

INCREASING THE POSITIVE SIGNALS AND ACTING AT SOURCE

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0 ur President, António Vitorino, takes a stand on the main issues of the European Council of the 18-19 March 2016 by answering questions about the refugee crisis, the Schengen area, the EU-Turkey planned agreement, the European semester, the 30th anniversary of the Single European Act and the new “social package”.

1. The refugee crisis is once again going to be the central issue at the European Council: what analyses and recommendations can you offer in that connection?

The European Council is going to find it difficult to act in view of the differences in the various heads of state and governments’ diagnoses with regard to the asylum-seekers, whom some consider to be victims (which they are) while others see them as a threat. And that difficulty only grows when countries that are amenable on principle, such as Germany and Sweden, find themselves having to cope with a number of asylum-seekers that is *de facto* difficult to manage.

Responding to the Commission’s initiative, the European Council has already taken decisions designed to address one of the sources of the current political tension by reducing the deficit in solidarity among the member states: financial solidarity on the one hand, including the very recent unfreezing of 700 million euros to support Greece; and humanitarian solidarity on the other, with the aim of resettling 20,000 refugees and of relocating 160,000 asylum-seekers in two years. The stumbling block in this connection is the practical implementation of the decisions reached, because fewer than 1,000 asylum-seekers have been “relocated” to countries other than Greece and Italy in six months. At this rate it will take eighty years to reach the goal set by the European Council...

This abnormal situation cannot help but worsen the other deficit which the European Council is going to have to address and which is even more crucial: namely, the deficit in trust among the member states, which we can see even between countries that have traditionally been close to one another such as Sweden and Denmark, Germany and Austria, or France and Belgium... The Commission has quite rightly deplored

the “safe-conduct” policy applied to the migrant influx, because it fuels the kind of mistrust that leads to the reinstatement of temporary border controls on the Union’s internal borders.

In this connection, we have thankfully been able to see a number of positive signals in recent months. Over half of the eleven “hotspots” planned in Greece and in Italy are now operational and the registration rate for asylum-seekers showing up in those countries is two to three times higher today than it was in 2015, reaching the 80% mark or even higher. And just like the “hotspots”, so replacing the old project for a “European Border and Coast Guard” back on the rails also has the merit of responding at once to the dearth of both solidarity and trust among the member states. Under the guise of aiding the countries that are being overwhelmed by the migrant influx in financial and human terms, it also entails despatching national and European experts capable of ensuring the effective monitoring and control of the Schengen area’s external borders to those countries, which accounts for the reluctance that they evinced for so long. The Commission has announced that the [European Border and Coast Guard](#) could come into effect in 2016, on paper at least, so we need to encourage the heads of state and government to apply all the pressure required for its operational implementation to take place as rapidly as possible.

2. Do you think that it is going to be possible to save the Schengen area despite the migrant crisis?

The road map which the Commission recently submitted to “[return to the spirit of Schengen](#)” offers ways out of the crisis and confirms that it is possible for the EU to win the race against the clock between the temporary reinstatement of national border controls and the Europeanisation of external border controls.

As Jacques Delors and the members of our 2015 European Steering Committee pointed out, “Schengen is not dead!” The Schengen Code contains sufficient flexibility to give the member states the – at least theoretical – opportunity to implement controls on their borders, including by resorting in May to Article 26 if a flaw in the system is detected on the area’s external borders, in this case in Greece. The Commission was right to specify that this opportunity, offered to member states beyond May 2016, must be used in a limited manner in terms of its time frame (until autumn 2016), of its geographical implementation (only on certain specific sectors of their borders) and in technical terms (it needs to be implemented in proportion to the real situation, without reinstating systematic controls). On this last point, I am happy to note that the Commission has endeavoured to put a figure on the exorbitant cost of a hypothetical return to systematic national border controls, in order to put governments face to face with their responsibilities and to clearly indicate to the public at large who the victims of such a return to the past would be (lorry drivers, cross-border workers, the tourist industry, the taxpayer and so forth...).

One of the reasons external border controls need strengthening is precisely because a return to national borders would be far too costly for the Europeans. But we should be aware of one thing: the crucial thing for the Europeans is to act well beyond their own borders in order to address at source the conflicts that are sparking such a massive influx of refugees, not to mention hotbeds of terrorism. This demands a greater spirit of cooperation and solidarity among the EU member states, which will be the first victims of their lack of effectiveness on the diplomatic and military fronts, whatever fate “Schengen” may meet.

3. What do you think of the planned agreement between the EU and Turkey?

Faced with the refugee tragedy, it is logical for the EU to negotiate with Turkey because that country today is hosting more than 2.5 million Syrians on its soil and is one of the chief transition countries for migrants from Iraq, from Afghanistan and from other countries in the region. Endeavouring to improve our cooperation with Turkey in order to control the refugee crisis is an improvement on tearing each other apart by announcing the – in any case largely fictional – reinstatement of controls on the border between France and Belgium and between Austria and Germany!

Even if Ankara has upped the stakes in an effort to achieve a higher offset for its pledge to restrict the refugee influx, the [planned agreement](#) debated at the European summit on 7 March falls largely within the furrow of the EU-Turkey “action plan” adopted in November: 6 billion euro in financial aid rather than 3 billion; easy access to visas for Turkish nationals starting in June rather than in October; and opening several chapters in the membership negotiations rather than just one – even if Turkey’s membership of the EU does seem further away than ever... In this context, the important thing is for the EU to verify that all of these offsets are not proposed in vain and that they are accompanied, in particular, by effective mobilisation on the Turkish authorities’ part.

We have seen a few positive signals recently, with the readmission of several hundred illegal migrants from Greece to Turkey and the dismantling of a number of human trafficker networks. Turkey can demonstrate its good faith to the EU and contribute to the success of the action plan launched in November by increasing such signals over the next few days.

Yet the recent planned agreement between the EU and Turkey marks a bizarre break with the debate in the autumn because it provides for an “exchange” of Syrian refugees. All migrants and refugees showing up in Greece would be sent back to Turkey, but for every Syrian sent back, another would be directly “resettled” in an EU country. In that connection, the European summit on 7 March called on Donald Tusk to finalise the planned agreement in compliance with European and international law, which is not necessarily going to be an easy task...

If that particular measure is adopted, we will probably be able to congratulate ourselves on having finally removed the refugees from the human trafficker networks’ clutches by taking charge of them directly in Syria in order to organise their journey to Europe. But it presupposes that such “resettlement” really does take place, and rapidly, otherwise the agreement will be shorn of its humanitarian aspect... And it also presupposes that these human trafficker networks really are dismantled and prevented from redeploying to other countries. Unless those two conditions take effect together, the agreement between the EU and Turkey will be a “fools’ game”.

In any event, the priority afforded to cooperation between the EU and Turkey must prompt the

Europeans to focus their action more effectively on the source of the migrant crisis. Given that it is chiefly a matter of improving the manner in which we take charge of the Syrian refugees, the most effective way of doing that is to do everything in our power to broker a political settlement to the murderous clash that has been laying waste to Syria for nearly five years. It has been possible for some months now to detect a few positive signals on that front too, but they too need to increase in number in order to achieve a political transition that is acceptable both to all of the parties involved and to the players that back them, including Russia, the Gulf monarchies, Iran and, of course, Turkey itself. The more united the Europeans are in that connection, the better they will be able to get to grips with the instability prevailing in their neighbourhood rather than suffering from it by dividing amongst themselves.

4. This European Council is going to wind up the first European semester of 2016: on what priorities should it focus in particular, in your view?

The European economy showed a slight recovery in 2015 but its growth level continues to be insufficient to ensure the prosperity and convergence of the EU's member states. Unemployment decreased, that is true, but it is still at an all-time high. Growth and job creation will thus continue to be the primary goals for European action in 2016.

The ECB once again shouldered its responsibilities last week by adopting decisions designed to counter the spectre of deflation. But those measures can only be totally effective if they are accompanied by a fresh boost to the reform of the euro area's governance and by improved coordination amongst economic policies. With a view to achieving that, it is necessary to strengthen investments and to put in place the kind of structural reforms that will make it possible to modernise Europe's economies while ensuring that budgetary policy remains responsible, as the Commission has stressed in its [Annual Growth Survey for 2016](#).

While priority was afforded from 2010 to 2014 to bringing down public debts and deficits, the Juncker Commission has been eager to impart a fresh boost to Europe by placing the strengthening of investments at the top of the European agenda via its 315 billion euro plan. The initiative is still under way and, even though numerous voices have been raised pointing to excessive optimism with regard to its leverage impact

and to the risk of the projects funded not being especially profitable, it is likely that the plan's impact on growth and on the creation of jobs will start to be visible already this year.

The EU today needs to place the stress on improving European coordination of the kind of structural reforms that will make it possible to improve the labour market, to strengthen competitiveness, to improve the business environment and to ensure better fiscal justice within the member states. As the Five Presidents' Report on the deepening of the EMU points out, the member states have to adopt common measures capable of steering a process of convergence towards more robust economic structures.

In fact strengthening convergence among the EU member states must be one of the European semester's guiding principles. We must not adopt an excessively narrow notion of convergence based on macro-economic indicators and on the state of health of countries' public accounts. Convergence must be pursued by improving our education, industrial policy, and innovation systems. With regard to education in particular, gaps in skills may well constitute a recipe for future divergence, so it is difficult to envisage convergence among Europe's economies when some countries having to face issues involving the quality of their labour force actually respond by [cutting their investment in their education system](#).

In this context, the European semester's priority goal must be to reconcile macro-economic and social targets in such a way that win-win solutions are implemented and that the Union once again becomes the source of convergence that its founding fathers envisaged: the Delors Commissions showed that it was possible, now it is up to today's leaders to confirm that fact!

5. Now that thirty years have gone by since the signing of the European Single Act, what fresh boost can this European Council impart in an effort to deepen the single market?

This Commission has given high priority to the deepening of the single market and ambitious plans have been outlined to achieve a Capital Markets Union facilitating the movement of capitals in Europe and redressing the shortage of investment and equity Europe is facing; a Digital Single Market that envisages a truly European single market for e-commerce and aims at creating the

foundations for a Single Market for Telecoms, which is necessary to overcome the current fractionalised regulations that prevent the emergence of pan-European operators and hinder investment in new-technology and infrastructure; an Energy Union which is based on a single market for gas and electricity.

The path has been designed, it is now necessary that EU leaders in all member states are able to see the potential of EU integration in these fields. If we keep in mind the subsidiarity principle, it appears rather clear that the digital economy, the telecommunication sector, as well as energy security and the services industries, have now reached scale and stakes that go much beyond national states. We are de facto more integrated, it is high time that businesses and citizens can start benefitting from common rules in these crucial sectors.

The 30th anniversary of the signing of the Single European Act offers also the opportunity to look at

the single market from a more overarching viewpoint. Back in 1986, the development of the Internal Market was seen as the driver to build up a more cohesive Europe, and it can still be the case, but we shall remember that the Internal Market was only one part of a biggest package. Without making progress on political cooperation and without developing further solidarity arrangements among member states the ambition of the Union may fail. To accompany deeper integration of European markets, it is necessary to make steps towards an enhanced political integration and to reform cohesion policy and the social pillar of the Union. The European Commission has just presented a [social package](#) including a first outline of the European Pillar of Social Rights and the reform of the regulation concerning posted workers. Although limited in scope, this social package can be seen as a good step towards continuing a dialogue on solidarity and socio-economic convergence in Europe.

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