

EPIN Newsletter Summer 2015

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Groundhog Day for Europe: Why David Cameron needs to learn from his mistakes

by Agata Gostyńska (Centre for European Reform)

Ahead of the UK general election, opinion polls predicted that Britons would wake up on May 7th to a hung parliament. But for the first time since John Major's defeat in 1997, Britain again finds itself governed by a Conservative majority government.

Victory has not simplified things for the prime minister. In 2013, David Cameron promised that if he remained in power he would renegotiate the terms of Britain's relationship with the EU and then put the result to an 'in-out' referendum. Now he has to deliver on that pledge. In order to smooth negotiations with European partners, David Cameron must draw lessons from his past mistakes.

First, he needs to give up his transactional style of politics. In December 2011, he caused dismay in Brussels when he demanded legal safeguards for the City of London, the British financial centre, in exchange for supporting treaty change to introduce a stricter budgetary discipline. The attempt to hold the rest of Europe to ransom fell flat: in the event every member state except the UK and the Czech Republic signed the fiscal compact (an agreement reached outside the EU framework over which London could exercise no influence). Veto politics remains unpopular in Brussels and may again backfire.

Second, Cameron should not put all his negotiation eggs in the Anglo-German basket. Chancellor Angela Merkel will do her best to help the PM, but European politics is still based on consensus-making and other EU capitals will have to have their say too. In 2013 Cameron upset old

friends in the new member-states: his comment that Britain's 2004 decision to open the labour market to eastern workers had been a 'mistake' caused anger in Warsaw. If Cameron wants to restore relations to their former health, it will take more than one whistle-stop tour of Europe.

Third, Cameron should keep his demands realistic and helpful. Member states seem sympathetic to his bid to improve European competitiveness, but Cameron's proposal to limit access to in-work benefits for EU workers will be given short shrift: it is widely regarded as a threat to the free movement of people. Cameron should focus on revitalising the EU by cutting red-tape or strengthening dialogue between the Commission and parliaments rather than on putting forward ideas that other EU capitals will see as weakening the Union.

Finally, and as a logical corollary to this, Cameron needs to stand up to eurosceptics in his party. In the past he has made concessions to his backbench colleagues, and other EU leaders worry that as the referendum approaches he will do so again. Cameron knows that British voters like united governments and punish those that show their ideological splits in public; that argues for making the preservation of party unity a priority. But if eurosceptics push him into asking for the impossible in Brussels, he will have less chance of bringing back a result that he can label as a success and the basis for a 'yes' vote in the referendum.

Public support for leaving the EU is currently low but - as the May elections showed - polls can be misleading. If Cameron does not grasp the opportunity now and campaign in favour of Europe, he may go down in history as the man who won a majority and lost a continent.

Evolving patterns of euroscepticism in the Danish political landscape

by Catharina Sørensen (Think Tank EUROPA)

The most significant result of the Danish June elections was not the change of government from centre-left to centre-right, but rather the continued progress of the anti-immigration, anti-European integration Danish People's Party (DPP). The DPP jumped nine points to take 21% of the vote, thus becoming the biggest of Denmark's four right-leaning parties and the second-largest party overall.

It was never in the cards that party-leader Kristian Thulesen-Dahl should become prime minister. He was uninterested in the position and even resisted bringing his party into government. A hardened politician, he knows that his best options for continued popularity and real political influence lie outside, and

not inside, the formal power centre.

The new Liberal government, instead, is a fragile one-party affair, led by Lars Løkke Rasmussen who was also in office between 2009 and 2011. Backing by the DPP is essential to its success, so even without ministerial titles its massive influence on Danish politics is about to become more visible.

It is EU policy over which the parties disagree the most. The DPP will use its enhanced influence to push two main issues: border control, and restrictions on EU migrants' access to social benefits. The party claims to be inspired by the British Tories and also wants to obtain for Denmark whatever deal David Cameron negotiates for Britain.

Despite its controversy, the former issue, border control, is unlikely to bring about grander change than some extra customs officials and spot tests to be carried out within the remits of Denmark's Schengen commitments. The DPP opposes Schengen, but a full confrontation has no parliamentary backing, and at least for the foreseeable future it is an improbable scenario.

Attempts to restrict migrant workers' social benefits are likely to be taken further. The DPP, for example, will push for the reintroduction of a two-year qualifying period for access to children's allowances. The outgoing government abolished this requirement after the European Commission deemed it was in conflict with EU law.

Then there is the issue of the EU opt-out on justice and home affairs. This opt-out is gradually excluding Denmark from all cooperation in the field, including police cooperation once the new Europol regulation is ready. The Liberal government, backed by a broad parliamentary majority, wants a referendum before 2016 to change the 23-year-old opt-out into an 'opt-in' that would be similar to the British model.

The DPP recommends a 'no' vote. It fears that pro-EU parties will use the opt-in to sign Denmark up to the EU's asylum and immigration policy, despite their commitment to the contrary. A no-vote, the party argues, will instead pave the way for a bilateral arrangement on Europol.

This may be one EU policy issue on which the DPP is defeated. Polls suggest that a comfortable majority of Danes favours the opt-in. Some 9 out of 10 citizens want Denmark to stay in Europol. The DPP's vague suggestion to seek a (doubtful) bilateral agreement is unlikely to be a winning argument against an opt-in, where Denmark can pick-and-choose the cooperation it wants to participate in.

Either way, EU policy will remain the main point of conflict between the new Rasmussen government and the DPP, its biggest ally in Parliament, despite the fact that EU issues were virtually absent during the campaign. One positive outcome of the new reality of Danish politics could be that EU policies finally get the prominence they merit.

2015 Turkish General Elections and their Implications for Europe

by F. Doruk Ergun (Centre for Economics and Foreign Policy Studies)

The latest Turkish general elections ushered in change after 13 years of uninterrupted conservative Justice and Development Party (AKP) rule. The Party's curbing of freedom of expression, the press and the independence of the judiciary, combined with a string of corruption scandals have pushed the AKP below the majority line. Furthermore President Erdogan's increasing authoritarianism and struggle to free himself of political restraints have ended up becoming the AKP's very shackles, as they both cost votes to the party and Erdogan's status stands as one of the primary obstacles in coalition negotiations.

Although the Nationalist Movement Party (MHP) stole a significant amount of AKP constituency, the real blow came from the Democratic Peoples' Party (HDP), the representative of the Kurdish political movement. At a time when the Turkish government is negotiating for the domestic Kurdish peace process and war between the Syrian Kurds and ISIS rages on, the Kurdish political movement scored an historical victory and ended up getting an equal amount of seats as the Turkish nationalist party for the first time in Turkish political history. For the foreseeable future, Turkish foreign policy will be dominated by the Syrian civil war, ISIS and the status of the Syrian Kurds, and the HDP's presence will ensure that both the domestic and foreign Kurdish issue stays at the top of the agenda.

The most likely alternatives at this point are the foundation of an AKP-MHP or an AKP-CHP government. In either situation, it is likely that the domestic efforts against ISIS, such as increasing border-control measures, would be ramped up. Although they both agree that ISIS poses a threat, the two parties take different approaches on the Kurdish issue, both domestic and across the border. The MHP is against the current domestic peace negotiations and sees Syrian Kurdish independence as a bigger threat, as does the AKP, whereas for the CHP, ISIS and radical terrorist organisations are bigger threats.

Any coalition government that the AKP may form will result in a decline of the party's revisionism and adventurism in the Middle East and bring the country's for-

eign policy closer to its traditional pro-status quo and diplomacy-first stance. This will especially be true if the AKP decides to forge a broad coalition with the social democrat Republican People's Party (CHP), which has retained its place as the second-largest party. Any coalition would also mean that the AKP leadership would not be able to call the shots on strategic issues, such as the controversial missile defence tender, on its own. Still, the duration of these effects would depend on the endurance of the coalition and the ability of the smaller coalition partner to influence AKP decision-making. In this regard, the CHP is more likely to soften the edges of AKP's and Erdogan's policies than the smaller and ideologically similar MHP can. A grand coalition between the AKP and CHP would allow the parties to enact much-needed systemic reforms such as changing the country's constitution. A remnant of the 1980 coup, the 1982 constitution has long been criticised as being undemocratic. Although numerous amendments have been made since then, all parties agree that the constitution must be changed; nevertheless, a consensus on the contents of a new constitution has not yet been reached. By forming a coalition between conservatives and social democrats, the two parties would be more likely to meet halfway and balance the toxic partisan environment plaguing Turkish politics and reach enough seats to enact constitutional reform.

The country is in dire need of democratisation, transparency and political normalisation. The EU accession process proved to be the compass for Turkey to achieve these in the past. It may do so once again, as all parties, although with varying degrees of support, are in favour of EU membership. Nevertheless, the Cyprus issue continues to be a major obstacle against Turkey's accession. Although a coalition may see some changes to the AKP's former policies regarding the island, it is unlikely that a new government would diverge considerably from Ankara's decades-long approach to the issue. If the new government prioritises EU membership, it would be more likely to help facilitate the mediation process. Still, even though it is possible for the next government to be ambitious in furthering Turkey's accession, taking steps in this direction would take some time as the country will likely focus on domestic issues and the Syrian calamity in the near term. Hence, while the resolution of the Cyprus issue would free the new government's hand in hastening its accession process, the issue is unlikely to be a priority in the foreign policy agenda.

Upcoming CEPS-Bertelsmann Foundation event: 'The UK and the EU: Simulating the agendas for EU reform'

Brussels, 7-8 October 2015

Following the Tories' overwhelming election victory, the British conservative government will now hold a referendum on the terms of UK membership, possibly in October 2016. This will reduce the time available to negotiate with EU partners on substantial concessions liable to draw support from the most Eurosceptic Tories, but may at the same time allow Prime Minister David Cameron to champion and win a campaign in favour of remaining in the EU.

The Balance of Competences Review did not provide much evidence for the repatriation of competences (Emerson et al., CEPS 2015), but that has not stopped the British PM in repackaging the topics and terms that the UK intends to renegotiate with the other member states as follows:

- The shift of EU institutional balance in favour of the Council and the national parliaments. PM Cameron has pleaded for the removal of the 'ever closer Union' phrase from the Treaties (or an opt-out for the UK) and the codification of the Luxembourg compromise could also be on the table. The British government is keen to restore inter-governmental decision making for cooperation in policing and criminal matters, and to introduce a red card for national parliaments, or even a unilateral veto power for the UK parliament on any piece of EU legislation.

- The protection of non-Eurozone members and the single market from measures to save and/or deepen Eurozone integration. Demands in this regard could go from the adoption of a single market protocol, to reforming the voting procedures, or even removing the reference to the euro as the currency of the EU. The UK wants to see more fairness between euro- and non-euro member states when it comes to European economic issues.

- Limitations to immigration and the free movement of people such as the restriction of in-work and out-work benefits for immigrants coming from other EU countries, longer transitional periods for the free movement of workers for new member states joining the EU, tighter restrictions on family reunification and the provision of an emergency brake on free movement of people if certain conditions are met.

- Strengthening the Single Market and thereby supporting competitiveness. Notably, this is one area in which the UK actually wants deeper integration on an EU-level. This includes firm commitments and clear time frames on the negotiation of a number of trade agreements, the extension of the single market into services and digital economy, the development of the energy union, and the reduction of red tape and EU legislation in general.

These demands will need to be reconciled with positions of other member states, some of which have entirely different agendas with regard to EU reform, and the room for change allowed by the current Treaty arrangements. In fact, David Cameron has dropped his demand of EU Treaty Reform ahead of the UK referendum. Instead, the British government is now asking for 'legally binding' and 'irreversible' guarantees that a reform of the current Treaties will be made at a later stage.

With a view to learning more about member states' desires, red lines and flexibility on the above-mentioned issues, the project partners are planning to organise a private 'Model European Council' on 7 and 8 October 2015, bringing together renowned experts from all member states (mainly, but not exclusively, from the EPIN network) to simulate negotiations between representatives from the 28 EU countries, in the presence of the European Commission. The objective is that the experts share their views on what they understand the governments and civil society of their respective countries would be able and willing to accept and which could be their counter-demands.

Based on 2-page contributions presenting national positions, draft conclusions will be drawn up and shared with delegations before the simulation takes place. Final conclusions will reflect the level of agreement reached during the Model EUCO. A separate report will provide new insights in the directions that negotiations might take and the potential for compromise within the current treaty framework (as indeed through Treaty reform). The report will be presented at the third edition of CEPS Ideas Lab in Brussels on 25-26 February 2016.

Schedule of the day

The exercise will run over the course of two days and will be conducted with participants representing a country or a group of countries (at least 8 + one moderator in the role of the European Council President), with the aim of simulating real-life negotiations and the countries' respective positions as closely as possible. Further details on the 'rules of the game' as well as background material will follow in due course.

Please confirm your interest in participating to Vilde Renman (vilde.renman@ceps.eu) before 31 July.



Latest EPIN-publications

‘The 2015 Greek Referendum’ by Filippa Chatzistavrou (ELIAMEP)
http://www.ceps.eu/system/files/No%2024%20Greek%20Referendum_0.pdf

‘EU and the Macedonian political crisis –another meeting with history?’ by Julija Brsakoska Bazerkoska (Law Faculty in Skopje, Macedonia)
<http://www.epin.org/new/files/EPIN%20Commentary%20No%2023%20ed.pdf>

News from EPIN-member institutes

ISP publication ‘The energy union: views from France, Germany, Poland and The United Kingdom’ by Agnieszka Łada

<http://www.isp.org.pl/uploads/pdf/1646937582.pdf>

ELIAMEP forthcoming EPIN publication:

Filippa Chatzistavrou and Sofia Michalaki analyze Syriza-led coalition government’s policies and political discourse since its coming to power in January 2015. The paper compares SYRIZA’s pre-electoral commitments contained to the radical manifesto, the so-called Thessaloniki Programme, to SYRIZA-led coalition government’s negotiating positions during the five-months of EU/IMF marathon talks. The focus of the article is twofold. It examines if and how the evolution of Greek debt negotiation marks a shift in Syriza’s positions in order to reach agreement at EU level. It explores the implications of the EU’s Economic governance structure for a highly indebted eurozone member state, like Greece, as well as the political impact of EMU on left-right dividing lines in national politics.

SIEPS project ‘The EU as a global power’:

The Europe 2020 strategy states that “the EU is a global player and takes its international responsibilities seriously.” This confirms EU’s ambition to use its weight in the international arena to promote development, sustainability and a European model of society in an increasingly globalised world. The reality of the economic crisis put those ambitions into question, emphasizing instead the need to confirm the EU’s position as a global trade partner.

One of the lessons from the theory of fiscal federalism is that joint action by several actors may increase their bargaining power. In theory, then, this ought to hold true in cases where the European Union is acting on behalf of its Member States. As the Eurozone crisis and the overall need for EU’s crisis recovery strengthened the importance of a revived European growth,

successful common commercial policy is seen as a key to recovery. Hence, development of trade relations with the strongest global partners such as China, Russia and the USA, as well as with neighbourhood countries in the East, holds a priority position on the EU’s agenda.

The project attempts at addressing, from a multidisciplinary perspective, the complexities of the EU’s position on the global arena, shaped by its global leadership ambition on the one hand, and the reality of economic and security crisis on the other.

In 2015 the project will focus on EU’s trade relations with some of the key partners, in particular on the upcoming TTIP as well as on trade arrangements between EU and China.

<http://sieps.se/en/forskningsprojekt/the-eu-as-a-global-power>

Think Tank EUROPA project ‘TransCrisis’:

Think tank Europa is participating in a three-year international research collaboration on EU transboundary crisis-management. This project is funded by the European Union under its Horizon 2020 funding and is led by the centre of risk and regulation (CARR) at the London School of Economics and Political Science. TransCrisis explores different dimensions of European transboundary crisis management, such as political leaders in the financial crisis, the EU’s crisis management capacity, crisis leadership in the European Parliament, political leadership in EU agencies, and managing the immigration crisis. Think Tank Europa’s contribution to the project focuses on Crisis Leadership in the European Parliament and the informal agenda-setting power of the European Parliament as the only directly elected body in the EU in crisis management. Dr. Maja Kluger Rasmussen is participating in the project from Think Tank Europa.

<http://www.lse.ac.uk/accounting/CARR/Research-Projects/TransCrisis.aspx>

Elcano Presentation of the ‘Report on Global Presence 2015’:

Organised by the Elcano Royal Institute. With the participation of Emilio Lamo de Espinosa, president of the Elcano Royal Institute, and Research Fellows at the Elcano Royal Institute Iliana Olivie, Miguel Otero-Iglesias, Mario Esteban and Ángel Badillo.

http://www.realinstitutoelcano.org/wps/portal/web/ri-elcano_es/actividad?WCM_GLOBAL_CONTEXT=/elcano/elcano_es/calendario/actividades/presentacion-informe-presencia-global-2015

CIDOB report ‘the world in Europe’:

A collective effort of the CIDOB researchers to reflect on the crises and global trends that, inevitably, insert the European Union into current international dynamics and determine its position in the world. This report explores the conflicts that are consolidating an arc of instability at the EU’s borders, as well as the dynamics that reveal a power shift at a global scale. On the occasion of Europe Day, CIDOB aims to think the world from Europe and, above all, to identify how an ever more complex, interconnected and contested world is reflected in the continent.

http://www.cidob.org/en/publications/publication_series/monographs/monographs/the_world_in_europe

LIIA publication ‘The Different Faces of “Soft Power”: The Baltic States and Eastern Neighbourhood between Russia and the EU’:

This publication aims to provide a thorough analysis and conceptual (re)definition of “soft power” projected by the EU and Russia in the shared neighbourhood. The book has a special focus on Ukraine, Moldova and Georgia among the EU’s Eastern Partners. It also examines the experience of the Baltic States, which, despite being full-fledged members of the EU, still remain an area of interaction and contestation.

<http://liia.lv/en/publications/the-different-faces-of-soft-power-the-baltic-state/>

Please visit the EPIN-website for more publications, information about ongoing projects and upcoming events.

<http://www.epin.org/new/>

We kindly ask you to keep sending news from your institutes as well as publications for posting on the EPIN webpage and newsletter. Please contact Vilde Renman (vilde.renman@ceps.eu)

Last but not least, we wish all our EPIN members...

