



FUTURE OF EUROPE OBSERVER

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This issue of the ZEI Future of Europe Observer takes stock of the implementation of the annual work programs of the Von der Leyen Commission. It includes analyses on the progress being made within the Commission's six policy priorities, visualized by the ZEI Monitor traffic, and provides an outlook for the coming year.



Proposal (legislative / non-legislative) not tabled yet



Ongoing ordinary legislative procedure



Legislative procedure completed / non-legislative proposal published

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Future of Europe Observer

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

Kick-off for the European Green Deal despite COVID

The year 2021 was thematically dominated by the ongoing Corona crisis, similar to the previous year. Despite the enormous efforts of the EU to support its member states in coping with the state of emergency through the Recovery and Resilience Facility, the EU4Health program, vaccine procurement or the unified digital COVID-Certificate, the path to a new form of normality in Europe has not yet been found. There is still a need to create a post-Corona transformation of the European single market that works smoothly under the new circumstances and prevents future national go-it-alones. The wave-like epidemic situation and the resulting threat of overloading national health systems are still being countered primarily with national regulations and crisis management, while the supranational European level as an overarching coordinating body usually has difficulty intervening decisively.

In addition to pandemic management, the past year was also characterised by the management of another crisis, which in its concrete form still lies ahead for the EU and the entire world: The climate crisis. By developing numerous legislative proposals, the Commission has started to implement the promises of the European Green Deal in 2021. In particular, the comprehensive Fit for 55 package shows potential to drive the unprecedented transformation of the European economy towards a sustainable, eco-social economy. Although these measures are still in the midst of the legislative process, the European Commission has taken a decisive step towards achieving the

main objective of its legislative term.

By comparison, the scope of projects envisaged in the Commission's work program for 2022 is much smaller. The Commission plans to present a total of 68 initiatives next year, of which only 45 are legislative, the rest being non-legislative initiatives. This means that the number of legislative initiatives is significantly lower than the 82 legislative initiatives from the 2021 program. The top priority seems to be the implementation of the climate protection measures that have been set in motion, even if these will be supplemented this year by a few more regulations on CO2 reduction and the circular economy.

But the Von der Leyen Commission is not only very active in the area of climate protection. Long-term projects such as the deepening of the Capital Markets Union and the Banking Union will continue to be pursued, even though they are still not expected to be finalized in the coming year. In addition, in March, we will see the end of the large-scale Future Conference of the European Union, in which all EU citizens had the opportunity to participate in a variety of ways to give new impetus to the EU. It remains to be seen what will actually be left at the end of this one-year experiment in democratic citizen participation. The real impact of the conference will be measured by whether real treaty changes emerge or whether it remains symbolic politics, which ZEI will continue to monitor closely.

Henrik Suder, *Research Fellow at the Center for European Integration Studies (ZEI), University of Bonn.*

Commission Priority 1: The European Green Deal

Goals and Key Players

The Commission's work programme for 2021 sets out to deliver on its six priorities, of which the first centres on the European Green Deal. The main goal set out by von der Leyen's Commission regarding the European Green Deal for 2021 was to focus on an overhaul of climate and energy legislation so that it is in line with reduced emission targets of at least 55 per cent by 2030, compared to the benchmark 1990 levels (European Commission 2020a). To this end, the work programme's annex lists 24 new initiatives—chief among them the “Fit for 55 Package” —, 12 initiatives to be examined under REFIT, six proposals pending with priority as well as five withdrawn initiatives (European Commission 2020b).

Furthermore, there is to be a focus on external partners with the Commission proposing a Carbon Border Adjustment Mechanism (CBAM) “to help motivate foreign producers and EU importers to reduce their carbon emissions” (European Commission 2020a, p.3), while adhering to the EU's strict competition policy and WTO standards to ensure a level playing field. Simultaneously, climate and energy diplomacy is seen as key in engaging with external partners.

Progress in 2021

Throughout 2021 progress has been made from fine-tuning strategies to laws entering into force. In the first quarter the New European Bauhaus initiative was launched (European Commission 2021a), an EU Strategy on Adaptation to Climate Change was adopted (European Commission 2021b) and an Organic Action Plan was formulated (European Commission 2021c). The aim of the Strategy on Adaptation to Climate Change is to move from “understanding the problem to developing solutions, and to move from planning to implementation” by “scaling up of international finance and through stronger global engagement and exchanges on adaptation” (European Commission 2021b). To this end, the climate-ADAPT platform will be enhanced and expanded upon, with the European Climate Law proposal being the foundation for increased ambitions. As part of the Farm to Fork Strategy, the Organic Action Plan foresees 25 per cent of the EU's farming and agricultural production to be organic by 2030 (European Commission 2021c). The approach is threefold

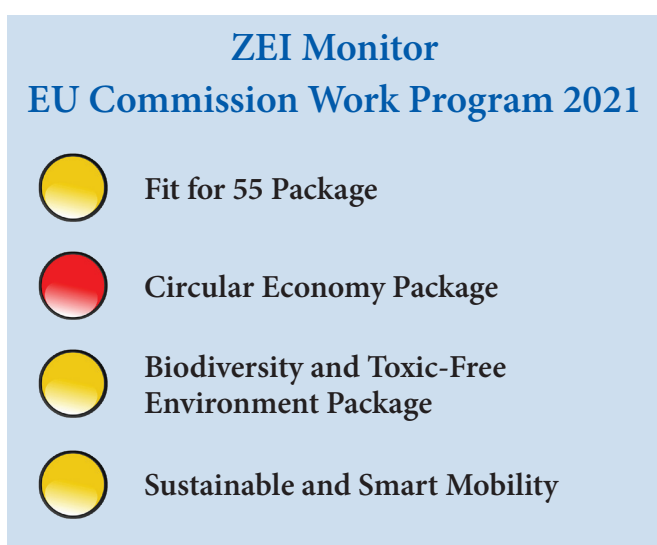
whereby organic production is to lead by example, the entire value chain is to be taken into consideration, and consumer trust is to be ensured to secure demand for organic agricultural production.

During the second quarter political agreement was reached by the European Parliament and the Member States on the European Climate Law, which entered into force in July 2021, setting a legally binding target of carbon neutrality by 2050 and a 55 per cent greenhouse gas emission reduction by 2030 (Regulation (EU) 2021/1119). Herewith, the European Union has become the first large carbon emitter to set a legally binding target for climate neutrality, providing significant heft at the international negotiation table. In addition, the Commission adopted a Zero Pollution Action, setting

out an integrated vision for 2050 aiming for zero pollution of air, water and soil (European Commission 2021d). This communication is all the more poignant in light of the ongoing health crisis and asserting economic growth without increased pollution.

The third quarter saw the most comprehensive package proposed by the Commission to deliver on the European Green Deal and to transition our economy to reach the target set for 2030 of a 55

per cent emissions reduction. The “Fit for 55 Package” is a systematic package covering everything from climate neutrality, climate action and protecting nature, to transforming economy and society, including transportation, industry, energy systems and buildings (European Commission 2021e). With the package consisting of interconnected proposals, a variety of tools are proposed for implementing the policy mix, including pricing, targets, rules and support measures such as the Social Climate Fund and an enhanced Modernisation and Innovation Funds. A significant new pricing tool is the proposal of the Carbon Border Adjustment Mechanism (CBAM) to prevent carbon leakage and is to complement the existing Emissions Trading System (ETS). Furthermore, an action plan was adopted building on the New European Bauhaus concept launched at the beginning of 2021, bringing a cultural and creative dimension to the European Green Deal as well as tangible changes on the ground, according to von der Leyen (European Commission 2021f). The aim of the New European Bauhaus is to promote a new lifestyle that accelerates a green transition by providing citizens with goods that are circular in nature and less carbon-inten-



Commission Priority 1: The European Green Deal

sive in production (European Commission 2021g).

The final quarter brought the year to a close, with the Commission adopting three more proposals in order to realise the European Green Deal. The first proposal calls for legislation on deforestation and forest degradation, whereby the regulation is to guarantee that products bought, used and consumed in the European market do not contribute to global deforestation and forest degradation (European Commission 2021h). The second proposal is a call for revision of the regulation on waste shipment, on the one hand regarding intra-EU waste management in order to promote the circular economy and on the other hand to tackle illegal waste exports to third countries (European Commission 2021i). Lastly, the Commission presented a new EU Soil Strategy proposing voluntary and legally binding measures to ensure protection, restoration and sustainable use of soils with a view to soil ecosystems being in a healthy condition by 2050 (European Commission 2021j).

Conclusion and Outlook 2022

Based on the Commission's work programme of seeking to overhaul its energy and climate legislation to align with the 2030 targets, progress has been made throughout 2021. Not only has existing legislation been through the REFIT mill, more binding laws have also entered into force. Legislative proposals have been made and passed affecting society and economy as a whole, beyond purely energy and climate. This shows that, as the Commission had set out in the European Green Deal in 2019, climate neutrality is the guiding tenet for policy. The European Green Deal continues to be viewed as a primary driving force out of the seemingly never-ending pandemic, as "[t]he value of the European Green Deal has only grown in light of the very severe effects of the COVID-19 pandemic on the health

and economic well-being of the Union's citizens" (European Commission 2021k, p. 16). The European Commission thus far has been able to maintain the virtuous cycle of economic growth while environmentally sustainable, with a view to an inclusive society.

Progress of the past year shows real responsibility being taken in transforming to a sustainable green society without leaving any EU citizen behind. However, as policies roll out and regulations are implemented, external partners and third countries should be brought along. A fine balance has to be struck between implementing an ambitious agenda without becoming protectionist vis-à-vis third countries. For example, supply chains are being cleaned, and value-added chains are being shortened, bringing the production of goods to higher standards and closer to home. On the one hand, this leaves producers in third countries unable to compete as standards are multiple and may potentially not be adhered to. This can especially be the case as the spill-over effects of the European Green Deal on third countries can uncover a lack of coherence between policies or even reveal competing policies (cf. Koch & Keijzer 2021). On the other hand, producers in third countries may be left out entirely of value-added chains with only the raw materials being sourced and imported. As Europe has historically been a continent with a great appetite for raw materials, grave effects have been left on the global environment. The EU sets a good example with the European Climate Law, aims to ensure a level playing field with the CBAM, and has come strides in addressing deforestation, land degradation and pollution. Global leadership means moving beyond setting examples to providing guidance to peers to leverage the benefits of a green transition. The European Green Deal has by no means become less ambitious.

Aiveen Donnelly is a ZEI Master Alumna "Class of 2016".

Energy Regionalism in ECOWAS and the EU

A Comparative and Polycentric Governance Study

by Michael Awuah

This innovative book examines two supranational energy regions: ECOWAS and the EU. The author explains the governance of regional energy systems from the perspective of international political economy. He conducts a comparative institutional analysis of both the ECOWAS and EU energy regions, demonstrating a shift from monocentric to

polycentric energy governance and an approach to developing a robust regional energy governance regime based on Nobel laureate Elinor Ostrom's "design principles." The book is aimed at political scientists and political economists with an interest in energy studies and comparative regionalism, and is accessible to students, academics, and policymakers alike.

Baden-Baden: Nomos, 2021, Schriften des Zentrum für Europäische Integrationsforschung, Vol. 83, 534 pages, ISBN 978-3-8487-7893-5

Commission Priority 2: A Europe Fit for the Digital Age

Goals and Key Players

Compared to 2019, when the Commission first published its political guidelines and established the six priorities for 2019-2024, digitalisation has become even more important by now. The ongoing COVID-19 pandemic has once again highlighted the importance of digitalisation and the significant impact that deficits can have, both on a social and economic level. The past two years have shown that only a broad digitalisation of socio-economic drivers will help to manage global crises and face the new challenges of globalisation. In this context, topics like eHealth or digitising public services gained importance; for example, the digital COVID certificate, introduced with the Regulation (EU) 2021/953, has become indispensable to efficiently organise vaccination checks in daily life situations. The world of business and work is also changing rapidly as a result of the pandemic. Working from home and virtual supervisory board meetings in stock corporations have become commonplace. Furthermore, digital facilities have gained increasing relevance in the education and research sector (eEducation); numerous school and university students look back on two years of online teaching that didn't always run smoothly. The basis for digitalisation is a comprehensive and high-performance infrastructure that ensures the necessary advanced connectivity. The roll-out of fibre networks and 5G is therefore a key action for the future.

Starting point of the progress in 2021 is the Digital Compass Communication (COM(2021) 118 final) that was adopted and announced by the Commission on 9 March 2021. Through the Digital Compass Communication, the digital goals and the strategic connectivity objectives have been extended both in terms of time and content to the year 2030.

Accordingly, the political position has expanded compared to 2020 (see ZEI Future of Europe Observer Vol. 9

No. 1 April 2021, p. 4). The Commission now describes digitalisation as a crucial precondition for the exercise of rights and freedoms. In doing so, the Commission focuses stronger than ever on the digital sovereignty of the EU and aims at further accelerating the necessary investments. Overall, the goal is to build and enhance technological capacity to enable people and businesses to benefit from the digital transformation and to contribute to building a healthier and greener society.

To carry out the digital transformation the Commission established four cardinal points for mapping the EU's trajectory. These points are transferred to a

Compass that is based on an enhanced monitoring system to track the EU's progress. The Digital Compass includes the following headings:

Skills - A digitally skilled population and highly skilled digital professionals;

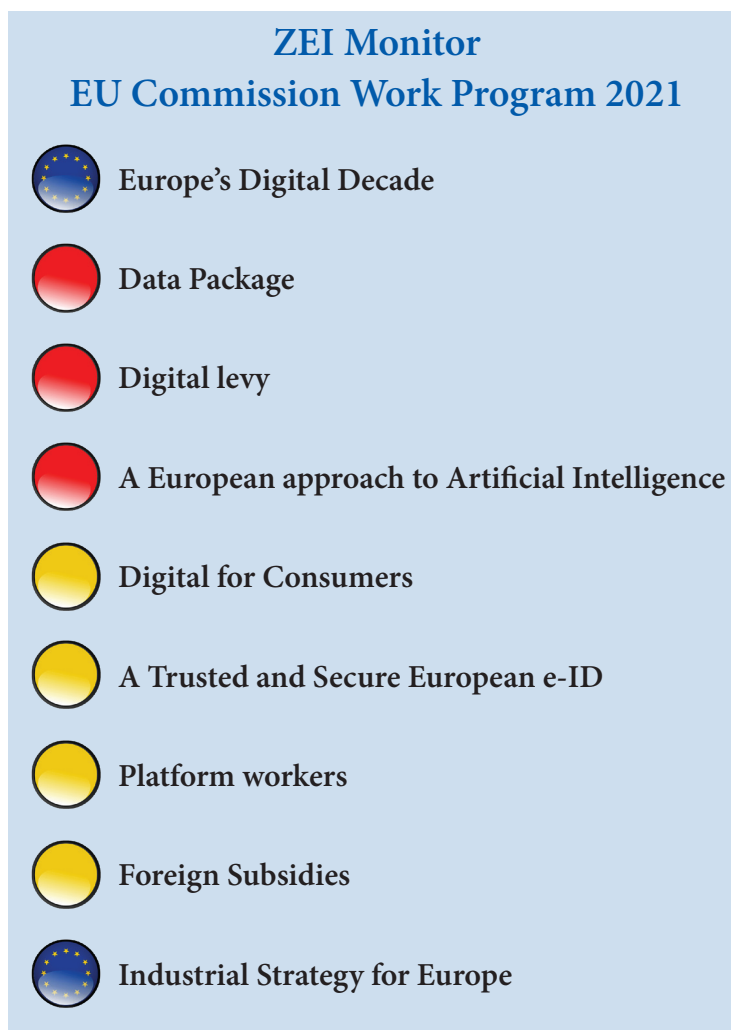
Infrastructure - Secure and performant sustainable digital infrastructures;

Business - Digital transformation of businesses;

Government - Digitalisation of public services.

To efficiently follow the Digital Compass headings and achieve the goals, the Commission intends the implementation of a governance structure with annual reporting and monitoring. In this regard, the Commission published a proposal for a decision of the European Parliament

and of the Council establishing the 2030 Policy Programme "Path to the Digital Decade" on 15 September 2021 (COM(2021) 574 final). The framework is based on an annual mechanism for cooperation between the Commission and member states. The Commission will first define, together with the member states, joint EU target pathways for each objective. Member states will then in turn propose national strategic roadmaps to achieve these targets. The Policy Programme includes, inter alia, a structured, transparent and joint monitoring system based on the Digital Economy and Society



Commission Priority 2: A Europe Fit for the Digital Age

Index (DESI) to measure progress towards each of the 2030 targets as part of the cooperation mechanism.

Progress in 2021

1. Compass Heading 2 - Digital Infrastructure

In the context of Compass Heading 2, the Commission expanded the connectivity objectives. In particular, the focus shifts increasingly to gigabit connectivity (at least 1,000 Mbps). While the targets of the Gigabit Communication initially envisaged gigabit connectivity only for socio-economic drivers, the digital compass has now set a new objective of gigabit connectivity for all European households by 2030.

Against this background, the focus of the objectives is based on more sustainable fixed, mobile and satellite connections of the next generation. This means that fibre to the home (FTTH) deployment will become an increasingly important step in the future. A technology mix (such as vectoring), given the updated goals, can consequently be considered as a mere transitional solution. For the future, significant investments in a sustainable and high-performance network infrastructure are required to ensure a necessary secure and performant digital infrastructure for all Europeans. Thus, creating incentives for investment and expansion is essential.

In this context, State aid within the meaning of Art. 107(1) TFEU, along with cost reduction measures, is a key instrument to accelerate the roll-out of gigabit networks and 5G. An important step towards the new connectivity objectives is the revision of the Broadband Guidelines (BBGL). In this context, the Commission has now published Draft Guidelines on State aid for broadband networks on 19 November 2021.

The new BBGL address the connectivity goals of the Gigabit Communication and the Digital Compass and set out a new framework for the Commission's assessment on the compatibility of State aid measures on the basis of Art. 106(2), Art. 107(3) point (c) and Art. 107(2) point (a) TFEU. Thus, innovative and efficient measures can be enabled in the future. In particular, the thresholds for the necessity of State aid were adjusted. Market failure therefore basically exists in an area if there is no ultra-fast (at least 100 Mbps) broadband network ("white area"). If there are one ("grey area") or several ("black area") ultrafast broadband networks, a market failure can be proven if these networks do not guarantee gigabit connectivity (and at least 200 Mbps in upload). Thus, State aid may be admissible even in "black areas" under certain circumstances. In addition to this, the new BBGL consider demand-side State aid measures. The Commission thereby clarifies the scope of application of the BBGL. For instance, this aspect was unclear when the Superfast Broadband Project was

launched in Greece in 2019 (C(2018) 8363 final).

2. Compass Heading 3 – Digital transformation of businesses

As regards Compass Heading 3, the Commission sets course to the digital transformation of businesses in order to build a stronger single market for Europe's recovery by an Update of the 2020 New Industrial Strategy published on 5 May 2021 (COM(2021) 350 final). The update focuses primarily on an adjustment of the goals and concepts as a result of the lessons learned from the COVID-19 pandemic.

In this context, the Commission aims at accelerating the twin transition that describes the ecological ('green') and digital transition of the EU's industry. Digitalisation is now taking on a strategic role in the continuation of economic activity and has fundamentally changed the way of doing business. Companies that already have undergone the twin transition have an advantage over competitors thanks to digital and green business models and technologies. To accelerate digital transformation, the Commission envisages a legal framework for a broad and fair exchange of data ('data act').

Conclusion and Outlook 2022

All things considered, the Commission did a good job by adjusting the EU's course to the digital future in reaction to the lessons learned during the COVID-19 pandemic. The updated connectivity objectives and Draft Guidelines on State aid for broadband network will further accelerate the rollout of FTTH and 5G by setting investment incentives. Currently, the Commission aims to publish the final version of the new BBGL in Summer 2022. In addition to this, the Update of the 2020 New Industrial Strategy will contribute to a faster digital transformation of businesses.

In 2022, the Commission will focus on Compass Headings 1 and 4. In this regard, the proposal for a European Declaration on Digital rights and principles for the Digital Decade, published on 26 January 2022 (COM(2022) 27 final), aims to define a set of principles for a human-centred digital transformation. In addition to this, digital skills of the population shall be improved by two recommendations (planned to be published in the 3rd quarter of 2022) focussing on digital education and training. Finally, an important step in digitising public services will be the implementation of the Regulation on a trusted and secure European e-ID, proposed by the Commission on 3 June 2021 (2021/0136 (COD)).

Carlos Deniz Cesarano is a ZEI Research Fellow and a PhD candidate in Law at the University of Bonn under the supervision of Professor Christian Koenig.

Commission Priority 3: An Economy that Works for People

Goals and Key Players

The economy of the European Union involves many players. It encompasses about 448 million people in 27 countries. The European Union's Gross Domestic Product (GDP) was estimated to be around 17 trillion dollar in 2020, representing around 1/6 of the global economy (IMF 2020). In the longer term, GDP growth in the European Union fluctuates: 2.3 per cent (2018), 1.7 per cent (2019), -6.3 per cent (2020), 5 per cent (2021) (World Economy Outlook Database, 2020). The coronavirus pandemic is an unprecedented shock to the global and EU economy, with significant economic and social consequences. According to the Commission services' autumn forecast, the EU economy was expected to shrink by 7.4 per cent and then recover and grow by 4.1 per cent in 2021 and 3 per cent in 2022. Although the pandemic has affected the economies of all member states, the scale of its impact and the sustainability of economic recovery will vary greatly from region to region.

There are significant disparities in GDP per capita (PPP) between member states, ranging from 106,372 dollar in Luxembourg to 23,169 dollar in Bulgaria (World Economic Outlook Database, 2020). The challenges posed by the pandemic underline once again the importance of economic and political coordination in the EU. In July 2020, EU leaders have agreed on 750 billion euro NextGenerationEU measures to help the member states overcome the pandemic crisis. Connected to this measure is the European Semester, which is helping to meet the challenges of economic recovery and green and digital transformation. It is the framework for economic and employment policy coordination between the EU and its member states and decisive for the

provision of funding. The European Semester and the new Instrument for Economic Recovery and Resilience are therefore closely linked. The assessment of member states national recovery and resilience plans will be examined in the light of previous country-specific recommendations, as they reflect the key challenges for each member state. The European Commission plans to provide funding to help member states implement reforms and investments in line with EU priorities and to help economies recover. The amount of 723.8 billion euro in loans (385.8 billion euro) and grants (338 billion euro) are planned for that aim.



Progress in 2021

Along with other initiatives in 2020, the European Commission has also begun to integrate the United Nations Sustainable Development Goals into the European Semester. It is part of a strategy to focus on competitive sustainability and the implementation of the European Green Deal.

In addition, the Communication "Coordinated economic response to the COVID-19" sets out the Commission's direct response to mitigating the economic impact of COVID-19. The document highlights socio-economic consequences, ensuring solidarity in the single market, mobilizing the EU budget and the European Investment Bank group, and state aid. These initiatives continued in 2021.

Furthermore, the Recovery and Resilience Facility entered into force on 19 February 2021. This measure

finances reforms and investment in member states from the start of the pandemic in 2020 until the end of 2026 aiming to make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions.

It is also relevant that, financial support for SMEs

Commission Priority 3: An Economy that Works for People

was provided through the COSME program. The Loan Guarantee Facility has also been increased with additional resources from the European Fund for Strategic Investments to enable banks to finance SMEs. This includes long-term working capital loans, as well as permission to defer the repayment of existing loans. By 31 March 2021, more than 100,000 SMEs received 7.7 billion euro of financing under the COSME LGF-Covid 19 measures (https://ec.europa.eu/growth/access-finance-smes_en).

The European Commission's focus on increasing support for the social economy is reflected in the "Action Plan to boost the social economy and create jobs" presented in December 2021. The initiative emphasises not only job creation but also the opportunity for organisations to increase their social impact across the EU.

Despite the measures provided by the European Commission to recover the EU economy, EU member states economies are showing different reactions, as the economic recovery of countries is affected by different factors. The European Economic Forecast presents the macroeconomic and budgetary projections, including the impact of the implementation of the Recovery and Resilience Facility (RRF) (European Economic Forecast, 2021).

A few examples can be used to outline the economic recovery. For example, the Lithuanian economy in 2021 returned to a pre-pandemic growth path. The lower general government deficit was supported by higher tax revenues in 2021. In the future, as long as growth is modest, the economy is projected to remain supported by sound corporate finances, accumulated household savings and rising household incomes. Economic growth in Estonia is expected to be strong in 2022-2023, supported by dynamic foreign demand, recovery in employment and sustained wage growth. Romania's economic growth is expected to remain robust at around 5 per cent, and the Recovery and Resilience Facility has been a major driver of supporting investment here (European Economic Forecast, 2021).

Conclusion and Outlook 2022

The European Commission has taken various measures to respond to the crisis caused by the coronavirus pandemic and to recover the EU economy. The Council approves national recovery and resilience plans. The plans for 22 countries have been already adopted, including investments and reforms. The grants, loans and pre-financing under the Recovery and Resilience Facility range from 0.15 per cent of country GDP for Luxembourg to 16.27 per cent of country GDP for Greece.

In addition, the Commission is also making proposals for European economic governance. In Octo-

ber 2021, the European Commission also adopted a Communication (COM(2021) 662 final) reviewing the changed economic governance conditions, following the COVID-19 crisis, relaunching the public debate on the review of the EU's economic governance framework. The European Commission is also proposing to introduce the general escape clause of the Stability and Growth Pact. Once approved by the Council, member states will be able to take appropriate measures to address the crisis by deviating from the budgetary commitments that would normally apply under the European fiscal framework.

Recovery from the corona virus and economic measures to help the EU emerge from the COVID-19 crisis remain a priority for the European Commission. The main policy areas: a deeper and fairer economic and Monetary Union, the Internal Market, job creation, growth and investment, the European Semester and Youth employment support, also remain the main concerns of the priority "An economy that works for people" within the framework of the Commission's six priorities for 2019-2024. In order to benefit from the Recovery and Resilience facility, member states shall develop recovery and resilience plans. Those plans must set out a coherent package of reforms and investment initiatives to be implemented by 2026. Member states have until mid-2022 to submit their plans. The plans are assessed based on 11 criteria against the back of the six pillars of the Regulation. The criteria require an assessment of whether: the measures have a lasting impact; the measures address the challenges identified in the country specific recommendations or a significant subset of it; the milestones and targets which allow for monitoring the progress with the reforms and investments are clear and realistic; the plans meet the 37 per cent climate expenditure target and the 20 per cent digital expenditure target; the plans respect the do no significant harm principle; the plans provide an adequate control and audit mechanism and set out the plausibility of the costing information (Regulation (EU) 2021/241). However, the economic recovery of the member states will depend not only on the financial support they receive, but also on their ability to manage and invest those funds effectively.

Prof. Dr. Daiva Dumčiuvienė is a ZEI Senior Fellow and Chairwoman of the Doctoral Committee of Economics, Kaunas University of Technology, Lithuania.

Commission Priority 4: A Stronger Europe in the World

Goals and Key Players

2021 saw a strange combination of two contrasting trends: on the one hand, the European Union advanced its preparatory work for the EU to become „more strategic, more assertive and more united“, as Commission President Ursula von der Leyen had defined her leadership ambitions in her Mission Statement to Josep Borrell in 2019. On the other hand, the High Representative of the Union for Foreign Affairs and Security Policy had to conclude a year of multiple eruptions of power politics with the warning that „Europe is in danger“. In 2021, the European Union was facing a world which, as Borrell stated when presenting the draft for the EU's future „Strategic Compass“, was experiencing less rational reason as Immanuel Kant has defined the philosophy of the Age of Enlightenment. Instead, he argued, the EU was increasingly confronted with a world which seems to follow the assessment of Thomas Hobbes, according to which a man is a man's wolf. While taking reference to two by-gone philosophers, the High Representative of the Union for Foreign Affairs and Security Policy, Josep Borrell, underlined the dramatic evolution of world politics. The gap between his analytical soberness and the weak EU delivery turned out to be considerable. While the EU's strategic instruments and perspectives were increasingly sharpened the lack of political will and the ongoing dysfunctional procedures of decision-making in foreign and security matters became even more irritating and frustrating. In sum, 2021 challenged EU goals and EU key players beyond their expectation and abilities.

Progress in 2021

EU foreign and security decision-making remains subject to the principle of unanimity. As a consequence of this limitation in effective and speedy decision-making, the European Commission, supported by the European External Action Service, primarily uses the instrument of Joint Communications to the European Council and the European Parliament to advance its

priority „A stronger Europe in the World“. Here, five Joint Communications were published in 2021.

On 9 February 2021, a renewed partnership with the Southern Neighbourhood was suggested. The Joint Communication addressed the possible content of a „new agenda“, people-centred and with a view on economic development, in particular investment activities. The proposal for a „new agenda“, includes the issues of health and climate change. Peace and security matters have come last in the text, although the seriousness of the fragile situation in Libya and the ongoing absence of the EU as a player in the future of Syria were obvious. The Joint Communication repeated redundantly the desire for an „effective management“ of migration and asylum matters, which remain completely unresolved sticking points in negotiations among European Union Council members.

On 17 February 2021, a Joint Communication was published with the aim to strengthen the EU's contribution to rules-based multilateralism. The communication refers to the ongoing corona pandemic on the one hand, and to the return of power politics on the other hand. It calls for new efforts to strengthen multilateral rules and initiatives. Against the background of a new US administration, the EU communication

calls for a stronger role of the EU in the United Nations and the need to accelerate multilateral responses to new themes such as taxation, consumer protection and pollution. Ahead of the visit of US President Joe Biden to the European Union on 15 June 2021, EU Council President Charles Michel had proposed „a new founding act“ for the transatlantic partnership. A conflict that had existed over 16 years with regard to reciprocal taxing sanctions against Airbus and Boeing was resolved in the context of President Biden's visit to the EU. However, a revamped initiative for a multilateral reform of trade procedures did not materialize.

The other three Joint Communications (10 March 2021 on humanitarian aid; 18 May 2021 on a global approach to research, innovation, education and youth; and on 13 October 2021 on the Arctic dimension with



Commission Priority 4: A Stronger Europe in the World

a focus on climate change and research) underline the traditional ambitions of the EU as a normative power. The contrasting and dramatic global developments in 2021 (the military built-up of Russia along the Eastern borders of Ukraine since March; hybrid warfare at the border between Belarus and Poland with the abuse of migrants since August and the fall of Afghanistan into the hands of the Taliban in August) require indeed a new „language of power“ as Josep Borrell already suggested in 2020. Hectic political summits, mainly in the context of the European Council and between the EU and NATO were dominant throughout the year.

As a consequence, the European Union failed to complete its agenda under priority 4 for 2021 (e.g. review of consular protection rules; strategic approach to disarmament, demobilisation and reintegration of ex-combatants). Important „leftovers“ from 2020 are also still pending (e.g. trade policy review; approval and ratification of the new EU-OACP partnership agreement).

Conclusion and Outlook 2022

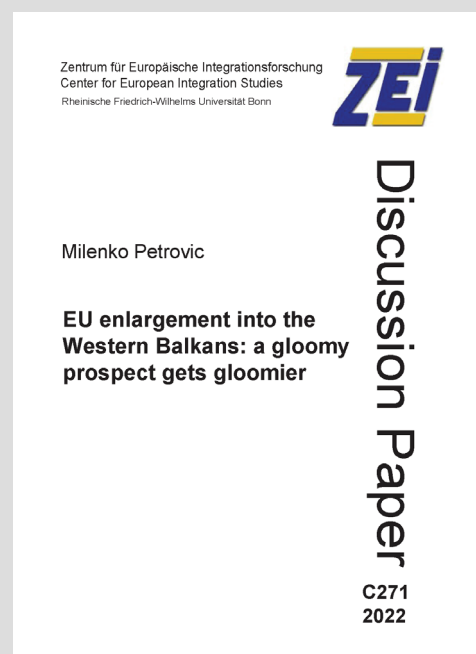
Against the background of a serious deterioration of the European security order, most promising is the prospect of a „Strategic Compass“, which is meant to facilitate EU choices and decision-making on the most

relevant security instruments ahead. 2021 was the year of preparing the Strategic Compass by the European External Action Service. In 2022, it will be approved by the European Council. The deteriorating security situation in Eastern Europe and in the Sahel zone made it most likely that the „Strategic Compass“ alone will provide too little too late in order to contribute to „a stronger Europe in the world“ (in spite of the planned creation of a Rapid Deployment Capacity of 5,000 soldiers, possible live exercises among EU member states and greater financial solidarity along with speedier joint military procurement projects). As it stands, EU-NATO relations are better than ever. As NATO remains the cornerstone of Europe's territorial defence, good EU-NATO relations will remain a strong re-assurance policy for a „sovereign Europe“ in 2022 and beyond.

Prof. Dr. Ludger Kühnhardt is Director at the Center for European Integration Studies (ZEI). He is author of a forthcoming new textbook in German „Das politische Denken der Europäischen Union. Supranational und zukunfts offen“ (2022).

ZEI Discussion Paper C 271/2022

Nearly two decades after the EU stated in the 2003 Thessaloniki agenda that all the Western Balkan states 'will be an integral part of a united Europe', Croatia is the only one of them to have succeeded in reaching this goal. Of the remaining Western Balkan states, only Montenegro and Serbia have opened the accession negotiations with the EU, albeit with very slim prospects to close all 30+ negotiation chapters any time in the foreseeable future. The others are further behind; they are either still waiting to open accession negotiations (as is the case with the other two official candidates for EU membership – Albania and Macedonia) or even achieve full candidate status (Bosnia and Herzegovina and Kosovo). Facing post-2004/07 'enlargement fatigue' and numerous internal problems and crises since the late 2000s/early 2010s, the EU's political elite and wider public, particularly in its core member states, seem to have lost any interest in further enlargement and in assisting the Western Balkan hopefuls to become part of 'a united Europe'. Prospects for acceleration of any Western Balkan state's accession process in the 2020s are very slim.



Commission Priority 5: Promoting our European Way of Life

A flurry of activities, significant output, but limited progress on key dossiers

Goals and Key Players

Among the priorities of the Von der Leyen Commission, the fifth one remains one of the most controversial and ambiguous. After all, there is no solid definition of what constitutes the ‘European way of life’, nor any scientific argument for why it should be ‘promoted’. The specific objectives appear to vary, with e.g. the Commission website placing principal emphasis on protection of the rule of law and border controls, whereas the Parliament’s legislative train also mentions the fostering of skills, education and inclusion, alongside expanded activities in the field of health. A link is even forged with the ‘European year of youth 2022’.

In terms of protagonists, it is clear Mr. Schinas should be regarded the key Commissioner, holding the eponymous portfolio. However, as flagged in the previous edition of this Observer, his interrelation with various colleagues is fuzzy. Remarkably, despite being assigned the posts for respectively ‘Values’ and ‘Justice’, neither Mr. Didier Reynders nor Ms. Věra Jourová are part of his cluster. Mr. Schinas can definitely liaise with them, but only holds an official supervision capacity as regards Ms. Helena Dalli (Equality), Ms. Ylva Johansson (Home Affairs), Ms. Mariya Gabriel (Innovation, Research, Culture, Education, Youth), Ms. Stella Kyriakides (Health and Food Safety) and Mr. Nicolas Schmit (Jobs and Social Rights). This may complicate the execution of the tasks entrusted to him.

As before, it is not feasible to provide a complete view of all developments in the past twelve months. Five broad dossiers are worthy of being reported in this issue. Herein, a number of tangible results may be noted, even when full delivery still has to be awaited in some of them.

Progress in 2021

Realisation of the New Pact on Migration and Asylum unveiled in 2020 still formed part of the Commission’s agenda in the last year. While the original intention of its drafters was to learn from previous mistakes (drafts for incomplete instruments meeting with great resistance), we seem confronted with a déjà vu. Instead of the desired progress, the opposition against the novel scheme seems to have hardened, the underlying idea of reception in the most willing member states, coupled with ‘return sponsorships’ for others, failing to gain traction. At present, due to stagnation in the Council of Ministers, it is therefore yet to be followed-up on, casting doubts on the envisaged finalisation by 2023. On this front, the revamped mandate of the European

Asylum Support Office (EASO) offers a more positive sign, transforming it into the EU Agency for Asylum (EUAA) by December 2021. The EUAA should shortly be equipped with the resources to assist in crisis situations, including a capacity for the deployment of experts evaluating, implementing and monitoring asylum and reception procedures at the domestic level; provide crucial operational and technical know-how; and hereby align firmly with the applicable fundamental rights standards, as well as actors like FRONTEX.

Equal efforts have been devoted to a refurbishing of the Schengen system, with an eye to bringing more order into the (tem-

porary) reimposition of border controls between EU countries. Thus, in July 2021, the Commission published a communication blazing a trail for a number of forthcoming proposals, ranging from guidance on systematic database checks at entry/exit and model clauses for international agreements on information exchange, to the modernisation of the Handbook on the European Arrest Warrant and the launch of a Police Cooperation Code. The centrepieces are to be two regulations, one seeking to revise the Schengen Evaluation and Monitoring Mechanism, the other amending the Schengen Borders Code.



Commission Priority 5: Promoting our European Way of Life

In close proximity to the foregoing lies the new strategy on combatting trafficking in human beings, adopted in September 2021, focused on preventing the crime, bringing traffickers to justice, and protecting/empowering victims. The document builds on a pre-existing legal and policy framework, rooted in the EU anti-trafficking directive. It aims to reduce the demand behind trafficking, break traffickers' business models, encourage an active persecution and more cooperation between involved authorities. On a similar note, it is useful to refer to a Commission communication released in April 2021 endorsing the voluntary return of migrants, as well as improved and effective reintegration measures in the countries of return. Three particular elements in the future approach are an upcoming adjustment of the EUROSOL regulation, indication of a Return Coordinator, and particular monetary incentives channelled through the Asylum, Migration and Integration Fund.

Continuing in the sphere of police cooperation and law enforcement, at the end of 2020 already, plans were hatched to revise the mandate of EUROPOL, aiming to render more effective its cooperation with private parties, enable it to lawfully process complex data sets, and reinforce its research and innovation capacity. This venture went through various procedural motions last year, and is expected to be signed off on soon. In addition, in April 2021, the Commission presented a novel strategy to tackle organised crime, constituting yet another part of the Security Union ambition. It endeavours to improve cooperation between national authorities, targets underlying organisational structures and high-priority crimes, the removal of criminal profits, and should ensure a modern response to technological developments. The document outlines tools and measures to be implemented in the next decade. The Commission made a head-start in December, tabling several proposals to strengthen the protection of the environment through criminal law. Relatedly, a strategy issued just weeks before deserves mentioning that seeks to counter all forms of antisemitism, foster Jewish life, promote research, education, and Holocaust remembrance.

Over the past twelve months, the corona pandemic has obviously been the elephant in the room. After a hesitant and disappointing start, in the course of 2021, the Commission managed to get in gear with regard to effectively fighting the virus and adopting relevant measures. Whereas the member states remain principally in the hot seat – unsurprising in light of the legal division of competences – it managed to play more than a supplementary role in several respects, ranging from the common purchasing of vaccines, investing in R & D, the building of supplies for export to non-EU

countries (COVAX), to the agreement on a uniform digital vaccination/test/recovery certificate. Moreover, the Commission took the initiative for an enhancement of the capabilities of the European Centres for Disease Prevention and Control (ECDC), expansion of the powers of the European Medicines Agency (EMA), and introduction of a European Health Emergency Preparedness and Response Authority (HERA). These steps bring us closer to the establishment of a true Health Union, albeit that the allocation of tasks between the EU and the member state level will surely continue to be a subject of debate.

Conclusion and Outlook 2022

There is no reason for wholesale dissatisfaction with the work of Mr. Schinas, his colleagues, or the achievements of their teams. In the past year, health and Schengen figured high on their priorities list, and genuine movement can be observed here. In other domains, the results are mixed. Especially as regards the rule of law, the concerns with regard to the situation in Hungary and Poland became ever more pressing. While the Commission did commence and conclude multiple infringement proceedings, it refrained from activating the financial sanctions regulation that was ready for deployment from 1 January onwards. The paralysis prompted the Parliament to initiate an action for failure to act. No less desirable would have been a speedier reflection on the Migration and Asylum Pact, in light of the Council's foot-dragging, leading either to its abandonment or reconfiguration. These key dossiers are not simply left-overs, but crucial homework for the remainder of Ms. Von der Leyen's term.

Apart from the aforementioned items, in the next twelve months, we may inter alia look forward to the finalisation of the revision of EUROPOL's mandate, agreement on a regulation with regard to serious cross-border health threats, a take-over by FRONTEX of the activities of the European Return and Reintegration Network, enactment of the promised amendments to the Schengen Evaluation Mechanism and Borders Code, as well as the completion of the first multiannual evaluation programme thereunder. Primarily though, one hopes for effective action to safeguard the rule of law and a clear way forward on the asylum/migration package. A post-corona environment might well offer the necessary impetus.

Prof. Dr. Henri de Waele is a ZEI Senior Fellow, Professor of International and European Law, Radboud University Nijmegen, and Guest Professor of EU External Relations Law, University of Antwerp.

Commission Priority 6: A New Push for European Democracy

The aspirations of the EU Commission and 'EU democracy': how far did we come?

Goals and Key Players

The European Commission set itself a number of priorities in its political guidelines for the period of 2019-2024 (Von der Leyen 2019). In priority six, it is proposed to give European democracy a 'new push'. In this context of 'pushing EU democracy forward', 2021 was based on two main pillars: the implementation of the Action Plan for Democracy - which was adopted at the end of 2020 - and the kick-off of the Conference on the Future of Europe. Note that the measures related to the Action Plan will be implemented throughout this Commission's mandate.

Progress in 2021

The European Democracy Action Plan is 'designed to empower citizens and build more resilient democracies'. As such, it focuses on issues such as promoting free and fair elections, strengthening media freedom and countering disinformation. In order to enhance media freedom, the Commission presented its first-ever Recommendation to strengthen the safety of journalists and other media professionals (16 September 2021). To ensure the safety of journalists during demonstrations, member states are asked to regularly train law enforcement authorities. In the realm of online safety, member states are encouraged to promote the cooperation between online platforms and organisations with 'expertise in tackling threats against journalists'. The Commission provides funding to follow-up on these and other measures.

In spring of 2021, the Commission has also issued guidance to enhance the Code of Practice on Disinformation and introduced measures to enhance its implementation. Joining the Code means becoming part of an 'EU-wide, innovative and robust' framework

to prevent the abuse of 'online services to spread disinformation'.

The Conference on the Future of Europe was kicked off on Europe Day 2021 (09 May), with one year delay, due to squabbles over who would chair the Conference. At the end, one could agree that the Conference would be placed under the authority of the three institutions. The Joint Presidency is thus composed of the President of the European Parliament Roberta Metsola, the President of the Council Charles Michel and the President of the European Commission Ursula von der Leyen. The Joint Presidency is supported by an Executive Board, which is also co-chaired by the three institutions. The key task of the Board is to oversee the progress of the Conference and to prepare the Conference plenary. Here, a key

focus is put on ensuring that the input by citizens is considered. The fact that the Executive Board has to decide through consensus could lead to decisions being taken on the lowest denominator, however.

In order for citizens to 'say what matters to them' when it comes to the 'future they want for the Union', European Citizens' Panels are a key feature. Four European Citizens' Panels are composed of 200 European citizens that 'reflect the EU's diversity' when it comes to geographic origin, gender, age, socioeconomic background and level of education.

Note that panel members are chosen through random selection from

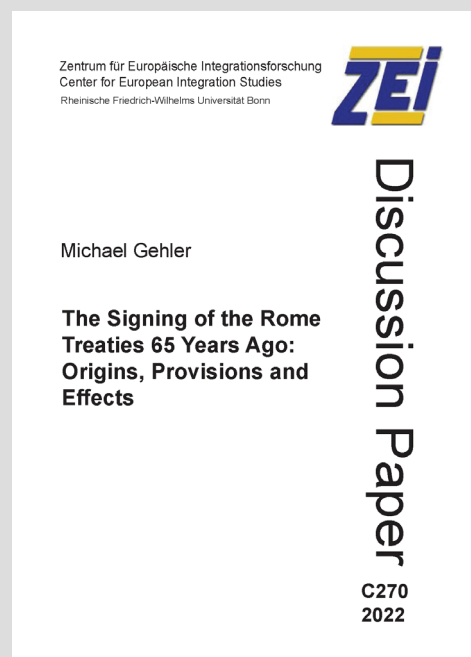
the 27 member states, and that at least one female and one male citizen per member state is part of each Panel. The panels are set-up to discuss issues such as a stronger economy and jobs, climate change, EU democracy and migration. In order to make sure there is a feedback mechanism, 20 Representatives from each European Citizens' Panel take part in the Conference Plenary debates where, among others, representatives from the three EU institutions, national parliaments and civil society are present. This integration of citizen panels and larger fora – in this case, the Conference plenary



Commission Priority 6: A New Push for European Democracy

ZEI Discussion Paper C 270/2022

The Treaties of Rome formed the basis for decades of Western European unification. Their creation was based on a compromise between France and the Federal Republic of Germany on the establishment of an atomic and an economic community as well as on a cross-camp political consensus. On 25 March 1957, the sovereignty of (Western) Europe was already at stake: The Treaties of Rome were in fact a response to Europe's disempowerment in World War I and a reaction to Europe's self-destruction in World War II. They were a demonstration of inner-European self-determination vis-à-vis the center and east of Europe dominated by communism from the USSR, by means of securing prosperity in the west and outside-European self-assertion, among other things, through the inclusion of overseas territories.



- can be seen as a novelty when it comes to citizen's participation on a transnational level.

The ideas expressed during the Conference are to result in 'concrete recommendations for EU action' and the outcome of the Conference will be presented in a report to the Joint Presidency. But the call is still out on

how this will bear fruit. Observers see the Conference as an experiment that will test whether the Union indeed has the capacity to enlarge the 'scope of citizens' involvement in politics'. Will the Joint Presidency and the EU institutions at large pick up the input provided by the citizens panels? How to ensure that this results in concrete outcomes for EU action?

If the experiences with EU participatory 'experiments' such as the European Citizen Initiative are anything to go by, then there is rather broad agreement in the academic debate that there is still quite some room for improvement. Neither do 'ordinary' citizens make use of these tools, nor are they seen as having a concrete impact on policy output.

Overview

EU Commission Work Program 2022

In 2022, a few more legislative initiatives are scheduled to advance Commission Priority 6: A New Push for European Democracy:

- A European Media Freedom Act
- An initiative on Transfer of Criminal Proceedings
- The Recognition of Parenthood between Member States
- The Strengthening the Role and Independence of Equality Bodies

Even if the scope of the planned initiatives is rather small, all these projects are concrete binding legal acts. The initiatives will be supplemented by impact assessments on the respective policy areas. The Commission has planned to launch the projects mainly in the third quarter of this year.

Conclusion and Outlook 2022

2021 has been a year of further progress when it comes to implementing the Commission's priority of democracy. First measures in the context of European Democracy Action Plan have been implemented, and further actions are foreseen for 2022. The Conference of the Future of Europe has been kicked-off before the summer and European Citizen's Panels have taken-up their work, in selected European cities.

It remains to be seen, however, to what extent the input of citizens will be taken into account during and after the Conference and to what extent this will have an impact on EU governance processes.

Prof. Christine Neuhold is a ZEI Senior Fellow, Professor of EU Democratic Governance and Dean of the Faculty of Arts and Social Sciences at the University of Maastricht.

Relaunch of ZEI Website

We are happy to announce that our new ZEI website has recently gone online! With our new website you can get even more information about the work of ZEI and the contents of our Master of European Studies.



In the course of the website redesign, our ZEI Monitor, which serves as a research tool to monitor and analyse the work of the European Union, has also been revised. The changes allow for an optimised and more transparent presentation of our work at the Center for European Integration Studies. In particular, the monitoring of the annual work programmes of the European Commission and the annual Joint Declaration can be

followed further. The new visualization allows for more detail and makes navigating the complex legislative process of the EU easier. We retain our tried and tested traffic light system to indicate the processing status of the individual initiatives. Red indicates that the initiative proposal has not yet been submitted; yellow stands for an ongoing ordinary legislative procedure and the blue EU flag underlines that the legislative procedure has been completed or that a non-legislative proposal has been published.

The annual assessment of the European Union's work provided in this issue of the Future of Europe Observer is based on the ZEI Monitor. It is flanked by the ZEI Discussion Papers in the area of Governance and Regulation, which take up selected topics of EU research and analyse them in depth. Our current publications in this area are also available on our new website.



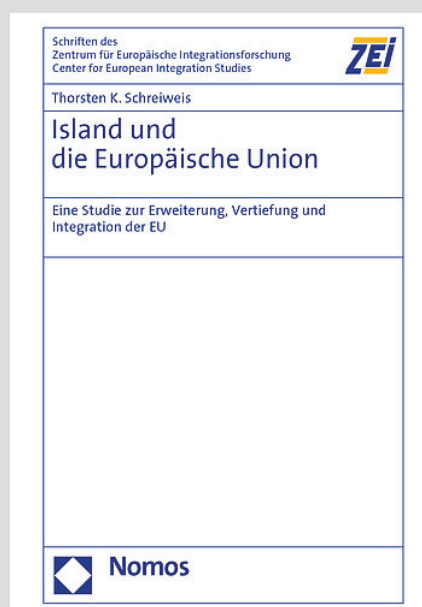
Island und die Europäische Union

Eine Studie zur Erweiterung, Vertiefung und Integration der EU

by Thorsten K. Schreiwies

The author examines the relationship between the EU and Iceland against the background of the (failed) accession negotiations and analyzes the accession process as well as the internal (including national identity, political autonomy, and state sovereignty) and external dimensions (including Icelandic foreign and security policy and international trade and economic policy).

Baden-Baden: Nomos, 2022, Schriften des Zentrum für Europäische Integrationsforschung, Vol. 84, 394 pages, ISBN 978-3-8487-8350-2



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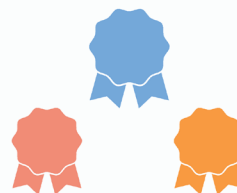


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ISSN: 2196-1409
Center for European Integration Studies
Genscherallee 3
53113 Bonn
Germany

Editors:

Henrik Suder
henrik.suder@uni-bonn.de

Liska Wittenberg
wittenberg@uni-bonn.de

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