Towards a strengthened European Commission?

Karel Lannoo, Chief Executive of CEPS

Many changes are in store for the European Union in 2010, as the Treaty of Lisbon is unfolded and the newly appointed leaders take office. For the European Commission in particular, the new year presents both an opportunity and a challenge to move back to centre stage and to regain the ground it has lost over the last decade.

Since the fall of the Santer Commission in 1999, the European Commission has suffered a steady erosion of its role in EU policy-making, essentially to the benefit of the European Parliament. The re-appointment of José Manuel Barroso as President of the European Commission and the selection of his new team and the High Representative and the European Council President may have the effect of tilting the balance of power back to the European Commission. Barroso is the most experienced and internationally reputed of these three principal personalities, and may, with the help of the European Parliament, manage to ensure that the new external action service is placed under the control of the European Commission. That the external affairs Council will be presided over by a Commission Vice-President will further strengthen the powers of the institution. Expanded activity is also expected of the European Commission in other fields where its competences are increased by the new Treaty, such as justice and home affairs, energy and social policy.

Much depends on how the new European Commission intends to fulfil its new mandate, the collegiality it instils in its internal working relationships and the strategic plan it adopts for its new term. 2010 is a very unhappy reminder of the target date of the Lisbon agenda to make the EU “the most dynamic and competitive, knowledge-based economy in the world”. Rather than getting closer to the top, the EU has now stumbled several steps down the ladder, largely as a result of lax private and public sector oversight. The financial crisis has accelerated the shift of power to other regions in the world.

This setback, however, should be seen as an opportunity for the European Commission to find a more unifying goal for the coming years. The economy is only a means through which we aim to achieve deeper objectives – general welfare, shared values and a commitment to democratic principles – the values that keep the EU together, as laid out in the Charter of Fundamental Rights. The EU model is unique in the world, and its responsibility to neighbouring and faraway nations may be a better propeller to drive us forward than statistics and random targets. All these issues will be subject of debate at the CEPS Annual Conference at the end of February.

CEPS welcomes a new Corporate Member: AT&T

Getting serious about 2030 targets

CEPS, together with the Climate Policy Research Programme (Clipore), participated in a third side-event in the context of the European Climate Platform on December 12th, which emphasised the need for targets beyond 2030 within the EU and other parties, in order to enhance predictability and create incentives for low-carbon technologies investment.

In addition to the Climate Change & Energy Unit’s representation at the Copenhagen summit, other CEPS researchers have been collaborating on the climate change issue, notably with the launch of a Task Force report by Jorge Núñez on the EU budget and climate change and a new report entitled: “Climate change and Trade. Taxing carbon at the border?”. by Daniel Gros and Christian Egenhofer, in collaboration with Noriko Fujiwara, Selen Sarisoy Guerin and Anton Georgiev.

All publications may be downloaded for free at www.ceps.eu/books
Forging a strategic US-EU partnership

de Kerckhove, Hamilton, Staffan Jerneck (CEPS, chair), Burwell & Möttölä

Ten recommendations for a more effective and strategic EU-US partnership in the context of G20 actions were presented by Dan Hamilton, Director of the Center for Transatlantic Relations and Fran Burwell, Vice-President of the Transatlantic Council at a CEPS meeting on December 2nd. Their report calls for the adoption of a ‘Transatlantic Solidarity Pledge’, aimed at anchoring new strategies for resilience in a common space of justice, liberty and security and fostering a barrier-free marketplace, energy sustainability, joint capacity for conflict management and an open and competitive transatlantic defence market.

Acknowledged as a driving force behind the study, Kari Mönkölä, special advisor to the Finnish Ministry of Foreign Affairs, stressed the importance of the strategic partnership and recognised the optimistic political climate for cooperation at the moment. Gilles de Kerckhove, EU Counter-Terrorism Coordinator, sparked debate by qualifying this window of opportunity. He praised the innovative ideas of the study, especially the ‘Solidarity Pledge’ to protect critical junctions of society, such as transport, energy and medical services.

At the same time, however, he questioned the feasibility of such an initiative in view of the fact that the Lisbon Treaty had been too quickly forgotten by the EU institutions and member states. This raises questions as to whether the treaty had been too quickly forgotten by the EU institutions and member states. This raises questions as to whether the EU had duly taken note of the obvious gap in perceptions between the wider EU electorate and decision-making interests in Brussels.

The third session sketched the salient economic and political challenges facing EU integration in 2010. Special emphasis was placed on the impact of the financial crisis.

Somalia & the Pirates: European Security Forum

Given the increasingly bold acts of piracy off the Horn of Africa and elsewhere, the 33rd session of the CEPS/ISS/DCAF/GCSP European Security Forum addressed the issue of Somalia and the Pirates at CEPS on November 23rd. Lively discussion followed papers by Steven Haines of the Geneva Centre for Security Policy, Rob de Wijk of The Hague Centre for Strategic Studies, Jonathan Stevenson of the US Naval War College and David Anderson of Oxford University. Claude-France Arnould, Deputy Director General of the EU Council and Jeremy Lester, Head of the EC Somalia Unit, provided a practitioner’s perspective, focusing on EU actions to address the causes and consequences of piracy, notably through its naval mission, Atalanta.

MiFID & EU Markets: What is next?

The impact of forthcoming rules and policies on European trading and the post-trading landscape

Joint ECMI/CEPS/LSE Group Conference
1 February 2010, 9:00 - 17:00
London Stock Exchange, 10 Paternoster Square, London
Info: diego.valiante@ceps.eu
Registration: www.eurocapitalmarkets.org

The role of the US, China and India was discussed, as was the securitisation of piracy and the issue of ‘strategic opportunism’, whereby international actors use piracy to attain geopolitical goals.

Climate Change Technology Transfer

Meeting on November 25th, the Task Force on “Innovation Policy in the EU” examined climate change technology transfer. The importance of intellectual property rights in clean technology transfer was emphasised by Uwe Schriek and Klaus Willnow of Siemens. Anders Östhölf (Growth Analysis) argued the importance of coordination between industry, universities and government in creating a competitive environment for innovation, while Denis Dambois (DG Trade) discussed the low absorption capacity as a major inhibitor of technology transfer to developing countries. Industry was well-represented: Lars Rosengren (Volvo), Mads Eriksen, (Confederation of Danish Industry), and Magnus Madfors (Ericsson) all offered insights into how a coordinated EU strategy can boost competitiveness. To conclude, Sven Schade (DG Enterprise) underlined the importance of innovating business models, and the difficulties associated with adopting climate change technologies were outlined by Richard Cawley (DG Research).

RECENT EVENT

The future of smart regulation in the EU

Senior officials involved in the current efforts underway to strengthen EU regulation were invited to participate in a debate at CEPS on December 10th, chaired by Staffan Jerneck of CEPS. Göran Gren of the Swedish Ministry for Enterprise, Energy and Communication presented the goals and achievements of the Swedish Presidency as regards better regulation in the EU. He briefly discussed the key points of the Council Conclusions on better regulation which also took into account some of the ideas put forward by the recent CEPS book Policy-Making in the EU: Achievements, Challenges and Proposals for Reform.

John Watson, of the European Commission's unit on Better Regulation and Impact Assessment, gave a forward-looking perspective on the Commission's plans to make regulation smarter in the EU. Andreas Bolkart of the European Court of Auditors then briefed the audience on the recent work of his institution in implementing impact assessment by the European Commission, explaining that the findings will be published later in 2010. Andrea Renda, CEPS, added some remarks on key areas in need of better EU regulation, focusing in particular on enforcement and ex post evaluation. Finally, prior to opening the floor to questions, Anders Stenlund (Swedish Confederation of Enterprise) offered a view from the industry, specifically on the crucial role of harmonisation to unleash the full potential of European integration.
OTC derivatives: The run to centralisation

In the wake of the financial storm, regulators on both sides of the Atlantic are drafting new rules for over-the-counter derivatives markets. On November 20th, the European Capital Markets Institute (ECMI), managed by CEPS, held a seminar on OTC derivatives. The event, chaired by Ruben Lee, Oxford Finance Group, brought together regulators and market players from the whole spectrum of OTC derivative transactions. Patrick Pearson, European Commission and Anne Wetherilt, Bank of England, discussed the common objectives and different aspects of the current legislative proposals for OTC derivatives as submitted to the US Congress, which figured in the European Commission’s Communication of last October. The advantages and risks of the run to centralised trading and clearing for financial stability were also addressed. The European Commission will draft and promote a globally harmonised regulation for OTC derivatives markets.

Competition & regulation in network industries

The current economic crisis serves as a time to reflect on the reforms needed to manage the current liberalisation in network industries (the internet, telephony, computer hardware and software, and indeed any firm affected by network activity). CEPS hosted the 2nd Annual Conference on Competition and Regulation in Network Industries on November 20th, in collaboration with the Ecole Polytechnique Fédérale de Lausanne and Delft University of Technology. Nearly 30 papers were presented by top-level academics and professionals, highlighting dominant trends and issues affecting network industries. Keynote speeches were delivered by Michael Pollitt (University of Cambridge) and Damien Geradin (Tilburg University).

The financial crisis and public debt

The financial crisis has left a gaping hole in the accounts of EU member states. To discuss the full extent of the damage inflicted on the public finances of EU member states and the available data to assess it correctly, the European Capital Markets Institute (ECMI), managed by CEPS, in cooperation with the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Institute of Chartered Accountants in England and Wales (ICAEW) organised a lunchtime seminar at CEPS. Exit strategies were proposed to help the EU economy face the impact of public interventions, in the form of a coordinated international approach to consolidate public accounts, starting from 2011. Speakers included Marco Buti, Director General, DG ECFIN, European Commission, Ad van Riet, Head of Fiscal Policies, European Central Bank, Ian Carruthers, Director, Policy & Technical (CIPFA), and John Verrinder, Head of Unit, Government and Sector Accounts, Eurostat. The panel agreed that the crisis had an unprecedented impact on member states’ public finances and that coordinated measures should be taken as soon as possible. The event was moderated by Caroline Mawhood, Chair of the Federation of European Accountants (FEE) Public Sector Committee and CIPFA International Strategy Board.

Jorge’s musings...

The release date of the budget review is being reviewed indefinitely.

CEPS MEMBERSHIP MEETINGS

Please tick the meeting(s) you wish to attend:

- [ ] 20 JAN Democracy’s Plight in the European Neighbourhood - Launch of CEPS paperback
  - Richard Youngs, Senior Fellow, FRIDE, and Associate Fellow, CEPS
  - Michael Emerson, Senior Fellow and Head of the EU Neighbourhood Policy unit, CEPS
- [ ] 22 JAN How should market infrastructure be governed? - Joint CEPS/ECMI lunchtime event & launch of the report
  - Ruben Lee, Oxford Finance Group and author of the report

Attendance at CEPS Membership Meetings is a benefit of membership. Non-members may be admitted for €50 per session, paid in cash at registration.

An informal sandwich lunch is served at 12.30 before lunchtime meetings (£6). For organisational reasons, we cannot accept telephone registrations.

Registration: Please contact Anne-Marie Boudou, per e-mail: amboudou@ceps.eu or fax: +32 (0)2 229.39.22.

Feedback or comments on CEPS News? Please send to: katharina.mueller@ceps.eu