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PANEL A

EUROPEAN VISION, VALUES, LEADERSHIP, SOLIDARITY, AND FEDERALISM

Part I: Situation Brief

The European identity has rarely been anything more than an idea, try as politicians might. Lacking a coherent vision, undermined by national self-interest, and plagued by “part time Europeans”, the next logical step, federalism, is for now impossible. European nations want to enjoy the common market and European family, whilst preserving their own national identities. One of the most important EU member has even chosen to leave the Union. Have we reached the limit of European integration?

State of the Vision

Even as the Lisbon Treaty and most fundamental European accords contain the “Ever Closer Union” clause, the commitment lacks both actual legal power and specific framework for implementation. In a display of general cluelessness, the European Council emphasised that the concept “allows for different paths of integration for different countries, (...) respecting the wish of those who do not want to deepen [integration] any further”. If there were any European citizens that would like to know where European Integration is heading, they would find no official vision whatsoever – only soundbites from speeches, and occasional newspaper columns.

François Hollande, for example, has been throwing around ideas for a “Eurozone government” formed by “avant-garde” countries that wish to accelerate integration.

Similarly, Jean-Claude Juncker and Ursula von der Leyen have made remarks about the possibility of creating a common European army. Considering the current state of public opinion in many European countries, this effort is also unlikely to achieve its goals in foreseeable future.

What is perhaps most striking about these proposals is their isolation and lack of any serious responses from other leaders. The conclusion is obvious – there is no vision.

Blurred Fault Lines

When the debt crisis came to Europe, many saw more than a quagmire. They sensed opportunity for Europe to become stronger, more integrated and resilient. Mario Draghi declared the ECB would do “whatever it takes” to save the euro, the European Stabilisation Mechanism and Banking Union were created, and the Fiscal Pact was signed. Even though this saved the monetary union for the time being, the EU seems more fragmented than it ever was.

With every new challenge, a new fault line appears. The economic depression revealed deep structural divide between the North and the South that makes the Eurozone prone to financial instability and political divisions over austerity – while Germans and other Northerners see it as necessary, Greeks and the Southerners are sensitive to the damage it deals to the most vulnerable. Of course, deep divisions exist over sanctions against Russia and migration policy, as well. Different member states have always had different interests, yet they have never engaged in such trench warfare over issues that desperately need a European solution.

Democratic Deficit

European politics are heavily impacted by the fact that the debate is often held on state level, before and after politicians go to Brussels, an entity sometimes perceived as a distant black box which produces random decisions with no regards to people or state sovereignty. This perception is formed predominantly by those country leaders that, in the endless hunt for popularity, “fight for our national interest” or complain about “yet another Brussels dictate”. Nevertheless, the decision making process is often so convoluted that unfair simplification offers greater reward than trying to explain the matter to voters. Of course, these tendencies will only gain strength now that this line of reasoning won the referendum in Great Britain. More countries will be tempted to take this path while some European leaders will be considering an “exemplary punishment” to show how wrong it is.

In spite of the trend of re-nationalisation of politics, regionalist and separatist movements within Europe are on the rise. Paradoxically, the safety of being a member of the Union encourages separatists to demand independence – with gain in sovereignty and political power but without the loss of security or common currency. The independence of, say, Scotland or Catalonia, would nevertheless hardly be a good news for political cohesion of Europe. As a direct consequence of the lack of vision, unity breeds disunity and stability breeds instability in today’s Europe.

Part II. Expert Opinion

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Detmar Doering: Openness is the way to prosperity

The lesson from crises could be that the best precondition for peace and prosperity is multilateralism, openness and European cooperation.

Voters sometimes reject this, as we could see with Brexit, TTIP failure and so on – is Europe heading back to pre-WW2 times? To overcome the loss of trust, we need an honest discussion.

QUESTIONS

- Is there such a thing as a European vision?
- How can Europe proceed when its members have such divergent concepts of what the future should entail?
- Has the European Union ever NOT been in a state of crisis?
- How should European governments approach Europe when the future is so unclear?



Bartłomiej E. Nowak: EU needs specific results to regain legitimacy

The atmosphere of Bratislava summit was extremely sombre (Tusk: “most difficult”), everyone being pragmatically aware of all crises and fault lines.

Fragmentation to regional groupings such as V4 or Mediterranean countries was apparent.

Trust is evaporating; many states do not follow the German hegemon which is neither legitimate nor capable of leading – even more so after Brexit.

On the level of societies, integration as a concept is failing due to lack of security in both economic and literal sense.

EU is being blamed for the faults of national leaders; member states are not sticking to rules.

Europe needs specific results in tackling pressing problems such as youth unemployment to become legitimate again.



John Lloyd: Even successful unions are now at risk – what will happen to the unsuccessful ones?

In post-war years, high degree of idealism and fear of war resulted in a progressive vision for Europe (as opposed to regressive national politics), with power being an instrument to achieve unity.

Barriers to European unity today are huge, ranging from the lack of fiscal backing for euro to the lack of growth in Southern Europe and the rise of Eurosceptic/far-right.

Theresa May said: “Brexit means Brexit” but nobody knows what it means.

Brexit fallout: how far does reluctance to moving power to Brussels apply in the EU?

Scotland very successful within the Great Britain union but many Scots still want independence: think what can happen to an unsuccessful union!



Leszek Jazdzewski: “European revival” could come from Eastern part of EU

Some EU concepts are dead but we are pretending they are not; that is an absurd mistake.

For East European countries, EU has been an unprecedented success, but we in Eastern Europe cherish values we think are European but these are not so popular in Western Europe. Even so, revival could come from East Europe, beginning with reaffirming the consensus that EU is not a zero sum game and brings benefits to everyone and after that, trying to create a system where citizens would be primary.

EU is not a threat to nations. The historian Timothy Snyder points out nation-states in Central and Eastern Europe are not sustainable without the EU because get eaten by bigger empires; Small nation states not safe enough, cannot survive on their own.



Iliya Lingorski: EU cohesion funds do more harm than good

What could be a shared European value? Idealism has been lost but there was a promise of prosperity, not promise of shared burdens or expansion of borders as it is seen now.

Cohesion funds are not helping converge GDP and productivity, they are an instrument to buy loyalty and hinder entrepreneurship: Free money too important to the political discourse of Central and Eastern Europe.

Intra-EU migration is a two-way problem: citizens of new member states work hard abroad but not at home which leads to lower investments and less skilled labour.

Demographics are hindering the way forward, too: the old generation is a strong voting base not interested in visions but only in pensions.



Zdeněk Kudrna: Federalism by exception could help solve crises

Some federal measures are needed in any case: common tools are necessary for an effective Europe.

Federalism by exception: Saving federalism for the times of crises – as long as a member state works well (banks clean, deficit low), it can do whatever without federal meddling. Only in times of crisis would the federation come to solve the problem.

This model is applicable for economics, migration etc. But if there is always crisis, federalism by exception could become simply federalism. Is it acceptable to voters? Perhaps it would be well suited for troubled Southern countries.

MIGRATION, SECURITY, FUTURE OF SCHENGEN

Part I: Situation Brief

The ongoing migrant crisis has come to define the European continent's experience of the Iraqi & Syrian civil wars and the insurgency of the so-called "Islamic State". Pressure on public services such as social housing, healthcare and education in the past have dominated concerns surrounding the arrival of, the most extreme case (that of Germany) over a million new inhabitants. Since the IS directed terrorist attacks in Paris, November 2015 and the widespread, seemingly coordinated sexual assaults across Germany however, concerns have, rightly or wrongly, tended increasingly towards potential security issues related to the crisis. The balance between humanitarianism and security is one that many western European countries are currently grappling.

Beyond the proximate causes

Just at the moment when Europe was preoccupied with troubles unprecedented in their scope and range, the most pressing crisis descended upon the Union – thousands of migrants began to land on Europe's shores every day, and many died trying. It was neither sudden nor impossible to foresee. The Middle East had been in flux since the 2011 Arab Spring and troubling signs of fatal unpreparedness for a migration emergency in the Mediterranean area had been popping up long enough.

Europe decided not to act upon the deteriorating security situation. The very same powers that sent jets to protect civilian population refused to take any serious part in stabilising Libya

in the aftermath of the civil war. As a result, Libya slid into chaos and became a hub for uncontrolled migration into southern Europe. The EU also failed to recognise the destabilising potential of the Syrian civil war and deliberately ignored it. What ensued was, in part, a consequence of the lack of a determined European action. Even as EU leaders managed to strike a fragile deal with Turkey, EU's willingness and ability to influence developments in its immediate surroundings remains in question.

“Wir schaffen das!”

As many German policies and paradigms, the “Willkommenkultur” has extremely strong ethical grounds and long history. After the Second World War, Germany has been committed to helping refugees and those in need, and became the proverbial “shining city upon the hill” for many. When first victims of the Syrian war reached German cities, they were welcomed with open arms and it seemed like the most natural thing. In doing this, however, Germans destroyed the European framework for dealing with asylum seekers – the so-called Dublin system which required that all incoming refugees be taken care of by the member state they first entered. Border states were largely indifferent to the fact that thousands of unregistered refugees travelled through their countries. Knowing that the more migrants leave their countries, the more difficult it will be to enforce the Dublin system, Greece and Italy lost motivation to both guard their own borders and detain the incoming migrants.

Breaking of Dublin, Making of Redistribution

The swift unravelling of Dublin Convention revealed the shakiness of parts of European law as well as the need for a robust new European asylum policy. The former problem went largely unnoticed and the latter became the latest flash point of European politics. The Commission put forward a proposal for permanent redistribution scheme designed to alleviate the burden from countries with most refugees, and to appeal to those who embrace the principle of accepting people who flee from war and persecution. This plan was met with fierce resistance, though. In spite of German pressure, several member states, including members of the Visegrad group, declared that a permanent relocation scheme was unacceptable for them. A bitter question directed to German leaders hangs in the air: Is it consistent to first make a sovereign decision and say “Wir schaffen das”, and then, when you realize you cannot actually make it, to expect the rest to show “solidarity” and take care of it for you?

Stripped of all political talk, though, this is essentially another ethical issue: compassion versus self-preservation. The idea of permanent redistribution of refugees as the single solution and the best way to show solidarity has been challenged on several grounds. Firstly, critics fear that redistribution will motivate border states to give up on border control completely and attract ever more migrants. Secondly, it is hardly feasible that refugees who wanted to go to Germany would simply stay in an eastern member state, even if they received the same amount in welfare (which would, in turn, outrage working people in those states). Thirdly, vast numbers of economic migrants from various coun-

tries have joined the influx, putting the morality of the “Wilkomenskultur” into question from yet another perspective. For the time being, Germany feels like it occupies the “moral high ground” and the debate is in a dire need of a breakthrough.

Infiltration, Conflagration, and Schengen Down

Tensions are on the rise after terrorist attacks and sexual assaults in several European countries. Since the very beginning of the migration crisis, some leaders warned that Islamic State members might be among refugees. Even though there is no evidence of systematic infiltration, individual cases do exist and, as some claim, help establish a link between refugee influx and terrorist attacks. In any case, the violence that came with the migrant crisis, from clashes among migrants to arson attacks on refugee centres, has reached an unsettling level. Individual EU member states take on different strategies. While French some politicians talk about “war” and introduce still tougher measures, other countries try to prevent the threat by a positive approach towards integration. On the whole, neither strategy seems to have worked very well.

As a response to the dizzying developments, many EU member states have introduced intra-Schengen border controls or even started to build fences along their borders. Some of these measures appear to run contrary to basic principles of free movement within the EU. Needless to say, if a pillar of the Union becomes endangered, the whole European project is in jeopardy. On the other hand, it is maintained that the EU can continue without Schengen. Without question though, the security aspect of the

migration crisis will be one with the foremost priority and will have impact on the future of free movement in Europe.

Part II. Expert Opinion

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Tereza Engelová, Czech journalist and documentary film maker

Moderator: **Jan Macháček**, Chairman of the Institute for Politics and Society (Czech Republic)

QUESTIONS

- Do any countries bear a responsibility to accommodate refugees?
- What distinguishes a refugee from an economic migrant?
- Do countries militarily involved in the Middle East such as the United Kingdom and France bear a greater responsibility than those uninvolved in the Middle East wars?
- For how long, if at all, can Schengen survive under the current circumstances?
- Do migrants pose a threat to security?



J. E. Aldo Amati: We urgently need a visible EU repatriation scheme

Italy, Spain, and Greece might not be able to cope with future migration waves: Africa's population is 1.1bn and will double in a few decades. We won't be able to stop the move but we should learn how to manage it. We are in a dire need of a coast guard – immediately.

European army is necessary to strike traffickers. EU repatriation system with planes and vessels to send illegal migrants back is needed as soon as possible, and is needed to be seen in action, otherwise populists will win.

A good strategy to mitigate migration is to sign agreements with countries of migrants' origin. Matteo Renzi is trying to do this in Africa and EU needs to commit – it has leverage and needs to use it to strike deals and help build institutions.

Italy trying to distribute migrants around the country even as local authorities resist. But this solution is much better than having huge, chaotic border camps.



Grigorij Mesežnikov: Migrant crisis is a pretext for undermining liberal democracy

When Italian representatives first brought up the issue of migration, they were not heard in Eastern Europe, now it is a prominent topic but it is too late to prevent the crisis.

Specific measures to be considered in a broader context: Illiberal, anti-systemic and extremist parties are financially self-sufficient or externally financed, well organised, and use the crisis as pretext for their malicious activities.

Many politicians from V4 group are being hypocritical on this issue: benefits without commitment is not the way for an effective European cooperation and solidarity.



Tereza Engelová: Europe has been paralyzed despite relatively low number of refugees

Europe only hosts a fraction of world's refugees and does not know what to do. Pakistan may be sending 1.5M Afghans away, even though they have been there for twenty years; this will have repercussions for Europe.

There is no real legal process of getting into Europe so refugees have little choice but to cross the sea.

The lesser concentration people of foreign origin on the same place, the better the integration process and acceptance by locals.

Anjem Choudary story: radical Islamist, founded a local jihadist group Al-Muhajiroun and was allowed to preach hate and undermine British society for seventeen years before he was finally sent to prison.



Jacques Rupnik: Germany imposes its morality upon others

Politics of migration are poisonous and infiltrates any political debate right now; guess who profits.

From outside, it looks strange why V4 fears migrants when it does not have any. From the inside, migrant quotas are seen as an attempt of Western Europe to impose a failed multicultural society on Central and Eastern Europe.

The humanitarian Gesture towards refugees became a “humanitarian Anschluss” of Austria because Austria was in the way of refugees and faced the consequences of German decisions: Hence the U-turn of Austria’s refugee policy and the impact on their presidential election.

If we have a duty to help refugees, the refugees also have a duty to learn who we are, what European values are, and adapt to the norms of liberal democracy. Europe has been taking 1.5M refugees a year – more than USA, Canada and Australia combined – fortress Europe is therefore nonsense.

EUROZONE, GREECE, AND SOBERING DEBT CRISES

Part I: Situation Brief

With very few exceptions, every developed economy in the world was affected to some extent by the economic crash of 2007/8 – many faced economic ruin, and some are still suffering the consequences today. This is no more the case than in the Eurozone – Portugal, Spain, the Republic of Ireland, Cyprus, and most infamously Greece were unable to repay their government debts and consequently public services such as healthcare and education, as well as employment in these countries were crippled.

The Eurozone Dilemma

When Euro was introduced in 2002, the EU seemed to be marching steadily towards federation. Every citizen of Eurozone countries could suddenly feel united Europe in their own wallet. One of the most colossal experiments in economics began and remained a political project, manifesting European unity, successfully becoming a strong global currency, and tearing down one of the last still-standing barriers to the single European market. Yet, individual Eurozone economies are a diverse bunch; politicians and economists alike were unable to foresee what is today considered the most obvious feature of Eurozone: Euro exacerbates the disparities in account balance that would otherwise tend towards an equilibrium, causing far-reaching impacts on individual economies inside the monetary union. Germany and economies that tick in sync, such as the Netherlands, have seen their GDPs and trade surpluses soaring. Other states such as Italy and Greece, which are structurally different, have received a much more modest economic boost, and suffered from loss

of competitiveness (and thus high unemployment) because, in part, of a too-strong euro.

Moreover, it is both technically inconceivable for a euro country to go bankrupt unless it leaves the Eurozone, and very easy to lend and borrow inside the euro area. As a consequence, Eurozone's bond market has been distorted, as well. States had been borrowing well beyond the limits that would constrain them outside the Eurozone. In other words, the crisis euro has faced is a direct consequence of the Eurozone's inherent flaws.

No matter the cost

In euro's darkest hour, European Central Bank took upon itself the gargantuan task to stabilise the currency. After some months of frenetic interventions, the risk of full-scale collapse was avoided – for then. It is clear that the monetary union needs an overhaul to overcome the in-built weaknesses. Even as Greece was saved from bankruptcy and a permanent stabilisation mechanism was introduced, actual solutions for the future are painfully scarce. The Banking Union project is not yet finished, the Fiscal Pact is – as we have recently learnt with Spain and Portugal – a worthless piece of paper, and ideas such as “euro-bonds” and “southern euro” are politically dead (They were not terrific, anyway).

It appears that a large-scale mechanism for fiscal harmonisation and financial transfers is needed to repair the common currency. Incidentally, there is only one country with enough clout to negotiate, push through and implement new rules...

Common Currency, Common Policy

Since the beginning of the debt crisis, Europe has been treated with the “German medicine” – austerity. Despite the choking effect it has on European economy, Germany is holding the line, even pushing for higher interest rates. Such position is logical from German point of view, since low inflation and savings hold the holy cow position in German economic thinking. This is, however, disastrous for other states as growth and investment are flagging across Europe. German size does not fit all, even as having effective rules that are actually enforced would be one step towards a sustainable Eurozone. The Southern states will continue to reject the “German medicine”, though. On the other hand, a thorough systemic change to tip the balance away from favouring Germany will probably not be cheered by Germans.

With so much economic tension between the “winners” and the “losers”, it is difficult to both stay in the status quo, and move towards a much needed, new degree of monetary, financial and fiscal governance. Of course, there always is a simpler option – to get rid of the burden and put an end to the euro experiment.

Part II. Expert Opinion

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QUESTIONS

- To what extent are these countries still suffering the effects of debt?
- Is there still a threat of the breakup of the Eurozone?
- Should EU members be obligated to bail out indebted countries in the future? - even those not in the Eurozone?
- What might a potential solution to the European debt crisis entail?
- How has the crisis changed the EU since it started?



Zdeněk Kudrna: Transfer union necessary for euro to survive

Eurozone is muddling through: Only the bare minimum is being done to avoid collapse, monetary interventions are not enough to make it sustainable;

Asymmetric adjustment: South does austerity; North should do fiscal expansion but it does not. It works to an extent; big reforms can spark panic in the markets.

Risk of a Euro-Exit still exists, could be as disastrous as Lehman. The legal and political fallout is impossible to predict and is much bigger threat than the financial losses.

A form of transfer union is necessary but Greek debt restructuring gets postponed every time. Any positive move in the North towards fiscal expansion and a common euro-bond/budget would be good news.



Helena Horská: Greece needs to replicate Latvia's successful internal devaluation

It is more about fiscal indiscipline of southern countries. Greece should not have adopted Euro.

One solution: new drachma – a new currency would devalue and give a kick to the Greek economy but that might not be enough (Asia crisis: 90% devaluation). Greece would not necessarily benefit from devaluation because of the structure of its export.

Internal devaluation as Latvia did it would lead to faster recovery, without the need to leave euro.



J. E. Efthymios Efthymiades: Extensive reforms are starting to pay off

Crisis in Greece is relevant to whole Europe because it highlights problems of the whole Eurozone: the monetary union is incomplete and needs to be improved to prevent similar crises.

Greece has managed to maintain social stability and cohesion throughout the crisis which is essential. GDP growth is expected in 2017, driven by new sectors such as tech and energy. This is enabled by extensive reforms little by little, overhauled labour market, new electronic transaction scheme, economic diversification, and improved public administration.

Greece plays a crucial geopolitical role as a borderline state – during the migrant crisis, Greece received solidarity from fellow European countries but also extended it to refugees.



Iliya Lingorski: Greece should not have been drastically punished

Greece has been devastated and so was the Eurozone, while a holistic diagnosis of the underlying fundamental causes is absent.

Post-Lehman Merkel reaction was dangerous populism (guarantees to banks) and other leaders were complacent.

The belief that a euro-denominated bond would be always repaid led to too much lending to Greece. Eurozone has had a problem of capital allocation: savings can only be invested in state debts, not actual investments. Germany sucked all the deficit to create a huge surplus at home.

We don't build any internal rebalancing mechanisms that are needed, despite opportunities for transformation.



Krisztián Szabados: Financial uncertainty causes spreading distrust

The political and social consequence of the crisis is distrust: people never liked bankers but after 2008, they stopped trusting them. This distrust spreads towards democratic institutions.

There is a significant confusion in the feelings of the population: anti-globalisation means demand for protectionism, yet at the same time, Greeks think that state intervenes too much. This confusion and distrust created a fertile soil for populism.

Controlling banking system, including the central bank is obsession of populists like Orbán. Populists (Front National, Golden Dawn, Jobbik...) get funds from Russia which is interested in destabilising Europe; Russia still has economic power to influence Europe and its financial sector.

UKRAINE AND ASSERTIVE RUSSIA

Part I: Situation Brief

Europe has always faced crises. Never however, has the issue of European cooperation and identity inflamed such bloody and violent unrest as has been the case since 2014 in Ukraine. Europe finds itself in a standoff with one of the greater nuclear powers of the world, over a country in which much of the population has no interest or desire to be integrated into Europe. The crisis threatens to tear Ukraine in half, and Europe, as the Union finds itself within touching distance of an increasingly assertive Russia.

The cornered bear

After the Maidan-induced regime change in Ukraine, Russia responded with unprecedented fury, both rhetorically and on the ground. As Europe was trying to pull Ukraine into its economic and perhaps political orbit, EU leaders have not seen this as necessarily infringing upon Russian vital interests. Well, Russia did and carried out swift operations to snatch Crimea and, more subtly, the Donbass from the new, “fascist” Kiev government. Russian leadership appeared genuinely scared about the prospect of a pro-Western Ukraine. The narrative of an aggressively expanding NATO that is being constructed by Russian propaganda seems to reflect true feelings of Russia’s government.

Burning bridges

The conflict in Ukraine is a conflict of two different attitudes: EU’s cards are trade, investment, rule of law, civil liberties, and

soft power in general whereas Russia operates in terms of military power, energy leverage, and spheres of influence. The mind-sets are so different that they are practically incapable of understanding each other and reaching a compromise. Crimea is a prime example of this clash of attitudes. For the EU, it is unacceptable to recognize an illegal annexation of foreign territory. For Russia, it is impossible to give up what they consider their “sacred” land. As long as there is no way around the fundamental difference of basic ways of thinking, there can be no official reconciliation. That is a particularly bad message for Ukraine which is in dire need for stability, consolidation, and clear signals from EU and NATO in terms of potential membership.

Adapting to what Russia wants?

A force driving down the tension exists, though, and it is time. European countries are becoming ever more reluctant to keep up pressure against Russia as there is no resolution in sight, which reinforces the argument that sanctions are not working. Perhaps, when European public gains confidence that no “little green men” are set to pop in Odessa or Riga, leaders will need to follow and restore relations with Russia, at least on practical level. Many point out the potential for economic cooperation and partnership in the global fight against jihadists. After all, having a strategic enemy on the border is terribly expensive. Reconciliation could come without great gestures; it might just gradually creep in. The only problem with this process is that when political deterrence shield is put down, the “little green men” might pour into Kiev, but also to Riga and the Suwalki gap (a strategic space in north-eastern Poland). Or they might not. Europe does not know Russian strategic aims nor, for that matter, its own.

Part II. Expert Opinion

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Moderator: **Petr Kolář**, Former Ambassador of the Czech Republic to the USA and Russia (Czech Republic)

QUESTIONS

- To what extent is the Russian administration correct in suggesting the EU's expansion towards the east is “aggressive”?
- Is Ukrainian integration into the EU worth the risk of potential bloodshed?
- How can amicable relations between Europe and Russia be maintained?
- Is Ukraine Europe's problem?
- Was the Dutch referendum the final nail in the Ukrainian-European coffin?



John Lloyd: Russians feel that Ukraine is “theirs”

“Losing” Ukraine to the West would be a nightmare to many Russians as they perceive Ukraine as “theirs” and central to Russian interests, which is why Russia responded so fiercely to the Maidan revolution.

Kremlin is trying to destabilise EU because it perceives EU as existentially threatening.

Putin took over with emphasis on democracy, swept away oligarchs and built up power of state, but Russia did not westernise – stayed its own kind of civilisation, different from Europe. Putin played to this and struck a deep chord in the Russian soul.

Military moves into Georgia and Ukraine were met with almost universal acclaim in Russia. The ambition is recreation of mighty Russia equal Europe and USA.



Leszek Jazdzewski: Russia will need to choose between China and Europe

There is a “chilled war” which exists mainly on the Russian side as Moscow see not-pro-Russian governments as Washington puppets.

We entered ties with Russia to transform Russia, but actually Russia corrupted us. Now Kremlin is trying to influence elections through its support of politicians like Trump, Le Pen, Farage etc.

NATO is perceived as a threat which blocks the desired Russian sphere of influence throughout Eastern Europe.

Russia will eventually need to choose between China and Europe, and will get a chance to become a non-imperial country.



Grigoriy Mesezhnikov: Nobody should question Ukraine deciding its own future.

Russia pursues aggressive policies and is ruled by a kleptocratic regime, whereas Ukraine has decided about their own future and nobody can question that. Ukrainians' situation is more complicated; they are in existential threat because many Russians believe Ukraine is theirs.

USA should consider arming Ukraine –Ukrainians want to defend themselves, they do not expect that somebody will fight instead of them. EU should keep the sanctions, though the Slovak PM and some other politicians in the EU suggests otherwise.

Sanctions can only be lifted after Russia completely fulfils Minsk agreements and after mutual political understanding is reached.

Russian current goal is to dismantle the EU from within through fringe political parties and propaganda. Russia wants to offer strategic partnership to Europe to dominate Eurasia, and destroy the trans-Atlantic bond.



Bartłomiej E. Nowak: Ukraine is more united than ever

The potential of Ukraine tearing apart is only a myth perpetuated by Putin's propaganda. Putin has actually achieved the contrary: a formative moment for Ukraine as a nation-state. For the first time, UA united against Russia.

Is Putin a great strategist? EU is stronger in Ukraine than before the crisis which resulted in a strategic loss for Russia. Moreover, Russian economy stagnates and is perhaps becoming a client of China while Europe and USA play together.

It is not easy to invest in a corrupt economy. Ukraine needs more help but is not in such a bad condition – it has achieved energy independence from Russia over a short period of time.

The EU treaty allows any country that fulfils the criteria to join. Ukraine would need to comply with all legal criteria – this is no aggressive expansion.

RALF DAHRENDORF ROUNDTABLE

TALK FOR EUROPE
WITH GUY
VERHOFSTADT,
ANDREJ BABIŠ
& PAVEL TELIČKA



Guy Verhofstadt: [Europe à la carte is a mess](#)

Europe's "founding fathers" had basically the same idea – never again must the continent return to war or the toxic pre-war situation.

In 1953, a European constitution was created and approved by representatives of all six founder countries, already containing provisions for common budget, defense community and other essentials that we do not have today.

History is full of accidents – this promising grand project failed by accident in French National Assembly. The 1957 Treaty of Rome which came about instead was a mere customs union.

We need to go back to the original dream – if their proposals of 1953 were in place today, there would not be no crisis.

Europe is most exposed to Syria crisis, yet we are not sitting at the geopolitical table: Russians and Americans are playing the game while the EU is absent.

Europe still faces the fallout of economic crisis. USA managed to make all necessary decisions in 9 months (and all bail-outs were paid back by 2014); Europe is not even close.

Our response to the migration crisis is not centrally coordinated – European “Union” does not exist in practice, it is no more than a loose confederation; states taking individual decision in disorganised fashion or refusing to take part in federal projects is unimaginable in the USA.

One European border guard is sorely needed, otherwise the border will remain porous like in Greece.

We need common Eurozone governance but we need fewer commissioners, fewer unimportant tasks; we need a small, effective EU government that deals with important issues such as defense, finance, etc., while not being bureaucratic like the European Commission we have now that spits out complicated regulations every day.

It’s not “economy, stupid”, it’s politics, stupid! See Mexico-USA border, North-South Korea: same climate and same people but different political systems & institutions. This is what matters:

We need to rebuild the original Europe of Spinelli and Churchill.

Right institutions produce right people: communism produced Stalin, democracy produced Lincoln.

We must put an end to all the “à la carte” complexities and exceptions.

There is still no common energy market, no capital and mortgage market. It is difficult to do business in Europe; firms need tens and hundreds of authorisations. As a consequence, the biggest internet and tech companies are NOT from Europe. We are a bigger market than the USA but there are too many exceptions from the EU single market.

Because of all rebates and exceptions, EU has no real budget now but subsidies from member states instead of direct revenue; EU budget is like a Turkish bazaar: 80% of revenue goes back to member states while only 0.14% of EU’s GDP is left for Brussels to work with. Britain is not the obstacle to integration. In 1953, the constitution failed because of France, not Britain. Brexit is not an economic but geopolitical issue – Europe is now left divided in the world of new age of empires (such as China, India, USA).



Andrej Babiš: We need action, we need competent leaders

Bratislava summit was just the same talk as ever and solved nothing – it is not so much about institutions but rather about people; European leaders today are not capable of facing the challenges.

Europe is incomprehensible: for a businessman, it is hard to conceive that there is no actual agreement with Turkey, just a press statement; that a Ukrainian worker which wants to work but needs to wait for nine months, yet migrants are coming from Middle East without even a passport.

EU should focus on Syria and Libya: companies will profit from rebuilding these countries if we achieve peace there.

One obstacle to efficient decision-making is the election cycle: we just wait for elections and nothing gets done; elections must not hinder European action.

Bankrupt Greece should get out of Eurozone, but the whole Eurozone should change to prevent irresponsibility of individual states.

Leaders shout Putin is our enemy while pursuing policies that increase energy dependence on Russia – Europe needs more coordination and efficiency and, above all, a new generation of leaders.

Another example of inefficiency is the VAT gap due to which EU loses €170bn; putting the “reverse charge” solution on agenda has been lengthy and difficult. Some member states and people from the European Commission do not support it; subsidiarity principle needs to be put in place here – Czech government, not Brussels, should decide about issues like VAT.



Pavel Telička: **We are at a turning point**

Voters are dissatisfied with the EU because it is incapable of delivering. This situation is an opportunity that cannot be missed: far right and far left are rising, we need to recover as quickly as possible.

The Czech Republic has no option but Europe. Criticism towards Brussels is sometimes hypocritical: We are in charge, as well!

TALK FOR EUROPE WITH JACQUES RUPNIK & VÁCLAV BĚLOHRADSKÝ



Jacques Rupnik: An “unfinished Europe” cannot face simultaneous crises

The idea that EU is in crisis it a regular fixture but a series of simultaneous crises is a new phenomenon.

We are facing internal and external crises which are putting a question mark over the most advanced integration project, the euro, yet the fundamental problems are not being addressed.

EU is being weakened from inside and outside at the same time: destabilisation in the eastern (Ukraine) and southern (Mid-East) neighbourhoods; the simultaneity is most pressing.

Political critique – Left: EU too liberal, does not promote social security; Right: Security failures, uncontrolled immigration.

Deeper integration as a solution is problematic as there is no popular support: in the past, EU was an elite project with tacit agreement of the public, now it is an elite project in the age of populism – that is difficult to sustain.

Europe is unfinished: Euro was created without the institutions needed; Schengen was created without external border control.

The normative, soft power of EU is nice under fair weather but when confronted with a harsher reality, it does not work very well.

Facing crisis, there are two alternatives: either change, or catastrophe – and Europe has chosen a “tamed”, “piecemeal” catastrophe instead of change.

A need for security and protection will come to the fore, citizens of nation-states will feel threatened by Europe.

Europe has only two choices: Finish the projects, or abandon them.



Václav Bělohradský: Europe is in a trap – cannot stay and cannot move

EU has made the mistake of expanding without first deepening integration. Now Europe is too overextended, a deepening is not possible (Bratislava summit: end of integration processes, more subsidiarity)

Further integration is, however, necessary if euro should survive – Stiglitz claims that losses caused by euro will soon be greater than gains.

At euro's beginning, the founders established three conditions of optimisation, not a single one is fulfilled, therefore euro is unsustainable.

Europe is undergoing an “identity counter-revolution” which has two aspects:

- 1) Revolt against the nation-state (Scotland, Catalonia);
- 2) Revolt against the EU.

This counter-revolution could be positive in case it makes Europe change for the better but that is probably not happening.

Originally, there used to be profound motives and philosophies for entering the EU. East Europe missed this in 2004 and failed to build a pro-European philosophy; EU then became an enemy.

Today, East Europe is offering an alternative to liberal democracy: illiberal democracy. Is it a valid input? Or should we be afraid?

TALK FOR EUROPE WITH MARTIN STROPNICKÝ & JAN MACHÁČEK



Martin Stropnický: Czech Republic welcomes any initiative in defense cooperation

Ministry of Defense is a hot chair: has to deal with Russia undermining Ukraine (and setbacks such as the unnecessary Dutch referendum)

Many security issues: Baltic states' fear of Russian threat, migration crisis related to failed interventions in the Mid-East, ISIS' achievement to create state-like structures while engaging in unprecedented levels of violence and broadcasting to the world.

Another threat is the rise of far right, yet EU is generally being "sclerotic" and responds in "slow motion".

Czech perspective: The transatlantic bond is fundamental to preserve Christian Western Civilisation that we embraced after 1989 – we therefore need to contribute our share to defending the alliance and so does the rest of Europe including rich countries like Germany.

The Czech Republic is increasing its military budget by 10% each year which allows to expand the army.

Angela Merkel would like a defense union, Czech PM is on board – the Czech Republic will try to take part in any form of defense integration and positively contribute.

The worst would be to say “this is impossible” while complaining that nothing is happening. EU has a disease: declaring a public goal and not delivering anything (also on common European defense); no wonder why citizens are not satisfied and demand action.

Two possible forms of cooperation: A) European army like a national one – politically almost impossible. B) Inter-governmental cooperation in specific areas – more feasible, steps are being made. The Czech Republic will support a step-by step approach towards an EU army.

The idea that citizens want to give up national armies (i.e. variant A) is wishful thinking. But people do want security so we need to take specific measures (i.e. variant B): Frontex needs

much more men and equipment, for instance. That can be done, states would contribute.

Current state of European defense cooperation: 1) Eurocorps operates in Mali and Kosovo but is not very consequential; 2) Permanent security cooperation (PESCO) is really not permanent but does work to some extent; 3) EU battlegroups are functioning on a rotation basis, can be compared to a RollsRoyce car that never left the garage – difficult to have a rapid response force if 27 parliaments need to approve deployment.



Jan Macháček: Start out with a clear policy and mandate before building institutions

Remarks on Juncker's defence initiative:

- this EC is more political due to the Spitzenkandidaten system; it is unclear what was really properly discussed.
- European army should be compatible with NATO and not weaken the Atlantic link.
- Juncker proposes to save money with this initiative. But there is no clear framework, no vision.

Normally, Europe builds a capacity without having the policy – as happened with EEAS (European External Action Service), a diplomatic corps without a foreign policy.

We should not start with building the roof of a house, we need a basis first which is, in the realm of defense, a common European defense policy; Isolationist tendencies in USA could accelerate this proposal for EU defense.

How Europe try should to build its future: Every state should submit a plan of how European vision should look like and fill a “questionnaire” to see what the actual positions are (Do you want common border guard? Do you want the euro? etc.). After having confirmed the positions, we would have a good idea of the specific kind of federalism that we want to achieve, and productive discussion can start.

European think-tanks do come up with detailed proposals, they should be listened to, they could become a good source of policy.

An “outer circle” of Europe could be the way for Britain, Ukraine, Turkey. Some today's EU states might end up there, as well.



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Our main themes are foreign and security policy, defence, European matters, but also schooling, digitalisation, power industry, urbanism, life in a city and in the public space, values in politics and human rights in our country and abroad.



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