



EUROPEAN COUNCIL EXPERTS' DEBRIEF

FOREWORD



JIM CLOOS

TEPSA Secretary General

The response to our new initiative to follow the work of the European Council in a more systematic fashion has been extremely positive. You will find below high-quality expert assessments we received in response to the questionnaire based on the conclusions of the December EUCO. Our intention is to transform this into an ongoing dialogue and a pro-active reading of the conclusions.

Many of the contributions highlighted the lack of political unity as one of the main challenges in the various policy areas. Some quick reactions and comments on the key themes touched upon by the experts:

Migration and Asylum: you will find in the attached contributions a good overview of the various legislative proposals that make up the New Pact on Migration and Asylum and the attempts of the French Presidency to find a way of unblocking the ongoing stalemate. A second strand of comments relates to the ideas put forward by the Presidency on Schengen governance, with the creation of a Schengen Council modelled on the Euro group, and the creation of an intergovernmental Reaction Force (modalities yet unclear). These are clearly important developments we should keep under review. What emerges from all the contributions is the still strong focus on the security dimension of migration and the continuation of the crisis mode approach (see de Brouwer, Fakhry, Meisner, Sebe).

The Euro area: two major issues were looked at by our experts. The first one relates to the future shape of the SGP. This will be a complicated debate as the EU will have to move away from the exceptional measures taken under the COVID-19 crisis. The recent inflationary pressures may increase tensions between the Member States. This is an area of key importance for the future economic policy within the euro area. The second (related) issue concerns the governance within the EU area more generally. The success or not of the national reform programs and the RRF will be a key factor for the shape this discussion will take. That is why in our next edition we will try to look at the situation in this respect more closely (see Roux).

Energy policy and prices: the question arises as to whether the tension around Ukraine and possible Russian behaviour are key factors behind the recent spike in energy prices, particularly gas. In the assessment of our expert, it is linked to more general economic considerations and the functioning of the markets. That does not mean that dependence on Russia is no longer an issue, particularly if the situation on the ground further escalates. This is clearly an area which requires vigilance and further work, including on the idea of joint buying (see Siddi).

The crisis around Ukraine: our experts ask questions about the capacity of the EU with its present governance system to respond to Russian aggressive moves. This cannot of course be divorced from the interplay between the EU and NATO. The EU is not a military power and therefore hard security issues inevitably require the recourse to NATO. At the same time, it was pointed out that the EU is an economic superpower (which Russia is not at all) and has potentially a lot of influence in its relations with Russia. There were highly interesting remarks made on the issue of mutual dependence between the EU and Russia. This is an area calling for a more detailed and systematic analysis over the coming months. The future of the ENP is also an important element to bear in mind (see Anghelescu, Padureanu, Pashkov, Siddi, Sunhurovsky)

EU Strategic Compass: from the various contributions received we gather that the discussion and adoption of the Strategic Compass is a good opportunity for the EU to develop a common strategic vision and a better assessment of threats. New initiatives have been taken the past years (CARD, PESCO etc.), but in piecemeal fashion. The other challenge will be to link the vision to concrete policies and measures. In this context, the use of Article 44 of the TFEU could open interesting perspectives. It is quite natural in the present circumstances of tension with Russia that the experts look at the issue of the SC primarily from the angle of how to strengthen cooperation with NATO and the transatlantic relationship. In a longer-term perspective, the EU will also have to look at the place of the EU more generally on the global chessboard (see Helwig & Jokela, Marcu, Pashkov).

Topics

ENERGY POLICY AND
CLIMATE CHANGE

SECURITY AND
DEFENCE

MIGRATION

EXTERNAL RELATIONS

ECONOMICS AND THE
EURO SUMMIT

CONCLUDING
REMARKS

ENERGY POLICY AND CLIMATE CHANGE

Most of the major themes of EU policy debate were on the EU CO agenda and were reflected in the conclusions. With one exception: in spite of a discussion lasting for 5 hours, no agreement was found on energy and the price hikes. The reason for this was that the Polish and Czech Prime Ministers made links with the Climate Change debate and with the upcoming decision on the sustainable finance taxonomy. The EU CO debate was nonetheless useful and will have a follow up. In this context it would be worthwhile to get more information on the following questions:



MARCO SIDDI

Finnish Institute of International Affairs, Finland

What is really behind the present price increases? ACER and ESMA in their reports seem to conclude that they are not the result of price manipulations. Do we share that view? What other potential causes?

The increase in the price of gas is the main reason for high energy prices. This in turn is due to the **growth in gas demand** following the global post-Covid19 economic recovery. The global economic recovery has led to an increase in demand for liquefied natural gas (LNG) in Asia and the Americas, resulting in weaker availability of LNG for export to Europe. Other factors also played a role. **Intra-EU gas production has continued to decline** due to the depletion of resources and maintenance works in some gas fields. Renewable energy production was also lower than expected due to lower wind power generation and draughts that affected hydroelectric power generation. Weather conditions (hotter than usual summer, cold in early winter) and carbon price increases played a role too.

While these short-term factors are central to the current price increases, **the longer-term choices** made by EU politicians and regulators concerning the European energy market created the preconditions for the current crisis. Historically, natural gas was sold in Europe based on long-term contracts, with prices that were generally more stable, and mostly linked to the price of oil. In the last two decades, the EU gas market was deregulated with the objective of letting market forces play a greater role. Long-term gas contracts were partly replaced by purchases in the new spot markets, which came into being as a result of new interconnections and flows of gas within the EU market.

This system served the EU well for a few years, especially as supply was abundant and prices of oil-indexed gas were higher than those in spot markets. Long-term suppliers of gas to Europe (such as Russia, but not only) expressed a preference for the old system, but they had to adapt to the new one. When gas supply in Europe declined due to the circumstances described above, prices in the spot market skyrocketed even while EU gas suppliers continued to honour their (remaining) commitments under long-term contracts. Playing with demand and supply, as the EU did to its benefit during the last decade, they have tried to maximize their gains in the current situation.

Tensions around the Ukraine crisis have contributed to price increases, but they are by far not only or the main factor. It can be argued that Russia has virtually stopped gas sales in the spot market, but it has honoured its long-term contracts with European buyers. Russia may be limiting spot sales in order to increase political pressure (concerning Ukraine or Nord Stream 2, or both), or simply to increase its revenues at a time of tight gas markets, but this misses the much more significant points about EU energy market structure and policies. Shortly, it risks being an easy way out for EU decision makers who have designed the existing market. Even if Russia continues to honour its long-term supply commitments, as it has done so far, energy prices in the EU are expected to remain high in the coming months, until (global) market conditions change.

Further readings:

European Union Agency for the Cooperation of Energy Regulators, High Energy Prices, October 2021, available at:https://documents.acer.europa.eu/en/The_agency/Organisation/Documents/Energy%20Prices_Final.pdf

J. Bordoff, "Don't Blame Putin for Europe's Energy Crisis", Foreign Policy, 1 February 2022, available at:<https://foreignpolicy.com/2022/02/01/europe-energy-crisis-putin-russia-gazprom-gas-ukraine/>

J. Stern "Letter: Europe's energy crisis should not be blamed on Gazprom", 17 December 2022 <https://www.ft.com/content/e447ae74-7e93-4b5c-9952-0e570507d671>

SECURITY AND DEFENCE

Things seem to be moving in the area of Security and Defence. But there are many questions: An expert like MEP Danjean is very critical about the gap between announcements and reality? (See EP debate after President Macron's statement). What is our objective assessment on this? Where are we really on capabilities? What could be the added value of the EU Strategic Compass?



IONUȚ-MIRCEA MARCU

European Institute of Romania, Romania

What could be the added value of the EU Strategic Compass?

Given the deteriorating global security environment, the EU Strategic Compass should, first, assess both the old and the emerging threats to the rule-based international order. As the global arena is rapidly changing, and the EU Strategic Compass is supposed to provide a strategic vision for the next 5 to 10 years, the EU and its Member States should aim at increasing the Union's ability to act as a security provider. As the EU High Representative explained, the Strategic Compass proposes ways and means for the EU to handle the challenges it faces and become a credible security provider.

Perhaps the most important aspect of the EU Strategic Compass is that of **establishing a common strategic culture** for the EU and its Member States, based on a very broad definition of what "strategic" entails. The EU Strategic Compass will include new challenges and risks, such as cybersecurity or emerging and disruptive technologies. In line with the Treaty, and in complementarity with NATO, this common strategic culture should be translated into concrete policies and instruments. The four work strands (act, secure, invest, partner) will include policy orientations and concrete goals related to topics such as crisis management, civilian CSDP, measures against disinformation and cyberattacks, disruptive technologies, EU-NATO relations.

The main added value brought by the EU Strategic Compass is that it clearly and concretely formulates the EU's **common vision on external threats and challenges**. The Compass could therefore be seen as a framework for common European responses to future international crises. To achieve this goal, the Compass should envisage a flexible and adaptable EU foreign affairs and security policy.

Another area in which the EU Strategic Compass could be of great importance is in increasing the **coherence between the foreign policies of EU Member States**. In close collaboration with NATO and within a strong transatlantic relation, all EU Member States, and the EU itself, could benefit from a coherent framework when dealing with complex international crises, in the neighbourhood or in other regions of the world. While it's not necessarily the purpose of the Strategic Compass, the EU's international presence would greatly benefit from reformed European Neighbourhood and Enlargement Policies, based on the individual merits of each partner country.



JUHA JOKELA

Finnish Institute of International Affairs, Finland

An expert like MEP Danjean is very critical about the gap between announcements and reality? What is our objective assessment on this? Where are we really on capabilities?



NIKLAS HELWIG

Finnish Institute of International Affairs, Finland

What could be the added value of the EU Strategic Compass?

The EEAS in close cooperation with member states is in the final stages of drafting the Strategic Compass for Security and Defence due to be released in March. It represents an opportunity to clarify the EU's level of ambition and to break it down in concrete deliverables.

A crucial bottleneck for the CSDP remain the **military capability shortfalls of member states**. From strategic enablers to modern weapon systems across all domains, the EU's capacity to act has suffered from low levels of investment in previous decades. This is not only a problem for the CSDP. As the member states have only a single set of forces, the capability shortfall limits their contribution within NATO or the UN. The current crisis with Russia once more underlines the resulting **credibility problem** that needs to be addressed. The strategic compass offers the potential to **streamline the various EU initiatives** that were already set on track in previous years. The processes and frameworks are there: while the coordinated annual-review on defence (CARD) identifies gaps, permanent structured cooperation (PESCO) enables collaboration between member states and the European Defence Fund (EDF) provides crucial seed-funding. For the first time the European Commission and its market and regulatory firepower got involved by creating a distinct directorate-general for Defence Industry and Space (DG DEFIS). However, the system never worked as intended, as the processes are fragmented and political guidance is missing. While a high number of PESCO projects were set on track, they are mostly at the lower end of the capability spectrum. If the strategic compass succeeds in setting ambitious targets and deadlines for key capability projects and spells out ways to introduce political momentum (for example through regular defence minister meetings), the EU capability processes might yet get another breath of life.

Capability development does not solve all the challenges concerning the EU's possibilities to launch new missions or intervene rapidly with CSDP tools when deemed necessary. Even a highly capable force does not mean much in practice if the EU continues to lack political capabilities to deploy it. The EU Battlegroup(s) (EU BG) have been operational since 2007, but they have never been deployed. (And this is not a demand-side question.)

While the compass can increase member states appetite to launch missions and use the available capabilities by focusing on financing, planning and decision-making matters, the flexibility enshrined in **Article 44 (TEU)** and currently discussed regarding the strategic compass, **could turn out to be highly significant development for the EU's capacity to act**. The article allows a subgroup of willing and able member states to conduct specific missions and operations with objectives agreed by all the member states. The use of Article 44 could allow member states to use the EU's broad crisis management toolbox to address their key security concerns as well as tapping into their relative strengths and experiences in certain type of operations and geographical areas. Given that European defence cooperation has been advancing also in the margins and outside the EU, moving forward with Article 44 could potentially make the CSDP an interesting format for multinational operations.

Finally, a common wisdom of any strategy is that the process counts as much as the final document. One of the most innovative element of the compass is the joint **Threat Assessment** on the strategic risks and dangers facing the EU up until 2030. Importantly, this classified assessment was not a ‘joint and agreed’ document by the member states. Rather it was produced by the EU Intelligence Centre (INTCEN), the EU Military Staff (EUMS) Intelligence, with an input from the member states’ military and civilian intelligence agencies.

As such it was largely shielded from the political wrangling among the capitals on security policy formulations, which often leads to watered down conclusions. As the threat assessment served as the starting point of the more political phase of the strategy process led by the HR/VP and EEAS, it **helped to focus minds and establish adequate common ground on the key parameters of the compass**. This is surely an exercise worth of repeating with regard to any new key strategy processes on EU’s foreign, security and defence policies.

Further readings:

D. Fiott; G. Lindstrom, “Strategic Compass: New bearings for EU security and defence?”, EUISS, Challiot Paper 171, 2021, available at: <https://www.iss.europa.eu/content/strategic-compass>

N. Koenig, “From Strategic Compass to Common Course: Key deliverables and implementation paths”, Policy Paper, Jacques Delors Centre, 2021, available at: <https://www.delorscentre.eu/en/publications/detail/publication/strategic-compass>

EEAS, MEMO Questions and answers: Threat Analysis – a background for the Strategic Compass, European Union, 2021, available at: https://eeas.europa.eu/sites/default/files/2020_11_20_memo_questions_and_answers_-_threat_analysis_-_copy.pdf



MYKHAILO PASHKOV

Razumkov Centre, Ukraine

What could be the added value of the EU Strategic Compass?

The Strategic Compass will have the added value if this document identifies:

- a) a **flexible model** for combining the EU’s “strategic autonomy” with deepening and improving the partnership of the EU with NATO and the United States;
- b) a clear plan (including military, economic actions and sanctions) for **strategic counteraction to Russia’s expansion** in Europe and aggression against Ukraine in particular;
- c) a new framework and prospects of the **EU-Ukraine security partnership**;
- d) prioritising a **full-scale European integration** of the “eastern flank” of the EU - Ukraine, Moldova, Georgia.

Maintaining the status quo in the Strategic Compass for the “Associated Trio”, or limiting it to a declaration of “enhanced dialogue” with them, will only preserve the security gaps at the EU eastern borders. The Strategic Compass should define a new quality of partnership with Ukraine, Georgia and Moldova, a new format of accelerated European integration with a clear prospect of membership.



MYKOLA SUNHUROVSKY

Razumkov Centre, Ukraine

Has the time come for a fresh look at EU-NATO relations?

The EU's desire to gain strategic autonomy really needs to be closer to reality. It would be expedient to analyse the results of the PESCO program and on this basis, taking also into account the development of dialogue with Russia (on the non-acceptance of its ultimata), to build "technology" of nearing to the vision of the future of the EU, including its cooperation with NATO.



MIHAELA-ADRIANA PĂDUREANU

European Institute of Romania, Romania

Has the time come for a fresh look at EU-NATO relations?

The future of the EU – NATO relations needs to consider the importance of avoiding measures that may duplicate their individual activities. Although they are distinctive types of organisations, functioning by different principles, the uniqueness of this relation is based on the shared values, principles and norms of the participants. Each organisation can enrich this partnership by adding its own particularities, therefore ensuring the complementarity of their interactions.

We can look at this relation through two lenses of analysis. The first one: which are the particularities of each actor and how can each contribute to this partnership, and second: in which areas can the cooperation be deepened? Even though the EU cannot use its funds for military spending, it has a lot to offer in many other sectors. Its activity in many policy-areas is very complex, which makes it **more equipped for dealing with a multitude of complex issues** that were and still are influencing the daily lives of its citizens. In today's world, we are facing multi-layered threats generated by different state and non-state actors.

As President Charles Michel observed in his [Address to the Annual Conference of the European Defence Agency](#), the climate change and the pandemic have both affected the already fragile European security environment. The events happening outside of the EU borders, affecting its stability and security, have had many forms: from failed states, revolutions and terrorism to the migrant crisis, the economic effects of the pandemic, and the cyber vulnerabilities in many European countries have complicated the possible policy responses. As we can observe from the above-mentioned issues most of them do not imply the use of military forces to address their main causes. These are rooted in both economic and political layers. As the most successful intergovernmental economic organization in history, the EU has the tools and the expertise to add essential elements to resolving ongoing conflicts and crisis in different regions of the world, especially in its neighbourhood (both East and South). Nonetheless, the EU can use its expertise in very specific fields, such as building resilience and developing potential solutions for dealing with this complex framework through the Civilian CSDP Compact.

The EU may not be yet prepared to respond to security threats – although the President of the European Commission, Ursula von der Leyen has mentioned the establishment of the European Defence Union, as a target for the next five years. Consequently, the Multiannual Financial Framework 2021-2027 offers through the **European Defence Fund a tool to boost collaborative defence research and development**, among member states.

As for NATO, the reaction to the security environment transformation has been accelerated in the last decade. After 2010, the Strategic Concept has been introduced, and the alliance started to address crisis management situations. The **partnerships** are another tool used by NATO to address the new security challenges. The intervention in Libya revealed that the alliance has the capacity to facilitate coordinated actions and responses among its members. The EU-NATO can deepen its cooperation in areas such as resilience, space security and protection of civilians. The two organisations share the respect for human rights, individual freedoms and rule of law, which facilitates the possibility to identify resources for **finding the right balance between the need for flexibility and the need for firm actions in this complex security environment.**

MIGRATION

Migration: the EU CO focused on the external aspects. But a reference to the return of migrants was assessed at the request of Denmark and France. Again, the Council was tasked to follow up on the discussion. A few questions: What does the reference by President Macron (in his EP speech) on an intergovernmental rapid intervention force mean? Who would be involved? What role for FRONTEX? Who would finance what? Where is the EU on the reform of the migration and asylum policy? Are the circumstances more favourable for a deal now than a few years before?



VITTORIA MEISNER

Institut für Europäische Politik, Germany

What does the reference by President Macron (in his EP speech) on an intergovernmental rapid intervention force mean? Who would be involved? What role for FRONTEX? Who would finance what?

At his speech in Strasbourg on 19 January 2022, French President Macron named security as one of the EU's major challenges. In order to strengthen the EU in this regard, the French Presidency of the Council will prioritise the establishment of a political architecture and steering for the Schengen Area – similar to the one that is already in place for the eurozone.

The first step in this direction will be the creation of a **Schengen Council** supervising the (passport-free) Schengen area. Bringing together the competent ministers on a regular basis around a 'coordinator', a steering Schengen Council could be held for the first time according to Macron already on 3 March 2022, when the next meeting of the ministers will take place. This would kick-off regular meetings of the ministers responsible for migration related issues and **allow member states to do more peer-to-peer evaluation on border management issues**.

Based on Macron's statements, the Schengen Council should be winged by an armed intergovernmental **rapid reaction force** allowing the rapid mobilisation of European and bilateral resources in an emergency situation. This force should **complement Frontex's activity**. At present, in accordance with Regulation (EU) 2019/1896, in case of an urgent and exceptional pressure at a member state's border as well as upon request from that member state, the Executive Director of the European Border and Coast Guard Agency (EBCG) Frontex can launch a rapid border intervention or return intervention for a limited period of time on the territory of the host member state. The EBCG can rely on a pool of 1,500 staff from the Reserve for Rapid Reaction.

The envisaged emergency mechanism of Macron would rely on the support of Frontex as well as reinforcements from national law enforcement agencies. The funding question is still open. As foreseen for the provisional measures proposed by the European Commission during the emergency at the EU's external border with Belarus last year, financing for the proposal could potentially run through **existing EU funding instruments** under the period 2021-2027 in the field of migration, asylum and border management.



JEAN-LOUIS DE BROUWER

Egmont Institute, Belgium

Where is the EU on the reform of the migration and asylum policy? Are the circumstances more favourable for a deal now than a few years before?

The negotiations on the New Pact on Migration and Asylum, presented by the European Commission in September 2020, **did not progress that much**: it is an understatement. Reasons are plenty: impact of the pandemic preventing in person meetings so much needed to clinch deals, technical complexity and operational flaws of the proposals, lack of incentives to look for compromises at a time political priorities were obviously elsewhere.

So we are in a tunnel and it is worth noting that the **European Council**, whose agenda included migration-related items at almost every meeting since the presentation of the package, remained **remarkably silent** about the fate of the Pact. Many expected that, after the dust of the 2015-2016 crisis had settled, there would be room for an adult conversation about immigration policy. Wrong: the knee-jerk reactions following the fall of Kabul and the Belarussian blackmail demonstrated that the EU is still in the crisis mode. And this left unanswered the fundamental questions of the very meaning of European solidarity and adherence to fundamental values.

Is there light at the end of the tunnel? The French Presidency is trying a new “gradual” approach and deserves credit for this brave endeavor. But it is still technically complex, institutionally flawed (where is the EP in the picture?) and unclear about politically sensitive, solidarity related issues. Will six months of muddling through be enough to actually set the train in motion? The jury is out. But a **Macron-Draghi deal, backed by Scholz, at the June European Council could provide the breakthrough**.



VITTORIA MEISNER

Institut für Europäische Politik, Germany

Where is the EU on the reform of the migration and asylum policy? Are the circumstances more favourable for a deal now than a few years before?

Regarding the reform package of the migration and asylum policy presented by the European Commission in September 2020, there are at present **nine legislative proposals** on the table. Only for some of them, EU legislators have already taken concrete steps.

First, a legislative proposal to replace the Dublin system with a new solidarity mechanism guaranteeing a better distribution among member states and timely processing of asylum applications.

Second, the proposal for a new regulation on crisis situations to provide temporary and extraordinary mechanisms to address emergencies.

Third, the reform proposal of the Eurodac regulation to improve the EU fingerprint database for asylum seekers. This proposal amended the 2016 Commission’s proposal and the co-legislators (Council and EP) have already reached broad political agreement on it, except for those provisions that are linked to the other instruments in the reform package on which negotiations are yet pending. The Eurodac proposal is currently under discussion in the Council.

Fourth, a proposal for a Regulation establishing a fully-fledged EU asylum agency (EUAA), which would replace the former European Asylum Support Office, EASO. This is currently the only reform proposal that was actually adopted. After the adoption of Regulation (EU) 2021/2303 by the Council and the EP, the new EUAA replaced EASO on 19 January 2022.

Fifth, a regulation proposal for a new compulsory pre-entry screening, consisting of identification, health and security checks for asylum seekers.

Sixth, an amended Regulation proposal that would harmonise EU procedures by replacing the asylum procedure directive. This proposal is being currently discussed in the Council.

Seventh, harmonise protection standards and rights for asylum seekers by replacing the qualification directive with a regulation. In this case, two proposals - one for the qualification of asylum applicants and harmonised rights and benefits and the other one for standard reception conditions for all asylum seekers - have been under negotiation in the EP and are officially in an 'advanced stage'. The same was announced for negotiations regarding a new resettlement framework for the admission of third-country nationals to the EU.

Negotiations on these multiple issues continue to be challenging. Despite the urgency of these reform proposals, as shown for instance by the late situation at the EU external border to Belarus in the second half of 2021, **EU member states are yet not able to unitedly find a compromise.** A recent example of the ongoing impasse was Poland rejecting a compromise proposal by the French Presidency of the Council on the Council Decision of 25 January 2022 on provisional emergency measures for the benefit of Latvia, Lithuania and Poland.



MIHAI SEBE

European Institute of Romania, Romania

Where is the EU on the reform of the migration and asylum policy? Are the circumstances more favourable for a deal now than a few years before?

The European Commission proposed in September 2020 a new pact on migration and asylum that provided a comprehensive common European framework for migration and asylum management, including several legislative proposals. Following this, several steps have been made at the EU level. One of the most important, in this author's opinion, was the Council adoption, in December 2021, of the **regulation establishing the EU asylum agency**.

This is one of the major steps taken since the 2015 migration crisis that emphasised the need to reform the EU asylum rules in order to establish a common framework that would contribute to the **comprehensive approach to asylum and migration management**; make the system more efficient and more resistant to migratory pressure; eliminate pull factors as well as secondary movements and fight abuse and support the most affected Member States better.

The discussions have been deeply influenced by the COVID-19 pandemic that either increased the existing needs or limited the access to secure areas (for instance, the EU resettlement programmes came to an important standstill). Also, it provided an opportunity for calmer debates on the topic, without the pressure in the field, while it also generated an **increase in the digitalisation** of the asylum related procedures. The main problems yet continue to exist, such as the lack of a fair and effective system for migrants and asylum seekers to access their rights and the lack of a fair and humane system for allocating responsibility between Member States.

As regards Romania, the approach of the current Government Programme 2021 – 2024 is focused on fighting illegal migration, thus manifesting less attention to other aspects of the migration and asylum policy. The current French presidency may have a window of opportunity in reforming the migration and asylum policy if the Eastern geopolitical tensions do not abruptly change the agenda.

There is still a **conflicting vision between the Western and the Central and East European Member States** with respect to relocation or the possibility to have a higher financial contribution. A deal could be reached by the end of this year if we take into account the work of the Conference on the Future of Europe on related topics, the end of the brief respite provided by the pandemic, and the acknowledgement that migration can also be used as a weapon in a hybrid war.



ALIA FAKHRY

German Council on Foreign Relations, Germany

Where is the EU on the reform of the migration and asylum policy? Are the circumstances more favourable for a deal now than a few years before?

In 2020, the European Commission unveiled its proposal for a comprehensive reform of EU migration and asylum policy with the “New Pact on Migration and Asylum” – covering irregular migration to the EU, asylum and border procedures, and cooperation with third countries on migration. The objective was two-fold; to lift the EU out of its 2015 crisis mode and of the ad hoc arrangements that came with it, and to update and streamline procedures across the EU with agencies like Frontex and EASO stepping in. To force a compromise between member states with differing views on migration, the Commission used a puzzle strategy – or solidarity by interdependency. Each bit of proposed legislation served the demands of specific member states but hinged on agreements on other aspects of the Pact appealing to other member states. One example is the proposal for return sponsorships which gives the option for states who refuse to engage in the relocation of asylum seekers from another member state to contribute instead to the return of irregular migrants to their countries of origin.

Two years later, **negotiations on the New Pact are stalled**, pushed to the sidelines of European diplomacy during the Covid-19 pandemic. But with the situation at the borders with Belarus in the second half of 2021, European leaders reactivated the **crisis mode** and risk falling back into old routines. **Recent proposals rip apart the comprehensive approach of the New Pact, with member states picking their preferred pieces of the Pact and pushing for their pet projects** – and in fact going well beyond the provisions of the Pact. For instance, in response to the Belarus crisis, the Commission proposed a regulation “addressing situations of instrumentalization” of migration that would allow member states to resort to suspensive measures when border countries allow or force people to move across their borders in an irregular way. The proposal would institutionalize options for states to loosen asylum and border procedures in certain emergency situations – similar to the emergency measures Poland, followed by Latvia and Lithuania, pushed for in December 2021 – which, human rights organizations fear, would undermine the right to asylum. But they also face resistance from other member states.

Such is the case of France. Over the course of its presidency of the EU Council, France ambitions to make strategic, yet gradual, advances on migration and asylum. It counts on a coalition of the willing grouping 10 or so member states that would take part in smaller-sized agreements, building on the proposals of the New Pact (e.g., support to screening at borders in exchange for relocation from frontline states) and beyond (i.e., reform of the Schengen Borders Code). France already managed to block the derogatory emergency measures Poland and other eastern states were hoping for. But the rest of the negotiations are unlikely to move fast. Even among France’s coalition of the willing, disagreements exist. Elections are coming up in France and Hungary, where immigration is already high on the agenda, and risk to dampen politicians’ ambitions on high-visibility migration reforms. A new “deal” for a coherent EU migration and asylum policy is unlikely to see the light of day very soon, but several small deals may emerge between blocks of like-minded member states – until the next crisis.

EXTERNAL RELATIONS

The debate on External relations mainly covered the tensions with Russia and around Ukraine : this is very much an ongoing file with developments on a daily basis. What would be interesting in a longer term perspective is to reflect on the ways the EU can most efficiently contribute to solutions and hold its own against Russia.



MARCO SIDDI

Finnish Institute of International Affairs, Finland

What does mutual dependence mean in the EU - Russian context?

In EU-Russia relations, mutual dependence concerns primarily two broad areas: economic relations – most notably energy relations – and security.

Mutual dependence in the energy sector is the result of different natural endowments, market forces and the interlinkages (pipelines, contracts and other path dependences) that were forged during half a century of energy trade. While both the EU and Russia have diversified their energy partners in the last decade, economic and natural factors have upheld their interdependence in this sector.

In the area of security, mutual dependence is the unavoidable result of **geographic proximity**, whether this is desired or not by the respective policy makers. Despite currently diverging interests and tensions, **the security of each actor depends on the other's actions**. The destabilization of the 'shared neighbourhood' has a wide range of security consequences (for instance, in terms of economy, migration, human rights, crime) that affect both the EU and Russia. Even if the current confrontation centers on Ukraine, its destabilization can have significant security spill-overs for both Moscow and Brussels. Russia's use of military force would further undermine the credibility of post-Cold War security pledges and arrangements. On the other hand, the EU needs to recognize that NATO membership of most of its member states, together with the fact that NATO has engaged in numerous 'out-of-area' missions since the 1990s, have altered Russia's perception of the alliance and of its relationship with the EU.. While its members define NATO as a defensive alliance, others may not see it the same way, and NATO engagement in the Balkans, Libya and Afghanistan can be interpreted as evidence of this. As long as the EU does not develop capable and independent defence structures, external perceptions of it as a security actor will be tied to NATO.

Mutual dependence gives either side a degree of leverage on the other. From an EU perspective, being Russia's main trade partner and the largest importer of Russian energy gave Brussels leverage, most notably through the sanctions that were imposed in response to Russia's annexation of Crimea and military actions in Donbas. Germany's and France's economic and diplomatic ties with Russia (as well as with Ukraine) provided them with both political clout to negotiate on behalf of the EU in the Normandy format and with material (dis)incentives that could be deployed in order to attempt to steer negotiations. While the EU's role in the current crisis has been criticized in several respects, it would have been far weaker without the existing interdependence with Russia, which allowed Brussels to deploy its main tool – market power.



MIHAELA-ADRIANA PĂDUREANU

European Institute of Romania, Romania

What are the strengths and weaknesses of the EU compared to Russia?

When analysing the EU's political unity, in strategic terms, there are situations when the 27 Member States do not share a common perspective. The principles guiding the states' interactions are impacted by the need to reach consensus and implement the constant feedback received through multiple channels. This contributes to increasing the legitimacy of the EU in its domestic and external affairs.

According to the World Bank, the real GDP per capita in EU was 34,149.3 in 2020, while in the Russian Federation the GDP per capita was 10,126.7 in 2020. The single market has high quality standards and the capacity to support and encourage research and innovation in diverse areas. Comparatively, in 2018, Russia spent 0.98% of its GDP on research and development, while in the same year the EU spent 2.19%.

The **resilience of the EU institutions** has been heavily tested during the pandemic (as well as by other crisis during the EU's history). The rapid pace of adopting and implementing measures at European level has increased the capacity to learn from these challenges and apply the lessons for building new resilience instruments. The swift adoption of the Next Generation EU (NGEU) fund is probably the most accurate example of European coordination and future preparedness.

The **instability at the EU's borders**, both from the East and South, brings several significant threats to the present and future development of the EU. The media presents almost daily dramatic cases about the situation at the Greek-Turkish border, while the Russian military build-up keeps growing. All these situations are forcing the EU to use important financial and human resources. Needless to say that these resources could have been redirected to other pressing problems.

Economic challenges derived from the energy crisis, gas costs, inflation and the effects of the pandemic for the economy (microchip crisis, global supply chains); the EU economy has been affected by all of these issues, especially the disruptions in the gas sector, which may imply costly measures to be managed.

Disinformation is an important tool in the strategy used by state-sponsored actors to influence and disrupt the trust of the citizens in the European policies and institutions. Support for trustful sources of information and access to these media outlets are needed in order to respond to this problem.



MYKOLA SUNHUROVSKY

Razumkov Centre, Ukraine

What are the strengths and weaknesses of the EU compared to Russia?

Relations with Russia are now gaining the role both as unifying and dividing factor within the EU. Here it is important to carefully analyse and understand (to develop a common assessment for all EU members) the nature of not only the Putin regime, but the Russian government in general, its sources, values, limits of stability and flexibility. One of Russia's strengths, compared to the EU, is the **speed of a one-person decision making** (not always in favor of their adequacy) and much **less dependence of politics and tactics on the attitude of the Russian society**.



MYKHAILO PASHKOV

Razumkov Centre, Ukraine

What are the strengths
and weaknesses of the EU
compared to Russia?

Russia's authoritarian regime has a number of tactical advantages:

- a) the efficiency of **one-man unpredictable decision-making** process backed by an unquestionable support of state institutions;
- b) neglect of international law and treaty obligations, the **supremacy of domestic norms** over international ones;
- c) **uncontrolled use of human resources** and secrecy of military losses;
- d) total **control over the media** and the practical **absence of opposition**, militarization of public consciousness.

But these are only situational tactical advantages of the Kremlin, because the reverse side is the incessant degradation of the political system, socio-economic stagnation and growing social apathy and latent exclusion of citizens from power.

According to the Ukrainian experts, the problematic factors of the EU when it comes to Russia are: the **lack of unity of the EU member-states** regarding Russia, the conflicting visions of the nature, means and goals of the Russian political regime, a complex of internal problems, the **lack of a systemic strategy of actions** regarding Russia, the inadequate effectiveness of countering **Russian hybrid influence** on the European continent.



ANA-MARIA ANDREEA ANGHELESCU

European Institute of Romania, Romania

What lessons does the effort to avert Russian invasion bring in terms of EU decision-making, consideration of common EU interest?

The analyses regarding the drawbacks of the European Union's decision-making in foreign policy are not a new occurrence, with experts pointing out EU's **limited ability to adapt to the increasingly geopolitical international order**, due to internal divisions on topical issues, impeding the definition of common EU interests. From the current crisis with Russia, the main lessons for the EU decision making refer to the need to **foster a common EU perspective**, while **better coordinating with NATO** to address the common threats.

Despite the fact that HR/VP Josep Borell has continually stressed the need for a more pragmatic approach based on power, instead of a normative view, the EU's rhetoric remains dominated by an appeal to shared values and norms, as proven even by the current efforts to define the Strategic Compass taking into consideration the hard power issues. However, wouldn't a more power-based vision of EU foreign policy, with a consolidated defence and security policy, duplicate NATO's role, diffuse precious resources of the Member States, and, in the end, limit the common European action? The long discussed strategic autonomy circles back to the EU's quest for a global role, but it is increasingly challenged in times of crisis, such as this one. Rather, the EU should strive for a **common resilience-based agenda for the EU-NATO cooperation**, with each partner complementarily addressing a specific dimension: institutional and security respectively. The common normative vision of the EU is legitimised by the new and old Member States, all of them adhering to the democratic principles, and mainstreaming them in their foreign policy agenda, backed by the initiatives pursued within the Eastern Partnership.

However, now, it appears that the EU is struggling institutionally to define and uphold its common interests in a crisis. Despite warnings about significant costs for Russia in case of an invasion in Ukraine, the EU remains divided in terms of a concrete package of sanctioning measures, highlighting not only contradictory national interests, but differing threat perceptions. The EU's credibility as a global actor is at stake, going beyond the classical 'collective action problem', but rather pointing to a **weak institutional commitment and coordination** (in June 2021, the European Council decided that the EEAS would prepare a package of concrete sanctions, but as on January 2022, there was not progress in this area). While the Treaty of Lisbon has institutionally strengthened the EU foreign policy, this crisis shows the limited capacity of EU institutions to contribute meaningfully to the definition and enforcement of common EU measures, going beyond the lowest common denominator, and strengthening the EU solidarity in the face of common threats.

The current tensions at the border between Russia and Ukraine, coupled with the Russian preference to deal with the EU Member States on a bilateral basis, have downplayed the institutional unity on foreign policy at EU level, highlighting internal divisions, differing threat perceptions among the Member States, and a perceived insufficient EU presence in the de-escalation negotiations.

Further readings:

R. Perissich, "Europe's Strategic Compass: Merits and Shortcomings", IAI Commnetaries 21/57, December 21, available at: <https://www.iai.it/en/pubblicazioni/europe-s-strategic-compass-merits-and-shortcomings>



MYKHAILO PASHKOV

Razumkov Centre, Ukraine

What lessons does the effort to avert Russian invasion bring in terms of EU decision-making, consideration of common EU interest?

Russian aggression highlights the EU's **chronic problem with the consensus mechanism for foreign policy decision-making**, which impedes and often nullifies important EU decisions. Against the background of fast-moving geopolitical processes, the EU does not have the proper capacity for rapid response, lags behind and loses to other global players, especially Russia. Now it is necessary to **reform the decision-making process**, to introduce the principle of qualified majority in particular.

Another area is to ensure a **consolidated EU position on the Ukrainian issue in international institutions** (UN, PACE, OSCE, etc.). The European Neighborhood Policy needs to be updated, and the EU's Joint Strategy concerning Ukraine needs to be revised in parallel. It is in the interests of both the EU and Ukraine to complete the phase of "strategic uncertainty" in relations between Kyiv and Brussels.

ECONOMICS AND THE EURO SUMMIT

Finally, as a follow up to the Euro summit and more generally on economic questions, a few lines worth pursuing.



FRANÇOIS ROUX
Egmont Institute, Belgium

**Is it urgent to review the SGP?
What are the chances of a quick
agreement?**

In order to reach a quick agreement, the Commission will first of all test the **level of flexibility acceptable for Member States** as far as the interpretation of the existing SGP is concerned. It will then publish in the first half of 2022 a series of **interpretative guidelines** leading to several adjustments. These adjustments would enter into force while **negotiations continue for a more radical reform** of the EU budgetary rules.

This gradual approach should appeal to most Member States which will be very happy to rely on the EU Commission to determine the new rules of economic policy coordination. And as has often happened in the past, we can expect mutual accusations between the Member States that will respect the new rules and those that will not.

However, the new economic and social context requires a real change of the Stability and Growth Pact. A **redesigned SGP is needed primarily to support investments in the green and digital transitions to build the EU's resilience.** Rather than proceeding with the flexible interpretation of the existing rules, the reform of the Stability and Growth Pact should begin instead with a negotiation on the objectives and purposes of a new framework for European fiscal policies.

Entering these negotiations, the EU Commission may want to consider the following options:

1. The possible deterioration of the economic situation and in particular the return of inflation, the possible increase in interest rates by the European Central Bank and the effects of this increase on the public debt levels of the Member States.
2. The EU Commission's prior commitment to replace the one-size-fits-all approach with a differentiated method. The challenge will be to respond to the needs of each Member State without making the new budgetary framework too complex.
3. Finally, the evidenced need to establish an effective mechanism to monitor the commitments of Member States to dissuade them from transgressing the rules and principles they have adopted.

CONCLUDING REMARKS



WOLFGANG WESSELS
University of Cologne

The impressive list of contributions to analyse and assess the work of the European Council underlines the need and relevance of studying the proceedings and performance of the institution of the Heads of State or Government.

Once again, we recognize that the European Council is a **key institution to understand not only the EU's activities, but also significant developments of Europe in a broader perspective**. Since its creation in 1974 this club of European leaders has again and again dealt with a broad and differentiated state-like agenda and has evolved as a crisis-manager.

In a closer look at the specific points in early 2022 we identify core topics such as strategy autonomy, rise of energy prices, the strategic compass, climate change, threats of Russian policies, challenges of migration flows and not at least future actions for the EU's economy after its ambitious plans to deal with the economic and social consequences of the COVID-19 pandemic.

With these insights we should pursue further considerations:

- Many of these topics are not new items but have returned to the agenda in changed constellations. Different geopolitical threats and global impacts of the COVID-19 crisis have affected specific analyses of many traditional issues like forms of economic governance and the global role and power of the EU. Given a different context and *zeitgeist* our advice for solving problems need to revisit fundamental assumptions and traditional concepts. Thus: which lessons should we draw from the Ukraine crisis for the recommendations of the strategic compass. Is the taboo breaking RRF a step towards a fiscal Union? How do the rise of energy prices affect the ambitious goals for climate policies?
- One task is to check the interdependences of the problems: Energy, climate, migration and geopolitics are linked and need some kind of comprehensive approach. Isolated strategies will not offer productive and effective solutions.
- To agree on constructive measures the members of the European Council need to find a political consensus. As we know about different interests and controversial debates inside this institution, we need to study which comprehensive package deal can be envisaged to get this institution to pass effective policies.
- With a look to ongoing challenges we need to reflect about the nature of the Union. The threats to the EU's essence as community of values are a topic of high relevance.
- In a view of these challenges the perennial issue about the Union's finalité remains on our agenda. The report of the conference for the future of Europe will give us further incentives to discuss options for the European Council. We should however not neglect in our assessment the resilience of the institutional architecture created in the Lisbon treaty and able to react to several crises.