

THE 8TH EPPC CONFERENCE

TAKE THE NEXT EXIT?

EU POLICY DIRECTIONS **BETWEEN** INTEGRATION AND FRAGMENTATION



15-17 April 2016, Ljubljana, Slovenia



Hertie School
of Governance





ABOUT EPPC

The European Public Policy Conference (EPPC) is a unique annual event that is conceptualized, organized and executed in its entirety by graduate students. Every year, EPPC takes place in a different European city. While the first edition of EPPC was an ambitious self-organized initiative of students of the London School of Economics and Sciences Po Paris, it has since grown into a large international conference organized by the students of Hertie School of Governance in Berlin, and it is proudly supported by the IPLI Foundation. EPPC is a one of a kind opportunity for future policy makers to engage with prominent political leaders and experts and to learn from their expertise. Since its humble beginnings, EPPC has grown in size, scope and importance to become a key platform for students from top policy schools in Europe and the world

to meet and network. It is also an interactive forum to share ideas and to discuss some of the most pressing policy challenges of the 21st century.

Given the current political difficulties that European decision makers are facing, this year's event, the 8th annual EPPC, questions the extent to which the current situation in the European Union is driven by different and sometimes contradictory perspectives on integration. Under the title: Take the Next Exit? EU Policy Directions Between Integration and Fragmentation, EPPC 2016 presents discussions and workshops on the following themes: Social Europe, Fiscal Europe and Decision Making Europe, with the aim of enabling an insightful and productive dialogue between current and future policymakers from around the world.

TABLE OF CONTENTS

About EPPC	2
Foreword from IPLI Foundation	4
Foreword from EPPC 2016 Conference Chair	5
Tanja Fajon - Opening Keynote Address	6
Ivo Vajgl - Opening Keynote Address	7
Panelists	8
Workshops Round 1	12
Workshops Round 2	16
Workshops Round 3	20
Closing Keynote Address	24
The EPPC Team	25
Partners	26



FOREWORD FROM IPLI FOUNDATION

Dear EPPC 2016 Participants,

It is a great honor for the IPLI Foundation to support the 8th edition of the European Public Policy Conference (EPPC). This year's theme: **Take the Next Exit? European Policy Directions Between Integration and Differentiation**, comes at a critical time, as successive international crises challenge the foundations of the European project. There is no question that Europe will have to adjust to new global realities; however, in doing so, it is imperative for Europe to strive to honor its underpinning values as much as possible. This is because the fundamental ideas that the European project represents are sorely needed, now more than ever, in our increasingly turbulent world.

And it is for this reason that I salute the student organizers from the Hertie School of Governance for constructing this year's EPPC around such a timely and crucial theme. Over the course of this conference, participants will have the privilege to debate and discuss the problems and the merits of the EU amongst peers, experts and policy makers. As aspiring future policy makers, students' participation and input into this year's EPPC could well serve as a critical reflection on how the EU could revise its policies to better serve its foundational purpose.

On behalf of the IPLI Foundation, I wish to thank all participants for coming together this year to further strengthen the EPPC tradition of excellence. I hope that all participants will continue to support the EPPC tradition long into the future.

*Respectfully,
Timothy Reno
Director IPLI Foundation*

FOREWORD FROM EPPC 2016 CONFERENCE CHAIR



Dear EPPC 2016 Participants,

On behalf of the 2016 organizing committee it is a great pleasure to welcome you to the 8th European Public Policy Conference in Ljubljana, Slovenia.

The topic of this year's conference is becoming increasingly important by the day. Financial crises, the handling of the refugee situation and the upcoming Brexit referendum remind us time and time again that the European project is far from being completed. It is an ongoing process of debate and renewal that especially we as the next generation of policy leaders should take part in. By both analyzing the present as well as providing an outlook on the future, we hope to challenge you to think about the state of the EU. Should it move towards a common welfare model? What about an EU-wide fiscal policy? Are the current decision making

processes an obstacle on the path towards a more integrated Europe? Is more integration even something we should aspire to?

In this context, we look forward to exciting and stimulating conversations during the conference. We encourage you to discuss EU integration and differentiation, not only during the lectures, but also in interactive workshops or with fellow students during lunch.

If you have any questions or just want to chat, please feel free to approach anyone from the EPPC organizing committee. We have put much effort into organizing a hopefully thought provoking conference and thus we hope that you will enjoy it!

*Warm regards,
Corine Bos
Conference Chair*



TANJA FAJON - OPENING KEYNOTE ADDRESS

Tanja Fajon is a Member of the European Parliament. She is Vice-Chair of the Progressive Alliance of Socialists and Democrats in the European Parliament. Through her work in the Committee on Civil Liberties, Justice and Home Affairs (LIBE) she has extensive knowledge about European decision-making.

Ms. Fajon inaugurated the conference with a key-note speech emphasizing the importance of European integration at this critical juncture in time. In 2001, when Fajon first moved to Brussels as a foreign correspondent, the general sentiment in Slovenia – as well as other newly joined EU countries - was very pro-European. However, since then support has rapidly declined. Everything Fajon believed in back then seems to be losing ground nowadays. The EU is lurching from one crisis to another, leading Fajon to believe that European politics have somehow lost focus. Fajon observed that it appeared that whenever the EU moves to try to resolve one problem, it seems to create another elsewhere. Nevertheless, Fajon believed that citizens in EU countries have forgotten the positive utility of the EU as a whole. Furthermore she assessed that there is an increasing need for the EU to confront problems together as a united bloc as global challenges become more complex. Fajon remarked that more EU integration is needed as individual EU member states cannot effectively deal with increasingly global challenges on an individual country basis.

Fajon cited the need for EU policy makers to be critical of European politics because her experience had

shown that the EU tends to make many mistakes. In the last 10 to 20 years, the lack of strong leadership of the EU had become increasingly apparent. In her analysis, Fajon focused on two pressing current issues - the migration crisis and Brexit – emphasizing the growing feeling among EU citizens that Brussels is more and more out of touch and unable to effectively manage the EU. Facing shared governance challenges appears increasingly out of reach for individual EU member states. Fajon expressed her concern over how the EU is dealing with the migration crisis; Schengen is quite damaged, and instead of increased solidarity, certain EU countries have responded negatively by beginning to build walls. Fajon cited Brexit as an issue that posed a complex threat to the cohesion of the EU and she considered that careful policy analysis and decision making on an EU level would be needed to manage this issue. In conclusion Fajon stated that the state of affairs in the EU was problematic at present and that the rise of populism and extremism had exacerbated the situation. Nonetheless, Fajon concluded her remarks by stating that the need for greater international cooperation has never been greater.

IVO VAJGL - OPENING KEYNOTE ADDRESS



Ivo Vajgl is a Member of the European Parliament (Alliance of Liberals and Democrats), where he is part of the Special committee on the financial and economic crisis. Before being elected to the EP in 2009, he served as Slovenian Ambassador to Germany, Austria, OSCE, and to the Nordic and Baltic States. In 2004, he was Slovenian Foreign Minister.

Ivo Vajgl opened his remarks by highlighting the latest European Parliament meeting in Strasbourg, where approximately one third of the parties noted they were against further EU integration and/or skeptical of a greater European future.

In order to prevent complete disintegration, Vajgl considered that the EU should review its constitutional framework. The Lisbon Treaty was designed when prospects for the EU were more optimistic; when the EU was open to experimenting with new ideas and finding more ways of bringing countries together. Where openness and freedom were part of the underlying EU sentiment in times of the Lisbon Treaty, these slogans seem to have reversed and EU countries are closing in on themselves, sometimes literally in cases where barriers are being erected to block illegal immigrants.

Vajgl assessed that the EU is designing foreign policies by trying to define those who might or might not be members in the future. We have reached a point where we do not know where Europe ends, and where we separately question for whom Europe is still an attractive magnet of welfare, cultural advancement and a good place to be. However, one thing is undeniable – for those migrants

attempting to flee to Europe, it is clear that they continue to view the EU as an attractive destination. Vajgl stated that Europeans will have to eventually pay the bill for all the wars that certain EU countries supported outside of Europe, and all of the misplaced ideas about ‘exporting democracy’ which left Europeans unable to establish fair, intercultural and interreligious dialogue. According to Vajgl, Europeans suffer from the misconception that they are better, smarter and more capable than those not fortunate enough to be from an EU country. This, according to Vajgl, made the EU commit a couple of huge mistakes concerning its neighborhood and expansion. One of the major mistakes was in Ukraine, which has always been a country between East and West. The other has been the way in which the EU has continued to deal with the issue of migrants from the Middle East and Africa. In conclusion, Vajgl did not believe in promoting the EU on a model of a “United States of Europe”, given that the wide range of different cultures in EU countries would make this too challenging to implement. Nonetheless, Vajgl assessed that the EU should continue to endure, but in order to prosper it would require new institutions which will modernize and change the face of future EU governance.



ERIC MARLIER PANELIST

Eric Marlier is the International Scientific Coordinator of the Luxembourg Institute of Socio-Economic Research. He manages among other things the EU-funded "European Social Policy Network (ESPN)" with national teams of non-governmental experts in 35 European countries.

Eric Marlier discussed ways to identify levels of social exclusion and poverty within Europe. These assessments were made in light of the Social Objectives in the Europe 2020 strategy – a strategy concerning employment and economic growth based on enhanced socio-economic policy coordination.

Official cooperation between EU countries on social policies was kicked off by the Lisbon treaty. This started with social inclusion, then expanded to social protection, through policies concerning pensions, health-care and long-term care. The policy objectives in the Europe 2020 strategy call for ex-ante and ex-post social impact assessment, measuring the social protection and social inclusion on national and sub-national levels.

Marlier posed the following questions: what is the current social performance in EU countries, and are EU countries making any progress? He then explained that answering these questions requires contextualized benchmarking: a system-wide analysis, in order to get an in depth knowledge of the broad institutional settings in which these policies operate. The indicators used in this process must thus be comprehensive, balanced

across different dimensions, and able to provide synthetic and transparent assessment of a country's situation.

Marlier continued to explain a specific way to assess households that are AROPE - at risk of poverty and social exclusion. This assessment consists of three indicators, the first one being the at risk of poverty indicator, AROP. People living in households where the income is below 60 % of the median total household disposable income, live below the AROP threshold.

Another indicator is the Severe Material Deprivation rate (SMD), directly related to the poverty rate. Households fall under this category if they cannot afford over 3 out of 9 provided items, including the ability to pay rent, to face unexpected expenses, and to eat meat or protein regularly. A third indicator is Quasi Joblessness (QJ), which is comprised of working age adults who work at less than %20 of their total work potential. A person is AROPE if he or she falls under at least one of these three indicators. Marlier concluded by stating that the progress in Europe so far has been disappointing, even though the number of individuals following under the AROPE category has been in decline since 2010.

MIROSLAV JOVANOVIC PANELIST



Miroslav N. Jovanovic is an economist and guest lecturer of international economics at the Global Studies Institute of the University of Geneva. His research interests include various subjects ranging from the enlargement of the EU, the EU itself, evolutionary economics and geography, as well as international economic integration.

Jovanovic began by noting that that creation of the Eurozone was not based on sound economic theory but rather was driven by political interests of France to lock Germany into the European project. According to Jovanovic, the theoretical framework that deals with what a monetary union would look like was not introduced in the inception of the euro, instead it was injected after initial planning for the Eurozone had already been achieved.

Jovanovic stated that initial acceptance of the euro in Germany was easy, given that its manufacturing sector was at the time larger than domestic demand in Germany. Yields on ten-year bonds prior to the introduction of the euro were seen as different assets with significantly different yields. Namely, "insecure" assets such as Greek bonds had markedly higher yields than "safer" assets such as French or German bonds. However, at the introduction of the euro, bonds of EU member states were incorrectly perceived as completely substitutable assets. This perception persisted for several years.

Jovanovic explained that this in turn artificially deflated the value of debt, leading people and governments in "riskier" EU states to borrow excessively, overleveraging their economies to the point where unemployment dropped. However, when the time came to repay debts, countries such as Greece, Spain and Portugal simply could not, thereby

leading to massive increases in the yields of their bonds and subsequent economic recessions.

Yet when the time came to change economic behavior as a response to this situation, Greece was required by EU policy makers to cut public expenditures, slash public employment, increase taxes, etc... This resulted in a deterioration of economic circumstances in the country. According to Jovanovic, the financial assistance package provided to Greece was in reality a clandestine attempt at rescuing German banks and for this reason Germany entered into the Greek rescue package program in the first place.

Germany's debt after WWII (%280 of GDP) was higher than Greece's debt during the financial crisis and yet post WWII, the international community agreed to drastically reduce German debt in order to save the country from economic destruction. Given this historical precedent, why, asked Jovanovic, is the Troika, a body of unelected officials, currently unwilling to consider debt forgiveness for Greece?

Jovanovic ended by proposing that the EU should consider 3 new ranges of policies for the EU: one, to examine ways to move beyond a monetary union, two, to consider debt forgiveness for Greece, three, to reform EU institutions in order to create a broader political union within the EU.



Ognian N. Hishow is a Senior Researcher at the Institute for International and Security Affairs (SWP) in Berlin. His current interests include EU economic reforms, economic integration of new EU members and the consequences of membership enlargement and globalization on growth and employment in the EU.

OGNIAN HISHOW

PANELIST

Dr. Hishow outlined how real exchange rates create monetary distortions between member states of the European Monetary Union (EMU), and he argued that rectifying these imbalances requires austerity and structural reforms from member states running Current Account deficits.

Hishow began by introducing the reasons for why the EMU was initially created. According to Hishow, at its inception, the idea to create a single European market and currency was aimed at reducing German dominance in monetary policy and for speeding up growth by reducing currency exchanges (beneficial not just for the consumer but for businesses as well). Furthermore, the EMU aimed at reducing the rate of speculative attacks by increasing the free movement of capital assets and it also aimed at challenging the global dominance of the US dollar.

Hishow described the multiple requirements for a successful monetary union and assessed the EMU's performance in each category. These were:

1. Open and deep good markets (successfully achieved)
2. Open and flexible capital markets (improving but not yet met)

3. Flexible real wages (not achieved)
4. Cross border labor mobility (not yet fully achieved, but progress had been made)
5. Fiscal federalism (not achieved)

Hishow explained that the real exchange rate is critical in currency areas where the above criteria are not fully satisfied. This means that in the EU, while nominal exchange rates are pegged, there are various inflation rates across the region, meaning that EU countries effectively have "different euros" in different member states because of dissimilar real purchasing power levels.

As a result of these divergences, competitiveness between various European economies had been altered and a wedge was driven between member states (rather than a unification as intended).

As nominal exchange rates cannot shift due to the fixed currency, shifts in the real exchange rate are captured in changes in the current account balance. These changes can lead countries to be cut off from financial markets as they become less desirable as sources of debt or investment.

Large Current Account deficits result in a decrease in money

circulation and a shrinking money supply requires prices to fall (as per Hume's mechanism). These market forces generate disinflation or deflation, causing competitiveness to be regained. This is why excessive focus on budget balances can be misleading, as it is the Current Account balance which can restore competitiveness.

In order to reverse the relative price shifts, cost saving policies are required. Therefore, countries running current account deficits should address their stock of foreign debt. Prior to 1999, exchange rates were capable of addressing this issue. Italian or French currencies were capable of depreciating by between %75 - 50 in order to address competitiveness problems between 1975 and 1999.

Hishow stressed that fiscal rebalancing between EU member states is needed: however, he cautioned that monetary easing is not in its own right sufficient for a solution. That, according to Hishow, is why a policy of austerity was implemented in the short run. Hishow assessed that austerity policy had to date worked in the cases of Ireland, Spain, Italy and Portugal. However, in the cases of Greece and Cyprus, this policy proved not to be sufficient.



WORKSHOPS ROUND 1



WORKSHOP A

DEFENSE INTEGRATION, A POSSIBLE AND NECESSARY EXCEPTION TO EUROPEAN FRAGMENTATION?

This workshop was led by Matthijs Maas and Jan van Dorp and it aimed to discuss the possibilities of integrated defense policies in Europe in an era of diverse crises; from resurgent great power competition to refugee flows driven by regional instability and climate change. EU differentiation - whether technological, political, or organizational, creates operational inefficiencies and bottlenecks that

incur unnecessarily high defense expenditure costs, while inhibiting timely and decisive reactions to emerging security threats. As such, it risks rapidly compromising not just the efficacy of the European Union, but also its credibility and political unity. Are current EU policy tools causing this risk, or addressing it?

Different integration theories
– Intergovernmentalism,

Neofunctionalism and Brusselization - were discussed in answering these questions, as well as several dimensions of defense integration. The participants were asked to come up with challenges and opportunities related to European defense integration, which were then analyzed to produce possible policy solutions. The most important criteria the participants agreed upon were

strict protection of human rights in intelligence cooperation, and in placing very high standards for the EU in decisions to militarily intervene abroad. During this workshop it was decided that, in the case of defense integration, a non-aggressive strategic organization should be built which should focus on country-specific specialties that benefit the EU as a whole.

WORKSHOP B

DESIGN THINKING FOR EU HIGHER EDUCATION

This workshop led by Carolina Leersch and Sophie Muenzberg from the Hertie School of Governance aimed to introduce participants to the process of Design Thinking in EU decision-making.

Design thinking is a framework that allows both stakeholder groups and decision makers to quickly brainstorm on the many issues related to an identified problem and then to choose one to focus on solving. The process is repeated to develop many different potential solutions, and the group subsequently chooses one issue to focus on solving. The focus of the group then flips to detailed development of this solution and towards planning a trial and

implementation phase for the potential solution. The idea is to very quickly move a stakeholder group into a planning phase to ensure they have a say in the actual identification of problems, development of a solution and most importantly in the implementation of the solution.

Higher Education policy in the EU was chosen as an example to illustrate this process to participants. The group moved through the first 3 stages of design thinking, and through this process they focused on the issue of the lack of practical, hands-on learning in traditional education institutions in Europe. Together, the group analyzed different potential solutions to this issue.



WORKSHOP C

A FEDERAL FUTURE FOR FISCAL EUROPE

This workshop was led by Kris Best. The key question proffered by Best in her workshop was; can a monetary union in fact exist without a fiscal union? She outlined the key elements of a possible federal European monetary Union, consisting of convergence mechanisms, fiscal transfers, budget surveillance and risk sharing mechanisms during times of crisis.

Two major reform proposals were discussed in the workshop. The first proposal was the October 2015 report '5 Presidents', which consisted of the European Central Bank, European Commission, EU Parliament, Eurogroup and Council of the EU recommending binding convergence targets, the creation of a complete banking union by 2017, strengthening of bank crisis response tools, and a new advisory European fiscal board

to provide budgetary advice and increased cooperation between the EU and national Parliaments. The second proposal, proffered in 2012 by Dr. Henrik Enderlein, suggested a complete single market via the improvement of labor and service mobility and the introduction of budgetary surveillance for what were dubbed "troubled" EU countries.

Several key questions were raised during discussions: Should there be one wage across all EU countries? Are fiscal policies impacted by ideas of social identity and belonging? How do we keep the European Parliament accountable? If we do create a common budget at a European level, where would the funding come from? Would paying taxes to a larger European committee build better connections and promote a stronger sense of belonging to the EU?

WORKSHOP D

A BETTER EXTERNAL BORDER SYSTEM FOR EUROPE

This workshop was led by Salimah Kassamali and Aishwarya Betha. It explored new methods for implementing a reinforced external border system for Europe that emphasizes burden and cost sharing while curtailing free-riding in light of the current migration crisis in Europe. The workshop began with an overview of the historical background of the EU common border system. Following this, the first round of discussions took place where participants were split into four groups to discuss the benefits (political as well as economic) of a common border area from the perspective of European countries belonging to different regions.

A second round of discussions then took place during which participants debated whether Frontex should take over border control responsibilities in EU countries possessing borders with non-EU states. The idea of fair quota allocation of refugees - a quota system based on weighted averages of a number of factors like area, population, GDP etc. - was discussed. The workshop concluded with a discussion of potential solutions such as incentivizing countries through structural funds, the use of Frontex guards for border control, and tackling the problem of Euro skepticism.



WORKSHOPS ROUND 2

WORKSHOP A

SCIENTIFIC POLICY ADVICE FOR DECISION MAKING IN EUROPE

This workshop was led by Tobias Leßmeister. Leßmeister led the group in examining the role that scientists can play in EU decision making. Politicians often require concrete, fact-based information to base their policy decisions on. However, for the scientists providing these facts there is tension in maintaining their impartiality

when conducting research as many decisions and judgements must be made in the scientific process. There is also a debate about how far a scientist should go in lending opinions and advice to policy makers, and at what point are scientists overtly or unconsciously inserting their own values into the discussion?

This workshop took participants through a number of thought experiments to illustrate the process of building scientific facts used in policy decisions, and had participants question the relative objectivity of the process at each phase. Finally, the workshop proposed a method for reducing value judgements while maintaining

the availability of information for decision makers. The proposal that participants agreed upon was for scientists to use a decision making matrix in combination with a politically determined decision making rule, which would theoretically allow scientists to recommend optimal solutions while maintaining impartiality.



WORKSHOP B

DESIGN THINKING FOR EU HIGHER EDUCATION

The workshop was led by Olimpia Parje. It gave an introduction into the use of Human-Centered Design in the development and delivery of public services in Europe. In a short introduction, Parje explained that any form of design process must go through three phases: inspiration, ideation and implementation. Inspiration is the process of identifying a problem that requires a solution. In the phase of ideation, an idea is developed and tested, and in implementation, the final idea is brought into reality. For the human-centered dimension, a set of three principles must be kept in mind: empathy, collaboration and experimentation.

After Parje gave a presentation on the reality of European welfare systems

and the fragmentation between EU member states, the participants then split up into groups to conduct an exercise where they were required to create a fictitious individual living in the EU. Every aspect of the biography of this fictitious individual was determined by each group, from name, age and nationality to occupation, economic situation as well as the individual's wants and needs. A round of feedback followed, after which the groups determined what kind of welfare services their individual would require and how new policies could be used to fulfill these requirements. Finally, policy ideas were presented by the groups and the workshop ended with a short discussion on the practicalities of policy implementation.

WORKSHOP C

WHY THE EU NEEDS A FISCAL UNION AND HOW TO GET THERE

This workshop was led by Andrea Zorzetto and Jesse van Hamont. Starting out, Zorzetto and Hamont stated that the worst part of the Euro crisis seems to be over, yet the structural problems of the currency area are still there – so is the next crisis merely a matter of time? The workshop discussed this question and examined possible policy responses. Based on the optimum currency area theory, workshop participants analysed pros and cons of the currency union. The Euro fosters trade in the Eurozone and ended exchange rate fluctuations, but it also deprived member states of the possibility to devalue their currencies in order to improve their competitiveness – which in turn led to huge imbalances between the northern and the southern countries of Europe.

In the EU currency union, states cannot pursue an autonomous monetary policy due to the fact that it is the European Central Bank (ECB) that prints money. This limits the states' ability to smooth economic shocks, since the ECB's policy considers the situation of the Eurozone as a whole. As the Euro crisis has shown, the Eurozone has difficulties with helping faltering economies like Greece. To improve the situation, the workshop proposed establishing a fiscal union that would organize government spending in a more responsible way. Since direct fiscal transfers between states would only gain little political support at the moment, the participants argued for the use of common funds (such as a European unemployment benefit scheme) that could be used to ease country-specific economic shocks.

WORKSHOPS ROUND 3



WORKSHOP A EUROPEAN INTEGRATION OF SYRIAN REFUGEES

This workshop was led by Aslihan Alkurt and it focused on the problematic consequences of non-integration of Syrian refugees. The large influx of these refugees into European countries has strained available resources and has disrupted these refugees' ability to integrate into stable living conditions. This in turn has had and continues to have ramifications for social cohesion in Europe. Policy makers in the EU

should be concerned about a 'lost generation' of Syrian refugees who do not have access to adequate education, health programs, language training, or care programs to help them deal with the trauma of war and statelessness.

What can Europe do? Alkurt proposed that primarily the answer is greater flexibility in the current educational and health standards of migrant-

receiving countries, such as allowing for greater leniency in educational grading schemes as refugees adjust to their adopted country, or creating measures that would more easily recognize the qualifications of refugees within their professions (e.g. teachers).

This workshop found that there needs to be a greater European coordination of funds to create more care and support services that recognize the psychological effects of violence and migration experienced by many refugees.

WORKSHOP B THE EUROPEAN UNION IN A CRISIS OF PERCEPTIONS

This workshop was led by Lukas Simon Laux and Adam Carberry. It started out with the question "What is the EU?". This seemingly easy question introduced the participants to a multitude of views on what the EU fundamentally is. As it is neither a mere regional integration project, nor just an economic union, but also not a federal state, even the most basic definition of the EU depends on one's personal viewpoint of the purpose of the EU and where it is headed.

Consequently, various topics concerning the EU and its perception by the European public were discussed in the format of an open group discussion moderated by the workshop leaders. At first, the question of more or less European integration was tackled. After general questions of integration, more specific discussions developed on the

"ring of crises" including topics such as Ukraine, a European fiscal union, Greece and the ongoing Euro crisis.

The critical topic of "Brexit" and its potential implications for the EU was debated. This debate mainly focused on the question of whether the UK leaving the EU would be fatal for the European project or whether it could even potentially be beneficial for European integration.

A final debate during this workshop focused on the question of EU enlargement and whether more countries should be allowed to join under current circumstances. Ideas such as the EU as a "transformation union" were presented and risks and benefits of expanded membership were weighed.



WORKSHOP C

A BETTER EXTERNAL BORDER SYSTEM FOR EUROPE

(Continued from Workshop Round 1)

One of the most discussed issues in Europe is currently the migration crisis. This workshop, led by Salimah Kassamali and Aishwarya Betha, examined the Schengen Agreement and the Dublin Regulation and discussed possible improvements. It was agreed that improvements are urgently needed, as the current system allocates the burden of securing the external borders and the number of refugees and asylum seekers very unevenly among EU countries. Some of the discussed policy solutions included a “market-

based” approach, in which EU states would bid for refugees and receive a certain amount of money in return. It was proposed that countries which refused to take in refugees in would have to pay a penalty to the EU, the intention being that this would incentivize these countries to develop more “welcoming” policies for refugees. Another idea was the introduction of compulsory relocation quotas based on country capacity. A separate proposal to reinforce a common European asylum system was also discussed.

WORKSHOP D

GENDER POLICY IN THE EUROPEAN UNION

This workshop was led by Mansi Wadhwa. Wadhwa began by giving a brief presentation on the history of gender equality as a policy objective in the EU. She discussed the divergence in European states’ perception of what it means to achieve equality and the key challenges that activists will face in this field moving forward.

Currently, the EU is facing a sluggish rate of progress, and there have been divergent rates of achievement among different member states. Similarly, EU-level policies have been unevenly implemented on account of different member states moving according to different domestic political priorities. The EU strategy is generally fairly focused on soft law instruments, however where the EU has power - such as in labor markets - there has

been more room to act on gender policy. This means that gender policy is often couched in different terms such as efficiency and economic outcomes because this is the way to create policy at an EU level.

Participants assessed that social reform is difficult when current gender policies are relatively focused on pure labor policy, and in addition, cultural differences are difficult to overcome. There is also a lack of enforcement mechanisms or incentives toward reform. However, the participants came to the conclusion that gender mainstreaming would be important for the development of coherent policy, and it could be helpful to include more civil society actors and NGOs in the decision making process.



Jörg Haas is a research fellow at the Jacques Delors Institut. His work focuses on economic imbalances in the euro area and the crisis management capabilities of Europe's Economic and Monetary Union. Prior to his current position, he worked for the United Nations Institute for Training and Research (UNITAR) in Geneva.

JÖRG HAAS

CLOSING KEYNOTE ADDRESS

Haas proposed the creation of an EU finance minister as a remedy to the Eurozone's fiscal coordination problem. He detailed a number of aspects of his proposal, and discussed some potential political issues that need to be addressed if this proposal is to be adopted by the EU in 2017.

According to Haas, as France and Germany both face elections in 2016, the next chance to negotiate a reform of EU treaties would be in 2017. The Eurozone currently exhibits two major weaknesses: one, a lack of fiscal coordination and fiscal rule enforcement; and two, weak crisis management mechanisms. The proposed EU finance minister would be an attempt to fix both of these issues.

This ministerial post would be given the responsibility for setting and enforcing EU fiscal rules. An EU finance minister would also control a small investment fund that would be distributed to national governments in distress, in exchange for economic reforms. In addition, this minister would also lead crisis negotiations with member countries in financial distress.

In terms of governance, this finance minister would be appointed by the EU Council, approved by the EU Commission, and accountable to a Finance Committee composed of members of the European Parliament and members of national parliaments. This minister would also be a member, perhaps a vice-president, of the EU commission. Lastly, this finance minister would chair the Euro group.

In conclusion, Haas argued that this proposal would be a medium term solution which would create differentiation and a two-speed Europe. While this proposal would require a treaty change and would be challenging to achieve, it would be intended as a compromise position that could potentially be highly effective towards solving the current weaknesses of the Euro.



THE EPPC TEAM

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PARTNERS



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University of Ljubljana



The University of Ljubljana implements and promotes basic, applied and developmental research and is pursuing excellence and the highest quality as well as the highest ethical criteria in all scientific fields and art. In these areas of national identity the University of Ljubljana specifically develops and promotes Slovenian scientific and professional terminology.

Based on its own, Slovenian, and foreign research, the University of Ljubljana (UL) educates critical thinking top scientists, artists and professionals qualified for leading sustainable development, taking into account the tradition of the European Enlightenment and Humanism



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