

THINK TANKS' THOUGHTS

Europe's People's Forum has selected various think tanks' articles focused on themes that we find most current and interesting for the activists, politicians and connoisseurs engaged in the policies of the European Union. The articles were published in October.

EU's Future institutional Structure and Policies

In our last TTT, we published a paper by Bénassy-Quéré et al. (2018) that proposed for euro area reform, propose to eliminate all room for meeting shocks with liquidity instruments and excluded purchasing own national sovereigns and thus create an environment in which any idiosyncratic shock hitting a highly-indebted country would be mercilessly restructured before any financial assistance could be considered. According to Marcello Messori and Stefano Micossi in [Counterproductive Proposals on Euro Area Reform by French and German Economists \(CEPS\)](#), these proposals would heighten the risks of financial instability and weaken defences against financial shocks. The authors explain why.

Andrew Duff in [How to govern Europe better: Reflections on reform of the European Parliament, Commission and Council \(EPC\)](#), discusses the balances of power in EU after Brexit and analyses the division of seats in EP, the future for Transnational Lists, Spitzenkandidaten, Dual Presidency, a possible Federal Route, the number of commissioners, Multiannual Financial Framework, Who Rules, predicts a Treaty Amendment, and establishment of a Reflection Group. The Paper has in a few areas been surpassed by political conclusions, but by far most of the analysis is still ready to engage the not only the men and women of the EU bubble but also all the capitals.

On 7 February 2018, the EP rejected the creation of transnational lists for the 2019 European elections. However, this decision is not the definite end of the project. In this respect, the European Council of 23 February 2018 agreed to continue the discussion so that in 2024 these transnational lists are possible. In the Policy paper [Transnational Lists: A Political Opportunity for Europe with Obstacles to Overcome \(Delors Institute\)](#), Christine Verger presents all the political and national challenges that will continue sparking heated debates about the issue.

EU-policies on Social Dimension, Labour Market Protections and Trade Agreements

In the past years, the lack of democratic legitimacy and transparency of trade negotiations was criticized time and again. According to Laura Maria Wolfstadter, Sophia Becker and Valentin Kreiling in [Rights and Role of the European Parliament in Common Commercial Policy \(Delors Institute\)](#), the European Parliament (EP) can play an important role as a counterweight and corrective.

After U.S. trade secretary proposed a tariff on steel imports, the Commission's strategy of preparing for possible retaliation is sound. According to Sebastian Dullien in [Trade conflict with the U.S. is the only way to protect free trade \(ECFR\)](#), to defend a global, rule-based order of (relatively) free trade, the EU must not allow Trump to introduce arbitrary tariffs at will. Going down this road might look like escalating an irrational trade war. Yet in fact the EU is merely enforcing global trade rules.

Democracy, Citizens, Human Rights and Independence of Media

There is widespread agreement that liberal democracy is in fragile health in its European heartlands and particularly weakened in new member states. Yet, Richard Youngs and Sarah Manney in [Recession and Renewal in European Democracy \(Carnegie Europe\)](#), reveal a more mixed picture of democracy's health. Based on disaggregated data from recent surveys they show that if many democracy-related indicators are heading in a negative direction, others, especially those relating to citizens' general political participation, show a more positive trajectory. An important point is that while participation in traditional elections decrease new routes of political participation spread and positively are expected to influence the civil rights in the future.

Dani Rodrik in his discussion of Yascha Mounk's book *"The People versus Democracy"* acknowledges that liberal democracy is in fragile health, and as many authors he argues that liberal democracy is being undermined by the political menace from illiberal democracy. However, illiberalism is not the only threat. In [The Double Threat to Liberal Democracy \(Project Syndicate\)](#) the author finds a tendency in this liberal democracy to emphasize "liberal" at the expense of "democracy" and points to the EU as representing the tendency of "undemocratic liberalism". According to the author a new way must be found around the pitfalls of insufficient democracy.

Policies on Migrants and Refugees, Schengen and Development Aid

In [Migrant crisis, the "blockchain technology" \(Mediterranean Affairs\)](#), Giulia Formichetti explores more in depth the potential of its blockchain technology to the identification and management of refugee cases in the European Union, through the self-identity, the financial identity and the distribution of cash assistance. Alongside positive and promising contributions, drawbacks and upcoming challenges will also be identified.

Priorities and Values in EU Foreign and Security Policy

The European Commission in February 2018 set an indicative deadline (2025) for admission to the EU of the two most advanced candidates from the Western Balkans – Serbia and Montenegro. As we seen in the 2015-16 refugee crisis, given its geographical location, this region is important to the EU in terms of security, stability, trade and transit routes. This is

why according to Marek Dabrowski and Yana Myachenkova in [The Western Balkans on the road to the European Union \(Bruegel\)](#), the economic and political prospects of this region and its future within a European framework should remain one of the top priorities for the EU. However, they stress that the most difficult issues of conflict legacies, human rights, guarantees for ethnic, religious and other minorities, respect for the rule of law, the fight against corruption and organised crime, and the modernisation of the public administration and judiciary must be a priority after the experience from the previous EU enlargement rounds. Independence of the media landscape remains a further need for focus.

According to Mark Leonard & Norbert Röttgen in [A New Beginning for European Defence \(ECFR\)](#), with the new German government to take up work shortly, it is now the moment to move past institutional integration and develop practical European security capabilities. Indeed, PESCO cannot be the end of the line because it focuses on small-scale technical projects instead of political initiatives that could capture the public imagination and not on a European Army that would replace national military forces

Ukraine and the EU are closer than ever before, according to the authors. The coming period will see the EU consolidate the achievements in Ukraine from the last four years even if events have also shown how far apart they still are in economic capacity, governance, and their visions for the future. In [The EU and Ukraine: Taking a Breath \(Carnegie Europe\)](#) Balazs Jarabik, Gwendolyn Sasse, Natalia Shapovalova, Thomas de Waal explain that the hope in the coming period is that the Association Agreement is a robust commitment that will keep Ukraine on the right path. EU-Ukraine relationship is also cemented by a shared distrust of Russia. Thus, the EU is not so much withdrawing from Ukraine as it is taking a breath, waiting for the 2019 election.

Brexit Negotiations and National Political Issues

Since the Good Friday Agreement twenty years ago, the UK and Ireland have reaped the fruits of a mutually respectful and peaceful relationship. According to Chris Patten in [The Return of the Irish Question \(Project Syndicate\)](#) with Northern Ireland's power-sharing government having broken down and the ongoing Brexit negotiations that raises questions about a potential hard border between the UK and Ireland, which could bring the historic Good Friday Agreement may be at risk.
