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[1] See Lerouge L., "Health at Work," GRASPE journal n°48
[2] https://www.ohchr.org/fr/events/sessions/2024/13th-united-nations-forum-business-and-human-rights
[3] Gregg, B. (2021). Beyond Due Diligence: the Human Rights Corporation. Hum Rights Re. 22. 65-89

It is therefore necessary to involve all stakeholders in a better understanding of where occupational health fits in and to **recreate meaning in work**. This necessarily refers to the role of social partners and collective bargaining. However, current work organisation methods have not abandoned their Taylorian dimension; worse, they adopt a forward-fleeing posture that only constantly intensifies work.[4]

Democracy at work fades away in this intensification at all costs, without considering the aspirations of workers in the organisation of work to regain control over their work.[5] However, when human beings interact and cooperate, fairness and egalitarian reciprocity lead to social justice.[6] At the same time, legal norms are able to influence our world by humanising and civilising it, making room for the diverse and contradictory aspirations that arise from work.

However, the **digital revolution** has brought about profound changes in working conditions and business organisation. As such, the development and use of information and communication technologies (ICTs) are likely to present real risks for employees who use them intensively. The risks are first and foremost **physical**. They result from prolonged exposure to electromagnetic fields, strong demands on vision, unsuitable gestures and postures for screens and keyboards, sedentary lifestyles, etc.

The risks are then **psychological**. Flexibility of use, instantaneity, changes in location and work rhythm, and constant demands are sources of strong psychological strain and an intensification of mental load. These risks are due to exposure to information overload, the blurring of boundaries between professional and private life, permanent availability and interactivity, task fragmentation, weakening interpersonal relationships, or even over-connectivity.

Connection demands are increasing and becoming permanent: email, instant messaging, social networks, social groups, proliferation of videoconference meetings, etc. Furthermore, **personnel management** is increasingly becoming an issue of **artificial intelligence** and **digital management**, raising ethical questions about the link between machine and human. Regulation therefore becomes necessary. This first involves the legal recognition of a **right to disconnect** (1). The digital transition is also embodied by the development of **telework**, which itself poses occupational health and safety problems, so much so that one can venture to speak of a "right to health in telework" (2). Finally, it will be time to shift to the core of our subject, that of **artificial intelligence at work** and the legal framework that remains to be built (3). All the consequences are not yet known; they are potentially staggering and weigh on the human being behind each worker.

The Right to Disconnect[7]

France was the first country to legally enshrine this right in 2016 (many countries have since integrated the right to disconnect, though not directly through EU law, which requires reference to Directive 2003/88 on the organisation of working time). The primary goal is to establish a right that, outside of working hours, allows employees not to respond to professional solicitations without fear of reprimand. Implicitly, the aim is also to respect working hours, especially the right to rest.

The **right to disconnect** is an opportunity to empower social partners by giving them space to negotiate on the subject. It is indeed important to give content to the right to disconnect [it is not enough to simply proclaim it!]: beyond respecting the right to rest, a link with occupational health and safety law is necessary. This involves, for example, the conceptualisation of **workload** and **mental workload** in relation to

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[4] Coutrot, T., Perez, C. (2022). Redonner du sens au travail. Seuil. Coll. La république des idées
[5] *Ibid*
[6] Selznic, P. (1961). Law, Society, and Industrial Justice. Russell Sage Foundation cité par Dukes, R., Streeck, W. (2023). Democracy at Work. Polity
[7] See Lerouge L., "Telework Law in Question," GRASPE journal n°49

objectives to be achieved and available working time. It is also obvious that flexibility in working hours does not grant an automatic right to remain connected at all times and in all places. On this subject, the regulation of technological evolution in work also requires taking **telework** into account.

The Right to Health in Telework

Again, social partners must be able to express themselves on the subject, but the European Union already has significant regulation[8] on this matter. French social partners have negotiated telework[9] twice, and **Ordinance No. 2017-1387 of 22 September 2017**, relating to the predictability and security of labour relations, redefined and made more flexible the legal framework for telework and its implementation procedures.

In French law, according to **Article L. 1222-9 I, paragraph 1 of the Labour Code**, "telework refers to any form of work organisation in which work that could also have been performed on the employer's premises is performed by an employee outside of those premises voluntarily, using information and communication technologies." Telework is understood as a right; it is performed "voluntarily." "Refusal to accept a telework position is not a ground for termination of the employment contract" (Article L. 1222-9, paragraph 15); it is therefore not an obligation. Furthermore, according to **Article L. 1222-10 2°**, the employer must give the teleworker "priority to occupy or return to a non-telework position that corresponds to their qualifications and professional skills and to inform them of the availability of any such position." All of this therefore implies a **principle of reversibility**, allowing the teleworker to return to their workplace if they wish.

Maintaining the principle of reversibility is necessary because, on the one hand, telework is a right, and on the other hand, telework does not necessarily suit everyone, and "all telework" is not necessarily good for health (musculoskeletal disorders, cardiovascular diseases, isolation, stress, workload, benefiting from good telework conditions, infringement of private life, work-life balance, surveillance, etc.).

While telework is inherent to the digital transition, teleworking must, however, mean access to the same rights as on-site workers and that **labour law and occupational health and safety law apply in the telework space**. This today implies legally defining or redefining what the **workplace** is: its contours and limits. Every place we frequent can potentially become a workspace. It becomes volatile, in motion, and virtual; we no longer know if a space is personal or professional. In this image, working time is also reconfigured.

We must learn to gather employee opinions, and learn to read scientific literature before implementing a new work organisation method that is permeated by technological evolution. For example (among others), before moving to "full flex-office," it is essential to first inquire about the limits of telework (principle of reversibility), take into account scientific literature on the benefits and harms of this mode of organisation, and prepare for periods of intense company activity that risk leading to a situation with more employees on the premises than available space, before implementing this type of organisation. However, very often, practice takes precedence over law (remediation of risk realisation) rather than adopting a proactive stance to anticipate and prevent risk realisation. This imbalanced relationship between practice and law (practice supersedes law) is likely to develop with the increasingly important place of artificial intelligence in organisations, which constitutes a kind of black box for law in terms of functioning and control of effects.

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[8] European Framework Agreement on Telework of 16 July 2002; Framework Agreement on the Digital Transformation of Companies, 22 June 2020

[9] National Interprofessional Agreement of 26 November 2020 on the successful implementation of telework; National Interprofessional Agreement of 19 July 2005 on telework

The Law of Artificial Intelligence at Work

The development of **artificial intelligence** now makes the impact of the digital transition on the organisation and division of tasks as significant as the industrial revolution. This evolution is accompanied by a reorganisation of the laws governing our institutions and leads us to reconsider our relationship with the machine.[10] Alain Supiot, as always, reminds us that "the collapse of the legal order today is a corollary of governance by numbers, which leads to submitting law to utility calculations, where classical neoliberalism subjected utility calculations to the empire of law." [11]

We agree with authors who warn about the dangers of a lack of control over technological development, particularly concerning **artificial intelligence**. We face real **ethical challenges**, and the answer to these questions can be found in the law. Ethics, in fact, primarily serve to govern action; they turn towards reality, which they try to bring order to.[12] They also aim to guide actors towards a "virtuous circle that takes into account both the individual and society as a whole"[13] by providing guidelines to legislators and judges.

It's crucial to bear in mind that the increasing sophistication of artificial intelligence is also a growing source of **all-encompassing control**. AI is increasingly integrated into work and represents a danger of enslavement to a management style that goes beyond "augmented management" towards "algorithmic management" devoid of discernment, empathy, and simply devoid of humanity. Physical control over the worker is now compounded by **cerebral control**.[14]

The questions are therefore ethical. The first, and a considerable one, is who controls these technologies and how to regulate them. This question is fundamental to avoid the biased development of algorithms that could lead to a **rollback of workers' rights**: the right to occupational health, the right to equality and non-discrimination, the exercise of trade union rights, and unionisation.

Another question is that of **data collection and its use**. Artificial intelligence can be coupled with facial recognition, geolocation, biometric data, the collection of biological data, and naturally with the collection of personal data. The management of a worker's life, whether an employee or a platform independent contractor, is automated from hiring to contract termination. The worker becomes transparent; they are scrutinised, controlled, and reified.

Yet, the computing power provided by AI can also be used for good. The division of tasks will change; the machine will be tamed and will collaborate. Computing power is the domain of artificial intelligence. Creativity and attention to others, empathy, are the domain of humans; their freedom must be preserved. We then return to the **principle of adapting work to humans** in the face of new demands for productivity and worker skills, as well as the loss of control over work that leads to the weakening of workers' health. The principle of adapting work to humans, built by Directive 89/391 of 12 June 1989, is the pillar that must not yield.

But in reality, the concept of **humanising labour relations** carries little weight in the face of new forms of work organisation that transform what had become the norm for work arrangements in industrialised countries. In this new environment, new companies, new types of workers, and new risk factors[15] are emerging. The emergence of new forms of work and the renewal of managerial strategies for

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[10] Supiot, A., « Le travail n'est pas une marchandise. Contenu et sens du travail au XXIe siècle », Revue internationale du Travail, vol. 160 , 2021, n° 1.
[11] Ibidem ; voir aussi Supiot A., La Gouvernance par les nombres, Fayard, 2015.
[12] Lamarque, P., « Quel rôle pour l'éthique ? », Legicom, 1996/1, p. 1.
[13] Barbier H.,« Intelligence artificielle et éthique », in Bensamoun A. ? Loiseau G. (dir.), Droit de l'intelligence artificielle, LGDJ, 2022 ? 2è éd., p. 11-38
[14] Supiot, A., 2021, op. cit.
[15] Benach J., Muntaner C., Benavides F.-G., Amable M., Jodar P., « Vers de nouvelles stratégies de prévention » in Le travail sans limite ? Réorganiser le travail et repenser la santé des travailleurs, rapport de la conférence BTSSALTSA, Bruxelles, 25-27 septembre 2000, p. 31

mobilising employees, valuing "soft skills," initiative, and responsibility, all involve **subjective involvement in work**.

Henceforth, subjectivity appears as "consubstantial with the act of work, just like the state of techniques and the organisation of social relations."[16] By leasing their labour in a contract, even before their know-how, humans put their most precious capital at the disposal of an employer: their **health**.[17] This fundamental and primordial good must be protected in its entirety.

It would therefore be a matter of reconfiguring **prevention**. The adaptation of work to humans comes from **ergonomics**. Paul Albou defines the adaptation of work to humans as an "integrated set of complementary disciplines."[18] It involves compiling knowledge from the exact sciences to acquire knowledge about work that can promote the adaptation of work to humans.

But beyond the question of this principle, there are questions of a legal and social nature. The first is that of **collective representation**. In the digital transition process, in addition to the question of maintaining the work collective posed by telework, AI — for its part — disrupts the employer's decision-making process in which employee representatives participated through social dialogue and collective bargaining. It is then more difficult for representative action to influence the course of things in the face of algorithmic management.

This also poses a serious problem of democracy, and we return to the question of **freedom**. [19]"This freedom is also expressed in the unconditional respect for human integrity and dignity. It means being able to freely exercise one's autonomy of judgment, to decide freely and consciously on one's actions, to benefit from parts of oneself shielded from the gaze of others, or not to be continuously reduced to a mere commodity." [20]Thus, in its resolution of 12 February 2019, the European Parliament stresses that "developments in the field of AI can and should be designed in a way that preserves the dignity, autonomy, and self-determination of individuals."[21]

This attack on dignity occurs on two levels: the **dignity of the employee**, but also the **dignity of the employer**. This dignity lies in their ability to make decisions, to exercise responsibilities (and assume the consequences) — to exercise power — their primary manifestation. However, algorithmic personnel management has paradoxical consequences for employer power. On the one hand, it strengthens it by giving it an unquestionable basis, as it is shaped by the strictest, purest, and closest approach to truth. But, at the same time, it is the very negation of the employer's power who, by abandoning themselves to the algorithm, organises its disappearance.

It will certainly be said that the power delegated to AI is still in the hands of the delegator. But this delegation is an abandonment when the employer cannot exercise any real control over the activity of their digital delegate. Artificial intelligence is considered infallible and effectively dissolves employer power. Indeed, this power no longer takes shape through discussions or challenges that AI thwarts.[22]

Could the solution not come from giving humans power over the algorithm? The first step is to maintain a **right of appeal** against an algorithmic decision at all costs. Such an appeal would be examined by humans. In other words, human judgment must persist. Therefore, the second step is not to completely delegate the decision to artificial intelligence precisely so as not to be at the mercy of the decision delegated

[16] Billiard, I., Santé mentale et travail, l'émergence de la psychopathologie du travail, La Dispute/SNEDIT, 2001, p. 7
[17] Fargeas R., « Un responsable d'entreprise », Projet, 1976, n° 108, p. 909- 912.
[18] Albou P., L'Homme au travail, Les relations humaines dans l'entreprise, Dunod Entreprise, 1991, p. 19.
[19] Source : https://www-lexbase-fr.docelec.u-bordeaux.fr/articlejuridique/54565895-lexbase-social-n-802-du-14-novembre-2019
[20] Sadin E., La vie algorithmique. Critique de la raison numérique, ed. L'échappée, 2015, p. 23.
[21] Résolution du 12 février 2019 sur une politique industrielle européenne globale sur l'intelligence artificielle et la robotique, JORF 23 déc. 2020, C 449/37.
[22] Verkindt P.-Y., Intelligence artificielle, travail et droit du travail, in Bensamoun A., Loiseau G. (dir.), Droit de l'intelligence artificielle, LGDJ, 2019, p. 300.

to an automated system.[23] The **right to algorithmic verification** then comes into play by judging the designer and/or user incapable of explaining the algorithm's functioning.[24]

We then return to the meaning of work. It is about opposing a lack of coherence, the difficulty in grasping the meaning of a decision imposed by the algorithm and now AI. Positively, it is about working on the **identity and relationship of the person to their work and their work environment**, which must not be dissolved by the implementation of artificial intelligence.

Conclusion

It is becoming urgent to **reinject fundamental rights** into the process of technological development in work, because they serve as benchmarks and safeguards capable of answering a number of ethical questions. For example, considering a **right for workers to inspect their data**, but also a **right to control if they are being monitored without their consent**. In other words:

Awareness: Data collection and AI systems must be made known to employees, even if the employee could not ignore their presence.

Transparency: Devices must not be clandestine, and their operating modes must be known and accessible to all, including trade unions.

Privacy Protection: Devices must not excessively infringe on employees' privacy.

Data Access: Workers must be able to access their data under the GDPR.

Informed Consent: Workers must have been informed of the purpose of the collected information and the AI. If privacy infringement is assessed by the judge based on the principle of proportionality, this must be strictly applied and well-regulated to avoid a situation that would no longer be controlled with regard to a right that remains fundamental.

It is also possible to consider the possibility for **labour inspectors** to verify whether this right granted to employees is respected, or even to question the employer about these systems, or even to make it a subject of social dialogue. This demonstrates that law can be the guarantor of the **meaning of work** in the face of the behemoth of technological transition, the automation of management, and to preserve the expression of workers.

Their participation and the balance of power must be guaranteed, as their voice can be undermined by the preference given to return on investment, which AI or the shift to all-technological solutions promise investors. It's about maintaining awareness of our own vulnerability to **take care of others at work**. The question is therefore not only ethical but also **democratic**.

European Defence: The Union Can and Must Do Better

GRASPE Conference, 6 February 2024, with Olivier Jehin

I often hear – and it's partly true – that European defence has made enormous progress and is well on its way. In reality, the glass is half full. In other words, still and always half empty. And when it comes to defence, the right question to ask is whether we can be content with half. Or, to put it differently, with an incomplete

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[23] Sadin E., op. cit.
[24] Adam P., [Actes de colloques] Colloque 'TIC et Droit du travail : quels enjeux ?' organisé à l'Université de Lille le 8 octobre 2019 - Droit (du travail) et intelligence artificielle, Lexbase Social, novembre 2019, n°802

doctrine, capability gaps, "bonsai" armed forces – to borrow a very realistic expression dear to Sven Biscop – shaky procedures, disparate acquisitions, fragmented industries, limited production capacities?

And the answer is No. Clearly No, because security is the indispensable framework for the functioning of democracy, the foundation upon which our economy rests, and the stage on which our societies unfold. No, more than ever, in the world we live in. A perfectly unstable world, where crises follow and pile up, where competition is fierce, where predators lurk and take advantage of every opportunity. Where cannons thunder. And kill! At this stage – a few days before the second anniversary of the invasion of Ukraine – Putin's war has already caused more deaths among combatants than the number of French soldiers who fell in battle during the Second World War.

I will quickly paint a picture of what has changed and what has not evolved. In a second part, I will try to outline the major challenges we face, and I will conclude by suggesting ways to address them, including through the defence industrial strategy and the EDIP programme, which is in its final phase of development.

Progress and Regrets

A quarter of a century ago, the ESDP (European Security and Defence Policy) was born in Cologne, and I vividly remember its first faltering steps: the arrival of the first uniforms at the Schuman roundabout, the long succession of micro-missions and operations, delivered by forceps, the incomprehension that the irruption of defence then aroused in certain Commission circles, even during the preparation of the two 2009 directives, and for some, even concerns about a militarisation of the Union. And, regrettable as it may be, it must be acknowledged that the second invasion of Ukraine in eight years changed the game. After 24 February 2022, defence became the flagship subject of all institutions and all meetings. To such an extent that defence news is not only incessant but has become a topic covered daily by general media. But talking is futile; we need to act.

This is happening, but in dribs and drabs! Let's look at this through a few examples:

Defence spending. According to the European Defence Agency and its Defence Data 2023, defence spending by the twenty-seven increased in constant prices by 6% between 2021 and 2022, reaching a total of €240 billion, and it increased further last year. The figures are not yet known, but we can reasonably expect a volume of around €265 billion. And it will continue to increase in 2024. Germany alone will spend €71.7 billion this year when aggregating the ordinary budget and the *Sondervermögen*, thus reaching for the first time the NATO target of 2% of GDP.

All of this is obviously moving in the right direction. But, on the one hand, we cannot catch up on 30 years of massive underinvestment in defence by increasing budgets by 6% per year. Neither in two years, nor in ten years. Especially since this "progress" must be analysed in light of the 2% of GDP target for defence. To achieve it, the Twenty-seven should have spent not €240 billion in 2022, but €316 billion. Worse, the gap between observed spending and the 2% target widened, from €68 billion in 2021 (2% of the GDP of the 26 participating EDA states was equivalent to €282 billion) to €76 billion in 2022. And if there is progress, it is in a scattered order: in 2022, only eleven Member States exceeded or approached the 2% target. The other sixteen remained far behind (Germany, Bulgaria, and Italy at 1.5%; Denmark, Portugal, and Sweden at 1.4%; Czechia at 1.3%) and even very far (Belgium, Spain, and Slovenia at 1.2%; Netherlands at 1.1%; Austria and Luxembourg at 0.8%; Malta at 0.4%; Ireland at 0.2%).

Finally, investments are increasing, but a considerable part of the budgets continues to be swallowed up by personnel and infrastructure costs, which are fully experiencing inflation. Common acquisitions and mutualisation are making little

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progress, and four-fifths of acquisitions are off-the-shelf purchases from outside the Union, as a study by Jean-Pierre Maulny showed.

Production capacities. One of the major reasons for these non-EU purchases is the lack of availability. Clearly, the order books of European manufacturers are full (they export on average 40% of their production to third countries), and they have drastically reduced their production capacities since the end of the Cold War. For example, there is now only one tank manufacturer in Europe, Krauss-Maffei Wegmann, which produces five Leopard tanks per month and could increase its capacity to ten by the end of 2024. This is just one example among others of a problem that the Commission, under the impetus of Thierry Breton, became aware of last year, with the objective of reaching an annual production capacity of one million munitions and missiles per year. This objective has been met, he happily announced last week. This remains unverifiable but is nonetheless plausible for several reasons: production was not too far from this target, and in this sector, some companies have made investments or had capacity margins, notably by increasing rates. The Commissioner has already set a new objective: to be on par with Russian production in one year. With Russian production probably around 1.5 million units, the objective is realistic, knowing that production infrastructure modernisation projects to be financed under the ASAP regulation should be launched in the coming months.

Capability gaps. I was fortunate to have a kind of sabbatical for a few years (especially during the pandemic), but upon my return to the European bubble, I was forced to note that the capability gaps had not changed, whether it concerned surveillance and reconnaissance means, space capabilities, communication systems, command and control capabilities, strategic transport, or even anti-aircraft and anti-missile warfare. The latter is an area where the French fought with all their might in 2023 against the European shield project proposed by Germany and joined to date by twenty other European countries.[25]

Military aid to Ukraine. Who would have thought that the Union would one day be able to finance, through the European Peace Facility and, from the Community budget with the EDIRPA regulation, military aid to a neighbouring country at war? Yet, this is indeed the case today. Nevertheless, there are many problems. First, the aid in question (€28 billion to date, according to Josep Borrell)[26] varies greatly from one state to another, which leads Germany, which bears the largest share, to demand that others do more. But this also illustrates the reality of inventories. And it largely explains the low volume of aid from countries like France, but also why, together, the 27 have only managed to release 330,000 shells and missiles from their stocks in 2023, compared to the one million per year promised to Ukraine.

Through a dubious calculation based on aggregated data mixing order volumes, budgeted commitments, and intentions, the High Representative last week managed to assure that Ukraine will have received 1.1 million munitions by the end of December 2024, that is, and assuming this is indeed the case, after 21 months instead of 12. However, the promised million was not originally chosen for its symbolic nature. It corresponds approximately to half of Russia's annual munitions consumption and thus made it possible to illustrate the burden-sharing of aid with the United States and other partners.

The trickle of aid is not limited to munitions alone; it is also compounded across the entire spectrum of equipment by a second fundamental problem for Ukrainians: the resulting patchwork. With an immediate lesson for ourselves, it is urgent to reduce the number of systems and platforms in circulation, because in the absence of

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[25] The initiative brings together 23 countries in total in 2025

[26] Military aid to Ukraine significantly increased in 2024. In total, the EU and Member States are said to have provided nearly €50 billion in military aid since February 2022, according to the draft White Paper on Defence, in circulation mid-March 2025.

interoperability and interchangeability, the multiplication of logistics and maintenance chains will be a major problem for our armed forces.

Five Major Challenges

Europeans face five major challenges: unity around clearly defined priorities; identification of our interests; the ability to defend them; the need to change our mindset; and societal resilience.

1.   **Staying united.** The 21st century will not give us any freebies. It is marked by a challenge to American hegemony, which is compounded by a challenge to the international order born after the Second World War. As Twenty-Seven, we weigh demographically less than half of China or India. The conflicts and instability in our neighbourhood, predators like Russia, multiple authoritarian regimes like China, hybrid attacks, information and opinion manipulation, uncertainties weighing on the future of the transatlantic relationship, from next November as again in four years: all should encourage us to close ranks. This requires recognising that we have three major strategic interests that must be pursued as a priority by all institutions and all Member States: **rearmament and defence**; the **transformation of the economy and society** to take into account technological developments (particularly with AI and quantum computing); and the **fight against climate change** and adaptation to its consequences.

2.   **Assuming our interests.** We have common strategic interests, particularly in the three priority areas I have just mentioned. We must define them clearly and stand by them. Foreign policy is based on interests. Values, however beautiful, are secondary. We must stop lying to ourselves. Of course, Russia's aggression against Ukraine, attacks on civilian infrastructure, and the deportation of children go against international law and our values. Of course, Ukrainians are fighting for their freedom, but they are also fighting to defend their lives, their homes, and their land. Democracy and elections do not seem to be their first priority at the moment, and that is understandable. The military aid we provide them has nothing to do with the rule of law and democracy. It aims to stop Putin. The overall aid from the Twenty-Seven (€85 billion, to which the €50 billion from the new Ukraine Facility will be added) aims to maintain the functioning of the Ukrainian state, to rebuild what has been destroyed, to anchor Ukraine, and allow it to join the Union, because it is in our interest.

3.   **Equipping ourselves to defend our interests.** Through a truly common foreign policy and its pursuit by other means: defence. In foreign policy, this means that common strategic interests cannot tolerate any national diversion. In defence, this includes rearmament in terms of capabilities, but also the establishment of all doctrines, structures, rules, and procedures that allow them to be implemented. This is what NATO does for collective defence, and what the Union collaborates on, for example, through work on military mobility. It is also one of the development axes of the EU's future rapid deployment capability. At the Member State level, urgent reflection is needed on the system to be put in place to ensure mobilisation in case of war, as recently recalled by the Chairman of the NATO Military Committee, Dutch Admiral Rob Bauer. This is also the meaning of the reflections of the German Minister of Defence, Boris Pistorius, on a possible return of military service.

4.   **Moving away from the "arsenal" logic.** This expression comes from Thierry Breton and it perfectly suits certain industrialists, particularly French ones, who have only one obsession: preserving their incestuous relationship with the state that provides them with funding, orders, and export support. This logic manifested itself twice in 2023. First, when Dassault and MBDA opposed the regulatory component of ASAP, and second, when the same companies, joined by Naval Group and Thales, blocked the ASD's draft contribution to the Commission's consultation on the industrial strategy (EDIS) and the investment programme (EDIP). [27] Dassault, this time alone like Orban, even refused any attempt at compromise. And unlike the Hungarian, it carried its logic to the end, forcing the entire sector to submit only a

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[27] Initial designation. We now refer to it as the **European Defence Industrial Programme**.

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watered-down text to the Commission in early January 2024. The French aircraft manufacturer thus opposed (1) any extension of the EDIRPA regulation, (2) any extension of the ASAP regulation's duration and/or to other equipment, (3) any increase in the funding of the European Defence Fund, (4) any outline of the future European investment programme EDIP, and (5) the establishment of defence consortia (EDCC) to meet common needs of several Member States. This "anything but the European Commission's interference in defence" unfortunately seems to be shared by certain national administrations who fear losing their prerogatives. This was shown last June by the blocking of the regulatory component of ASAP by about ten countries, including France, Germany, Poland, and also Greece.

5.   **Developing society-wide resilience.** Defence is not solely the business of the military, as the Chairman of the NATO Military Committee recalled in mid-January 2024, calling for awareness across society as a whole. This is also the meaning of the call made a few days earlier by the head of Swedish defence, who urged Swedes to equip themselves with radios, batteries, and other torches to have a minimum of essential supplies. In an interview with the *Stuttgarter Zeitung*, General Hans-Lothar Domröse, former commander of NATO Headquarters in Brunssum, now retired, noted at the end of January that in his city of Oldenburg, with 180,000 inhabitants, there was no subway to seek refuge and only two disused old bunkers. And they are not wrong: if the worst – an armed attack on our territories and cities, in this case – is never certain, it is better to be prepared for it. A tiny virus showed us recently that our health services, stripped bare by a neoliberal accounting logic, could be overwhelmed and face shortages of everything, from simple masks to thermometers. Efforts have been made to strengthen the resilience of critical infrastructure to hybrid attacks. But it is indeed the resilience of society as a whole that must be developed.

Solutions Exist

So, what should be done? Taking into account what I have just explained and the avenues outlined by the Commission's services in the consultation on the EDIS industrial strategy and the EDIP investment programme, I foresee eight lines of action.

1.   **Consolidate the Union.** What has just happened during the two-stage approval of the mid-term review of the multiannual financial framework shows us that, despite the unanimity rule, a single state cannot block the collective if all others are united. This means, on the one hand, that the Union can succeed in functioning even with the flaws of the current treaties if the stakes are sufficiently high and, on the other hand, that a revision of the treaties is possible. Without going so far as to jump to a system whose sole qualifier remains taboo, a few modifications, including the extension of qualified majority voting, the transparency of all legislative processes in the Council, and a strengthening of the role of the High Representative and the EEAS in effective coordination of external action, should be possible.

2.   **Ensure the loyal cooperation of Member States.** The Union will never be taken seriously if it exposes its disagreements on the international stage. It is astounding that a Member State can delay another's accession to the Atlantic Alliance. Or that individual behaviours and bilateral agreements can weaken the collective. Loyal cooperation should be more clearly defined and fully apply in the field of external relations. Failing a modification of the treaties, the European Parliament could at least consider establishing a special committee, modelled on the one already set up for external interference, to monitor all bilateral negotiations likely to harm the interests of the Union.

3.   **Money is the sinews of war.** Defence funding in the MFF was clearly insufficient. Credits for military mobility have been exhausted. The additional €1.5 billion that has just been granted in the MFF review is minuscule. Commissioner Thierry Breton has displayed an ambition of €100 billion for defence during the next Commission mandate, mentioning the use of Defence Eurobonds. This is an avenue that deserves to be explored.

4.   **Strategic catalysts.** A number of major strategic platforms are inaccessible to Member States individually. This is the case of the **aircraft carrier**, which is a tool for projecting power, with a dual utility, operational and diplomatic. Provided, however, that at least five of them are held, and therefore all the capacities of five carrier strike groups. Holding only one, even a nuclear one like France's, makes no sense: not only can it not cover all the world's seas alone, which reduces its deterrent interest, but it is regularly unavailable for maintenance periods lasting six to twelve months. Beyond this emblematic example, there are many other strategic catalysts. This includes a vast array of **space capabilities and strategic transport**, whose acquisition, ownership, and maintenance could be mutualised, either through common acquisition by Member States or a group of them, or through acquisition by the Union for the benefit of Member States.

5.   **Joint acquisition consortia or common acquisition, ownership, and maintenance.** This is one of the ideas submitted for consultation by the Commission's services. These could be granted a VAT exemption. This is the only lever available to the Commission – provided that Finance Ministers agree – in the absence of a budget envelope of the size desired by Thierry Breton. One condition, however, seems indispensable for this to make sense: the objective must clearly be to increase interoperability and interchangeability for munitions and spare parts, meaning that the minimum number of participating states should not be less than five.

6.   **A form of European preference can be justified in certain cases**, provided it is clearly framed. It is regularly demanded by the French, even by Dassault, but perceived by other Member States as an attempt to impose French equipment. In my opinion, it remains legitimate in two cases: (1) when it concerns a capability acquired with European funding by a group of Member States or by the Union in the case of strategic catalysts; (2) when equipment has been developed jointly for joint acquisition by a group of Member States, because its adoption by others would automatically extend the interoperability and interchangeability developed by the pioneering group. A "Buy European Act" applied in these two cases would serve both the development of cooperation, common standards, interoperability, and the European defence industrial and technological base.

7.   **Common rules.** With semantic delicacy evoking "priority orders" and rules offering Member States several levels of intervention, the Commission had unsuccessfully proposed, within its ASAP proposal for supporting the strengthening of munitions and missile production capacities, an emergency regulation mechanism guaranteeing that orders for Ukraine and for the replenishment of Member States' stocks would be given priority. Such a requisition framework remains necessary. Even if the European defence industry remains fragmented, supply chains are increasingly often cross-border. And rules are necessary both to ensure the availability of components and to prevent priority from being given to exports to third countries in case of urgent need of a Member State. This must go hand in hand with a facilitation of transfers that the 2009 directive did not allow.

8.   **A Resilience Directive.** We could draw inspiration from the recent German security strategy to develop a European framework for **global societal resilience** involving all levels of government and all sectors of activity, down to the citizen themselves.

Where Are We a Year Later?

The text of this conference given in February 2024 deserves an update, even if most of what precedes remains valid.

The Sense of Urgency

The arrival of Donald Trump in power has profoundly changed the situation, generating a new sense of urgency due to both his attitude towards Ukraine and his

attacks on Europeans, whether concerning remarks about the annexation of Greenland, prospects of a trade war, or the questioning of Article 5 of the Washington Treaty. Concerned that the United States might negotiate the future of Ukraine and Europe's security architecture alone with Russia, Member States, particularly France and the E5 group, as well as the United Kingdom, are multiplying meetings.

Ursula von der Leyen's "Rearm Europe" Plan

The President of the European Commission announced on 4 March 2025 a new plan called **"Rearm Europe."** This plan provides for activating the derogation from the rules of the Stability Pact for defence spending. Member States would thus be able, the Commission affirms, to spend an additional €650 billion on defence, including through borrowing, without this leading to an excessive deficit procedure. Also planned is a loan instrument of up to €150 billion, secured by the Community budget. This instrument will allow states that wish to and meet certain conditions (common acquisitions guaranteeing better interoperability) to benefit from more favourable interest rates. In addition, there are measures to simplify regulations for defence industries via an **Omnibus regulation** to be presented by June 2025 and the mobilisation of unused cohesion fund credits.

Friedrich Merz's Bazooka

In parallel, and this is a true "game changer," the CDU/CSU, the SPD, and the German Greens have agreed, since Friday 14 March, to modify the **debt brake** enshrined in the German Basic Law. The agreement provides, in addition to the establishment of an extraordinary envelope (*Sondervermögen*) of €500 billion for infrastructure and climate transition (€100 billion out of €500 billion), for the **exemption of all defence spending exceeding 1% of GDP** from the application of the debt brake. In addition to a major economic stimulus effect of around €2,000 billion over ten years, this true "big bang" in defence will allow Germany to spend around €100 to €150 billion annually on its defence, with the potential effect of making Germany the leading military power in Europe in the medium term.

Not Everything Is Settled Yet

More than a year after the presentation of the EDIP defence industrial programme, its examination by the Council and Parliament has still not been completed. And its adoption will probably not take place before the second half of 2025. The idea of European preference has progressed, with Trump's help. But it is not yet a done deal, as evidenced by the current blockage of the EDIP programme at the Council's Industry working group level. Finally, the White Paper on the future of European defence, in its version available in mid-March, before its scheduled adoption on the 19th of the month, contained no proposals capable of organising this so-called European defence, which for the time being is nothing more than a patchwork of national defences.

THE MOTHER'S REVOLUTION:

Israeli & Palestinian women building bridges in a divided land

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Introduction

'Since my childhood, I lived with Jewish and Muslim friends… I believed something good could happen if we really thought about it. But then, as I grew up and learned about the Nakba, I was angry. I didn't want to talk to Jewish people anymore. Years later, after meeting Jewish women at university who helped me, something inside me changed. I knew peace was possible, and I wanted to be part of making it happen.'

These are the words of Hyam Tannous, an Arab Christian from Haifa and an active member of Women Wage Peace. She is not alone. Across the divide, women on both sides of the Israeli- Palestinian conflict have reached the same realisation: peace is not an abstract dream, but an urgent necessity. And if governments are unable – or unwilling – to bring an end to the cycle of violence, then women will step forward to demand it.

Numerous peacemakers have despaired while trying to bring a non-military solution to solve this seemingly insolvable conflict, but grassroots movements are on the rise in the region. Two of these, Women Wage Peace in Israel (WWP) and Women of the Sun (WoS) in Palestine, have emerged as beacons of hope in one of the world's most entrenched conflicts. Their goal? To fight for coexistence, dignity, and security for all and the inclusion of women in negotiations. Their approach? Inclusivity and determination.

The latest war has propelled these movements onto the global stage, gaining them unprecedented international recognition. Their efforts – once dismissed as utopian – have now been nominated for the Nobel Peace Prize for a second consecutive year.

Unlike many other peace initiatives, WWP and WoS are led entirely by women, from all sectors of society, across different religions, ethnicities, and political perspectives. They do not claim to have a ready-made solution for the conflict. Instead, they emphasise the human aspect of peace-building, advocating to be involved in direct negotiations between their respective governments.

In the past decade, they have joined forces to launch The Mother's Call, an international initiative demanding an end to bloodshed. They continue to organise marches, demonstrations, and cross-border dialogues, refusing to be silent.

But at the heart of these movements are not just policies, organisations, or political statements. They are real people – mothers, daughters, activists – who put their safety on the line every day to demand a different and better future for themselves and their loved ones.

Who are the women who refuse to accept war as fate? What drives them to wake up each morning, despite hopelessness, to knock on doors, organise protests, raise funds, speak out publicly, and demand change – even at the cost of their own security?

Through the voices of four courageous women – two from each organisation – this article will take you inside a world where peace is not a distant fantasy but the only way forward. We will explore their origins, their goals, and their evolution, the challenges they face – not only from the opposing side, but within their own ranks and communities, political landscapes, and even their own families.

We will also delve into the role of women in peace processes. Do women truly bring something different to the table? While female participation in mediation teams and peace processes is rather recent, their impact is promising. Women's involvement marks a higher rate of success and longer-lasting peace.[28] One often-cited example

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[28] Studies of the UN Women and the Council on Foreign Relations show that between 1992 and 2019, women made up only 13% of negotiators and 6% of mediators in peace processes. When women are involved in peace processes, agreements are

comes from Ireland, where women's involvement was a game changer.

And finally, since we are in Europe, some might wonder *what's in it for Europe*. Why should the EU care? How important is the EU in the mediated peace process? What can they bring to the table?

In a world where war dominates headlines, these women dare to dream for a better future. Who are these women?

4 women and 4 million signatures

Reem, Angela, Marwa and Hyam could never have met. They live in Deheisha, Tel Aviv, Bethlehem and Haifa. They come from different backgrounds, communities and socio-economic realities. And most importantly, they come from opposite sides of a conflict that has been ongoing for the last 75 years – one that has recently reached unprecedented levels of death, destruction, and infamy.

However, as women, daughters, mothers, they have more than ten children and for their children they have dared imagine a better future, a future where no one has to fear for their security and life.

These children, the future, are often the main source of their strength, motivating them when times are tough, when hope and faith in peace become elusive and seem to slip from their hands.

These four women share a resilient hope in humanity and an unwavering faith in a better future for their children. Their conviction that women have an essential role to play in resolving the ongoing conflict, combined with their quiet yet powerful inner strength, is deeply inspiring. Speaking with them leaves one with the feeling that the world can indeed be a better place, that everything can be resolved and that it is not all about oil, territory, weapons, ideology, religion and extremism. They assure us that there are still many people who believe in peace.

Marwa Hammad

Marwa, 40, is the first I speak to and the youngest of the four. She comes from Bethlehem; she was born there and has lived there her entire life. Her face is open and fresh, radiating kindness and hope. Her tone matches her appearance, soft-spoken yet firm. She knows what she stands for and is not about to give up.

'I realised that if we, as women, didn't stand up and say, "Enough is enough," then who would? I wanted to turn my pain into purpose, to be part of a movement that says no to war and yes to a better future – one where our children can grow up without fear.'

Angela Scharf

Angela, 67, was born in Vienna and studied political science, Middle East studies, and Arabic at Hebrew University in Jerusalem. For her, the fact that the two peoples would have to share the territory was always evident.

'From the very beginning, I had the feeling that if you want to live in Israel, you need to live with both communities, understand both communities, and build bridges between them. There is no other way.'

After a career in textiles and years of living abroad due to her ex-husband's role as a French diplomat, Angela returned to Israel in 2016. It was then that she discovered WWP and rekindled her first passion, politics.

'I joined one of their marches and was immediately struck by the energy – 20,000 women, Jews and Arabs walking together. It was so powerful. That was the moment I realised I couldn't just stay on the sidelines. I had to get involved.'

35% more likely to last at least 15 years because they address social, economic and political factors such as education, human rights and justice reform beyond the ceasefire period. A major review marking 15 years of Resolution 1325, shows that countries with higher women's representation in government and security forces are more stable and less likely to relapse into conflict. It also shows that women's participation in post-conflict governance leads to more democratic and inclusive policies.

Her motto is simple: 'Don't be pro-Israel. Don't be pro- Palestine. Be pro-peace!'

Hyam Tannous

Hyam is the eldest of the four and, as she puts it, 'the bridge between all of them', a role not always easy as she explains. 'It is very difficult. There's the weight of the occupation, and the pain the Palestinian community carries. Building trust is a constant challenge. Sometimes, I feel like I'm carrying the pain and expectations of both sides, trying to lift morale and create space for dialogue. '

A Christian Arab from Haifa, Hyam grew up in a multicultural environment, playing with both Arab and Jewish friends.

'From my earliest memories, I lived among Jews and Muslims. I had two wonderful neighbours growing up—Miriam, who was Jewish, and Selma, who was Muslim. We were just happy kids, playing together. I still remember waiting eagerly on Fridays for Miriam's mother to bring out the hamin, and on Saturdays, Selma's mother would serve fresh hummus. It was such a beautiful time.'

But Hyam's journey to peace activism was far from linear. As she learned about Palestinian history and the Nakba, she became filled with anger, going through years where she refused to interact with Israelis. It wasn't until her university years, while studying counselling and psychology, that she began to heal.

'Empathy is understanding – even the man who killed your father,' her teacher once told her. 'At the time, I was shocked. I said, "Never!" But over time, I understood what he meant. It's about breaking the cycle of hate.'

Her turning point came at the height of the second Intifada, during a trip to Auschwitz organised by a dear friend of hers who was a priest. The visit, that brought together Jews, Muslims and Christians, forever changed her perspective.

'I remember standing there, surrounded by Jews and Arabs, all crying. In that moment, we spontaneously hugged each other. I told myself, "I will do everything I can so that something like this never happens again."'

Reem Alhajajra

Reem, 43, the founder of Women of the Sun defines herself as a granddaughter of the Nakba but also recalls the days 'before [the Israelis] built the Apartheid wall in 2000', when she would regularly travel to Israel. She deplores the ever-growing gap between the populations since then.

'I live in Dheisheh Camp, where around 16,000 people live in less than half a square kilometre. It's overcrowded, and life there is tough. The new generation born after 2000 has never known the Israelis beyond the wall. They don't know there are individuals who may want peace on the other side. They only see settlers and soldiers. This deepens resentment and fuels growing anger between generations. I didn't want my children to be trapped by the same limitations. I wanted to break out of that victim mentality – not just for myself, but for other women, too.'

Reem founded WoS because she saw that Palestinian women needed more than just economic support – they needed a political voice.

'We are the ones who pay the highest price in this conflict, but we are also the ones who can bring change. We want peace. We want our children to grow up safe, and I believe it's women who can make that happen.'

Reem explains that 'economic empowerment is key to political freedom. Women's financial independence is a key to peace. If they are economically free, they can be politically free.' She adds that she did not want to be a victim. Therefore, she 'started to work outside the box and think practically: how can we give women political freedom?'

Children, their source of strength

Children play a pivotal role for these women in their peace- seeking journey.

'We are working for a common goal together with our partners Women of the Sun for a better future for our children and the next generations,' explained Angela during our talk.

For Marwa, motherhood is her biggest motivation. She says you don't have the luxury

to hesitate or give up when you are a mother.
'You can't just stay in bed and hope everything will be fine – you have to get up, for your children…. Taking care of myself and my people, means I'm also taking care of my family's future.'

Reem has a similar view; her children directly influenced her decision to make a change and found WoS.
'My children are my biggest source of strength. When I first started WoS, they were the ones who were most affected by the changes in my life. But they also became my strongest supporters. They understood what I was doing and why it mattered – not just for our family, but for our whole community. And as they supported me, it had a ripple effect.'

Hyam recalled with emotions the day her sons realised her contribution to peace. It was at her husband's funeral. Her husband always had faith in her and supported her actions even though he did not always share her opinions, and she realised how crucial that support has been over the years.
'He'd say, 'I have my own views, but I believe in you. Follow your way. Do what you believe in.'
It took longer for her sons.
'They heard these women tell them, "You have a wonderful mother. She's making history." My sons were shocked. They came to me and asked, "Mama, all of this – you've been doing all of this? Why didn't you tell us?" I said, "Because you didn't believe in me. Why would I tell you if you didn't believe?" But now, they do. It took a long time, but they finally believe in me. They believe in what I'm doing. They understand now that there is no other way. We have to do something for the future – for their children.'

Challenges and obstacles from the community

However, support from home and from within their community has not been a given. Each woman has faced harsh criticism from within their own families and larger circle of acquaintances. Friendships have been strained, families divided, and accusations thrown their way.

Though strengthened and supported by their children, the process has been far from easy. Each has told me about the hostility they have faced within their own community.
Hyam has been called out by members of her community often finding herself questioned and isolated for her involvement with WWP.
'I belong to the Arab society, and one of the hardest parts is that many people in my own community don't believe in what I'm doing. They see me working with Jewish women and say, "You're crazy. What's the point? Nothing is changing. There's still no peace. The struggle is over there, and you're doing nothing – it's just blah, blah, blah."'

Angela has been branded a traitor for her activism.
'It's very divided – both within my family and my circle of friends. Some of them are really supportive and impressed by what I'm doing and what we, as a movement, are accomplishing. But there are others with whom I struggle to even have a conversation. They are saying we are traitors. We are working against the government, which is not really true, because we are simply calling on the government to start negotiations.'
And Reem and Marwa have not been spared criticism and resistance from their communities.
Marwa explains the delicate line she has to walk:
'Some people in our community see peace-building as a sign of weakness or fear that engaging in dialogue means compromising our rights and identity as Palestinians. It's a delicate balance. We have to show that seeking peace doesn't mean giving up the struggle for justice. Instead, it's about finding a way to achieve it

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without continuing the cycle of violence.'

Reem says she has been accused of normalisation, a charge that in some circles is seen as bordering on treason. Yet, she remains undeterred:
'In the Palestinian community, some people see what we're doing as normalisation – and that's a very sensitive issue. But that doesn't stop us. I always say to them, "If you have another solution that will stop the bloodshed we're living in, just bring it."'
For Hyam it is crystal clear, she doesn't want 'mountains of dead' and speaks with raw honesty:
'I don't want to keep hearing from my Palestinian friends that another sister, brother, or cousin has been killed or imprisoned. And I don't want to see another of my friends lose a son. The son of my friend was killed. It tears me apart. I feel split into two – one part Israeli, one part Palestinian – and it's so difficult, so difficult. I know the Jewish people, they have an enemy. The Palestinians have an enemy. I don't have an enemy. I love both peoples. I see them trapped in this bloody cycle, and I just want it to end.'
Reem feels the same and says that 'when Palestinian and Israeli women sit together and really talk, we all say the same thing: "We don't want our children to die." That's our strength. That's what brings us together.

' **Empowering Women as a Catalyst for Change**

Bringing them together is ultimately what both groups believe will be a catalyst for change.

'To achieve our rights as Palestinians, we should sit at the negotiation table as women,' said Marwa. For, 'if you educate a woman, she will educate her family, her community, and beyond. That's the change we're working towards – from the bottom'.

Her sentiment is echoed by Reem who says that when she meets Israeli women and they talk about their feelings, she finds 'the same pain, the same fears. They don't want to sacrifice their children either. Women tend to think in terms of humanity and simplicity, more so than men. And that is where the real hope lies. That is our strength. That is what brings us together.' Angela also highlights the importance of having women at the negotiations table, explaining that, 'we're not only asking for the two sides to sit together and start negotiations, but also for women to be at the table. History has shown us that conflicts resolved with the inclusion of women last longer and are more comprehensive.'

Moments of Connection and Hope

Sometimes, even small but powerful moments happen. Like when a mother shares her story – about loss, about fear – and how she was raised to see us [Palestinians] as enemies, 'and we, in turn, see them [Israelis] as occupiers. But sitting there together, we realise we're both just mothers. We're humans…. I'm not asking people to suddenly love or hug each other. But at least, we can stop killing one another.'

What unites these women, beyond their words, is more than just their exhaustion from decades of never-ending violence and the tears they've shed for every loss. It's their unwavering faith that peace is still possible, their unmatched capacity to see beyond ideologies and borders, and their belief in hope.
Or as Reem says: 'It is with hope that you can have peace.'

Women Wage Peace & Women of the Sun: A United Front for Peace

Over the years, Angela Scharf and Hyam Tannous from WWP, alongside Reem Alhajajra and Marwa Hammad from WoS have met through their respective organisations, united by the common goal of making the region safer. Through practical steps, such as calls, marches and other endeavours, they have learned to know and respect each other, to recognise and acknowledge the pain of the other, to rally their communities and the world to help them bring the warring parties

back to the negotiating table.

While both organisations share the ultimate common goal of achieving peace, they were founded years apart, each in response to specific events that marked turning points in their lives or in their communities.

Origins of WWP and WoS

WWP was established in 2014 by Israeli women, during the Operation Protective Edge in Gaza that brought the frontline to the centre of the country, sent millions of Israelis to bomb shelters, and resulted in significant casualties in Gaza. This war also marked a significant increase in online violence and incitement.

WoS was founded in 2021 by Reem Alhajajra in reaction to the disproportionately heavy price paid by Palestinian women and children in the Israeli-Palestinian conflict and her conviction of the urgent need to amplify women's voices at the negotiating table and more generally in Palestinian political decision- making.

Neither group is politically affiliated, allowing for women from across sectors to join. WoS intentionally distances itself from political funding, to maintain some autonomy and avoid external pressure. WWP embraces the entire spectrum of Israeli society: Jews, Arabs, secular, orthodox, Mizrahi, Ashkenazi, Russian immigrants and even settlers.

'What we're doing is building bridges between the Jewish and the Arab society inside Israel, and also between the Israeli and the Palestinian society. Together with our Palestinian partners from Women of the Sun (WoS), we're working to develop a new language, a new narrative. And this is our important message, that we move away from the shaming and the blaming. We're trying to stop the "you did this to me" and "I did this to you" kind of thinking and have women sit together,' explained Angela.

Both organisations are grassroots movements and have grown organically since their creation. As their names suggest, they are women's groups, although, as Reem points out, it doesn't mean that no men are involved. 'We can't split our lives from men, we live together, we raise families together, but we need men to be supporters, not leaders, in this work,' she explains.

They stand out for having succeeded in being among the few Israeli and Palestinian organisations that worked together before the outbreak of the current cycle of violence, and remarkably, they have maintained their partnership.

Together, they have organised meetings, marches, and events, and together they have been nominated for and received numerous awards in recognition of their collaborative efforts.

In March 2022, they sealed their partnership with the **Mother's Call**, their joint call for peace. It took the groups nine months to write it, painstakingly going over every word and comma to ensure it matched everyone's vision. In December 2024, the women issued a joint statement calling for an end to the war, release of hostages, rebuilding of Gaza and implementation of UN resolution 1325. 'The violent struggle and the ongoing cycles of bloodshed will not lead us to security, freedom, or peace, only to more pain and suffering.'

Women Wage Peace (WWP) and Women of the Sun (WoS) have made significant strides individually and collaboratively in promoting peace and empowering women in the Israeli- Palestinian context. Here is an overview of each organisation's main achievement within their own community first, and together.

Main Achievements of Women Wage Peace (WWP)

When WWP was founded, they had a modest number of members who would gather weekly to protest the war and demand a political solution to the conflict. By May 2017, WWP counted more than 20,000 members, and today they are about 50,000 members, plus support groups in 13 countries around the world.

Through their **inclusive approach**, they have managed to engage in dialogues

across divides and prompt trust and unity among women from all walks of life.

As Hyam told me during our conversation, *'After that trip [to Auschwitz], I helped develop a book on narratives and how sharing personal and collective stories can help bridge divides. I [It is now used to] foster understanding and dialogue.'*

In 2016, they organised their first **March of Hope,** which gathered over 30,000 women, including 3,000 Palestinians. Over a period of two weeks, participants marched from various locations across Israel, converging near Jericho. On October 19, approximately 4,000 Israeli and Palestinian women began the final leg of the march. They were 20,000 outside the Prime Minister's Residence in Jerusalem, where they demanded a political resolution to the ongoing conflict. Hyam tells how this event was a catalyst for her to join the movement.

'One day, I was watching TV, and I saw a beautiful rally of about 5,000 women – Jewish and Palestinian, in traditional garb walking together in the desert. Oh, my God. It was breathtaking.

I asked one of my close friends, who is Jewish, "Who are these women?" She told me, "Hyam, these are women from Women Wage Peace. I think you should be there." I agreed with her and decided to meet them. Not long after, they came to Haifa to hold a workshop, and I went. It was love at first sight – both ways.'

In 2019, they spearheaded a legislative initiative, **Political Alternatives First Bill**, which demands that Israeli decision- makers exhaust 'all political and diplomatic avenues before resorting to military options' and makes a point of emphasising accountability in conflict resolution.

Another massive project involved working on the social fabric through… fabric! **Piece-for-Peace/Quilt Activism,** literally brings people together one square of fabric with messages of hope at a time, stitching all the pieces together in one gigantic quilt that connects Jerusalem and Ramallah.

Main Achievements of Women of the Sun (WoS)

WoS had about 3,000 members by October 2023, with 2,500 in the West Bank and 500 in Gaza. Today there are about 5,000 members, 500 of them in Gaza.

With a focus on empowering Palestinian women across the West Bank, Gaza and even the diaspora, WoS advocates for stronger participation of women in the political process. They also work to improve women's access to education and economic independence. WoS directly challenges long-established internal societal norms. It aims, in the face of all the struggles and obstacles, to change the reality of women facing systemic discrimination and poverty, particularly those in marginalised communities such as refugee camps.

'As Palestinian women, we are often the ones paying the highest price in times of conflict. We focus on protecting ourselves and our community, but in a way that opens a new path – different from what some in our community are used to. And that's okay,' says Marwa.

In times of conflict, they play a critical role in providing essential humanitarian supplies in the West Bank and in Gaza. The range of products, from food to menstrual or baby care products, is supplied through their **Aid and Trauma Programs**. During the current conflict, WoS managed to provide essential items to more than 50 families in Gaza and financial support to families in the West Bank impacted by the war.

They have also launched community trauma-healing programmes and have established **WhatsApp support groups** for women who are victims of violence.

Joint Achievements of WWP and WoS

The strength of both groups, and what makes them stand out in the current climate, is their ability to work together. It is their main appeal outside the region. Since October 7th, their voices have grown far beyond the borders of the conflict, but their collaboration preceded the conflict.

In March 2022, the two organisations sealed their common objectives during a ceremonial signing of the Mother's call, a joint declaration calling for peace, freedom, equality, rights, and security for their children and future generations.

Written in Hebrew, Arabic, and English, it appeals to leaders on both sides to start immediate negotiations with the inclusion of women. Through its simplicity and sincerity, the message has had global resonance and fostered empathy and solidarity. It has received wide international support and visibility with celebrities and high-profile people signing the document, including Pope Francis and Meryl Streep.

Their aim is to gather 4 million signatures. The number was chosen for several reasons: it symbolises the estimated number of mothers in Israel and Palestine, connects to the biblical reference of the four matriarchs, and represents the collective strength of women advocating for peace.

The last major event held between the two groups took place on October 4th, just three days before the Hamas attack and the start of the war. On that day, thousands of women from WWP and WoS, including diplomats and public figures, gathered at the Dead Sea with one message: 'We, Palestinian and Israeli mothers, are determined to stop the vicious cycle of bloodshed and to change the reality of the difficult conflict between both nations, for the benefit of our children.'

Speaking at the event, Reem said, 'the journey to peace is long and full of challenges'.

Beyond the large-scale events they have organised together, the groups currently run programmes addressing shared challenges, such as the environment. Initiatives like **Women Building Bridges (WBB),** funded through the Nita M. Lowey Middle East Partnership for Peace Act (MEPPA) grant via USAID, have played a crucial role in strengthening cross-border ties and fostering dialogue between Israeli and Palestinian women. However, as of today, the future of such grants is now uncertain. Together, the movements have succeeded in amplifying their impact, which has earned them international recognition. Their founders have been honoured in prestigious lists, such as BBC 100 Women (2023) and Time Magazine Women of the Year (2024).

In the last two years, they have been nominated for numerous awards and prizes:

- **Nobel Peace Prize Nomination (2024 & 2025):** Recognising their collaborative efforts in peacebuilding, WWP and WoS have been co-nominated for the 2024 Nobel Peace Prize by the Centre for Peace and Conflict Studies at the Vrije Universiteit Amsterdam for the second year in a row.
- **Hillary Rodham Clinton Award (2024):** The Georgetown Institute for Women, Peace & Security honoured WWP and WoS with this award in October 2024, acknowledging their dedication to promoting peace and women's leadership.
- **The Albie Award (2024):** Presented by George and Amal Clooney, this award recognised the courageous efforts of WWP and WoS in advocating for justice and human rights.
- **Günter Wallraff Prize for Press Freedom and Human Rights (2024):** Awarded in Germany, this prize honoured the innovative cooperation between WWP and WoS in peace-building and promoting human rights.
- **DVF Awards (2024):** Reem Alhajajra and Dr Yael Admi were recognised for their leadership and collaboration in seeking peaceful resolutions to the Israeli-Palestinian conflict.

Through their unwavering commitment, both organisations continue to inspire hope and advocate for a peaceful and equitable future in the region.

Inspiration from Women in Northern Ireland

The situation between Northern Ireland, Great Britain and the Republic of Ireland is different from the Israeli-Palestinian conflict, but there are parallels to be drawn and used in the search for a resolution, especially with regard to the role of women.

We spoke with two women in particular – Monica Mc Williams and Jane Morrice ¯ two main drivers of the Northern Ireland Women's Coalition (NIWC).

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Monica Mc Williams was one of the two women of the Northern Ireland Women Coalition in the negotiations that led to the Good Friday Agreement. She was a member of the Northern Ireland Assembly. She is an emeritus professor at Ulster University, a feminist, a peace activist and a human rights defender.

Jane Morrice is a Northern Irish journalist who helped implement the Good Friday agreement. She was a member of the Northern Ireland Assembly and the former Head of the European Commission Office in Northern Ireland.

The Northern Ireland conflict dates to the 12th century following the arrival of the Anglo-Normans in Ireland, and spans centuries of religious reformations, exploitation, displacements of the local population, attacks and wars between the local and external armies and struggles for Irish independence.

In the late '60s and early '70s, inspired by the civil rights movement in the US, protests flared up in Northern Ireland against discrimination in housing, employment and voting alongside internment in prison without trial, predominantly against the Catholic population. What became known as 'the Troubles' between unionist/loyalist and nationalist/republican paramilitaries, the British army and the Royal Ulster Constabulary continued for a period of 30 years until the ceasefire in 1994. More than 3,500 people were killed and 40,000 were injured, many of whom were civilians.

During this period, women played a key role in both Protestant and Catholic communities. They organised across political divides and worked together to keep their families safe. As they became the breadwinners, they were sustaining livelihoods, which led to their increased participation in the public sphere. By the mid 1970s, centres for women's empowerment were developed across the country. Women were also at the forefront of the peace movement known as the Peace People, winning the Nobel Peace Prize in 1977.

Following the 1994 ceasefire, negotiations began between the British and Irish governments leading to the elections for the Forum for Political Dialogue in 1996 which in turn led to delegates being chosen for the Multi-Party Peace Talks. This particular electoral system opened the negotiation process to a number of previously excluded players, including the Northern Ireland Women's Coalition.

The Role of Women in the Good Friday Agreement

Women seized the opportunity to be directly involved in the negotiations, responding immediately to the government's declaration for Multi-Party Talks. Jane Morrice remembered that when she announced to her husband that they were creating a women's party, he asked her: 'What would you think if I decided to launch a men's party?' She told him if all those who represented Northern Ireland in Westminster, Strasbourg and London had only been women for the previous 20 years, she would help him to redress this imbalance. He understood the message and joined her efforts.

NIWC started to recruit women from both sides with experience in community work, cross-community activities and the women's movement. Most of its members had personally felt the impact of the Troubles in their own lives, families and communities, including Jane Morrice who felt she had to be engaged for the sake of her son's future.

During their campaign, rather than focusing on constitutional issues they raised the problems that women faced in their daily lives: insecurity, loss, persecution, repression, integrated education, the lack of a future for the next generations.

They had no membership restrictions: one could maintain membership in existing political parties and be a member of NIWC. They ran a truly grassroots campaign and used all the resources of their personal networks. Jane Morrice remembered that they were climbing lampposts, knocking at doors, challenging the traditional politicians. By their presence and their campaign, they also impacted women's political participation in other parties which began to recruit more women representatives. They succeeded in getting elected, and Monica Mc Williams and

Pearl Sagar were selected as the two delegates to represent the NIWC at the peace table.

They built a coalition based on inclusive political dialogue. They did it by getting to know each other and by being sure, as Jane Morrice insisted, that there was no hidden agenda.

According to Jane Morrice, they were not a single voice and had a political platform that crossed the community divide in Northern Ireland representation. They were able to find common ground by embracing three principles: inclusion, equality and human rights. It was not an easy process: coming from different backgrounds, cultures, and beliefs, they had to understand different perspectives and find an agreement without losing their identity. As Jane Morrice explained, they were playing out all the issues of the negotiations among themselves, like a microcosm of the peace process. They had to take positions on a number of very thorny issues such as the release of prisoners, reforms to policing and criminal justice, and a future Bill of Rights for Northern Ireland (for which Nationalists were in favour but Unionists were against). They worked through the issues based on their principles of inclusion, equality and human rights. Despite their disagreements, they managed to speak with one voice. They built strong relationships with the other parties and played an important role as facilitators and mediators.

Not everything was smooth for the women involved in the negotiations: they experienced a steep learning curve for understanding the rules and procedures. And as Jane Morrice pointed out, they were often ridiculed by other parties as outsiders who shouldn't be at the table. Politicians didn't hide their disdain for them, telling them to go back to their kitchens. But when people saw how women were treated, they became even more supportive.

Despite successes such as changing the language of the agreement with gender-sensitive provisions; the recognition of victims' needs; the establishment of a Civic Forum[29]; the need for future reconciliation, an integrated education where children could share in their learning together (Jane Morrice recalled this was a provision she personally added with the other women present in the room to the agreement), shared housing to tackle the segregation, the needs of young people and community development, the rights of women to full equality and equal political participation, equality for all, not only between Irish and British, but for those specified as having been discriminated against based on disability ,ethnicity, sexual orientation and gender.

Monica Williams regretted that there were some issues they didn't manage to get into the final document, such as reform for a more inclusive electoral system or a peace and justice commission to deal with the legacy of the past. Following the signing of the Agreement, the NIWC participated in the elections of the Northern Ireland Assembly and both Monica Mc Williams and Jane Morrice were elected. In 2003, it lost its two seats and in 2006, NIWC was dissolved and many of its former members returned to civil society and continued their cross- community work.

The work of these women inspired United Nations Security Council Resolution 1325, adopted in 2000, recognising the impacts of conflict on women, their role in conflict prevention and resolution and lasting peace. The key provisions are participation of women at all levels; protection from gender- based violence; prevention to address the roots causes of conflict; and, ensuring gender perspectives in conflict prevention strategies and inclusion of gender perspectives in post-conflict relief and recovery.

Constituting 50% of the population, women's participation is crucial for the success of and sustainability of the peace process. Because of their traditional role in society, women are well placed to collaborate, empathise and promote reconciliation. They have strong community ties and their affiliation ensures trust and ownership by the people. As we have seen in the case of Northern Ireland, they bring other issues to

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[29] A consultative body designed to provide a platform for civil society groups offering advice on social, economic and cultural issues (similar to the European Economic and Social Committee in Brussels).

the agenda and try to find an agreement through consensus building. During conflicts, women's traditional roles have changed dramatically and their active participation in the peace process can lead to radical changes in their status and role in society.

What Role for the European Union and its citizens?

The conflict in the Middle East affects not only regional stability but also security, migration patterns, and divisions within the EU. International support has always been crucial in conflict resolution but becomes even more relevant when peace makers do not have support in their own countries. The current US-only focused stance of American foreign policy in this moment also provides an opportunity for Europe to take a greater diplomatic role in the Middle East peace process. As one of the main actors supporting a two-state solution, Europe could enhance its role as mediator and offer safe spaces for dialogue among different parties. Already an economic actor via trade with Israel and support to the Palestinian territories, Europe could leverage its support to encourage civil society participation, and specifically women's participation, in the process of reconciliation and stability.

What Europe Can and Should Do

Europe must actively work towards a just and equitable resolution of the conflict based on international law, including UN resolution, human rights, humanitarian principles, and the active participation of women in negotiations.

Practically, this can be supported in many ways, including:

- *Funding civil society such as WWP and WoS so they can implement leadership programmes and exert more influence on political decisions.*

'I believe that, in every country, there are people on the right and on the left, but peace should be something everyone agrees on – no matter their political views. Europe can play a stronger role in supporting peace movements and grassroots organisations that work directly with communities.' — Marwa

'I'll tell you something that shows how successful we are and how the EU can help us further. When we give women economic opportunities – whether through small business projects or other initiatives – it's not just about empowering the women themselves. It's also about involving their children and families. When children help their mothers with these projects, they stay busy. They're not out on the streets, where they might get into trouble, like throwing stones or engage in risky behaviour, because they will not have free time. Instead, they're focused on something constructive – maybe even thinking about how to help their mother's project grow bigger. The EU can support us by helping fund these kinds of projects – both economic and political. This would give more women the freedom and confidence to sit at the table with Israeli women and have real, meaningful conversations.' — Reem

- *Recognising the work of civil society and peacemakers publicly and loudly*

'I think success is key. The more successful we are, the more people will believe in what we're doing. That's why, in recent months, the recognition we've received from around the world – through awards and prizes – has been so important. It shows our community that our work matters, that people beyond our borders see the value in what we're doing. This kind of acknowledgment serves as free publicity – it helps spread the word about our mission.

'When people in our community see this global support, they begin to realise that we're on the right path. It encourages them to support us, too. It also helps us gain more funding and resources, which lets us run more projects, raise awareness, and reach more people.' — Reem

- ***Amplifying the Mother's Call Petition***

Circulating and gathering support to reach the goal of 4 million signatures, demonstrating broad-based international support for peace efforts. Political leaders could sign the Mother's Call publicly as a show of support.

- ***Mobilising a Critical Mass for Peace***

Developing a bottom-up strategy that engages both women and men in demonstrating the existence of an alternative movement committed to peace, distinct from polarised pro-Palestinian or pro-Israeli positions.

- ***Taking part in local support groups***

To strengthen their efforts and give them visibility, support groups are forming worldwide and in several European countries, including in Brussels. Their role is to raise awareness of Women Wage Peace (WWP) and Women of the Sun (WoS) by acting as amplifiers for their actions on the ground.

'The feedback we've been getting, especially from abroad, has been incredible. All this international support really keeps me going.' — Angela

- ***Advocating for Political Action***

Implementing a top-down strategy by lobbying European politicians to play an active role in peace negotiations, leveraging all diplomatic and policy tools at their disposal. This could include advocating for making economic and diplomatic aid conditional on respecting peace initiatives and ensuring women's participation in negotiations.

- ***Combatting polarisation in Europe*** by investing in education and intercultural dialogue, preventing this conflict from further dividing our societies.
- ***Providing safe spaces for dialogue***, especially when war makes it impossible for 'normal' meetings among allies to take place.

'After October 7th, it had become nearly impossible to meet face-to-face, so I approached ambassadors for help. The Swedish ambassador was the first to say yes. He offered his residence and hosted a roundtable for 20 people – six from WoS, six from Women Wage Peace, and eight ambassadors from different countries. It wasn't easy to get the permits for the Palestinians to attend, but we managed.' — Angela

Conclusion

The testimonies from Women Wage Peace, Women of the Sun, and the Northern Ireland Women's Coalition illustrate the profound and transformative impact that women can have in peacebuilding efforts. Their involvement not only reshapes the priorities of peace negotiations but also redefines the very nature of these processes.

Women bring to the table an expanded and holistic perspective on conflict resolution – one that prioritises human rights, justice, reconciliation, health, education, and social cohesion. These issues, often overlooked in traditional peace talks dominated by political and military concerns, are essential for building a durable and just peace. However, their impact extends beyond the content of negotiations. Women's peace movements often transcend divisions by building bridges across political, ethnic, and religious lines, fostering dialogue, and crafting unified platforms that challenge the status quo.

Due to their deep-rooted connections with civil society, women are able to organise large and influential grassroots movements. They leverage existing networks and longstanding community engagement to address not only political and security concerns but also the social and economic needs of those affected by conflict. This unique positioning allows them to serve as mediators and advocates for inclusive, people-centred peace agreements that prioritise long-term stability.

The case of Northern Ireland stands as a testament to the power of women's activism. Women's leadership in the peace process demonstrated that by organising and advocating for inclusive dialogue, they could challenge entrenched political structures and contribute to a more sustainable peace. Their success has set a global precedent for gender-sensitive peace processes. Similarly, the adoption of UN Resolution 1325 was a landmark achievement in recognising the necessity of women's participation in conflict resolution and post-conflict reconstruction. Yet, despite this formal recognition, the implementation of the resolution remains uneven. Women continue to be underrepresented in peace negotiations, and many governments fail to enforce policies that ensure meaningful and effective inclusion.

Women's participation in peace processes is not merely a question of equality – it is a matter of effectiveness. Research has consistently demonstrated that when women are involved, peace agreements are more comprehensive, sustainable, and inclusive. The presence of women at the negotiating table leads to agreements that address the root causes of conflict rather than merely brokering temporary ceasefires. However, persistent political, cultural, and structural barriers continue to limit women's full participation. For organisations like Women Wage Peace and Women of the Sun, and for their international supporters, the challenge is not only about securing women's seats at the table – it is about ensuring that their voices are heard, and their influence is substantial in shaping the future of peace.

Moving forward, it is imperative that international support, financial resources, and accountability mechanisms be strengthened to turn commitments into tangible change. The global community must take concrete steps to ensure that women's contributions to peace processes are recognised, institutionalised, and protected. This is particularly crucial in today's climate, where polarisation, hatred, and violence threaten to derail efforts towards sustainable conflict resolution.

In practice, support means amplifying the Mothers' Call petition to achieve the goal of four million signatures, providing financial support, mobilising a critical mass for peace to build a powerful grassroots movement and advocating for political action by lobbying EU institutions and politicians.

Our responsibility in Europe, in this climate of increasing divisions, is to demonstrate that a shift in focus is not only possible but necessary. A peace that guarantees security, prosperity, rights, justice, and freedom for both peoples, for future generations, and for the broader region must be pursued with urgency and commitment.

'I wish more people would shift their focus. It's not about being pro-Palestinian or pro-Israeli – it's about being pro-peace. We need to save lives, build prosperity, and bring more people into this movement. It's about spreading awareness, amplifying the voices calling for peace, and working together for a better future.' — Marwa

The stories of women from Northern Ireland but also Liberia, Guatemala, Kenya, the Philippines, etc. and now Israel-Palestine provide undeniable proof that even in the most protracted and deeply entrenched conflicts, grassroots women's movements can serve as powerful catalysts for peace. Their persistence, resilience, and unwavering demand for inclusion offer a compelling model for the future. The path to peace is never easy, but it is clear: sustainable and just resolutions can only be achieved when women are full and equal partners in shaping them. The time to act is now.

Turkey and Europe after the May 2023 Elections

Graspe Conference – Tuesday, June 27, 2024

This text, somewhat dated and consequently superseded on certain points, remains interesting in that it highlights significant trends.

Georges Vlandas: Good morning. This conference is organized by the Graspe Review, which has existed since 2000, written and edited by colleagues from the European Union's civil service. What brings us together here is the theme of Turkey and Europe.
Turkey is a country with historical ties to Europe, notably through Byzantium and the Ottoman Empire. Part of its territory is also located in Europe. Thus, its relationship with Europe commenced in 1963 and continues to this day. The question is whether its recent evolution, particularly the rise of what Ahmet Insel terms "authoritarian national-capitalism," is compatible with the European Union project.
Ahmet Insel is a university professor at Paris 1 and Galatasaray University, as well as an editor and journal director. He has authored numerous books, including one on Turkey and Europe. He holds dual French and Turkish nationality.
I thank him for accepting this invitation and am pleased to reunite with him, as we were colleagues in the last century. Ahmet, the floor is yours.

Ahmet Insel: Thank you, Georges, for this invitation. Indeed, we have known each other for over 40 years.
In approximately thirty minutes, I will endeavor to present the Turkey-Europe relations across three or four chapters or themes. What are the prospects following the elections held last May in Turkey?

Georges recalled the long institutional history of Turkey's relations with Europe. Around the same time as Greece, a cooperation agreement with the EU was signed in 1963, with annexed protocols signed in 1970, envisioning accession to what was then known as the Common Market and the European Community.

This relationship has experienced moments of bifurcation.

The first paradoxical bifurcation occurred when Greece restored democracy with the fall of the colonels in 1974. One reason for the colonels' downfall was the Turkish intervention to oust the fascist Grivas, who had overthrown the legitimate Cypriot President Makarios.

Initially, the Turkish army's intervention restored the legitimacy of the Republic of Cyprus. However, a second intervention evolved into an occupation that persists today. Since that day, the Cypriot problem has been a perennial issue, resurfacing at critical junctures in relations with the European Union. At that time, Turkey had already been subjected to a military embargo some years prior.

A second moment that accelerated this bifurcation was the coup d'état in Turkey in 1980. While Greece acceded to the European Union in 1981, Turkey was naturally unable to proceed with any action due to the military coup. At one point, Turkey's membership in the Council of Europe was even suspended due to the military coup.

A few years later, matters somewhat normalized. However, Turkey's first application for accession to the European Union in 1987 was rejected on the grounds that

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Turkey was not geographically part of Europe. Turkey undertook further initiatives in the 1990s. It signed a customs union in 1995, which remains in force and became effective in 1996. This customs union excludes the agricultural sector, but the vast majority of services, though not all, and industrial products circulate freely between both parties. In 1999-2000, Turkey finally sought approval to commence negotiations for candidate status. In 2004, Turkey secured a start date for accession negotiations from October 2005.

From October 2005 to the present, Turkey has officially been a candidate negotiating accession to the European Union, with the aim of conforming to the 35 chapters of the *acquis communautaire*. However, very quickly, this accession process became institutionally and politically partially blocked. Firstly, Turkey became a candidate to join a club where it does not recognize one of the members, the Republic of Cyprus. Simultaneously, the Republic of Cyprus holds a veto right over this accession, specifically regarding the opening and closing of chapters. As early as 2006, this accession procedure was significantly hampered, contingent on the resolution of the Cypriot problem.

In 2007, Angela Merkel and Nicolas Sarkozy, particularly Nicolas Sarkozy, declared that even if Turkey fulfilled the accession criteria, i.e., the *acquis communautaire*, Turkey was not destined to join the European Union. This fundamentally dampened the efforts required from the government to continue the accession process. The Turkish government of Tayyip Erdogan, at the time a staunch supporter of the European Union, began to perceive that the effort was not worthwhile, as it entailed considerable effort and "sacrifices."

By "sacrifices," I refer to sacrifices concerning the democratic regulations that needed to be implemented. For instance, transparency in public procurement represented an immense sacrifice for Erdogan's party. However, as the prospect of accession as a counterbalance dimmed, Tayyip Erdogan began to slow down the accession process. Furthermore, the accession process was also partly blocked by the opening of a certain number of chapters of the *acquis communautaire*. Cyprus blocked 6 chapters, Germany requested the blocking of 2 chapters, Sarkozy 2 chapters, Austria 1 chapter, etc. This resulted in over a dozen chapters out of 35 becoming inaccessible due to member states' vetoes. Progress within this framework became exceedingly difficult. Only one chapter out of 35 has been opened and swiftly closed since 2005, which is the chapter on science. No chapters have been closed since, and around twenty chapters have not even been opened.

In other words, since 2012, Turkey's accession to the European Union, or more precisely, the negotiations for Turkey's accession to the European Union, have been frozen. Officially, no, but in practice, they are frozen. Moreover, for the past two years, the European Union has begun to treat Turkey not as a country in accession negotiations but as a country falling under the neighborhood policy. For the past two years, Turkey has been featured in reports within the framework of the neighborhood policy. This is the official status of Turkey's relationship with the European Union.

Evidently, in the interim, there have been developments and negotiations. The customs union, still in force, necessitates updates after 20 years of operation. Since 2016, there has been discussion of expanding the customs union to include certain services and agricultural goods. Naturally, this update and expansion of the customs union is also politically blocked. Turkey requests it annually, but the European Parliament and the European Commission, particularly the European Parliament, have, in a sense, issued a veto. As long as Turkey does not adhere to the rule of law, the issue of updating the customs union remains pending. Publicly, European Commission members consistently state that it will happen soon, but it is understood that politically, it currently has no chance of passing in the European Parliament.

Furthermore, Turkey has also faced restrictions on accession financing. A portion of

these funds is no longer disbursed, also due to non-compliance with the rule of law. Turkey has been requesting for years that its citizens be granted visa-free access to the Schengen area. Here too, there is a diplomatic refusal, not an outright one, but a diplomatic one, which is unlikely to be lifted by EU member states, notably France and particularly Germany.

This is the situation. The only agreement that has passed between Turkey and the EU, or rather with the EU member states, is the justice agreement initiated by Angela Merkel. This agreement stipulated that Turkey would retain refugees within its territory after the large influx that Turkey had permitted into Greece, thereby preventing these Syrian, Afghan, Iraqi, and also numerous Pakistani migrants from crossing borders. In return, funding of 6 billion euros spread over three years was planned. This agreement, somewhat exceptional in relation to the spirit of Community law, has been renewed. It is intended to be a permanent reception camp for refugees at the external borders of the European Union.

It is well known that this European Union policy risks becoming generalized. Similar arrangements are likely to materialize in Morocco, Libya, and are currently under negotiation in Turkey and Tunisia. Regarding political relations with the European Union, these have deteriorated since Turkey adopted an increasingly undemocratic, anti-democratic stance. The criticisms from the European Parliament have justifiably become more virulent against Turkey. Crucially, this has led to relatively significant consequences in the freezing of relations, virtually for the past 5-6 years. The joint parliamentary group between the European Union and Turkey is no longer operational. The European Union's relations with Turkey have become significantly more strained. Rather, Turkey now tends to prefer bilateral relations with certain member states. The European Union appears somewhat bewildered by Turkey's approach.

However, concurrently, the European Union, as mentioned earlier, has now placed Turkey under the purview of the External Service, rather than the Commissioner for Enlargement.

Regarding strained relations, there have been several interventions involving Germany when dual nationals, particularly journalists, were arrested in Turkey. Negotiations occurred in this context. Turkey somewhat used these arrests as a means of blackmail. A few French journalists were also arrested and detained in Turkey for several months. Since then, these practices have somewhat diminished; they are almost nonexistent now.

Conversely, Turkey has evidently become a subject of security concern for the European Union, both in terms of external border security and security within the NATO framework. It is both an area of interest for NATO's southern flank, yet simultaneously a source of apprehension regarding the fragility of that southern flank due to Turkey's ambivalent policies toward NATO, particularly concerning its relations with Russia, but not exclusively. There is Syria, and so forth. I will address external issues later.

In contrast, economic relations have continued to flourish despite the near halt of accession negotiations until 2015-2016. Since 2016, the same enthusiasm for European companies to invest in Turkey has been lacking. This is due to both the economic crisis in Turkey and the unpredictability of Tayyip Erdogan's economic policy, which is distressing yet appears to be an *ad hoc* policy with entirely inconclusive results. This includes a very high inflation rate, a massive depreciation of the Turkish Lira, and naturally, an absence of predictability in economic policy that deters foreign investors. Furthermore, some foreign investors, particularly in industry, are now avoiding investments in Turkey for image reasons.

The most significant recent event was the abandonment of Volkswagen's investment

project in Turkey three years ago. Volkswagen had planned a billion-dollar investment in Turkey, but due to a campaign against Turkish interventions in Syria, particularly in Rojava against the Kurds, and other interventions perceived as inconsistent with humanitarian or human rights policy, Volkswagen feared a campaign and thus decided to change its location, investing in Slovakia instead of Turkey. This factor is not to be underestimated; specifically, American investment funds are very reluctant to make investments, particularly productive investments in this case. I am not referring to financial investments, but productive investments, as Turkey's brand image, its image in terms of a democratic regime, is severely degraded.

The regime in Turkey can be characterized as autocratic. It is an autocracy that is not a total, totalitarian dictatorship, as there are spaces of semi-freedom, a multi-party system, and elections can occur under relatively acceptable conditions, even if competitions are highly unequal and the state controls everything, functioning as a party-state. Currently, Turkey is a party-state regime; other parties are entirely subservient to the ruling party, Erdogan's party, and the party is entirely subservient to the person of Erdogan. We are in a regime where all powers are concentrated in the hands of a single entity, a single person: the President of the Republic. This individual is simultaneously President of the Republic and Prime Minister (as there is no Prime Minister), and is the leader of the majority party, consequently controlling the legislative branch as well. He holds executive and legislative powers and possesses the entirety, or at least the vast majority, of the rights to appoint judges to higher courts, notably the Supreme Council of Judges and Prosecutors, the Constitutional Court, the Court of Cassation, and the Council of State. Thus, the high judiciary is locked down by the President of the Republic, implying a lack of judicial independence. Approximately 80% of the media are under control, either public media entirely subservient to the party, or private media largely controlled by businessmen close to power who, in return for their subservience, benefit from public contracts, an enormous number of public contracts. There are not five, but slightly more than five, around a dozen, but in Turkey they are called "the gang of five," these five large groups that monopolize the vast majority of public contracts in Turkey. This autocratic regime simultaneously seeks independence or at least significant autonomy in managing its foreign policy. In its domestic policy, frankly, no means of pressure works, at least not until today. Not even through the bodies of which Turkey is a member, such as the Council of Europe or the European Court of Human Rights. Is there a genuine will to exert pressure on Turkey by its partners, by NATO members or the European Union? This is also somewhat debatable, but nonetheless, the European Court of Human Rights, for example, is no longer able to enforce its decisions, particularly regarding ongoing detentions. This includes the athlete Demirtas, the former co-chairman of the Republican People's Party, the businessman and philanthropist Osman Kavala, and others who will increasingly appear before the Grand Chamber of the European Court of Human Rights.

Turkey is not a country with oil or mineral rents to distribute in order to secure clientelist relations domestically. It is not like the Gulf countries, not like Algeria, not like Putin. Turkey lacks significant subsoil wealth capable of creating a rent-distribution state. This significant wealth does not exist. However, Turkey distributes land rent internally, meaning systematic changes in land use, and monopoly rents granted to public works companies close to power. Erdogan is therefore very proud of the construction of these roads, bridges, and airports, even when they serve a low number of users. Nevertheless, these constructions maintain a construction dynamic that Erdogan uses to show that he is always doing something for his citizens. Internally, these rents sustain a very large clientelist network.

Externally, it is strategic: Turkey advances its pawns thanks to its geographical position. From 1990 and the end of the Cold War, this strategic rent was depreciated: there was no longer this indispensable Turkish alliance to contain the Soviet presence. In 2010, this rent became strategic. On the one hand, with the Arab Springs, as European powers believed that Erdogan had a project of democratic

Islam that would be the guiding star for the Arab-Muslim countries of the region, especially since he was very close to the Muslim Brotherhood. This lasted until the overthrow of Morsi by Sisi. On the other hand, the war in Syria made Turkey an occupying country engaged against Assad, and which, after France's withdrawal, became a major actor against Assad[30], Russia, and the Kurds – creating a complex and difficult-to-follow multi-sided game. Finally, Russia's attack on Ukraine made Turkey a strategic location for observation and discussion, being an ally of both Ukraine and Russia. The Americans are very critical of this, but also unofficially very pleased.

In a work I co-authored with a colleague, we identified a trend in the 2010s where increasingly authoritarian regimes utilize nationalism as a political resource. Putin's was ethno-nationalism, in China, it was party nationalism. Unlike 20th-century totalitarianism, this model is not against capitalism. As China exemplifies, these capitalist mechanisms align perfectly with a controlled society and the acceptance of a large portion of the population. This is observed in Turkey with Erdogan, but also within the EU with Viktor Orban.

So, is the EU incompatible with this totalitarian national-capitalism? We understand that the EU is, *a priori*, very vigilant during the accession process to ensure respect for the rule of law, such as the separation of powers, human rights, transparency in public procurement, etc. EU officials persistently challenge candidate countries on these matters for months and years. However, once a country is accepted, all this evaporates! There is no longer any leverage, no longer this possibility—as we see with Hungary or Poland. Despite the threat of economic sanctions, it is clear that the EU is rather powerless. So, yes, totalitarian national-capitalism can flourish and establish itself in some EU countries. But Turkey is already totalitarian national-capitalist and therefore has no chance of joining the EU. However, those who were not before joining can remain in the EU.

This is the paradox within the EU framework, and it is at this point that the question of structures established by conventions such as Maastricht and Lisbon arises. The issue of unanimity becomes a weakness, and at the same time, an anti-democratic dynamic is at work in certain societies, as it cannot be said that Erdogan was narrowly re-elected simply by rigging elections and results. No. These were real elections. The 52% of votes represent genuine support for him, not only to support an autocrat, but due to ideology and clientelism, but also for fear of losing achievements that Muslims fear losing. Exactly like more than half of Hungary, including voters outside Hungary, who voted 55% for Orban a third time.

These are similar dynamics, but there are key differences, particularly in terms of political prisoners. Orban does not threaten opposition that could overshadow him; Erdogan does. Orban's economic logic is not as atypical as Erdogan's, as he is part of the EU and his room for maneuver is more limited.

We also observe underlying trends at work in France with the National Rally (RN), in Germany with the AfD, with Fratelli d'Italia in Italy, VOX in Spain, and so forth. While not everything should be conflated, we find aspirations of totalitarian national-capitalism, not always in power, but nonetheless leaning in that direction. In this sense, Erdogan asserted that Turkey represents the future of countries concerned with their independence and preserving their cultural identity. This is a quest for lost grandeur, as Turkey capitalizes on the weakness of European policy in the Middle East and the United States' hesitant and partial withdrawal. Turkey has occupied a void and established itself as a mid-sized regional power, deploying 60,000 soldiers outside its borders, which is by no means negligible: in Northern Cyprus, Syria, Iraq, Libya, Qatar, Somalia. There are also increasing agreements with French-speaking Muslim countries in Africa. Turkey is fully exploiting the relative political and military

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[30] Following the fall of Assad, Turkey continued its interventions and occupations, officially to combat the Kurds.

vacuum that has settled in the region over the past fifteen years.

Georges Vlandas: Thank you. The floor is now open for questions.

Louis Cuzin: Thank you for your presentation. I have a question regarding the Turkey/EU migration agreement in 2016, renewed in 2021. Is delegating migration issues to other countries not a risk for the EU?

Ahmet Insel: I am unsure how to respond to that, as EU policy is formulated in haste and apprehension concerning the rise of the far-right within its borders. The primary impetus for the far-right is immigration, in Spain, Italy, and to some extent in France. Globally, there is a panic among EU leaders regarding this issue, which allows the far-right to cultivate fertile ground. It is difficult to ascertain the appropriate course of action, but it is evident that one solution involves creating buffer zones, as the EU is doing. These are spaces for shock absorption. Morocco, Tunisia, and Libya could thus become permanent camps, and indeed, these countries can negotiate. Recently, a major shipwreck occurred off the coast of Greece, involving a vessel departing from Libya. Therefore, this problem is indeed being deferred by the EU, which is creating other issues. I must admit that I cannot advocate for opening all borders either. Politically, it is not feasible. The question for European countries is whether to accept a much more active migration policy. Merkel demonstrated this foresight in 2015, particularly concerning her need for labor, and consequently opened the doors to over a million Syrians. This ultimately led to the emergence of the AfD.

Andrea Mairate: Thank you for this comprehensive and brilliant presentation. We all greatly appreciated the reviews on Turkey, on which we are fundamentally in agreement. I have two questions.

Erdogan must extricate Turkey from an unprecedented economic situation and has sought assistance from Gulf countries, notably the United Arab Emirates. Does Erdogan possess the means to lead Turkey out of this crisis?

Secondly, Erdogan's foreign policy is difficult to decipher. We observe a certain independence from the West. There is a more transactional approach, assisting Ukraine while maintaining relations with Russia. Another element is that Turkey has occupied this void in the Middle East, which yields economic benefits. I believe he places significant emphasis on this region. All of this demonstrates, as you mentioned, both authoritarianism and pragmatism towards countries with ideological prejudices. Does Erdogan have the means to sustain this policy?

Argyrios Mais: I understand that you yourself are working towards Turkey's reconciliation with its past, particularly the Armenian genocide. I would like to ask: are there increasing numbers of people within the Turkish population willing to reconcile with this past? I expect nothing from the government, but can we hope that in a few years, things will truly change and Turkey will reconcile with its Ottoman past?

Ahmet Insel: I will begin with the last question; the answer will be simple. No, the vast majority of the population is not prepared to confront the reality, to acknowledge what transpired in the latter part of the Ottoman Empire: the Armenian genocide, but also the pogroms. Symbolically, the most significant is indeed the genocide. In 2008, some friends launched a petition seeking forgiveness from Armenians for our inability to facilitate the acceptance of what occurred in 1915. We garnered 30,000 signatures, which is not an overwhelming figure. Since 2008, we have commemorated April 24th in Taksim Square, but we were never more than 4,000, and the police suppressed the demonstrations. Since 2017, we have regressed completely on this matter. Public commemoration is no longer permitted, and the colloquiums we intended to organize are prohibited. We are regressing compared to 10 years ago. We are stagnating, even receding. The rise of religious nationalism is

by no means negligible in this affair, but one should not solely blame Erdogan's supporters. Among his opponents, there is just as much nationalism, if not more virulent and ethnic denialism. I do not believe we will witness reconciliation in this domain anytime soon.

However, reconciliation with the Armenian state is possible. Turkey closed its borders to Armenia after the fall of the USSR due to the First Karabakh War. Now that Azerbaijan has recovered more than what it lost in 1994 in Armenian territory, Turkey has no reason not to have diplomatic relations with Armenia. At the diplomatic level, this is possible, but at the societal level, this problem will persist. This deeply rooted denialism in Turkish-Islamic culture is one of the factors that obviously fuels religious nationalism. Let us not forget that this denialism includes the fear of the Turkish Muslim bourgeoisie, which enriched itself by appropriating the assets of Armenians, Greeks, and Jews in 1942. There is also the fear of being held accountable, which is explained by Turkish nationalist discourse that considers three elements unacceptable: recognition, reparations, and restitution of territories.

Let us return to the first question. After the elections, Erdogan appointed a Turkish-American, but simultaneously, he appointed a former minister from the AKP period. Today, Erdogan aims to win the municipal elections scheduled for March 2024. He seeks to win Istanbul, Ankara, Mersin, Adana, and so forth. Of the ten largest cities, seven have shifted to the opposition since 1919. These municipalities represent enormous sources of funding for the ruling party. The budget of the Istanbul Metropolitan Municipality exceeds that of most ministries. Erdogan requires this to fuel his clientelist network. To achieve this, he cannot implement a brutal austerity policy. However, resolving Turkey's payment crisis necessitates an increase in exceptional interest rates. This would create difficulties for SMEs, a slowdown in economic activity, and an increase in unemployment. Furthermore, inflation primarily affects residents of large cities. This is why, in these regions, the opposition leads, not only for ideological reasons but also because the economic crisis affects provinces and rural areas much less. Cultural, transport, and restaurant expenses are not uniform everywhere. Austerity would severely impact the middle and lower classes. Erdogan will therefore most likely adopt a progressive and cautious policy to hold out until March. Afterward, there will likely be an unleashing. He will slightly increase interest rates, following this direction:

He can mobilize three types of resources. He benefits from financial support from the United Arab Emirates, Qatar, China, and Russia. Before the May elections, Russia reportedly contributed 600 million dollars to support Erdogan. Unofficial trade is a considerable source of revenue. A significant increase in foreign trade is observed. The United States issued threats in March, leading Turkey to permit fewer prohibited products to pass through to Russia, but Turkey is increasingly producing for Russia. Finally, another factor to consider is that Turkey is in a gray area on the list of countries concerning money laundering. Turkey receives money and drugs, which constitute an increasingly important source of revenue, and money laundering therefore yields significant profits.

Regarding foreign policy, this indeed aligns with this dynamic. Turkey uses it to consolidate its economic policy. It is not as irrational as it appears. As long as it can find money, it is a desperate attempt, but Erdogan remains in power, which is his primary objective. From this perspective, he is very rational.

Georges Vlandas: Thank you very much. There are still a few questions remaining.

Ferdinand Kopp: How do you perceive anti-Western sentiments within the Turkish population, and what about those segments of the Turkish population that justify the Russian invasion of Ukraine? Furthermore, considering global political developments and demographic trends in Europe, do you envision a future where Turkey moves closer to the EU?

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Ahmet Insel: I believe the question of Turkey's accession to the EU is definitively closed. The EU is no longer the same as it was in the 2000s in terms of enlargement policy. Due to Turkey's size, which currently stands at 86 million inhabitants and whose demographic transition will lead it to reach 95 million inhabitants, there is a mismatch between Turkey's demographic weight and the European trend. One might assume that all these other countries will require skilled labor, and that Turkey could provide what is lacking. However, the primary problem lies in the fear of Muslims. In 2010, Turkey was still a candidate for EU accession, and I continue to advocate for this idea, despite my strong criticism of Erdogan. A French diplomat once told me: "Don't you think Turkey will ally with Germany against France?" I understood that for EU diplomats, particularly those from "large" countries, having a country more demographically populated than their own completely contradicted their perceptions of the EU.

The intrinsic factor in Turkey, namely that as an autocracy it has no chance of progressing in negotiations, is compounded by the fact that even in the event of a government change with a government desirous of restoring the rule of law, the leaders of the EU member states would be very embarrassed. They would be forced to feign opening negotiations while knowing that no door would ever truly be opened.

The internal trends within the Turkish population are diverse. There is an anti-European tendency, including among secular individuals. This is a classic resentment from those who fought for years for Turkey to progress within the framework of EU accession but now oppose the EU's attitude. Then there is the hatred and fear of the Turkish-Islamic population that views the EU as a union of Christians. They are not in favor of EU accession, especially as they perceive the current EU as a place where Islamophobia is increasingly present in far-right discourse.

Georges Vlandas: Thank you, Ahmet. I also had a question, and I believe another colleague does as well.

I wanted to know if the European camp had not disappointed the pro-European camp in Turkey, would Turkey's subsequent evolution have been different? If Europe had advocated for Turkey within the EU, it was also to integrate it into a logic of cooperation and modernization. If we had always pushed for its integration, could that have slowed Turkey's evolution towards authoritarian national-capitalism?

Ahmet Insel: Even if Turkey met the conditions, Turkey's accession has always posed a problem. We were aware that there was a demographic issue, and then the adaptation of EU institutions to the Parliament also posed a problem. At the time, we argued that the accession process, although very difficult, was likely to create institutional irreversibilities. However, we do not know if, in such a dynamic, we could have had a stronger anchoring on the EU side with the Erdogan government. But I confess that if it had lasted too long, there would have been a lot of resentment from the population.

Mecit Nurkalp Devrim: Thank you, Georges, for organizing this presentation, and Ahmet for presenting all of this so richly. I will not ask a question, but I have a wish: that these kinds of discussions continue among us. I would like us to be able to have these types of brainstorming sessions more often. I would simply return to the problem of resentment that Ahmet mentioned. It is very important because I believe that in the future, if this rejection of the EU continues, it can create problems and orient Turkish foreign policy in another direction.

I believe that dual nationals have a role to play, as we need to think about the elections in 5 years. I do not see a reorganization of the opposition electorate in Turkey in the current situation. Initiatives need to be taken. There are a number of political prisoners, and it seems to me that public opinion in Europe needs to be

sensitized to this issue. Thank you very much!

Georges Vlandas: Thank you, I am reading all the thanks in the chat. Since Ahmet returns to Brussels from time to time, we will be able to organize an in-person meeting. This conference will be transcribed and published in Graspe Review No. 50. Thank you, thank you all.

Enlarging the European Union?

The New Dimensions of an Old Dilemma

GRASPE/UEF Europe Group Meeting of September 19, 2024, with Jean-François Drevet

The launch of accession negotiations with Ukraine and Moldova revives a debate that stirred the EU during the 1990s. Can the Union continue to expand without making the qualitative leap that would provide it with the political dimension it has lacked since its origins? By exceeding thirty Member States, is it destined to remain a "political dwarf," paralyzed by the unanimity rule? Conversely, should institutional reform, demanded by Federalists, particularly the abolition of the unanimity rule, be a prerequisite?

In fact, these unresolved questions date back to the origins of European integration. When the Treaty of Rome was signed, no one believed it was a definitive agreement. On the one hand, it was clear that the initial objective of the Treaty, aiming "to establish the foundations of an ever closer union among the peoples of Europe," had not been achieved. On the other hand, it was already probable that the EEC would not be limited to its six founding members.

Among the institutions launched after the Second World War (Council of Europe, WEU, EDC, ECSC), it was already apparent that the EEC would be the most robust: the United Kingdom applied for membership as early as 1961, and association agreements providing for accession were signed in 1963 with Greece and Turkey.

Sixty-seven years later, what are the current components of the dilemma? If it has often been sidestepped in the past, can it still be in the future?

The Indefinitely Postponed Deepening?

Although having broader ambitions, the drafters of the Treaty of Rome had to adapt to the intergovernmental framework of negotiations at the time. They even performed much better by introducing, as in the ECSC, a "Community method," a major innovation allowing European institutions to take initiatives within their areas of competence.

To go further, proponents of integration believed in the virtues of **spillover**. Like in the United States in 1787, Switzerland in 1848, and Australia in 1942[31], they thought that the shift from a confederation to a federation would occur under the imperative of necessity. The deepening of the Common Market, then of monetary union, was supposed to necessarily lead to a federalization of Europe, which did not happen.

While the transition to **majority voting** was envisaged by the Treaty of Rome after the expiration of the transition period, following strong French pressure (6 months of

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[31] Futuribles n°368, novembre 2010, *Une Europe fédérale est-elle évitable ?*

"empty chair" policy), the **Luxembourg Compromise**[32] preserved the **unanimity rule**. It also marked the lasting prevalence of intergovernmentalism, with the emergence of the European Council[33] and the pillar structure of the Maastricht Treaty (1991).

Subsequently, attempts to increase the efficiency of the institutional system yielded insufficient results. Certainly, the completion of the single market extended the scope of **qualified majority voting**. But the retention of unanimity in key areas of **taxation** and **foreign policy** leads to persistent paralysis and the perversions of the deviant behavior of a minority, possibly a single Member State, sometimes manipulated by pressure groups or third countries. In the context of escalating tensions at Europe's borders, this results in repeated powerlessness to cope with events, a very low capacity for anticipation, and delayed and insufficient reactions to crises.

Who is responsible?

Institutional complications are often invoked (to abolish unanimity, unanimity is required), which discourages proponents of deep reform. Certainly, treaty revision is a difficult operation, increasingly uncertain with the growing number of member states: each of its stages (negotiation, ratification, referendums) leads to a weakening of the initial project. Since Lisbon, even proponents of deepening hesitate to embark on this path.

Above all, the **lack of political will** of a significant number of Member States, particularly the most important ones, must be condemned.

Firstly, although it belongs to the past, the **obstruction of the United Kingdom**: while its desire to adhere to a free trade area, or at most the single market (which in its eyes already went too far in terms of standardization), did not significantly hinder progress, as decisions in this area became subject to qualified majority voting, its stubborn resistance to any institutional advancement, particularly when it concerned sovereign matters (foreign policy, defense), received the support of many Member States. This is clearly seen today, as Brexit has not led to an institutional relaunch.

In recent years, although it is presumed to be committed to a relaunch, the **Franco-German couple** has also not demonstrated very audacious voluntarism. From the last treaty revisions, Germany has the largest number of MEPs and, through the EPP, decisive influence. Internally, but also externally to the EU, it has accumulated trade surpluses. With its partners as net contributors to the Community budget, as any advancement of European integration would translate into increased budgetary burdens, it has accommodated the maintenance of the *status quo*.

Facing the outside world, to avoid angering aggressive countries, the EU has very well accommodated a very conciliatory **pro-business stance** towards Russia, China, and Turkey. Without openly stating it, this inertia served as policy until the invasion of Ukraine put an end to this illusory comfort and now necessitates a radical change.

Facing the "*qualitative leap*" implied by the attribution of new competences to the EU, greater motivation from Member States would be required. Because the maintenance of **unanimity** favors the "small" ones, who have become the most

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[32] When, in the case of decisions liable to be taken by majority vote on a proposal from the Commission, **very important interests** of one or more partners are at stake, the members of the Council shall endeavor, within a reasonable time, to reach **solutions which can be adopted by all the members of the Council** while respecting their mutual interests and those of the Community, ..." (Joint declaration published at the end of the extraordinary session of the Council of the Communities, in Luxembourg, January 28-29, 1966.) – *AI translation from the French version, consult the original GRASPE n 50 for the exact text*

[33] The Paris Summit of December 1974 introduced periodicity to the meetings of the Heads of State or Government of the Member States: "three times a year and whenever necessary, as the Council of the Community and in the context of political cooperation."

numerous and can occasionally sell their vote, as Viktor Orbán's Hungary increasingly demonstrates. This unanimity also protects countries that court multinationals: virtuous Holland, which is not stingy with frugality advice in the Eurogroup, is not the last to favor their "tax optimization" to the detriment of its partners. Even the obvious need for a genuine common policy on migrant reception has not progressed. In foreign policy, Member States are not ready to implement a decision taken by qualified majority that they would oppose. These reluctances among 27 have no chance of diminishing when other Member States achieve accession. Even proposals for constructive abstention, a "reinforced qualified majority" (80% instead of 65% of the population[34]), or the possibility of disregarding a veto if it emanates from only one Member State[35], have not yet garnered sufficient support.

Enlargement, a Constraint?

The prospect of welcoming new members is almost as old as the Treaty itself. As early as 1961, although it was at the origin of the creation in 1960 of the European Free Trade Association (EFTA)[36], with the objective of competing with it, London applied for membership to the EEC. Postponed twice by General de Gaulle's[37] refusal, the accession of the United Kingdom, Ireland, and Denmark was a constraint, as much for Paris, which opposed it for a decade, as for the British government, forced by the deterioration of its economy to sign the treaty without sharing the integration objectives of the founding countries. In Copenhagen, which was primarily concerned with maintaining agricultural exports to the British market, they were no more proponents of European integration than the other Nordic countries. In the context of a diplomatic management of accession negotiations, which would continue until 1994, there was no in-depth evaluation of candidate countries' adaptation capacities.

In the 1980s, the accession of three Mediterranean countries (Greece in 1981, Spain and Portugal in 1986) was a tribute to the restoration of democracy. But these new members, unlike their predecessors, shared the objective of an "ever closer union." The Europe of the Six became that of the Twelve, without significant modification of its institutional framework, but it functioned and deepened its integration thanks to the completion of the single market, the reform of structural funds, the creation of the Schengen area, and the march towards the single currency.

From these advances initiated by the Delors Commission, a new wave of accessions emerged. Like the United Kingdom in the 1960s with the customs union, the EFTA countries understood that they could not remain outside the normative mechanism of the single market. Three of them opted for accession (Finland, Sweden, and Austria), the others limiting themselves to specific agreements: Norway and Iceland as passive members of the single market and Switzerland through specific cooperation. Whether or not it involved accession, there was agreement on economic integration, but not on political objectives. With the end of the Cold War, these countries felt less need than ever to participate in a political union.

At the same time, the fall of the Berlin Wall placed the EU in an entirely new context. Like the Mediterranean candidates of the 1980s, the Central European countries believed that the return of democracy constituted an entry ticket to the EU, regardless of their socio-economic situation. This is why they rejected the alternative

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[34] Currently, the **qualified majority threshold** is 65% of the EU's population and 55% of the number of member states. The proposal would be to increase this to **80% in both cases**.
[35] A similar proposal was made to **NATO** to bypass Turkish obstruction.
[36] The Europe of the Seven: the United Kingdom, Denmark, Sweden, Norway, Portugal, Switzerland, and Austria, later Iceland (1970) and Finland (1986)
[37] "The paradox of the **Dutch contradictions**, who supported both deeper integration and British accession (even though London was a staunch opponent of such integration), and of the General himself, who did not want the British while largely sharing their vision of a Europe of nations."

options of Gorbachev's[38] and Mitterrand's[39] "common home." In the name of equal treatment, they obtained satisfaction with the **great enlargement of 2004-2007**.

The EU developed an "**accession method**"[40] that involved strong economic but also political constraints (with the Copenhagen criteria), accepted willingly or unwillingly by the candidate countries. Thus, their entry into the EU could occur without major disruption, but without having to decide on the Union's objectives. Furthermore, Cyprus's accession demonstrates that the EU is not afraid to integrate, like Germany at the time of the Treaty of Rome, a divided island occupied by a third country.

Thus, it is evident that enlargements have primarily been a **constraint**, imposed on the EU by circumstances. However, as long as it progressed at a rate of three countries per decade, this expansion did not lead to major disruption, despite the increasing inadequacy of the institutional framework.

The situation is different today: on the one hand, the regressions of Poland (which has fortunately resumed its forward march) and Hungary accentuate internal divisions. On the other hand, the formation of a new queue of candidate countries that do not control their borders and are quite far from having a stable political system makes their capacity to integrate much more uncertain than their predecessors.

In 2003, there was an attempt to sidestep the problem with the implementation of the **European Neighbourhood Policy (ENP)**, a "everything but accession" approach that did not discourage the new candidates from Eastern Europe, even though they had far more political problems than their predecessors: their democracy there is durably fragile, and they face more or less insoluble short- and medium-term border problems, the importance of which was underestimated by naively labeling them "frozen conflicts."

Three groups are currently pending. **Turkey**, which had some chance of accession in the early 2000s, definitively disqualified itself by allowing Islamists to destroy its democracy and by pursuing a belligerent foreign policy. However, the EU did not dare to tell it openly, because the "death certificate" of the accession negotiation requires unanimity. Faced with Erdoğan's gunboat diplomacy, the end of accession negotiations should have been acknowledged long ago. It is now more difficult to achieve because the war in Ukraine has given Turkey a more important role. While the vocation of the **Western Balkan** countries to accession has never been questioned, it must overcome numerous technical obstacles, at the risk of discouraging candidates and turning them towards other influences. Although a change has been made in the "accession method," several countries remain in a precarious position due to insufficient progress or are at the mercy of a Member State's veto, as North Macedonia has twice experienced.

The file of the **Eastern Partnership** countries, which is now at the forefront of current events, is even more arduous. If we set aside the cases[41] of Belarus and Azerbaijan (which are dictatorships and have not wished to apply) and that of Armenia (because it has acceded to the Eurasian Union), the three countries wishing accession (Ukraine, Moldova, and Georgia) must overcome, in addition to the usual obstacles, the constraints of a partial and long-term occupation of their territory.[42] In fact, nothing will be possible without an agreement with Russia on border

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[38] Mikhail Gorbachev (1931-2022) put forward the concept of a **Common European Home** through the gradual rapprochement between the members of Comecon and those of the EEC, hence his support for the joint declaration which, in June 1988, established official relations between the EEC and Comecon.

[39] François Mitterrand presented his project for a **European confederation** on December 31, 1989, on French television. Built upon the Helsinki Accords, the confederation was intended to bring together "all the States belonging to our continent in a common and permanent organization for exchanges, peace, and security" and to welcome former communist countries once they had adopted a representative political system.

[40] Jean-François DREVET, *L'élargissement de l'Union européenne jusqu'où ?* Éditions de l'Harmattan, Paris, 2004, 384p.

[41] Provisionally, because one can presume that a democratic Belarus and Armenia would also wish to accede to the EU.

[42] In Cyprus, the **Green Line** has been stabilized since 1974, long before the issue of accession arose.

stabilization, the contours of which are difficult to define: either in the form of a global agreement or through the eventual recognition of ceasefire lines, currently out of reach.

Advance or Perish?

A spotlight on the last twenty years shows quite clearly that the **lack of EU deepening** bears a share of responsibility for the deterioration of the situation in its peripheries: a firmer policy in Cyprus or a more energetic will to work towards resolving the so-called frozen conflicts in Eastern Europe would probably have reduced the aggressiveness of Turkey and Russia. In this regard, an analysis of the "cost of non-Europe" in the face of the increasing instability of its neighborhood would highlight far more negative effects than those denounced in their time by the Cecchini Report.[43]

But until the invasion of Ukraine, the implicit feeling prevailed that not only did the EU have time, but that problems would be easier to resolve later: on the one hand, as indicated above, it was believed, or pretended to be believed, that institutional reform would inevitably come. On the other hand, it was thought that fundamental factors (the extension of democracy and the market economy) would make rapprochements with third countries easier.

However, this is not the case. Within the EU, after Poland, Hungary's attitude demonstrates the importance of blocking factors. Externally, partly due to its "strategic carelessness," European peripheries have become incomparably more perilous, and not only because of Russia's belligerence. If the EU manages to sell weapons to Ukraine (this is already better than supplying Turkey or the Gulf petro-monarchies), compared to the United States, it plays only a minor role in the evolution of the balance of power on the ground, which does not give it much chance of influencing a possible political settlement.

Once again, will the EU limit itself to late and insufficient measures? At the time of Brexit, there was too much rejoicing about the unity of the 27, because foreign policy and sovereignty issues divide Europeans infinitely more than the management of the single market. However, the emergence of a "geopolitical Europe" is not currently accompanied by that of "hard power."[44] While it has been said that Europe only advances in crises, the risk of a setback is also present. This would then lead to a lasting weakening of the EU, heralding its disintegration.

In August 2022, in his address at Charles University in Prague, German Chancellor Olaf Scholz outlined the way forward. He believes that new accessions must be preceded by institutional reforms: an end to unanimity for foreign policy and taxation, but also for measures to be taken against "illiberal" democracies (reform of Article 7 of the Treaty) and a ceiling on the size of the European Parliament.

Thus, the EU could eventually welcome about ten new members from the Western Balkans (all of them) and Eastern Europe (namely Ukraine, Moldova, and possibly Georgia). The Chancellor's silence regarding Turkey seems to indicate that it would not be among the chosen ones.

It remains to be seen how this program could materialize. What would be the chances of success for a Scholz plan, or a possible Franco-German plan? Germany has just made a 180° turn that does not have only warm supporters, and the Chancellor's personal position is not as strong as that of his predecessor, particularly domestically. As for the chances of achieving institutional reform in Brussels, they are not guaranteed either.

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[43] Europe 1992: the overall challenge [summary of the Cecchini report]. SEC (88) 524 final, 13 April 1988.
[44] Richard Youngs, *The awakening of Geopolitical Europe ?* Carnegie Europe, 28 juillet 2022, 4p.

In fact, one might wonder if it is not the **duration of the war in Ukraine** that will play the most important role. If it ends quickly, strong pressure from "back to business" advocates can be expected. The Nord Stream 1 and 2 pipelines would be put back into service for the greater good of the chemical industry and the international energy market. Reassured by the end of the war, the small countries clinging to the unanimity rule will continue their obstruction. Conversely, **if the war continues, which no one desires, it will be much more difficult for sovereignists of all stripes to oppose a coherent plan for modernizing decision-making within the EU, with all its consequences, if a majority of Member States show their willingness to bring it to fruition.**

Jean-François DREVET[45]

The future of the EU budget and the creation of « EU public goods »

With Iain Begg, European Institute, London School of Economics and Political Science

Andrea Mairate : So first of all, I would like to thank Iain Begg for accepting our invitation to this conference. Let me just introduce Iain Begg. He's a professor at the European Institute at the London School of economics. He has a very wide expertise on the European budget, European integration, cohesion policy, and many other things that he has directed or he has been involved are especially in many projects concerning different aspects of EU policy. So this conference is organized by GRASPE. GRASPE is a relatively young association of which gathers a number of EU officials. Georges Vlandas is the main founder, back in 2000, so almost 25 years of age. We have published almost 50 issues covering different aspects of EU policy and on the EU civil service and if you have time to go in to some of the issues of the journal, you will see, there are articles on the EU budget and things which are related to that. So maybe just to introduce the topic as you see, the title is about the future of the EU budget and the creation of EU public goods because we think that these two aspects are closely related. And of course, this this is a very topical issue at the moment because it's hotly debated among our policy makers. Maybe just to guide a bit the discussion, the first question that we should ask ourselves is : do we have a budget, which is sufficient to meet economic, social, geopolitical challenges ? We have seen the discussion about the additional budget, the so called midterm review and of course, the response has been quite disappointing in this regard.

The second issue, which is also part of the debates is around fiscal integration that was launched by Draghi in a number of interventions and articles and there is this issue of having a more centralized fiscal capacity and to deliver EU public goods. There are a number of papers around these topic of course and there is no consensus about creating new borrowing and new funds for defence or for the transitions. Recently, Draghi mentioned that we need something like 500 billion per year to address the investment needs for the green and digital transitions. And maybe the third point is about what are the options? What are

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[45] Former European official. The opinions expressed above are solely those of the author.

the viable solutions to reform the budget in order to meet these challenges and to have a budget which is fit for purpose?

And here there are many issues: the size of the budget, what should be the composition of the budget? How to coordinate ? Governance issues as well. How to coordinate this with Member States ?And finally, the difficult question about EU taxes and own resources and all the proposals on new owned resources, which is with this idea of having a budget more independent from countries contributions.

These are all topics that I'm sure Iain will cover during his presentation. So having said that, I will give him the floor we have around 80 participants today, we have Walter Deffa, who was my general director in DG REGIO and an expert on budget as well. We've had people from the cabinets. We have people from different institutions. So I'm sure that this will be a very interesting discussion. The floor is yours Iain, and thank you very much again for your presence here today.

Iain Begg: I mentioned that some of the work I'm commenting or using for this presentation is derived from studies done recently for the budget committee of the European European Parliament but they don't necessarily agree with what I'm going to tell you or provoke you with. Also, I'm very pleased that you still allow Brits to contribute to EU debates. Let's recall some of what's going on, why we're in this position. The first is that in spite of everything that's changed over the, that period if you look at the budget today, you see very little that is different in structure and shape from what it had 36 years ago. Certainly changes have taken place, more cohesion, a bit less on direct payments, but still if a time traveller from 1988 had appeared he would recognize this budget. Second point of background is that, in public economics, theories like fiscal federalism would suggest what the budget should do at EU level, but it's very hard to see whether fiscal federalism and other such theories really tell us anything about where the EU budget is. Third point to make is that although the MFF was introduced in 1988 as a means of avoiding the conflict between the institutions which had characterized the preceding few years, It means two things : first, the EU have a very rigid system, very hard to change, and second, that if you want to make a decision on some new form of spending, it's very hard to get it done quickly. The result has been increasing the resort to off budget mechanisms of various sorts, and it means that there's a parallel track now for the funding of EU policies.
But if you look at how this is done, you see that, particularly from the reports of the European Court of Auditors, it's done in very diverse ways. There are different legal bases used for deciding on such off budget mechanisms. And then the last point I'll make by way of introduction is that although Andrea Mairate mentioned the ideas of having new owned resources, it's a debate that's been going around in circles since 1988, which has seen a succession of studies of different sorts and also the infamous corrections were not just about Margaret Thatcher swinging her handbag. It's also about all the other Member States which have since had various forms of correction. So we have an uncomfortable structure for the EU budget. This is partly in response to Andrea Mairate's first question. We expect much of the EU, but we don't give it the capability.
What we see is in the following structure, such as crises, such as the Refugee crisis in the mid-2010s, the pandemic, now the cost of living crisis. There's a general political expectation that the EU does something. We want the EU to act, but we don't give it the resources. Trust you will still allow me to use the expression we when I talk about this.
And if you look at all the new demands, climate, defence, who knows what else is going to be on the agenda. Reconstructing Ukraine, perhaps. These are all the new demands, but there's a political reluctance to give the EU, a degree of autonomy and dealing with them or indeed greater resources, and

this to me is a fundamental problem, not just of the nature of the supranational entity, which is the EU, but also of the structural governance across the whole of the EU at different levels. I've taken this quote from Ursula Von Der Leyen State of the Union address for 2023 so that's 6 months ago and in this, you will see that we need to discuss future of the EU budget in anticipation of enlargement, what it finances, how it finances and how it is financed. So I've tried to interpret what she said. First thing to note is that she was saying this in the perspective of enlargement. I would go further to say that even if enlargements were not a possibility in the coming years, the difficulties or the pathologies of the EU budget would require us to think again about whether it needs to change. And to me, such change is long overdue, so staggered-on as a form of kicking the can down the road to use a different metaphor.

On the question of what it finances, it's easily split into two things. One is, is what the EU finances today appropriate? You all know what the mix of spending is if you look over the period since 1988, approximately three quarters of the EU budget has gone on just two policy headings: common agricultural policy, widely defined to include rural development, and cohesion policy. The proportions of the two have fluctuated, and it's only in the last two or three years that they've gone down to around 60%. But that's dominated the EU budget so long. And yet, if you consider what's happened in that period, we have had at least, according to some calculations, completion of the internal market, we've had the advent of the Euro, we've had at least five crises, and yet the EU budget is still doing the same things as we saw in 1988. So I think that there should be pressure in talking about this on considering what the new priorities ought to be.

The second is how it finances it? The traditional means is through grants. However, we've seen an increase in the proportion of loans being used, not just financial instruments in the context of cohesion policy, but more widely loans being used as a substitute for grants outside the EU budget, off budget, in other words.

Conditions, yes, there are many conditions. We've had huge variations in these over the years. There's been macroeconomic conditionality has been uploaded to different rules and co- financing and the forms of co-management monitoring and so on. It's on the question of how it's financed that it becomes more awkward. A narrow interpretation of how it's financed could be, is it time to move from national contributions to genuine new owned resources? Many Member States would like that in one respect, because it would enable them to cut the line in their own national budgets, which says contributions to the EU. But they resist it for reasons that I'll come on to in a moment.

But a broader sense of how its finance is about thinking through whether borrowing ought to have a permanent and well- designed role in the EU public finances in general. So in this sense, there could be this equation: you break the link between budget and what the EU does and talk about the EU finances more generally than what the EU does.

Academics are quite keen on the notion of a trilemma, and I'm going to present to you the simplest of trilemma in relation to the EU budget. Another advocate of trilemma is Marco Buti, who seems to introduce a new trilemma just about every paper he produces. So here's my contribution to the trilemma literature, which is first, keeping the net contributors happy, which means a lower budget. Then you have the pressure coming from recipients of existing EU budget flows, cohesion policy, agricultural policy, tractors in Utrecht and Linden, the Rue de la Loi and the Champs Elysées, supporting the retention of agricultural support. And then you have all the new demands. But the point about a trilemma is you cannot easily reconcile all three of these. You can perhaps have two of them at once, adding the third becomes deeply problematic, and this is the political core dilemma or trilemma that has to be faced.

What about owned resources, new owned resources? Starting point is to observe that the Member States are very reluctant to confer a power to tax, a well-known concept in public economics, on the EU level. And this is why we see the revenue of the EU dominated by national contributions, strictly speaking, national contributions, if you look at what's in the own resources decision, they are defined as own resources, but let's face it, they are payments by Member States into the EU. The GNI resource is a very strange invention, but it's also a very creative one because it enables the EU budget to balance. If expenditure goes up, GNI resource is called on more intensively. If expenditure doesn't meet expectations, the amount called on the GNI resource goes down.

And that balancing feature is very valuable to the EU authorities, because they don't then have to think about adding to the tax burden or cutting the tax burden if there is a shortfall or increase in expenditure. That raises the question, if you have new owned resources funding the EU budget, do you retain the GNI resource as a balancing component to guarantee that the budget balances, which is after all one of the principles enshrined in the treaty?

Third point about new and resources is that I think we've lost sight of the fact that there doesn't really need to be a debate on which EU own resources. All the candidates have been studied so intensively that there's plenty of information about how they work, but you have to recognize as well that they are flawed in a number of different ways.

For example, some potential EU taxes hit individual Member States or indeed sectors more heavily than others. A carbon tax sounds good as an idea. A carbon tax is going to hit producers of carbon, which means Polish coal or German coal and it will favor French generation of electricity by nuclear, because there's not the same consumption of carbon there.

Some, you have to think about whether they are reliable in generating yield. Do something like a, financial transactions tax have a stable yield, or would market operators find ways around it, which would mean that it no longer generated the level of revenue required? And the same sort of thing can apply to many of the what's called Pigouvian or environmental taxes, which have the dual purpose of raising revenue and meeting an environmental objective. If it works for the environmental objective, it cuts the revenue. Also, and this is based on evidence I got from a number of Member State representatives in a recent study, there is a concern that if you start adding additional own resources, it just adds to the complexity of raising the revenue for Brussels.

The example given here is the plastic levy introduced in 2021 which is in fact tied to the GNI of the country, and therefore becomes a de facto GNI resource, not strictly speaking related to the consumption of non renewable plastics. Member States say, well, why do we go through this having to create yet another procedure to generate the same amount of money?

So to me, the problem of new owned resources is political. Is there a willingness to do it? And how do you arrive at a consensus to get it done? But there's also a potential illusion in new owned resources, which is that many of the discussions around new owned resources suggest this is going to be additional money whereas Member States would, if they agree to new owned resources, see the first priority as meaning cutting national contributions, substituting new owned resources, rather than adding to the overall level of EU revenue and this risks mixing up two quite different debates. One is on the size of the EU budget, where you could say, yes, increase it by having new owned resources. And the other is saying we have a fixed level of the EU budget and we alter the balance of how the revenue is raised. These are quite, distinct debates, which tend to get confused. This looks rather complicated, but in, in practice, it's not that hard to comprehend because EU borrowing, particularly for Next Generation EU, has left a kind of

trap in the background, which is two things have to be done. You have to amortize the debts and service the debts, and it's conceivable that some EU borrowing would result in calls on the guarantees that the EU budget has provided, using the margin between the owned resources ceiling and the money that's actually spent, known as the headroom, as a way of dealing with the potential calls and guarantees.

Both of these would create demands on the EU budget. This has been enshrined in the procedures for the Next Generation EU, but then it's affected by macroeconomic trends, particularly national and also national divergence. It's also affected by what happens in the monetary policy and in financial markets. Higher interest rates means that the debt service goes up and that can lead to obligations on the EU budget for the immediate future, which are going to rise with higher interest rates and potentially either crowd out existing budget lines, something the Parliament fears greatly, or mean that there will be new demands to increase existing own resources, including the GNI resorts.

So, there's tension in all of this about the consequences of the resort to borrowing. I don't think it's been fully worked out. If you look at the conclusions of the midterm review it really, in my judgment, was saying, let's kick the can down the road and have some temporary measures and work out how to deal with it later.

In all of this, « juste retour »is lurking in the background. « Juste retour », if you interpret the French correctly, has two potential meanings, fair return and exact return. It's something that has pervaded many of the budget negotiations over many rounds of the multiannual financial framework. The image I have in mind is that every finance minister shows up to the ECOFIN meetings where the future budget is being discussed, and in that finance minister's team, there's somebody sitting in the background with a Microsoft Excel spreadsheet, working out whether if this concession is made, or that concession is made, what impact it will have on the net contribution or net receipts of the individual Member State.

It loses all the focus on whether the EU budget is only a sideline in the much bigger benefits and costs of being part of the European Union. But the reality is, it's there. So can we get around it? Well, my starting point for how to try to get around it is to reassert public economics.

Say there's ought to be a rationale for the EU level of spending. It could be due to subsidiarity or other approaches to dealing with it. Second, Marco Buti, in one of his many recent contributions has made the argument that there are public goods which can be regarded as genuinely European. What we have to think about is what such public goods are. If it's a genuinely European public good, then its connection to « juste retour » is much more blurred. Climate change, for example, is something which affects all EU Member States and indeed the rest of the world so how do you compute « juste retour » for that? And in that circumstances, he argues that it might be easier to justify having own resources, which are linked to European public goods. But the second category that Marco refers to, and that is that if you look at what Next Generation EU is doing, it's saying, yes, we want the EU public goods, particularly the 37 percent for climate related action and 20 percent for digital but it all should be at the national level and there is a net fiscal transfer going on with Next Generation EU through the Recovery and Resilience Fund, benefiting Southern Europe and Central and Eastern Europe and costing Northwest Europe. So there's a second element to this, which is EU public good, yes, but it's a national level to it.

And the third approach that Marco suggests is that there are EU funding for what is in effect a national public good. That becomes more, much more definitely a net fiscal transfer and hence is subject to the « juste retour » ideas. So, this to me raises quite difficult questions. In the last 2 rounds of the budget, the idea of national envelopes has been prominent.

Hypothecate already say at the negotiation stage, each Member State will get

so much, which becomes the national public good argument. It also relates to net transfers, and there's an open question about whether something like a way of dealing with major challenges can be met by having national transfers.

Now, let me, let me pose an imagination test. Suppose you were given this. Here I do my dramatic pause. This is a blank sheet of paper where you have to write down what should be in the EU budget. My answers start with things that you cannot really avoid.

Costs of administration. No doubt there could be some squeezing of administration, but let's face it, the share of the EU budget devoted to administration is not at all unreasonable. Then there are things the treaty dictates, which includes having structural and investment funds. The treaty, unless I'm mistaken, doesn't specifically say there ought to be direct payments to farmers, but it does dictate there should be a common agricultural policy. Then you have EU public goods of different sorts, where you have those that I think are unambiguous. The green transition, the digital translation dealing with climate and biodiversity, some aspects of internal, external action laterally, including Ukraine.

And also, there is a question to raise about public goods, which do two things, which is if they're more efficiently delivered at the EU level, because you can aggregate the production of such public goods, it makes sense to do them at the higher level of the supranational level. But there are also certain public goods, which are left only to the Member States will be under provided here.

The classic example is trans-Alpine highways, where it's a difficult to prove to the Austrians or the Swiss that there should be a trans-Alpine highway, which is for the benefit of Italians and Germans, but you'd get under provision unless you find a way of charging for it, which admittedly they do with the vignette.

The awkward question is national public goods funded by the EU level, is it just for investments or should there also be more explicit distributive goals? And here we come back to theory of fiscal federalism and the Musgrave trilogy of what public goods do : stabilisation, allocation and distribution.

It poses the question of whether there should be at least some level of EU distribution, which means net fiscal transfers. I won't get into one of the other things that Andrea Mairate mentioned in his introduction over a new EU fiscal capacity, because that's really another seminar, but it could be part of it if you're talking about dealing with distributive or stabilization challenges. Then the question arises again, loans or grants or conditions. This is starting with a blank piece of paper, some of the things you'd want to put on to fill such a blank page.

If we consider what's happened recently, we've already mentioned the midterm review. What can we conclude from it? Well, the great success was agreement on the Ukraine facility, but even then, two thirds of it is loans and one third is grants. And those allocations will also be subject to conditions. Now, the problem with the one third grants is that it adds to the debt burden for the EU as a whole and accentuates the potential problem of debt amortization or debt service which could potentially lead to further pressure on future EU budgets. something we have to consider. But it also demonstrates that the idea of having some form of debt financed EU policies, which are repaid from future budgets, is not just confined to Next Generation EU, but continues into the Ukraine facilityan potentially to Next Generation EU version 2 or other ideas that have been floated.

As for the rest of it, there won't be any great surprise that the outcome of the midterm review hugely watered down the commission proposals, salami slicing. And there's one very telling figure in the table at the end of the Council conclusions on the midterm review, which says net new money, 21 billion euro, which given the scale of the remainder of the MFF is minute. It's really the error

correction in the calculations. Also, some of the ideas that were floated around in advance of the midterm review, particularly the notion of some sort of sovereignty fund as an antidote to the U. S. Inflation Reduction Act, trying to promote EU activity, seems largely to have disappeared, with some suggestion that the idea of having the Strategic Technology for Europe platform, or STEP, could be kernel of a new sovereignty fund idea, but it seems to have got lost in the traffic. And as, as you know, the proposal for STEP is reduced to 1.5 billion euros, mainly on defence related issues, and it's accompanied by a reduction of 2.1 billion euros in the size of the Horizon budget. So, it's taking away to give less than was there in the first place from that kind of strategic investment in science.

So, what we see from all this is yet again resistance to change and articulation of the status quo. And then more recently, just a couple of weeks ago, we had the report of the High Level Group on Cohesion Policy shared by my LSE colleague, Andres Rodriguez-Pose. And there, it sounds good. Cohesion policy should be something which binds Europeans together because it creates the ties. It should enable the local capabilities to be effectively exploited and use the potential of places, which are not not able in the current context to do much. However, warm words. My question to this audience is where does it lead? Is it going to lead to something radically different from previous cohesion policies?

Some of you may recall the Barker report in 2009, where very similar things were being said. And yet the question is, has it translated into what cohesion policy does? One of my ideas in this, and this is a shortened form of a much more complicated chart that's in one of the reports I did for the European Parliament called an "Agile Budget", is to pose the question, despite all the efforts made by the EU level to impose fiscal frameworks on Member States, we don't really have a notion of a fiscal framework at the EU level for the EU's finances. So I think it's worth starting to reflect on it. First, there's the standard things, expenditure, revenue in the EU budget under the ceilings of the MFF. There's a new component, which is risks, and the risks feed into things like expenditure, because if the risks accentuate in some of the lending and borrowing particularly the borrowing, then it could affect expenditure or calls on revenues, as I've indicated before. But we also need to think about not just the governance, what mechanisms are used, but also separated legitimation, which some would say could be part of governance, because there's a concern, especially in the European Parliament, that it gets sidelined when the EU resorts to borrowing mechanisms.

The Parliament is half of the budgetary authority when it comes to the MFF, but not when it comes to Next Generation EU, and the legitimation question there is, I think, a fair one from the perspective of the Parliament, not one that's easily answered.

This is my time when I come along to try to provoke you. First, it's now 36 years since 1988. Can anyone really disagree with the proposition that a major reset of the budget is overdue? I would say that there's a straightforward way of looking at it, which is we need to focus far more sharply on European public goods, but as the corollary of needing to know what is an EU public good and the trouble here is that what you regard as a public good is often in the eye of the beholder. What I think is a public good is not what someone else like Andrea Mairate thinks is a public and we need to reconcile these different views on public goods. Second big conclusion is that when you look through the information on the budget, you know, there are supposed to be nine principles which are in the inter-institutional agreement, they're also in the own resources decision about things that the EU budget should conform to unity, having one budget and yet there are two because there's Next Generation EU. Universality, which means that all the money that goes into the EU budget is not going assigned to particular functions. Transparency, and yet we see the surge in

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external assigned revenue, and that's what the borrowing for Next Generation EU is defined as, which is saying this particular source of revenue is assigned directly to Next Generation EU so it's in conflict with the universality. And we could go through the other principles and ask whether they are really still being respected.

I introduced very briefly the EU level fiscal framework and in the report headed for the Parliament, there's a more complex chart which shows the interrelationship between the different components I mentioned. I think it needs to be elaborated and that means thinking about how the off budget mechanisms interact with the on budget, the MFF related budget.

And last, I think it's time for a new approach to the revenue side. Instead of saying, let's try out opinions on this or that potential new on resource, whether it's using the European Emissions trading scheme, or the carbon border adjustment mechanism, or financial transactions tax and failing, instead, my suggestion would be to say : by 2028 we set a target for a much higher share of genuine owned resources. Let's say it has to go from the current 15 or so percent, which is customs duties, to 40 percent. Set a binding target and then write it into a future own resources decision. That could be the way to move forward.

Second set of provocations. How do we get there? But the first step is coming soon, sometime in 2025, if it follows the previous timetable, the commission will be issuing its first suggestions for the next MFF. We know what's going to happen then. The succession of rotating presidencies will have to engage in negotiation on it and then last minute, whenever the last minute is defined. and remember, last time around, it was July 2020. Indeed, in November 2020, or something was going to be starting just six weeks later, it'll be all the horse trading. I've used to and my concern is that if you have this process, you persevere with the status quo because it's so hard to change. Remember the trilemma I mentioned.

Second trigger : enlargement. If it proceeds. Now, I know that there are many doubts about whether Ukraine in particular being the largest potential new member is a viable enlargement process, but if enlargement occurs, it is and must be stimulus to change, although you're going to see defensive actions coming out from Member States.

A rhetorical question to pose again here. Did the budget change with the enlargements in 1995, 2004, 2007, or even Croatia in 2013? My answer would be not very much. It's true that more of the money went to the new members, but the structure of the budget and its underlying principles did not alter much.

So my more radical suggestion is to say you have to countenance some treaty changes. Do you want to retain, for example, universality and unity, or do you want to introduce a more systematic use of the borrowing mechanism? And even in borrowing, there could be a rollover of existing borrowing rather than having to repay it all the time. That's what Member States do. So my suggestion here is could we countenance having a very limited intergovernmental conference as an answer to working through all the components of the EU budget or the EU finances more generally, and hope that could come up with answers, which a sufficient number of Member States could buy into.

And one thing that might well do is is reconsider the unanimity principle, which governs budget decisions, because that clearly is an obstacle to making progress now, whether existing qualified majority voting mechanisms would be sufficient or whether you'd want something a bit tighter to give to avoid squeezing out the smaller Member States is an open question. I would put everything on the agenda for such an intergovernmental conference. And I'm

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going to leave you with the wise sayings of a French philosopher : « In general, the art

of government consists of taking as much money as possible for one class of citizens to give to another ». With that epitaph, I conclude my presentation and thank you for listening.

Andrea Mairate: Thank you very much for this very comprehensive and stimulating presentation. I see some people who want to want to take the floor, but I will give the floor to Catherine.

Catherine: Thank you very much Professor Begg for this very convincing case for change in terms of a European budget. I had a question for you with perhaps two dimensions when you refer to the GNI Resource, we have there an assurance for the European budget of a balanced budget, we will have a resource, an automatic form of resource. My question was maybe two well known disadvantages to this source of income for Europe is that, this is not counter cyclical, correct me if I'm wrong, which is a concept in macroeconomics, but above all, it means that the role of the European budget is limited to accompanying the economics at national level, not being an autonomous actor meant as perhaps Next Generation EU was conceived to be, not in a capacity to correct depression, recessions at national level, not counter cyclical. You might correct me, but it means that if we're happy with this kind of fair or correct form of financing of the EU then we have, of course, a very restrictive understanding of the role of European policies. The other dimension, of course, has to do with what perhaps are the expectations, maybe too high, as regards new own resources.

GNI resource has to do with the contribution of taxpayers. It's supposed to be less painful when everybody pays. But the new owned resources really mean to make new actors pay. Well, we all know about the mobile multinational companies that escape any kind of taxation or very, very limited ones. So it is very difficult not to recognize in this ambition, which has yet to be completely implemented in the new resort on resources, the fact that we are aiming at an efficient and fair justice, which is not a small thing, I believe, for Europeans. So these are the two dimensions of my remarks regarding the GNI resource.

Iain Begg: I think I can reply quite quickly because the balancing of the EU budget it's a treaty provision. It's written into the Treaty of the EU. Budget must balance and therefore it cannot act in the macroeconomic stabilization mode that you refer to. The GNI resource is a mechanism to achieve, but if there were not a GNI resource, the EU budget would still be balanced and therefore the stabilization function could not operate.
On on the question of how it, how it's financed, the GNI composition, the tax composition for individual Member States is very varied. Some will have a reliance on personal taxation of income, some will have a reliance on corporate taxation, some will have a reliance on expenditure. Some of that expenditure may be environmental related and so on. And that means that two citizens in EU, different EU countries may be paying for the EU in a different way. So there's, there's equity among citizens as a consideration. It's possibly true that you could invent a new own resource, which would hit an entity that is not currently being taxed. Well, it would not be true to say that corporate interests are not taxed because there are corporate income taxes in every Member State, even in Ireland, which is often cited as one where there is low taxation. But I think that the idea that somehow you would have an as yet untaxed source of income is probably unrealistic.

Catherine: What role would you have the European budget play? Do

you agree that or do you think that it should compensate at times when national finances are heavily restricted? Should the European budget offer the margin for investment for new policies for the challenges that we know are appearing: war climate, et cetera?

Iain Begg: That's a very difficult question because it requires first, a political judgment on whether there is supposed to be a net fiscal transfer. And there are many ways in which you could affect this fiscal transfers, which are not currently within the EU budget. Net fiscal transfer at present largely comes about because of the way cohesion policy and direct payments to farmers work. It means that a country like Hungary is a major beneficiary from the EU budget whereas the Netherlands these days is leading the pack and saying we pay too much to the EU budget.

But I think what you're talking about is shades into being about a macroeconomic stabilization fund of some description, which would be a new fiscal capacity beyond what's currently in the EU budget. There are many ways you could do that. You could have a European unemployment insurance fund. You could have a rainy day fund. You've seen the resistance, however, to the introduction of such funds repeatedly. Attempts to include them within the EU budget have been largely thwarted by the net contributors. And it does come back, I think, to my trilemma. If you want such a thing, you need to make sure that the net contributors are sufficiently modified to accept paying for it.

Next Generation EU, you could argue, was to some extent a fiscal stimulus and thus a fiscal response to the particular challenges of the pandemic, but it's temporary and even the way it was set up was not like a stabilization instrument in the U.S. where you may recall that both Donald Trump and Joe Biden sent specific checks to individuals as part of their fiscal stimulus. Whereas the more indirect way, this is happening with Next Generation EU is long term investment projects, which are only now starting an impact on the macroeconomy. So there is certainly a debate to be had about having a macroeconomic stabilization capability. I don't think the EU budget is the way to do it at least within the constraints of the current thinking about the EU budget.

Andrea Mairate: Maybe I will give the floor to Terry.

Terry Stavropoulos: Andrea Mairate. Hi Terry. It was not so much a question rather an exchange of ideas with a professor. I agree with him that it's a good concept to have, let's say public goods that we all pursue with the European budget and that may make the trick and convince our leaders to be more coherent with all these promises and all these big goals that they have set for Europe when it comes to climate change and adaptation, when it comes to strategic industrial autonomy and everything, so we need to to be first of all coherent with all these promises and very ambitious goals. But also, as the professor said, we need to find common goods, common values as I mentioned, because we know that Europe had problems in several Member States with the rule of law and perhaps the funding that we put together could come also with these conditionalities. Another aspect that I wanted to raise and to bring into our discussion is that, Andres Rodriguez-Pose, the professor that was leading the high level group for the cohesion policy brought into the discussion and other concept, which also JRC and DG REGIO were highlighting together with the LSE in some common papers in the past, which is the geography of discontent.

And with the budget, we have to deal with this potential bomb in the

fountains of our democracy. The high level group report highlights more than 135 millions of Europeans that live close or below the margins of poverty and the analysis that we have is that most of these people live in places where they have lacking progress in terms of development. So, we need perhaps to consider how we can address these areas and how we can invest more in these areas. And it's not just rural areas in the Member States. It can be also deprived neighbourhoods in big cities, et cetera.

And I think this is a big stake for the European Union that we need to preserve our democracy. We need to put down populism, extreme parties, both from the right and the left and this is a critical year. And since we are having the elections, I think we're a little bit behind with the setting up, let's say the right budget to face all these emerging challenges.

Iain Begg: I think what Terry said is accurate. There, there is a huge concern which is being articulated in the high level groups report about the, shall we call them the dispossessed, the losers from European integration. But when you start to talk about it being a function of the EU budget, it becomes redistribution. Because you're saying you want distribution from a central budget towards certain groups in society.

And that gets politically very tricky, given that the Treaty on the whole has left a social policy to Member States and said: "this is not something that the EU level should be doing". So it's not an easy political demand.

It might be one that should be countenance, because what we have by way of distribution at present is exclusively distribution at the level of the Member State with a very limited amount coming through the EU social fund or distribution at the level of households or individuals that needs very careful thought. And I would say it's not going to be an easy one to try to sell to net contributors to the EU budget.

Terry Stavropoulos: This was happening already in the European Union in the sense that, cohesion policy and the internal market are the two sides of the same coin and we all know from studies that we have that big winners from the internal market are mainly the net contributors of the EU and the main losers are in the net recipient countries more or less. Of course, with the cohesion policy, we see now that there are many regions catching up to mention a few, the new Member States that joined in 2004. They saw their per capita GDP improving, et cetera, but still, there are areas even, let's say in France in the Netherlands in Belgium that are not doing very well.

And we have people that we need to pay attention to, they should not feel left out behind. Europe can move ahead only together. If we have, let's say, people that do not see the added value of Europe, then they will be the ones stalling the progress and the unification of Europe.

Iain Begg: Yes, so I take your point entirely, but the question we're addressing here is how do you deal with it ? If there's a problem in a relatively rich country, like France or Germany, is it for the EU budget to deal with that problem, or is it for the German federal or the French central budget to deal with it? And I would say in a richer country, the responsibility should should lie at the national level for dealing with pockets of deprivation or people who resent the way European integration has affected them.

So far, the EU budget has been about redistribution at the level of the Member State. We don't know whether the funds going into Bulgaria

benefit poor people or just the rich people in Bulgaria, because that's not their design. This is something where I think there's a separate and much more complicated debate to be had about how you deal with deprivation which, as you rightly say, is a one of the causes of disenchantment and populism.

Andrea Mairate: We have another question, Soren please ?

Soren Toft: I was thinking with in terms of leading, you know existing and leading politicians from not only the EU institutions, but also from the main contributor states, especially Germany. It would be, in my view, a time, a very good time, also given the fact that we are in a big security crisis in terms of Ukraine, the war in Ukraine, and the threat of Russia. And we definitely need to talk about the need for budgetary spending on defence. And there's so many other very good points made by you in the presentation and others in this very complex and interrelated and connected problems that need to be seen as part of an overall issue. And that's where the budget comes in, it's cross cutting and so I would say, in particular, having a process over 6 months, maybe 12, where there's a really in depth preparation of with a blueprint for how to do it in the specific areas and, of course, a public debate in the major contributor countries as well. So there's an understanding in the public of why there is this need and where and how it would look in practice if it were to be implemented. I'm not sure an intergovernmental conference would be the right way because it immediately triggers the need for referendums. And in this view, it would make it very difficult to pass. So I would start a different place than Professor Begg suggest and say that we basically need some politicians that have a high level of credibility and legitimacy in the Member States and politicians who really know the issues together with academics in a high level group who can present a very well thought through analytical report that and then, of course, with all these proposals fleshed out, I think that would just be another way of approaching the problem, but maybe actually more doable.

Iain Begg: You could be right. Although I recall that there was a high level group chaired by Mario Monti just 10 years ago. And what was the outcome of that? We'll struggle to find it.

Soren Toft: Yeah, but which politicians ? That's the point. They have the legitimacy. You don't, I don't, we don't. It's the politicians who are elected nationally who have the legitimacy. **Iain Begg:** Right, but the Monti high level group of 2015, 2016 and Commission representatives, including Mario himself, they had national representatives and it and it had parliamentary representatives. So it had politicians in it, the high level group has produce a nice reports to go on a shelf and now it is inactive which is why I wonder we need something a bit more radical. Now, when I talk about a mini intergovernmental conference, the threat of referendum would arise if there were treaty changes or a significant nature. You can have minimal treaty changes, which are passed without the need for a referendum, as has happened with things like the Eurogroup. Somewhere in between a full blown intergovernmental conference, which leads to a new treaty, and something which deals specifically with the EU finances could have more clout than a yet another high level group, but both are possibilities. I saw a question flashing across, if I may, Andrea Mairate, about whether I, my reaction to the JURI cascade mechanism in the midterm review.

Andrea Mairate: Yes, it's from Lucas Maton, a trainee from the

European Parliament.

Iain Begg: Well, can I give my immediate answer, which is my interpretation of what I hinted at during the presentation, which is it's kicking the can down the road. As it says, if stage 1 isn't sufficient, we move to stage 2, and if stage 2 isn't sufficient, we move to stage 3, which is calling on Member States. And I think that's saying : will look at this after we've had time to see whether it is necessary.

Andrea Mairate: Good answer. And then we have Jan Nill. Maybe you can ask your question.

Jan Nill: I have a comment and a question. On the issue of the social funding via MFF, there's now an interesting case. This is the social climate fund (SCF), which tries to target funding below the Member State level with vulnerable target groups, but there was a huge debate on this fund, how it relates to the budget.
So, the situation is for the moment, it is externally assigned revenue. So, it's a separate fund and there is a declaration of intention that it should become part of the next MFF kind of article shows us to as a new element in this debate, how to address social distribution issues. Of course, key here is the climate purpose and it's the fund is closely linked to the new emissions trading for buildings, road transport and small industries. So, from to environmental purpose, and therefore that was the justification to have this also with social elements in it. A comment on this fund, there's one link to my question to Professor Begg because one element of the social climate fund, which starts in 2026 so one or two years before the new MFF is a lot of the debates was also on the way how this fund would be shared and all this debate should be cost based or performance based. And now the SCF also follows rather the performance based model. And I would like, would you want to, you didn't touch on this issue, how the EU budget is delivered ? Would you have also comments and views on that?

Iain Begg: Okay. Well on the last point we have a project in progress at the moment on performance budgeting. And there is obviously the clear difference between the approach in the RRF and cohesion policy, although cohesion policy has moved a bit towards performance based budgeting.
The milestones and targets approach of the RRF is something that I think is going to become more entrenched in the way the EU thinks about its public expenditure. On the social climate fund, I too read the proposal on the ETS and if you look at it in detail, what the commission proposed is to use most of the revenue from the ETS to give back through the social climate plan.
So it's a hypothecation of it and also if you read further and it says, if I remember rightly, there are going to be 19 exceptions for individual Member States on how much of their ETS revenue is assigned to the EU budget. So that's 19 new corrections, which would be introduced in this. If you add up all the corrections, the revenue coming from ETS towards the EU budget as a new one resource it is decimated. It's cut back very radically.

Yves Caelen,: From the room, good afternoon Professor Begg. Your fiscal framework with the five points includes a very problematic element. This is legitimation. It was already said a bit, but democracy it's basically the basis of legitimation in our context, and it seems that manipulation of democracy is a big problem and the fact that the presentation you make to us is not necessarily accessible to the public, the public access to another type of communication and we know very

well that this year, this electoral year, a big problem is the threat of the populism and anti-Europeanism. We have seen what it has achieved, if I may use this word, in Britain in the past. So how do we solve this problem of legitimation? Is there any approaches that may help us to get what we need at this level? Or is there any maybe alternative to democratic legitimation, how do we overcome this obstacle?

Iain Begg: Well, let me reiterate that the context in which I was referring to legitimation here is the role of the European Parliament as the elected body in deciding on and monitoring the Next Generation EU. The Parliament is up with the budgetary authority along with the Council on the MFF, but it is not on Next Generation EU and certain other borrowing mechanisms. It may well be that exactly the same applies when the Ukraine facility becomes operational. So that's the limit of what I was trying to say. What you're asking is a much more profound question about whether legitimation channels in the EU are sufficient. And I think there is an immense academic literature on this talking about whether or not it is, which probably goes well beyond the budget. We can get into it, but I think it's really a topic for another seminar.

Andrea Mairate: Well, maybe I can raise a couple of issues. The first one is on the notion of European public good and how it links to the wider issue of borrowing mechanisms and so forth and the central fiscal capacity. I mean when we talk about European public goods, which is maybe a not well defined concept although there is some literature, which has been emerging in the last few years, but my understanding, because I have been working on this with especially with Marco Buti, we produced a couple of papers. The whole idea is that, European public good should meet at least 3 criteria. I mean, the first one, the most obvious one, is if you aggregate, you should achieve some economies of scale and one clear example is defence. The 2nd criterion is what we call the spillovers. I mean, this is clearly the case of transnational networks especially infrastructure networks, transport, energy digital. But this is more difficult to achieve. There are some instruments with that provide some funding for that, but one of the big questions of Next Generation EU is, as you rightly said, they provided funding for national public goods rather than European public goods. Because if you look at the share of the transnational projects, it's very limited. It's not even 3%.

Iain Begg: Can I stop to avoid a confusion? What I said, in reporting Marco's work was that it's funding public goods of European nature, in the sense of addressing climate change and the digital transition, just happens to be located in the Member States.

Andrea Mairate: Yes, located. Yes, of course, but with the central fund or central fiscal capacity, as he called that. But that's the 2nd criterion: the transnational dimension, which can be delivered by Member States themselves. And the third one, which is pretty obvious is the homogeneity of preferences. A clear example is environment. I mean, the majority of citizens they want to have clean air and high standards for environment and for water and for other environmental goods.

I mean, if you combine those 3 criteria you can define, what is a public good, but I mean, The big problem is how you will deliver those public goods. And this is the question that has to be solved and this is why the borrowing issue is important because if you don't have borrowing mechanisms because of the austerity in Member States, because of the resistance of Member States to put more money into the budget the

only way out is to go through borrowing mechanisms. I mean, whether they are one off or budget mechanisms or through assigned revenues and so forth. This is part of the trilemma that you rightly presented and the discussion is particularly confusing because now everybody's talking about the defence fund, which is based finance through borrowing. Draghi is maybe the most prominent voices pledging for big money to transitions green transition, digital transition, 500 billion per year, this is quite huge compared to what the Commission estimated a few years ago.

Iain Begg: Andrea Mairate, can I interrupt you, just answer a couple of these points, because I sense we're getting towards the end of the session. There is a need to go back to public economics concepts and theories. There's probably an unambiguous case of having defence at the highest possible level. But then you're up against the political problem that even though the subsidiarity test says move defence up to the EU level, political problem is that defence is one of the defining features of a nation state. And when it's a defining feature of the nation state, there is no way that a country like France or Poland is going to want to assign its capabilities and defence to the supranational level. And in any case, there is NATO in the background. Economic analysis gets you only so far, because politics intrudes. On the things you mentioned about the nature of public goods, I think I did try to cover it in the presentation. The fact that you get under, under provision if you have If you're unable to appropriate the benefits by an individual country, and you can be therefore elevated to a higher level to achieve that, and also economies of scale or scope do apply.

I think the answer to what you're saying is, let's look again, whether we can draw insights from economic theory on this, and then see how we can match them to what the EU budget does or does not do in many cases. For your information, the report I refer to done for the European Parliament is called « Stronger Options for a Stronger and More Agile EU Budget », and the first section of that does indeed go through in quite some detail in the nature of the background economics on this. And then the remainder of the report largely focuses on different scenarios for how the EU budget might evolve. So, for example, integrating borrowing and lending within the MFF, or scenario two is entirely separating them and regarding them as two different components of an overall EU fiscal framework.
I think that these are the directions we have to go in and thinking about EU public goods. And the one last thing to mention is that there seems to have been a dismissal of the idea of having some form of golden rule for public investment. I don't think it's featured in the way in which it's been addressed to Member States.
But it's conceivable that you could have a golden rule at EU level under which you finance a public investment in a public good by borrowing because you know it's going to generate future benefits, particularly the denominator of everything which is GDP.

Andrea Mairate: I fully agree with that. I think what worries me is when you have these pledges of different funds pursuing different objectives, and we forget the basic rule : for one policy objective, there should be one instrument, one instrument cannot pursue many objectives.
And this is one of the problems that we have with cohesion policy, for example where you have many objectives and these funds are allocated to different policy areas and so forth. I mean, without having a tie that brings together all these different policy areas. The EU budget should not be only for investments, maybe there is scope for more redistribution. We talked about the climate social fund, this is a good

example to compensate for the let's say, the most vulnerable groups, which will be affected by climate policies, which are essentially regressive but also there should be other ways of looking at redistributive mechanisms that could be included in a reformed budget.

Iain Begg: Back to the same question about whether the EU should be a welfare state. The settlement in the treaty is that the welfare states remain a national prerogative. You get redistribution at the level of the Member State as a result of the EU budget, but there is strong resistance, even from the poorer Member States, to say the EU should dictate how welfare benefits are distributed among the population, I think there's a very difficult political challenge there in saying, is this something that should be brought to the EU level because eventually the cost of it would be enormous. If you want to consider genuine redistribution at the level of households or individuals as a result of EU budgetary actions.

Georges Vlandas : Professor, if you can make a conclusion maybe ?

Iain Begg: I've used a slide before, which I didn't show this time, which had a picture of Bill Murray for the film *Ground hog Day*. You know the principle of *Ground hog Day,* which is that he wakes up every morning and goes through exactly the same processes. This to me is a metaphor for successive rounds of the EU multi annual financial framework. We start with ambitions for changing it and you end up going through the same motions and arriving at pretty much a status quo outcome. The alternative is to say, after 35, 36 years, time for a change is now. That's my message. I think the political message that has to be produced as a result of all the discussions on the budget is that irrespective of enlargement, irrespective of things like the preferences or not for climate change, it's time to modernize an EU budget, which has failed to take account of all the transformations we've seen in the EU since 1988.

Andrea Mairate: Thank you very much Iain for sharing your views on this!

Georges Vlandas : Merci beaucoup, c'était très clair.