# MOVING EUROPE FROM DARKNESS INTO LIGHT





## INTRODUCTION

Organised by CEPS, the aim of Ideas Lab is to provide a high-level intellectual forum for exchanges concerning the wide range of current and pressing issues faced by the EU. The discussions are open, insightful and impactful, with the active involvement of policymakers, researchers and representatives from industry and civil society.

The tenth edition of Ideas Lab – falling in the same year as CEPS' 40th birthday celebrations – took place over two days from 28 February to 1 March 2023 at The Square, Brussels, bringing together our team of researchers and leading experts in EU policymaking across many different fields. Following last year's shift back towards normality in the aftermath of the pandemic, 2023 was when Ideas Lab truly lifted off again, with a packed programme that welcomed 500+ participants and over 120+ speakers.

The two days were jam-packed with a variety of different sessions, from warm-ups to prime talks, to more intimate breakfast sessions and our interactive CEPS lab sessions.

Early on the first day, we looked at the state of public opinion and asked how Europeans have reacted to the unprecedented challenges we faced in 2022, including the return of war to our continent and the subsequent energy price crisis. After the Opening Plenary, 17 CEPS lab sessions examined the many policy issues currently facing the EU in much more detail.

#### Read the full programme

#### WATCH the recap video of the two days of Ideas Lab 2023

Some of the key speakers that featured in the 2023 edition of Ideas Lab included:

- Věra Jourová, Vice-President for Values and Transparency, European Commission
- Didier Reynders, Commissioner for Justice, European Commission
- Don Graves, United States Deputy Secretary of Commerce
- **Arnoldas Pranckevičius**, Ambassador, Permanent Representation of Lithuania to the European Union
- Pia Ahrenkilde Hansen, Director-General for Communication, European Commission
- Maria Martin-Prat, Deputy Director-General for Trade, European Commission
- **Alexander Stubb**, Director of the School of Transnational Governance, EUI, and former Prime Minister of Finland
- Cecilia Malström, former European Commissioner for Trade
- Jaap de Hoop Scheffer, former Secretary General, NATO

This short report provides a succinct summary of the key sessions that took place during the two days. For more information on Ideas Lab, please contact Andrea Bittnerova, CEPS Senior External Relations and Events Manager at <u>andrea.bittnerova@ceps.eu</u>.



### WITH A CONTINENT TORN APART BY WAR, WHAT DO EUROPEANS EXPECT FROM THE EU?

Our traditional scene-setting session, in cooperation with <u>Bertelsmann Stiftung</u>, explored how well the EU has coped with the extraordinary challenges of 2022 in the eyes of its citizens.

Are people willing to make sacrifices to continue supporting Ukraine? Do citizens realise how much the EU does for their security? Do they feel protected from high energy prices? To address these questions, we invited **Cathryn Clüver Ashbrook**, Executive Vice-President and Senior Advisor from Bertelsmann Stiftung, to present their latest polling results. She was joined by **Pia Ahrenkilde Hansen** and **Arnoldas Pranckevičius**, as well as **Jan Zielonka**, Professor of Politics and International Relations, University of Venice, Ca Foscari. Some of the key polling highlights include:

- 61 % of Europeans are convinced that Ukraine will triumph in the war, with 68 % agreeing that Ukraine is fighting on behalf of all Europeans and their values.
- Over 2022, support for arming Ukraine grew following the widespread news of Russian atrocities in Ukraine. By December 2022, this level of support for weapons deliveries was hovering around 40 % in Italy (traditionally a sceptical country), 75 % in Spain, 68 % in Germany and 66 % across Europe as a whole.
- Even though 92 % of Europeans believe the EU's strength lies in its economic power rather than military power, only 48 % of Germans feel sanctions are an effective tool.
- In April 2022, 76 % believed the world used to be a 'better place'. 66 % of Europeans by spring 2023 were feeling both highly anxious and nostalgic at the same time (with the Spanish, Dutch and French leading the poll). Strip away the emphasis on nostalgia and a staggering 94 % of Europeans are highly anxious or anxious.

After presenting these findings, **Cathryn** concluded that Europeans are far more resilient in the face of threats and adversity than they are given credit for, and governments need to realise this. Even among the anxious, public support over time is robust and this underscores the importance of facts-based messaging that is credible – this is the main currency for maintaining public trust and support.

In other comments, **Pia** argued that with the aftermath of the pandemic, the war in Ukraine and the subsequent energy crisis, this has substantially changed how Europeans view the EU and what it should be doing for them, and that public opinion may even be ahead of policymakers in terms of defence and security issues. She also highlighted that according to Eurobarometer surveys, nine out of ten Europeans are in favour of humanitarian aid to Ukraine, three out of four Europeans are in favour of military support to Ukraine and that two thirds are in favour of purchasing and supplying military equipment to Ukraine. 84 % of Europeans agree that Europe should reduce its energy dependency on Russia as soon as possible and 86 % are massively in favour of investment in renewables. She also commented that general support for the EU has remained relatively stable. **Arnoldas** highlighted that 'nothing can be more real than war and peace' and that the story of the war is so clear-cut that this fundamentally explains why there has been so much support for Ukraine among Europeans. He emphasised that it was not Vladimir Putin that has changed us but Ukraine and its heroic resistance. He also emphasised that enlargement is back on track thanks to the conflict (with Ukraine and Moldova being granted candidate status in 2022) and that the EU has learned how to be a hard power as well as a soft power. He finished his main intervention by warning that 2023 will be decisive in terms of maintaining public support for Ukraine and that there needs to be much more effective communication on why sanctions are important in the long term, as well as why there needs to be continued financial support for Ukraine. This is the key challenge of governments and institutions.

Finally, **Jan** commented that the EU has done extremely well in defending democracy because of its strong support for Ukraine in the war and argued that when it comes to improving democratic standards in the EU, 'if you can't go up or down, go sideways instead – such as creating a second chamber for the European Parliament [that could represent regions]'.

To watch the entire session, please click here.





### OPENING PLENARY – MOVING EUROPE FROM DARKNESS INTO LIGHT

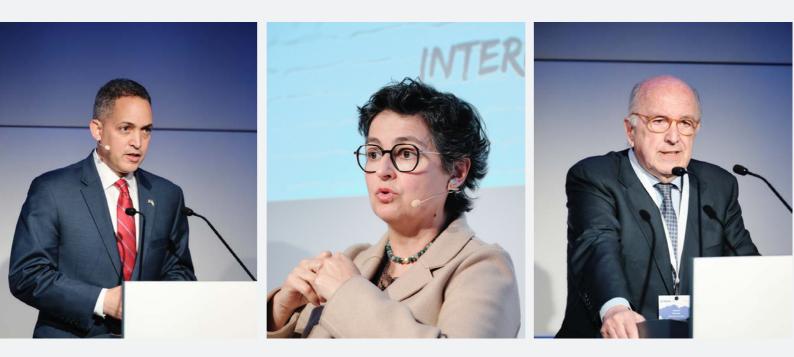
After a brief welcome and introduction from **Joaquin Almunia**, Chairman of the Board of CEPS, the floor was given to **Don Graves**, United States Deputy Secretary of Commerce to formally open the 2023 edition of Ideas Lab.

In his powerful intervention, **Don** stated that 'Putin's land grab was a despicable act meant to divide the West, but instead was met with a wall of resistance: *from the brave people in Ukraine, as well as from America and our allies in Europe and around the world… what the past year has made clear is this – continued economic cooperation between the United States and the European Union is indispensable for growth and economic security on both sides of the Atlantic'.* 

To read his intervention in full, click here.

Following on from this, our second panellist for the opening plenary, **Arancha Gonzalez Laya**, the Dean of the Paris School of International Affairs, explained that she could see three areas of light – first, the war in Ukraine has forced us to grapple with how to build a new set of multilateral rules in a 'murky' multipolar world; second, that the West is united but the West is very divided from the rest of the world (her recommendation was to stop referring to 'the rest of the world' but merely refer to 'the world') and that countries with agency want to be able to express their views and not be forced to pick sides; and third, Europe has shown incredible resilience but to be a future lighthouse for the world, it must devote more time, leadership and finance to its energy union and security and defence.





Our third panellist, **Alexander Stubb**, asserted that 'the nail in the coffin of the Old World came on 24 February 2022'. He argued that in the last 30 years, we've moved from a bipolar world to a unipolar one and now we're experiencing a new multipolar world. He highlighted three poles that dominate the world order today – the Global West, the Global East (i.e. China and Russia) and the Global South, which does not support the West in fighting the war. He pointed out that only around 40 countries have placed sanctions on Russia, with none being in Africa or Latin America and only a handful being Asian countries. He summarised that the great struggle of our time will be 'the Global West versus the Global East, but it will be decided by the Global South'.

Following on from this statement, there was also an animated exchange on why the 'Global South' has not strongly aligned with the West, with **Arancha** asserting that many countries in the south are in a precarious financial situation and that debt management must be made a priority. Don agreed with this, stating that it was absolutely vital for the world's long-term prospects that the West needs to engage in debt restructuring and debt management. Addressing the issue of why many countries in the south have not supported the West over the war, he argued that it was a combination of a constant barrage of misinformation/ disinformation/information about what the West believes and what it has done in the past, coupled with the fact that the West has at times not been good or effective in supporting the development of many Global South countries. **Alexander** pointed out that the countries of the Global South need to have agency and that they have a credible say in international institutions, with the UN Security Council being a prime example – it represents the world of 1945 and not the world of 2023.

China and its role in the new world order was also a key topic of discussion, with **Alexander** stating that he was uncomfortable with the notion of 'decoupling' from China, whilst **Don** commented that China has been invited to take an active role in the world order, so long as it played by the rules, which on many occasions since 2009 it has not done.

To watch the entire session, please click here.

## CELEBRATING OUR 40TH ANNIVERSARY AT BOZAR

On the evening of 28 February, to mark CEPS' founding in 1983, we hosted a reception at Bozar, the Centre for Fine Arts, for drinks and dinner with current and former CEPS staff, as well as with many of our main stakeholders, friends and other key individuals who have contributed to make CEPS what it is today.

Following the reception, CEPS CEO Karel Lannoo moderated a high-level debate to reflect on the Europe we want and the Europe we need with three distinguished guests:

- Margrethe Vestager, Executive
  Vice-President for A Europe Fit for
  Digital Age and Commissioner for
  Competition, European Commission
- Sviatlana Tsikhanouskaya, Head of the United Transitional Cabinet of Belarus
- Marija Pejčinović Burić, Secretary General of the Council of Europe

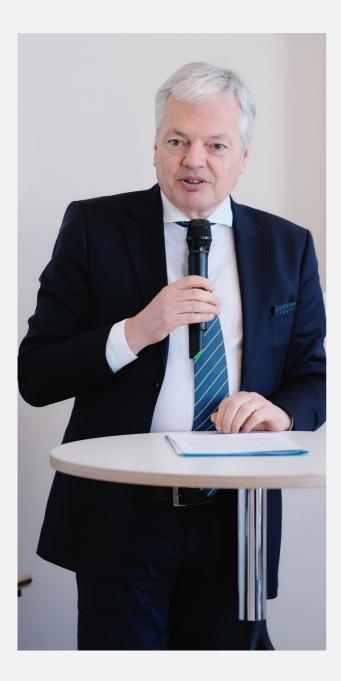
What followed was a passionate and animated exchange about European values and why we should value, cherish and fight for them. To see for yourself how the evening went, please click <u>here</u>.





## SOME OTHER SESSION HIGHLIGHTS

How can we enforce EU law and principles in Justice and Home Affairs policies during times of crisis?



This session, which included on the panel **Didier Reynders**, European Commissioner for Justice, assessed the overall progress made and obstacles experienced in Justice and Home Affairs cooperation during the past 30 years, and examined the key unresolved issues which still need to be addressed. These issues included responding to the effective criminalisation of assisting migrants by some Member States, improving the Commission's enforcement procedures and working to end political neutrality in the Council to end deadlock over taking decisive action against Member States that purposely flout EU law and justice principles.

The session concluded that from the official point of view, EU law and principles (the rule of law in particular) are being enforced by the existing tools available, and that there is a need to strike a balance between security needs and openness.

However, there were arguments made by the academic and civil society representatives that criticised the effectiveness of the Commission's use of such tools, and suggestions on how to improve enforcement (specifically by taking more action instead of only collecting data, not applying political neutrality within the Council to unblock action, and by simply changing the law).

## The Ukrainian battlefield: what hopes for diplomacy to secure peace and lead on to reconstruction?

This session discussed the latest developments on the Ukrainian battlefield and the perspectives for peace. Thanks to the panel's Ukrainian perspective, the session was able to reflect on the meaning of a 'just peace', the possibility of the prosecution of war crimes, and the expectations of the Ukrainian population. This perspective was compared with the more 'realist', 'land for peace' argument.

Moreover, the panel and audience discussed framing. Can we really frame this as a regional conflict in Eastern Europe? It was argued that there is a 'framing problem', as this crisis is structural – referring to Russia's domestic politics and ideology - and systemic – referring to being against the wider European security order, freedoms and sovereignty.

Finally, the future avenues for Ukrainian membership in the EU were briefly discussed, as well as the future possible relations with Russia and what kind of Russia policy is actually possible while the fighting is still going on.



# The Ukrainian battlefield: what hopes for diplomacy to secure peace and lead on to reconstruction?

This lively and well-attended session debated how the EU should respond to the US' Inflation Reduction Act (IRA) and what Europe could do to accelerate cleantech investment.

Questions focused on the regulatory differences between the EU and US, the French government's response to the IRA, EU innovation policy more generally, why the EU struggles to deploy new technologies, and where funds should come from – the EU or Member States – for any concerted EU response to IRA.

It was emphasised how the EU needs to be quicker to bring the green transition to the market and that the EU needs to better link its vast R&D funds with tangible, competitive products that can be placed on the market for EU consumers. In short, the discussion is much more complicated than a simple 'US vs. EU' mindset.

### Towards international cooperation and convergence on AI policy

Over the past five years, at least 60 countries have adopted some form of strategy for artificial intelligence (AI), and many are now moving from strategy to policy and regulatory frameworks. Canada, one of the pioneers in this domain, adopted legislation on AI this year. The US government published a blueprint for an AI Bill of Rights in October 2022.

Meanwhile, the EU has followed a unique approach, oriented towards 'trustworthy AI' and the mitigation of harm to fundamental rights and safety caused by the deployment of high-risk AI systems.

This session discussed whether, to what extent, and how convergence should be achieved in the coming months and whether the EU will be able to advocate for its emerging regulatory framework as a blueprint for a global approach to AI. Some of the suggested solutions included making sure that all the different proposed frameworks are mapped to show similarities and differences – with such uncertainty being a major concern for industry – and that where possible, international efforts towards greater convergence are pursued, of which the OECD is currently taking the lead role.

This session received funding from the Horizon 2020 FlexiGroBots project.



### Global leader or Chinese province? Alternative futures for EU integration in 2040?

In late 2021, the GRID (Global Governance, Regulation, Innovation and Digital Economy) team at CEPS and Fraunhofer ISI organised foresight workshops to identify alternative future paths for EU integration. They identified four scenarios, set in the year 2040, which can be read about in more detail <u>here</u>.

The session discussed how foresight is not about predicting the future, but about investigating and exploring different futures so that one can be prepared for what might happen. Foresight is an interdisciplinary, holistic approach that aims to see the whole ecosystem in which our world evolves and societies change.

There was also an emphasis on the need to democratise foresight and cultivate a long-term mindset, because ultimately foresight is about a much harder conversation – where do we want to be vs. where do we prefer to be? What is the preferred image of the future that people are willing to work for?

### Stuck in the waiting room: What does the promise of accelerated accession for the Balkans and the Eastern Trio mean in practice?

The need for the 'gradual' and 'accelerated' integration of EU candidate countries has been widely accepted to already provide concrete visible benefits for citizens during the negotiations process and to help build institutional capacities. Yet, beyond the low-hanging fruit of free roaming, increasing cyber resilience and alignment with sanctions, few agree which areas of the Single Market to frontload and how to restructure the pre-accession process.

After one year of war, the Ukrainian perspective for EU membership was discussed. The panel explored how the European perspective is playing a key role in maintaining the morale of the Ukrainian population, as they're fighting with a clear European future in mind. Still, the EU needs to be sure that the accession process will follow its regular path and conditionalities. Several times during the discussion, speakers and participants referred to the CEPS' <u>Template for Staged Accession</u>' jointly developed with <u>CEP Belgrade</u> as a possible model for reform of the accession process.

#### Inflation strikes back: How to restore control?

After almost four decades of price stability, inflation has climbed to historical highs. Initially driven by global energy and food price increases, the magnitude of the surge caught central banks and markets by surprise. Price pressures are now increasingly broadening to housing and other services, amplified by wages adjustments. This session discussed how central banks can restore control and how far monetary tightening should go in the face of possible recession.

With contributions from the private sector, the European Central Bank (ECB), policymakers and academia, the session was lively and robust. There was acknowledgement across the board that a tight labour market and associated wage increases are not helping to tame inflation but that the alternative – driving up unemployment and purposely slowing the economy – was also not an attractive alternative. There was also a discussion about external factors beyond the ECB's control, such as the tightening of monetary policy in the USA and China's reopening, and how these are likely to contribute to lingering higher inflation in the EU over the coming months.



### CEPS YOUNG THINKERS INITIATIVE: FORGING EUROPE'S NEW FOUNDATIONS

Europe's current young generation will be the first not to improve upon previous ones in terms of wealth, income, and future prospects. Although young people will have to live the longest with the impact of many political decisions, policymaking lacks meaningful youth participation. This popular session, organised by the **CEPS Young Thinkers Initiative**, discussed necessary paradigm shifts and re-framed the most pressing policy questions in four key areas: energy and climate policy, security and defence, trade and technology, and democracy and institutions.

Four of 2023's cohort of talented CEPS Young Thinkers took to the stage and engaged with **Elia Tello**, Minister Counselor for Public Affairs at the U.S. Mission to the EU and **Erik Jones**, Director of the Robert Schuman Centre for Advanced Studies, EUI, in what turned out to be a vigorous debate that touched on many topics of great importance to today's young people.

One key point raised was that even within younger generations, we still tend to only hear voices from the privileged 'Global North' when really, the notion of a 'generation' itself is an oversimplification – that today's global young people are a highly diverse group with different social backgrounds and interests, and many of these voices are simply not being heard. Other concerns raised included that even with youth being enthusiastic to contribute their ideas and energy to solving global problems, they are seldom listened to or taken seriously by older policymakers. On top of this, not enough young people are being elected – only 2.6 % of all parliamentarians worldwide are young people.

One key piece of feedback given included to **not discount the power of incremental change**, that one small change is good and eventually builds up with other small, yet important changes. That if a young person wants to stand for election, they just have to stand up and do it and not wait for anyone's permission – what's the worst that can happen?

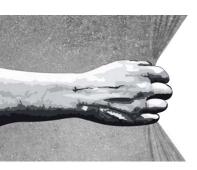
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Thinking ahead for Europe

Secondly, the **power of stories** was emphasised, where young people should seek out the stories of their peers who did become involved in politics, see what they did, figure out how they succeeded. Influencing policy is a combination of narrative and negotiation.

Our Young Thinkers Initiative, generously supported by the Open Society Foundations and the U.S. Mission to the European Union, will be back for Ideas Lab 2024!



### CLOSING PLENARY – GEOECONOMICS IN ACTION, WHAT ROLE FOR EUROPE?

Our closing plenary session, moderated by **Cecilia Malmström**, the former European Commissioner for Trade, discussed whether the EU can continue to be a champion of free trade and the rules-based system when it has imposed unprecedented sanctions on Russia and other major powers, while using trade and domestic economic levers to defend its geopolitical interests.

In the first intervention, **Jens Eskelund**, the Vice President of the EU Chamber of Commerce in China, asserted that China had fully opened its economy again but what was more problematic was the way in which trade was shifting, with the EU's trade deficit with China being 2.5 times the size of Europe's exports to China. The real story right now is the collapse in consumption in China and we'll only know for certain through 2023 if the trade imbalance has become systemic. He emphasised that many companies are now investing in resilient supply chains and the idea of 'de-risking' – but that this is conceptually neither desirable nor realistic in the present circumstances.

**Maria Martin-Prat**, Deputy Director-General for DG TRADE emphasised that the EU is committed to working on a multilateral basis and that 60 % of the EU's daily trade is based on WTO-based commitments and tariffs. She stated that trade policy is a 'competitive sport' and that the EU is redoubling its efforts in bilateral trade agreements that are beneficial to all parties. She also explained that trade policy can also act as a springboard for engagement in other important areas, such as sustainability, climate objectives, labour rights and biodiversity. She gave a concrete example of the possibility of digital trade agreements between the EU and South Korea/Singapore.





Finally, **Roberto Garcia Martinez**, the CEO of Eurobattery Minerals discussed the EU's trade policies from his particular industry's viewpoint. He explained how there are 60-65 individual metals in each smartphone, and most can be mined in Europe, which would help reduce (but not completely eliminate) dependencies on countries such as China. For this, he argued that the EU's new Raw Materials Act should be more flexible as he claimed that the European mining sector is overregulated and that it is very difficult for mining companies to operate in Europe.

To watch the entire session, please click here.

Following the closing plenary, **Jan Zielonka** gave an academic lecture to officially end Ideas Lab 2023, on the topic of 'The Lost Future and How to Reclaim It'. In this lecture, he examined whether European democracy is failing as more and more EU citizens are ever fretful about their futures. He did this by focusing on the 'politics of time and space' in Europe and beyond.

To watch the full academic lecture, please click here.

## **CEPS WOULD LIKE TO THANK ITS IDEAS LAB 2023 SUPPORTERS**

Bertelsmann Stiftung

Centro Studi sul Federalismo

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Deloitte

EFTA

Eurofound

Euro-Mediterranean Economists Association

**European Commission** 

European Investment Bank

European Parliament

Google

Hanns Seidel Stiftung

The New Institute

**Open Society Foundations** 

United States Mission to the European Union

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