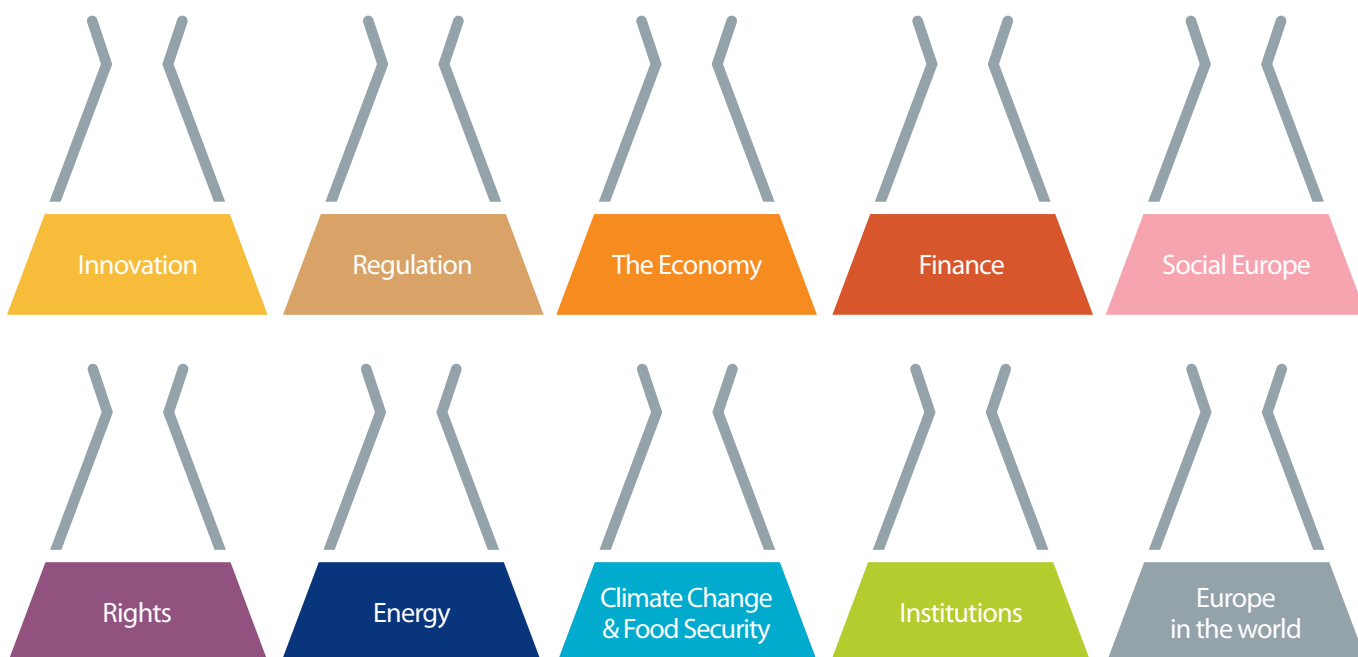


DOES EUROPE MATTER?
CEPS IDEAS LAB

3 - 4 April . 2014 / The Egg . Brussels

Programme & Agenda



A stroll through the CEPS Ideas Lab

Two plenary sessions

The **CEPS Ideas Lab** 2014 will kick off with an opening plenary session featuring high-level speakers from the political and business worlds who will give their views on how Europe matters for the economy.

The event will be concluded on the second day by the closing plenary session in which two distinguished thinkers will share their vision of the future of Europe.

Ten parallel labs

In between these two plenary sessions, ten parallel labs will be organised along key dimensions of European integration: **The Economy, Regulation, Innovation, Finance, Social Europe, Rights, Energy, Climate Change & Food Security, Institutions and Europe's Position in the World.**

Each lab meets three times for 75-minute discussions over the two days - twice on the first day and once on the second. There will be 30 sessions in total.

An experienced moderator will chair the discussion rounds.

A rapporteur will be present during each lab to capture key ideas and perspectives emerging from the debate.

Each session will be attended by a maximum of 25 people, with a balanced mix of opinion leaders, policy-makers and experts from the private sector. All participants are encouraged to actively participate in the debates.

In each session

During each discussion round, a moderator will introduce the topic, which often entails a yes-or-no type of policy issue. After a short introduction, he/she will give the floor to two discussion leaders – two experts or policy-makers selected for their informed yet opposing views on the subject. Each of them will have 5 minutes to explain his/her position and provide supporting arguments for it. The debate will then be extended to other participants in the room and animated by the moderator. To make the discussion rounds as interactive as possible, no power point presentations will be allowed.

The face-off sessions

After the third round of discussion in the labs, the number of parallel sessions will be reduced from ten to five to make room for cross-cutting sessions. The objective of this (4th) round is to have a cross-cutting perspective on the challenges for Europe. In each cross-cutting session rapporteurs from different previous rounds will challenge a senior figure by putting on the table the policy proposal that had emerged from their discussion.



12:30 - 13:15	Registration & Small Bites									
13:15 - 13:20	Welcome: Edmond Alphandéry / Chairman of the CEPS Board of Directors									
13:20 - 14:30	Opening Plenary: Which parties and which policies in the new EP? Simon Hix									
Labs	Innovation	Regulation	The Economy	Finance <small>In cooperation with</small>	Social Europe	Rights	Energy	Climate Change & Food Security	Institutions	Europe in the world
CEPS Anchors	Andrea Renda	Jacques Pelkmans	Daniel Gros		Miroslav Beblavý	Sergio Carrera	Christian Egenhofer	Jo Swinnen	Stefano Micossi	Steven Blockmans
Discussion Leaders	Iain Begg Francesco Grillo	Malcolm Harbour Annette Dragsdahl	Fan Gang	Philippe Lamberts Jürgen Schaaf Eddy Wymeersch	Elsa Fornero Xavier Prats Monné	Caspar Bowden Didier Bigo Sophie in 't Veld Gilles de Kerchove (tbc)	Claudia Kemfert Teresa Ribera	Nathalie Moll Christoph Then Mute Schimpf Marco Contiero	Jim Cloos Philippe de Schoutheete Uwe Puetter	Javier Solana Tao Xie
1st Lab sessions 14:30 - 15:45	The hidden European innovation budget	Single Services Market: From Frankenstein to growth darling?	The global economy 2030: Will China be the all-time winner?	Banking Union I: The ECB on the move	Growthless and jobless?	Big (Brother) Data: Can the EU prevent another PRISM?	One energy transition - or 28?	A GMO-free Europe?	Is the European Council taking over?	What are uniquely EU foreign policy interests?
15:45 - 16:15	Mixing and Moving									
2nd Lab sessions 16:15 - 17:30	Let's take technology seriously	Transatlantic regulatory access: Exploiting the TTIP potential	The Japanisation of the euro area? What's wrong with it?	Banking Union II: Restructuring without the public purse?	A European unemployment insurance?	Europe's future frontiers: e-borders or EU borderguard?	The costs of the energy transition: Who benefits and who pays?	Does climate change pose a real threat to global food security?	A greater say for national parliaments?	Multilateralism without representation?
Discussion Leaders	Anders Sandberg Bruno Soria David Tennenhouse James Waterworth	Michael Fitzpatrick Fredrik Erixon	John Llewellyn Lorenzo Bini Smaghi Philippe Weil	Ludger Schuknecht Alexander Italianer Thomas Huertas	László Andor Sebastian Dullien Miroslav Beblavý	Emily O'Reilly Franziska Keller Elspeth Guild Frank Paul (tbc)	Michael Hogan Graham Weale	Ariel Brunner Tassos Haniotis Jane Feehan	Ben Crum Eva Lichtenberger Richard Corbett	Mark Leonard
17:30 - 17:40	Closing Words									
17:40 - 18:30	Cocktails									

08:30 - 09:00	Registration									
09:00 - 09:15	Intro and video of day one									
Labs	Innovation	Regulation	The Economy	Finance In cooperation with 	Social Europe	Rights	Energy	Climate Change & Food Security	Institutions	Europe in the world
CEPS Anchors	Andrea Renda	Jacques Pelkmans	Daniel Gros		Miroslav Beblavý	Elspeth Guild	Christian Egenhofer	Andrei Marcu	Stefano Micossi	Steven Blockmans
Discussion Leaders	Anthony Whelan Karim Lesina	René Van Sloten John D. Graham	Paul De Grauwe Charles Wyplosz	John Llewellyn Sven Giegold	Frank Vandembroucke Enrico Giovannini James Sherk	Herbert Bruecker Panu Poutvaara Alp Mehmet	Brian Flannery	Richard Tol Scott Vaughan	Danuta Hübner Miguel Maduro (tbc)	Josef Janning Sinan Ulgen
3rd Lab sessions 09:15 - 10:30	The quest for a digital single market	Is overregulation threatening competitiveness?	From austerity to growth?	Less banking? What financial system for an ageing Europe?	A European minimum wage for all?	Mobility in Europe: A threat to our welfare systems?	Carbon pricing: 'Idée fixe' or a realistic way forward?	A global climate change agreement: Worth pursuing?	What role for the EP in a post-euro crisis environment?	The neighbourhood matters to the EU: Rethinking relations
10:30 - 11:00	Mixing and Moving									
Face-off sessions 11:00 - 12:30	Towards the mid-term review of Europe 2020: What role for infrastructure, innovation and the services economy?		Economy: Where does Europe matter?		Social rights and privacy under pressure: How can Europe matter?		The challenge of sustainability		Can Europe get its act together and does the world care?	
Discussion Leaders	Carlos López Blanco Constantijn van Oranje Marjut Santoni		George Papandreou Valdis Dombrovskis		László Andor Enrico Giovannini Victor Ponta (tbc) Morten Kjaerum		Jürgen Trittin		Danuta Hübner Chun Ding	
									The Ukraine crisis and what it means for EU-Russian relations' Lilia Shevtsova H.E. Kostiantyn Yeliseiev Gunnar Wiegand	
12:30 - 13:30	Closing Plenary: Will Europe Matter? Pascal Lamy									
13:30 - 15:00	The Food Lab									

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Opening Plenary Session

In Cooperation with VoteWatch

Which parties and which policies in the new EP?

Discussion Leaders:

Simon Hix, *London School of Economics and VoteWatch*

The latest predictions for the upcoming European Parliament elections indicate that a new balance of power will emerge in the next European Parliament. The difference in the number of seats between the two largest groups, the centre-left S&D and the centre-right EPP should be very small. Both the ALDE and the Greens/EFA are likely to register seat losses, while the far left and the far right are likely to make substantive gains. But will they be able to really influence EU legislation?

The opening plenary of the Ideas Lab will look at the potential impact that the new political composition of the EP will have on the shape of the EU legislation. For example, will the gains in the number of seats held by the S&D and the far left result in an improved winning record of these groups on areas such as employment, social affairs, environment and civil liberties?

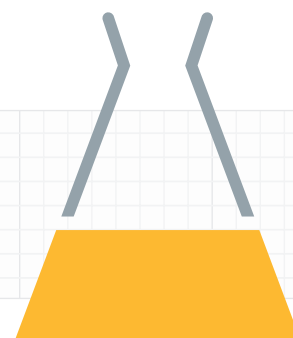
Conversely, the number of centre-right seats is likely to diminish. Will this seat reduction result in tougher political negotiations and hurdles on issues where the EPP easily succeeded in the current EP term, such as economic and monetary affairs or international trade?

Finally and most importantly, will the increased presence of the eurosceptic MEPs impact on the European Commission's measures to strengthen the internal market?



Innovation

CEPS Anchor: Andrea Renda



The hidden European innovation budget

(Chatham House)

Discussion Leaders:

Iain Begg, *London School of Economics* / **Francesco Grillo**, *Oxford University and Vision*

Is it worthwhile to spend taxpayers' money on R&D and on publicly funded regional (or national) innovation policies? Is it effective to relocate the amount of public money spent on research towards less advanced regions as an option for regional development policies? The European Commission decided that the amount of EU money to be spent on Innovation must double from 130 billion euro allocated in the 2007-2013 programming period to about 250 billion euro in the next seven years. Is this a smart decision? Is it enough to say that money should go from the protection of the past (normally associated with the budget allocated to the Common Agriculture Policy) to investments in the future (and, for instance, in Research) to have the guarantee of higher efficiency?

Let's take technology seriously

(Chatham House)

Discussion Leaders:

Anders Sandberg, *Oxford Martin School* / **Bruno Soria**, *Telefonica* / **David Tennenhouse**, *Microsoft*
James Waterworth, *Computer and Communications Industry Association*

The pace of technological innovation is increasing while the timing for crafting new policy measures remains constant. How do we ensure that policymakers incorporate technological developments when designing new policies? How can policy areas such as education, infrastructure regulation, innovation, competition and many others be made more future-proof? This session discusses how technology will change the life of businesses and citizens in the coming years, and whether this would lead to a paradigm shift in policymaking – in particular, whether some of the current EU policy goals (e.g. cutting emissions, tackling poverty, reducing unemployment, designing new education paths for new skills) could be more meaningfully and effectively approached if policymakers were more technology-aware.

Innovation continued

The quest for a digital single market

(Chatham House)

Discussion Leaders:

Anthony Whelan, European Commission / **Karim Lesina**, AT&T

Over the past months, a widespread consensus has emerged that Europe is far from completing the single market for electronic communications and the digital economy. Completing the digital single market is estimated to bring as much as an additional 4.1% to the EU GDP, and is essential for the development of a number of new products and services, not to mention advances in productivity, environmental benefits and possibly greater social inclusion.

The European Commission has presented the “Connected Continent” proposal in September 2013 to boost the completion of the Digital Single Market: Are the Commission proposals likely to be endorsed by the Parliament and the Council? Are these proposals sufficient to bring the EU back to the growth path? What other measures could be taken on issues such as spectrum policy, net neutrality and users’ rights, digital skills, infrastructure policy, copyright, data protection and others to ensure the achievement of the digital single market?



Regulation

CEPS Anchor: Jacques Pelkmans

Single Services Market: From Frankenstein to growth darling?

(Chatham House)

Discussion Leaders:

Malcolm Harbour, MEP, European Conservatives and Reformists Group

Annette Dragsdahl, Confederation of Danish Industry

The horizontal Services Directive (2006/123) was enacted after three hectic years of demonstrations, a paralysed Council and a quarrelling European Parliament, not to mention its influence in the French referendum in 2005. However, in 2013/14 it has come to be regarded as one of the scarce EU sources of economic growth. How is this possible? What is the growth potential and what does it take for the Services Directive to become Europe's growth darling?

Transatlantic regulatory access: Exploiting the TTIP potential

(Chatham House)

Discussion Leaders:

Fredrik Erixon, European Centre for International Political Economy

Michael Fitzpatrick, General Electric

North Atlantic trade and investment is by far, economically, the largest bilateral relationship in the world (goods, services, FDI). The TTIP has ambitions for it to be more open, deeper and a greater contributor to growth. Will the US and the EU deliver? Will the rest of the world economy also benefit via TTIP leadership in standards, 'better' risk regulation and mutual recognition solutions?

Is overregulation threatening competitiveness?

(Chatham House)

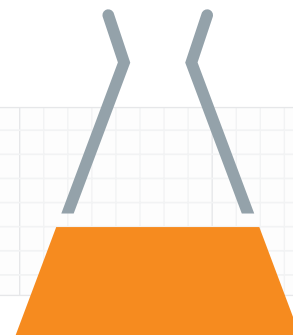
Discussion Leaders:

John D. Graham, Indiana University / **René Van Sloten**, European Chemical Industry Council

Some experts in European business and selected political circles maintain that the EU 'overregulates'. Overregulation may refer to a single piece of regulation with disproportionate costs and low or spurious benefits, or too costly cumulation of many different regulations impacting a given sector. Is this assertion correct for some sectors? Are we losing out on competitiveness? Can we distinguish facts from fears? Can 'better regulation' be extended to 'cumulation' of EU rules?

The Economy

CEPS Anchor: Daniel Gros



The global economy 2030: Will China be the all-time winner?

(Chatham House)

Discussion Leaders:

Fan Gang, Chinese Academy of Social Sciences

China is changing from a small, relatively open economy providing offshore manufacturing services to the technological leaders in advanced economies, to a more mature, large economy. As a future mature economy, it will be relatively closed as the need to import foreign technology and components diminishes rapidly and domestic consumption rises with higher disposable income. Will China “take it all” at that point? Is this a threat or an opportunity for Western economies?

The Japanisation of the euro area? What’s wrong with it?

(Chatham House)

Discussion Leaders:

John Llewellyn, Llewellyn Consulting

Lorenzo Bini-Smaghi, former Member of the Executive Board of the European Central Bank

Philippe Weil, SciencesPo

The European economy seems to be shrinking from the status of a big, but closed, economy to a smaller and relatively more open one. The Euro Area in 2030 resembles today’s Japan as it has high current account surpluses, a rapidly ageing population and slowing internal demand, thereby channelling excess production to foreign markets. Yet, Japan should be considered a successful story: it managed to keep very high levels of quality of life despite the deterioration of its economic inputs. Should Japan be a model for Europe?

From austerity to growth?

(Chatham House)

Discussion Leaders:

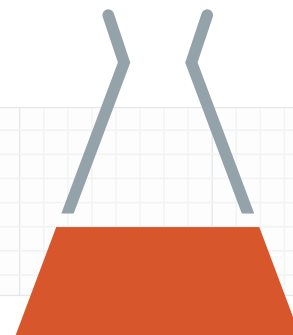
Paul De Grauwe, London School of Economics and CEPS / **Charles Wyplosz**, Graduate Institute Geneva

Have austerity measures been imposed by a mindless Commission following antiquated German economic thinking? Or was austerity really necessary to get out of the crisis and return to sustainable growth? Has financial market hysteria been used to impose too quick an adjustment or was a quick adjustment, like in the Baltic countries, less painful in the end?

Finance

Organised in Cooperation with:
Center of Excellence 'Sustainable Architecture for Finance in Europe'

CEPS Anchor: Karel Lannoo



Banking Union I: The ECB on the move

(Off the record)

Discussion Leaders:

Philippe Lamberts, MEP, Group of the Greens - European Free Alliance

Jürgen Schaaf, European Central Bank / **Eddy Wymeersch**, Public Interest Oversight Board

The ECB has had almost half a year to build up its supervisory capacity and to look into the balance sheets of the 120+ banks it will soon directly oversee. What has changed since then? Are national supervisors losing control over 'their' banks? Is the Asset Quality Review likely to be credible?

Banking Union II: Restructuring without the public purse?

(Off the record)

Discussion Leaders:

Alexander Italianer, European Commission / **Thomas Huertas**, Ernst & Young

Ludger Schuknecht, Director-General of Economic and Fiscal Policy Strategy, German Ministry of Finance

Restructuring banks without public money remains the holy grail of the quest for a Banking Union. Can this ever be achieved? What are the roles of national and EU authorities? What steps should be taken when there is a conflict between the stability of the financial system and the prohibition of state aids? How does the EU preserve a level playing field for all, big and small, inside and outside the euro area?

Less banking? What financial system for an ageing Europe?

(Off the record)

Discussion Leaders:

John Llewellyn, Llewellyn Consulting / **Sven Giegold**, MEP, Group of the Greens

Europe is well advanced in its demographic transition towards a regime of low mortality and even lower fertility. The first leg of this transition proved to be relatively easy as initially the share of the working ages in total population increased. However, now we seem to be on the cusp of the second leg when the share of elderly in the population will increase rapidly. One way to prepare for population ageing is to accumulate savings. But who should take care of this and in what form should our savings be invested? What financial system fits Europe's ageing fate?

Social Europe

CEPS Anchor: Miroslav Beblavy

Growthless and jobless?

(Chatham House)

Discussion Leaders:

Elsa Fornero, former Italian Minister of Labour

Xavier Prats Monné, Deputy Director General, European Commission

Since the beginning of the crisis in 2008 the European labour market has shrunk by 6 million jobs. Currently it counts 22 million unemployed workers. Many fear a period of slow and jobless growth in many countries. What does it take to re-start the labour market engine? More growth or labour market reforms? Will demographic changes ahead work in favour or against the labour market? What reforms are necessary to secure high employment in Europe?

A European unemployment insurance?

(Chatham House)

Discussion Leaders:

László Andor, European Commissioner for Employment, Social Affairs and Inclusion

Sebastien Dullien, European Council on Foreign Relations / **Miroslav Beblavý**, CEPS

With unprecedented disparities in national unemployment rates reaching records (over 25% in the South, close to full employment in the North of the eurozone), it might be time to imagine a European unemployment insurance scheme that helps to absorb asymmetric shocks. Should such policy be administered at EU level? If so, what should it look like?

A European minimum wage for all?

(Chatham House)

Discussion Leaders:

Frank Vandenbroucke, University of Leuven / **James Sherk**, The Heritage Foundation

Enrico Giovannini, former Minister of Labour and Social Policies, Italy

In many EU member countries minimum wages constitute one of the cornerstones of income and social protection. Yet, minimum wages remain a controversial measure: some argue that these are essential to reduce poverty and to protect low-skilled workers, while others fear that it will be the former category to suffer the most. Moreover, in some European countries (such as Italy and Germany), no formal, legal minimum exists. Could and should a minimum wage, or at least a policy framework, be implemented in Europe? Would it be possible in a (non-) optimum currency area?

Rights

CEPS Anchor: Sergio Carrera, Elspeth Guild

Big (Brother) Data: Can the EU prevent another PRISM?

(Chatham House)

Discussion Leaders:

Caspar Bowden, *Independent Privacy Researcher* / **Didier Bigo**, *King's College London*

Sophie in 't Veld, *MEP, Group of the Alliance of Liberals and Democrats for Europe*

Gilles de Kerchove, *EU Counter-terrorism Coordinator, Council of the EU (tbc)*

The revelation of the top-secret US intelligence-led PRISM programme has triggered wide-ranging debates across Europe. Press reports and inquiries have shed new light on the electronic surveillance 'fishing expeditions' of the US National Security Agency and EU Member States' intelligence communities into the world's largest electronic communications companies. These companies are gathering ever-increasing data sets (Big Data) on consumers for commercial purposes. Yet, what happens when these data are transferred to law enforcement or intelligence services to be used for other objectives? This session will examine the main controversies raised by the PRISM affair and the policy challenges that it poses for the EU, in particular: Could or should the Union play a stronger role to reinforce the oversight of intelligence bodies in EU Member States? Which measures should be taken in its relations and cooperation with the US? How can the EU better protect citizens' personal data and privacy in the face of unwarranted mass surveillance?

Europe's future frontiers: e-borders or EU borderguard?

(Chatham House)

Discussion Leaders:

Emily O'Reilly, *European Ombudsman* / **Elspeth Guild**, *CEPS*

Franziska Keller, *MEP, Group of the Greens - European Free Alliance*

Frank Paul, *European Commission (tbc)*

Recent years have brought increasing European cooperation in EU external border controls, but with it also a certain amount of controversy. Deaths at sea, mistreatment of migrants and claims of 'weak spots' in EU frontiers have all sparked debates on the limits of Schengen and how to best manage Europe's common borders. Yet, on-going discussions have failed to generate ambitious solutions. What kind of border guard and what kind of border controls does the EU need? Would a common European border guard system address the current challenges? Or is human intervention outdated - should future EU borders be primarily electronic through the use of biometrics, data bases and automated entry/exist systems or 'smart borders'? Would the transition to e-borders erode or better respect the rights of travellers? This session will discuss what Europe's future borders should look like and address the following dilemma: human intervention and/or machine-led control?

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Rights continued

Mobility in Europe: A threat to our welfare systems?

(Chatham House)

Discussion Leaders:

Herbert Bruecker, *Institute for Employment Research* / **Alp Mehmet**, *Migration Watch*

Panu Poutvaara, *CESifo*

Labour mobility within the Union has the potential to transform individual lives and help ease persistent economic imbalances. Citizens have the right to relocate where their skills can be put to good use. This eases the strain on welfare systems in countries where unemployment is high and boosts labour markets in countries in need of workers. However, if outflow is substantial and relocation is long term, mobility can cause problems in terms of financing the welfare state in countries with an outflow of workers. Welfare systems in receiving countries can come under pressure if mobility is largely non-work related. While the evidence suggests this is not currently a problem, public opinion can turn sour if mobility is perceived as 'welfare tourism'. Several EU Member States have called for new restrictions of EU free movement rights and liberties. This session will examine the challenges of mobility in Europe. How can labour mobility be promoted? Or constrained? Can free movement and associated rights be upheld and strengthened in Europe? How should welfare states respond to potentially increasing mobility? Does free movement and wider citizenship rights actually yield large economic benefits in a diverse Union precisely because they allow workers to move where opportunities are located?



Energy

CEPS Anchor: Christian Egenhofer

One energy transition - or 28?

(Chatham House)

Discussion Leaders:

Claudia Kemfert, *German Institute for Economic Research, DIW Berlin*

Teresa Ribera, *Senior Advisor for Climate and Energy at the Institut du Développement Durable et des Relations Internationales, SciencePo*

Even though European countries rely on each other, governments still act as if they had complete control over their energy mix. European countries go their own way with little regard for other Member States. This has led to a situation where not only approaches from Member States are incompatible, but also undermine crucial policy goals of others. While it may be too late to hope for a unified EU approach and maintaining one internal market, it may still be possible to develop a regional approach and markets that co-exist. Will this be enough to maintain a competitive energy market that ensures the EU's competitiveness? And more importantly, what strategies exist to coordinate and integrate EU energy markets?

The costs of the energy transition: Who benefits and who pays?

(Chatham House)

Discussion Leaders:

Graham Weale, *MEP, Chief Economist RWE AG*

Michael Hogan, *Senior Advisor Regulatory Assessment Programme*

Recent studies have identified the costs of the energy transition to be at around several thousands of billion euros by 2050. While this seems manageable there is a more important issue - that of wealth transfer between producers (importers), distributors, consumers and different consumer classes as well as between member states and their regions.

Carbon pricing: 'Idee fixe' or a realistic way forward?

(Chatham House)

Discussion Leaders:

Brian Flannery, *Resources for the Future*

For many years there has been an assumption that carbon pricing will be a central element of any national, regional and global climate change arrangement. In reality, carbon pricing only makes slow progress and even in the EU it has come under pressure. Is carbon pricing really the way forward or do we need to look for alternatives, including the way it is implemented through the EU ETS?

Climate Change & Food Security

CEPS Anchor: Andrei Marcu, Jo Swinnen

A GMO-free Europe?

(Chatham House)

Discussion Leaders:

Nathalie Moll, EuropaBio / **Christoph Then**, Testbiotech / **Mute Schimpf**, Friends of the Earth Europe
Marco Contiero, Greenpeace

The European Union (EU) has one of the most stringent regulations regarding genetically modified (GM) organisms in the world. The process of approval is slow and subject to extensive political interference. Despite an authorisation procedure at the EU level, several Member States have banned the cultivation of authorised GM products under the EU's 'safeguard clause'. In all cases these national 'safeguard clauses' have been judged to be unfounded and the European Commission asked for a repeal of the provisional safeguard measures. However, in most cases, the Council of Ministers rejected (with a qualified majority) the forced lifting of the provisional safeguard measures. This regulatory gridlock puts the EC in constant violation of both EU legislation and international law and any new proposals to overcome this deadlock have been blocked politically. It resulted in the paradoxical situation where the cultivation of GM crops is virtually prohibited in the EU while imports of several GM crops are allowed. In fact, in the recent years the EU livestock sector became strongly dependent on the imports of GM corn from the US and GM soybeans and animal feed from South America. This session will explore the political drivers that affect EU decision making. In addition, the session will discuss the role GM crops play in the free trade agreement negotiations between the EU and the US and the implications of such an agreement on both sides of the Atlantic.

Does climate change pose a real threat to global food security?

(Chatham House)

Discussion Leaders:

Ariel Brunner, BirdLife / **Tassos Haniotis**, European Commission
Jane Feehan, European Investment Bank

The relationship between food security and climate change is threefold. First, the agricultural sector is recognised as being a high-emitting sector and responsible for one third of global greenhouse gas emissions. Second, as an activity impacted by changes in natural conditions, agriculture is highly affected by the consequences of global warming, which inevitably has consequences for global food security (e.g. higher temperatures affect yields in different ways, in

Climate Change & Food Security continued

different parts of the world). Third, agriculture has a huge role to play in the fight against climate change (e.g. through its carbon capture potential) and the mitigation of its negative effects.

This session will briefly touch upon this threefold relationship to assess the costs and potential benefits of climate change for global security. It will distinguish between the effects in developed and developing countries and most importantly discuss pathways for Europe to tackle the threat posed by climate change on food security.

A global climate change agreement: Worth pursuing?

(Chatham House)

Discussion Leaders:

Richard Tol, *University of Sussex* / **Scott Vaughan**, *CEO, International Institute for Sustainable Development*

For a long time, the EU has defined itself as the global climate leader and has actually been seen as such. The paradigm change that was completed in Durban (at the end of 2011) means that the EU's aspirations of a 'comprehensive legally binding climate change agreement' able to keep warming to the agreed 2° C may not materialise, or at least not in the way that most EU stakeholders would envisage. Should the EU continue to offer 'leadership' or should the EU rather defend its own interests (economic and political), i.e. getting on with its business as other countries seem to have done for a long time?



Institutions

CEPS Anchor: Stefano Micossi

Is the European Council taking over?

(Chatham House)

Discussion Leaders:

Jim Cloos, Secretariat of the EU Council of Minister / **Philippe de Schoutheete**, EGMONT Institute
Uwe Puetter, Center for European Union Research

The institutionalisation of the Presidency of the European Council by the Lisbon treaty and the management of euro crisis have brought the European Council to the core of EU decision-making, raising concerns about EU institutional balance and democratic legitimacy. Are these concerns reasonable? How could they be addressed? Will this trend abate after the crisis? To which extent do personalities (not only institutions) matter and will the election of the next President be relevant for future developments?

A greater say for national parliaments?

(On the record)

Discussion Leaders:

Ben Crum, Vrije University of Amsterdam / **Richard Corbett**, European Council, Adviser to the President
Eva Lichtenberger, MEP, Group of the Greens - European Free Alliance

The stronger role of the European Council, the Council, the Commission and the ECB in the new EU economic governance have raised questions of democratic legitimacy and the appropriate involvement of Parliaments. Some argue that democratic control and accountability should be carried out at the level at which decisions are taken and, therefore, the European Parliament should be strengthened. Others contend that, given that these decisions are implemented at national level and affect national taxing and spending policies, a stronger role should be given to national parliaments. What would the pros and cons of reinforcing the role of national parliaments? How could this objective be achieved?

Institutions continued

What role for the EP in a post-euro crisis environment?

(On the record)

Discussion Leaders:

Danuta Hübner, MEP, Group of the European People's Party

Miguel Maduro, Minister in the Cabinet of the Prime Minister and for Regional Development, Portugal (tbc)

This session will discuss the role that the next EP can play in a stronger Economic and Monetary Union. What say will it have in the future development of the EMU? What is its position in the new system for economic and budgetary policy surveillance and coordination and in the banking union? If necessary, how can it be reinforced? Does the EP need to adapt its organisation to better address eurozone matters (namely, the creation of a special committee for eurozone matters or limiting voting rights to MEPs from the eurozone)?



Europe in the World

CEPS Anchor: Steven Blockmans

What are uniquely EU foreign policy interests?

(Chatham House)

Discussion Leaders:

Javier Solana, former EU High Representative for Common Foreign and Security Policy

Tao Xie, Beijing Foreign Studies University

Does EU foreign policy exist? More or less. Sometimes less than more. Although many view the EU as having made considerable strides in forging common policies on a range of international issues, others argue that the credibility of the EU as a foreign policy actor suffers from an inability to reach consensus. Others note that some differences in viewpoint are inevitable among 28 member states that retain different approaches, cultures, histories and relationships—and often different national interests—when it comes to foreign policy. This session raises the question of which core interests should be considered in creating a strategic vision for EU foreign policy.

Multilateralism without representation?

(Chatham House)

Discussion Leaders:

Mark Leonard, European Council on Foreign Relations

While the Lisbon Treaty has led to limited changes to the EU's international representation (at the UN General Assembly and at the Council of Europe), the EU is refusing to adapt its own representation in key international organisations such as the International Monetary Fund and the UN Security Council. Should the EU be more humble in its presentation and representation, and more ambitious in its goals? Some say that simplifying its representation in international institutions and being more democratic in allowing for an appropriate representation of other countries would be a starting point. In that case, the Union would need to do so with the ambitious goal of persuading others that improved global governance and a multilateral, shared and fairer management of global public goods is the only way to deal with the changes that the emerging world will have to face with its own rising middle-classes demanding political change and greater equality of individuals, peoples and states. Is the EU caught between a sanguine worldview and a return to 19th century international politics? Is there a future for the EU's pledge of effective multilateralism?

Europe in the World continued

The neighbourhood matters to the EU: Re-thinking relations

(Off the record)

Discussion Leaders:

Josef Janning, *Mercator* / **Sinan Ulgen**, *Carnegie Europe in Brussels*

Ten years since the 'big bang' enlargement and the launch of the European Neighbourhood Policy, the EU is still exercised by its relations with its geographical neighbours: not just those covered by the Eastern partnership or in the southern Mediterranean but also by those with EFTA countries, by those included in the enlargement process, and of course by relations with Russia. To paraphrase what High Representative Catherine Ashton has said on more than one occasion: How the EU operates in its neighbourhood and the effectiveness of what it does will define the European Union and its role on the international stage in the future. Yet, a quick-scan of the EU's relations with its neighbours reveals that the EU needs an urgent rethink of its neighbourhood policies, as a whole and in part.



Face-Offs



Towards the mid-term review of Europe 2020: What role for infrastructure, innovation and the services economy?

Discussion Leaders:

Carlos López Blanco, *Telefonica* / **Marjut Santoni**, *European Investment Fund*
Constantijn van Oranje, *European Commission*

The review of the Europe 2020 strategy, which sets ambitious goals for Europe's smart, sustainable and inclusive growth in 2020, is due in late 2014. Due to the urgency of fixing the governance of the Union to enable it to better respond to future financial and economic crises, many of the seven "flagship initiatives" originally included in the strategy have been partly set aside in the past three years. These initiatives speak of industrial policy, innovation, the digital agenda, creating new skills for new jobs, increasing resource efficiency, promoting youth mobility and tackling poverty. Will the review of Europe 2020 lead to a reshuffling of Europe's long-term goals? And what role will (and should) be played by key elements of growth, such as infrastructure, education and skills, and the service economy?



Economy: Where does Europe matter?

Discussion Leaders:

George Papandreou, *former Prime Minister of Greece*
Valdis Dombrovskis, *former Prime Minister of Latvia*

The performance of the European economy has been disappointing over the last years. However, it is not clear what could be done at the EU level to increase growth prospects. There exists an official growth strategy (Europe 2020), but it is little known and seems to have little impact. Action at the policy level might be needed on many fronts: the financial sector, the labour market, trade regulation and innovation policy. However, not everything can be done at the same time and many argue that Europe's problems do not derive from insufficient supply, but a lack of demand.

One key question is thus whether 'austerity' constitutes the biggest impediment to growth or a pre-condition. And what should be done to increase the growth potential once public finances have again become sustainable?

Face-Offs continued



Social rights and privacy under pressure: How can Europe matter?

Discussion Leaders:

Enrico Giovannini, former Minister of Labour and Social Policies, Italy

László Andor, European Commissioner for Employment, Social Affairs and Inclusion

Victor Ponta, Prime Minister of Romania (tbc)

Morten Kjaerum, Director, EU Agency for Fundamental Rights

The EU has conferred a range of social, political and civil rights on EU citizens and residents. Yet events such as the economic crisis and revelations like PRISM and other mass surveillance programmes have placed increasing pressures on the effective delivery of EU rights, and exposed the limits inherent in the current EU fundamental rights architecture. At the same time, the gaps in implementation of EU freedoms at national levels and the existence of outstanding barriers affecting their accessibility raise equally open questions for debate. Similarly, while there is budgetary pressure to reduce welfare expenditure, more than ever citizens demand social protection to face the Great Recession. Should European social rights be strengthened? Does it make sense for Europe to fill the social gap, especially given the differences in both economic performance and social history of European countries? Consequently, does it make sense to give Europeans more rights when these cannot always be ensured and fulfilled? Should the EU take a stronger role in safeguarding and enforcing Union rights and freedoms, and if so, which ones? Which policy instruments would be available to the EU to achieve this and what should be the guiding principles in the use of new instruments to further ensure Europe's rights commitments?



The challenge of sustainability

Discussion Leaders:

Jürgen Trittin, Member of the German Parliamentary Group The Greens

Since the introduction of sustainable development, the concept has increasingly become part of governments' and companies' narrative. This is even truer for the EU where the concept has become a pillar of the EU 2020 (economic growth) Strategy. In practice, however, sustainability is often confused with efficiency.

- While efficiency is uncontroversial both politically and economically, sustainable development is often paid only lip service. Does sustainable development (as opposed to efficiency) have a real meaning for EU policy?
- What does it take to make sustainable development a more meaningful concept for policy (in the EU and elsewhere) and to induce companies to develop business models that both support sustainable development and allow them to flourish?
- In the absence of global governance, how realistic is it to break the trend of overconsumption (in developed countries)? Is the sustainable development concept useful or should it be dumped, e.g. for more economically based concepts?

Face-Offs continued



Can Europe get its act together? And does the world care?

Discussion Leaders:

Danuta Hübner, MEP, Group of the European People's Party / **Chun Ding**, Director of Centre for European Studies, Fudan University

The European Union's decision-making and institutional balance has been in flux since the Treaty of Maastricht and continues to be in a process of change driven by recent developments in economic governance. In view of declining citizens' support for the EU and trust in its institutions, especially in the run-up to the European elections in May 2014, opinion-shapers and decision-makers in Europe consider it urgent that the EU's institutions and decision-making processes are made more efficient, democratically legitimate and flexible, so as to take account of the moves towards an increasingly differentiated Union. Seen from the outside, however, the European Union's obsession with restructuring its internal arrangements has been famously compared to rearranging the deck chairs of a sinking Titanic. The focus of the EU on internal challenges when the real threats are external is seen by some as a strategic error.

The Ukraine crisis and what it means for EU-Russian relations'

Discussion Leaders:

Lilia Shevtsova, Carnegie Moscow Center / **H.E. Kostiantyn Yelisieiev**, Ambassador, Mission of Ukraine to the EU (tbc) / **Gunnar Wiegand**, Director of Russia, Eastern Partnership, Central Asia, Regional Cooperation and OSCE, EEAS (tbc)

The current unresolved turmoil in Ukraine and disruption by Russia of the EU's Eastern Partnership policy raises issues of strategic importance for Europe as a whole. In Ukraine the world observed a brutal struggle for retention of power by a corrupt and undemocratic leadership supported by Russia, in the face of massive popular opposition from largely democratic and Europe-oriented movements. Now, post-Yanukovich and following the 16th March referendum on Crimea, the open confrontation between the EU and Russia moves into a new and increasingly dangerous stage. Not only the Ukrainian case but Armenia, Georgia and Moldova too, makes a mockery of the 'Lisbon to Vladivostok' slogan of President Putin. The severity of this confrontation makes it all the more vital for European leaders to return urgently to the case for a cooperative wider European concept and plan, in which the EU and Russia would be working together without pressurising the states of our common neighbourhood to choose freely their own futures - call it for short Lisbon-Kyiv-Vladivostok.



Rest & Recreation Sessions

The global economy in 2030: trends and strategies for Europe.

Cinzia Alcidi, *Centre for European Policy Studies* and **Gilles Koleda**, *Société Européenne d'Economie*

The study, prepared for the European Strategy and Policy Analysis System (ESPAS), challenges the conventional wisdom on several issues. It argues that in 2030 the global population might reach a plateau and start to decline. As a consequence, the long-term outlook for the availability of natural resources may change radically even if the emergence of a global middle class will lead to increased pressure for some time to come.

By 2030 trade globalisation might have peaked. By contrast financial globalization may experience a new upward trend with emerging economies playing a key role and overcoming advanced countries.

China's growth rate by 2030 will be subject to considerable structural uncertainty as this depends on its ability to successfully master two key policy challenges, namely: domestic rebalancing and political and institutional reform. Without a relatively rapid rebalancing of its economy away from investment, China might experience an over-investment cycle, thereby risking a lower growth rate for a protracted period of time and profoundly affecting the global savings-investment balance.

In formulating its strategic response to a rapid changing world, Europe will have to consider how its trade and investment relations will be affected by such changes, also taking into account that its economic weight at global level will be smaller and hence that it will be seen as weaker global actor. The ability of Europe to influence global events will depend even more than it does today on the willingness of member states to allow the EU to consolidate the resources of the continent and to speak with one voice.

Europe's key societal challenge: Breaking the cycle of increasing inequalities.

Stijn Hoorens, *Rand*

The gap between rich and poor has widened. Austerity programs have had a disproportionate effect on those with lower incomes exacerbating the income differences and fuelling expectations that the inequality will worsen in years to come.

Not only does this represent a reversal of progress for the EU, but it also is at odds with one of the fundamental purposes of the EU: inclusive growth.

Income inequality is just one of several dimensions of widening inequality across the EU. The interaction of all these

R&R continued

dimensions—the income gap, a skills gap, an age gap, a gender gap, the digital divide, the polarizing effects of new technologies, and the heightened vulnerability of particular household compositions—could feed a vicious cycle for vulnerable groups at risk of becoming trapped in poverty and social exclusion. RAND Europe’s recent report, “Europe’s Societal Challenges,” prepared for the European Strategy and Policy Analysis System (ESPAS), a joint initiative of EU institutions, concludes that if there is one challenge the EU should attend to, it is to break this cycle.

Empowering Europe’s Future.

Giovanni Grevi, *Fride*

This report - Empowering Europe’s Future: Governance, Power and Options for the EU in a Changing World - shows that the world in 2030 will likely be a more fragile place due to the rise of economic interdependence, the diffusion of power, and the disruptive potential of resource insecurities, climate change and technological innovation. Managing a more competitive and rapidly changing world requires developing new methods of political engagement. The EU may not evolve into a superpower, but by building on its strengths and experiences it could become a “super-partner” for other countries and regions.

Composition and drivers of energy prices and costs in energy intensive industries

Vasileios Rizos, *Centre for European Policy Studies*

Very significant energy price differentials exist for retail and sometimes for wholesale markets and continue to widen because of national energy policies, meaning that electricity and gas prices are not converging – the EU is thus far from being an integrated energy market.

Sectoral studies revealed that the cumulative cost of EU regulation in aluminium and steel are not excessive. But energy policy via energy prices does matter. For aluminium, power price is decisive: the success of the industry depends on whether plants still have ‘old’ long-term contracts. For steel, recovery of margins is key: when margins are low any cost increase hurts.

CEPS has been commissioned by DG Enterprise and Industry to acquire empirical installation based data on five sectors: ammonia, chlorine, glass, bricks, wall tiles. These studies completed two earlier studies from 2013, which assessed the cumulative costs of EU regulation in the aluminium and steel sectors. Eurofer, the European steel industry association, finally commissioned a study on energy prices for the steel industry.



R&R continued

An independent, comprehensive and fact-based model of Europe's energy future

John Kerkhoven, *Quintel*

The Energy Transition Model (ETM) is a free web application for discussion, education and decision making on energy transition. It can be used to explore the effects of anyone's choices for Europe's energy future in terms of CO₂ emissions, costs, renewability percentage and much more. The ETM provides instant feedback allowing for real-time quantitative support in discussions. It is based on International Energy Agency data and many years of research into energy technologies. Models for The Netherlands, Germany and Europe are readily available and since the model is Open Source, models for other countries can be added easily. Visit our website for more information (www.energytransitionmodel.com).

Upgrading Inter-parliamentary Cooperation in the EU.

Valentin Kreilinger, *Jacques Delors Institut*

The new Inter-parliamentary Conference on Economic and Financial Governance has met twice, in October 2013 and January 2014. Although the need for more and better cooperation between the European Parliament and national parliaments has been recognised, the European Parliament sees this conference with reluctance and there is a lack of unity among national parliaments. This report refutes the main arguments advanced against inter-parliamentary cooperation and analyses possibilities to upgrade inter-parliamentary cooperation.



Logistics of the Lab

When and Where

Date: 3rd & 4th April 2014
Location: The Egg
Rue Bara / Barastraat 175, 1070 Brussels
www.eggbrussels.eu
0032 2 560 21 60
(10 minutes walk from Gare du Midi / South Station)

Programme schedule

(please see attached agenda for more details)

Thursday 3 April

12:30 Registration
13:15 Opening & 1st plenary session
14:30 1st Lab sessions
15:45 Break
16:15 2nd Lab sessions
17:30 Closing words and cocktails

Friday 4 April

8:30 Registration
9:00 Opening
9:15 3rd Lab sessions
10:30 Break
11:00 Face-off sessions
12:30 Closing plenary
13:30 Lunch



Logistics continued

Entrance

Please note that participation in the **CEPS Ideas Lab** is by invitation only and that registration is valid only upon receipt of confirmation.

No entrance fee will be charged for participants coming from any of the following three groups:

- Think tanks and academia
- European and national institutions
- CEPS Members (one free entrance per member)

Fees will apply in the following two categories:

- Additional participants from CEPS Members - €350/person
- Corporate sector, non-member of CEPS- €1,000/person (VAT excluded)

Contact

If you have any questions, please contact us at: ideaslab@ceps.eu



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