CEPS IDEASLAB

CONCLUSIONS OF IDEAS LAB 2024

Celebrating more than a decade of thought-provoking discussions, the 2024 edition of CEPS Ideas Lab returned rejuvenated and reimagined over two days from 4 to 5 March. For its 11th edition, CEPS went back to basics with a key focus on what is it that makes Ideas Lab unique – presenting innovative ideas that spur European policymaking forward and help CEPS to fulfil its guiding mantra: to think ahead for Europe (and the world).

Alongside hard-hitting plenary sessions featuring high-level speakers from academia, institutions and the private sector, we organised 24 dynamic, interactive closed-door sessions and mostly without the use of slides or other audiovisual supports. 7 of these 24 sessions were dedicated to brand new ideas to be considered by policymakers, including the new EU leaders that will begin their mandates towards the end of 2024. The result was unprecedented levels of dynamism in our conversations, and sparks of absolute creativity.

Each idea presented was led by a promoter based on previous research, which had already been summarised into a CEPS Expert Commentary and made available to the audience before each session. The ideas covered a wide range of subjects, including: whether there should be a dedicated Commissioner for Implementation and Enforcement in the Single Market; the launch of a 'moonshot' to create a European Large Language Model; the creation of a permanent EU Citizens' Assembly; ways to fix the EU-US data privacy quarrel with the help of technology; the extension of the Emissions Trading System to the Western Balkans; the use of civil law as a source of competitiveness in EU industrial policy; a staged accession regime for EU enlargement; and the establishment of an *ad hoc* fund for the EU Digital Public Infrastructure. You can find out much more about each idea by clicking here.

Like last year, we organised an evening event at Bozar, like we did last year for our 40th anniversary. This year's debate focused on the upcoming European Parliament elections, and on the evolving concept of European identity. The debate included the participation of five Members of the European Parliament, as well as renowned academics.
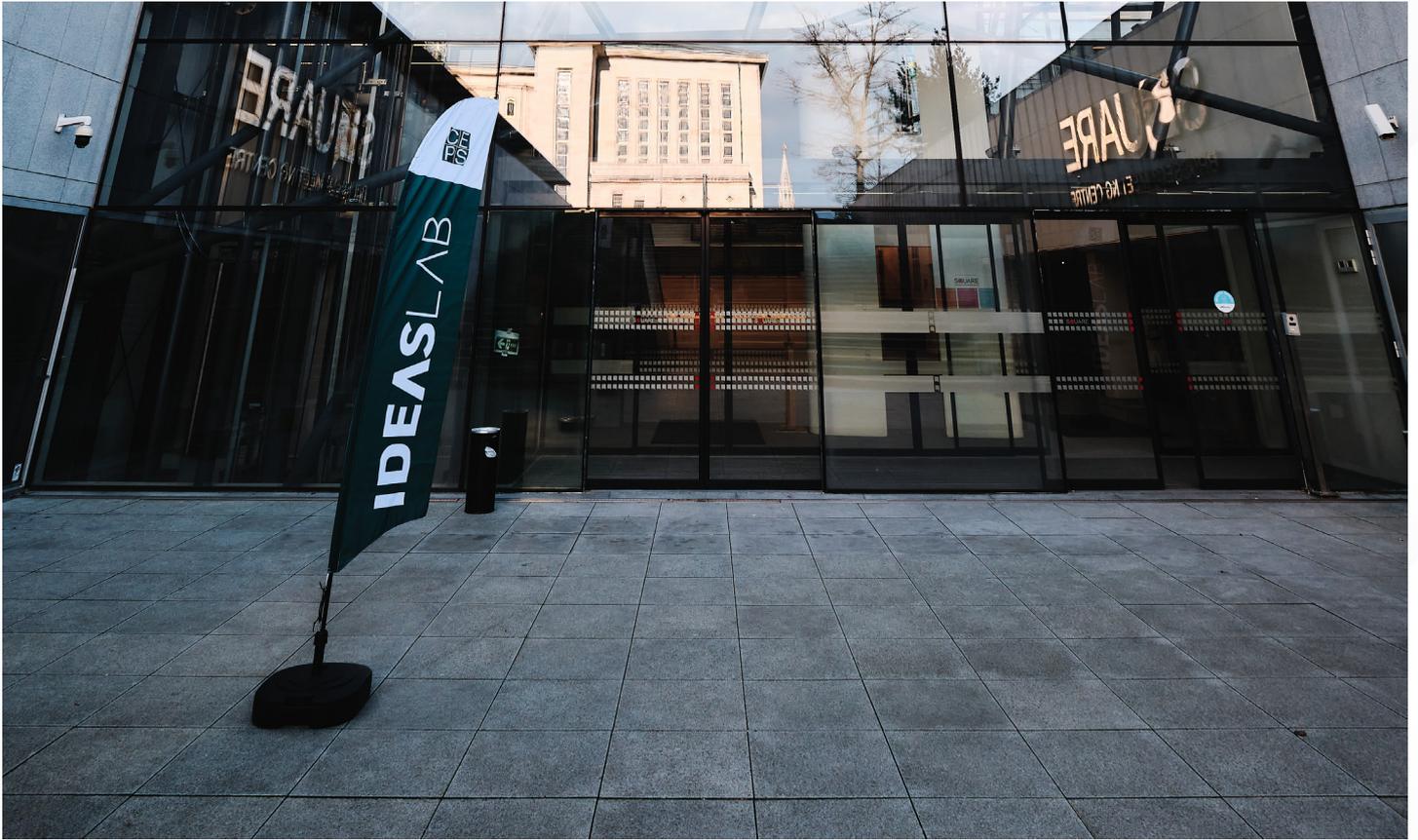
3 PLENARIES

24 SESSIONS

7 IDEAS

With so much policy designed in Brussels for the EU – and the world – CEPS ideas Lab fills a gap in providing a platform for original thinking on the many challenges facing today's world
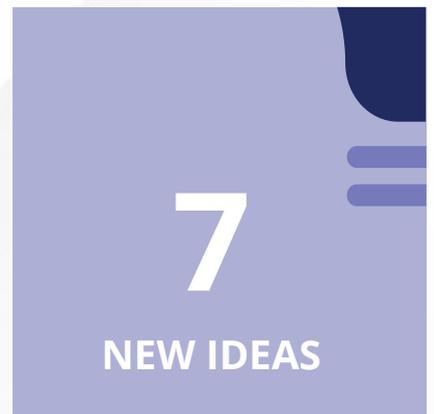
Karel Lannoo, CEO

This year's edition was pivotal for us. We covered an impressive number of topical issues and experimented with a new format, providing ample space for researchers, both young and experienced, from CEPS and beyond, to present their ideas in deeply interactive sessions. Post-Ideas Lab, we're invigorated and confident that we can make this event an engine of policy innovation in the years ahead

Andrea Renda, Director of Research

2024 KEY FIGURES

672
ATTENDEES

SPEAKERS
144

77
BRUSSELS-BASED
ORGANISATIONS

SHARES & LIKES
1.9K

59%
GENDER-BALANCED
PANELS

EUROPEAN OR
GLOBAL
ORGANISATIONS
87

27
SESSIONS AND
PLENARUES

7
NEW IDEAS

SOME KEY HIGHLIGHTS FROM OUR PLENARIES

This year, CEPS Ideas Lab began with a bang with a **warm-up session** that delved into the evolution of public opinion on key topics such as European defence, the conflict in Ukraine, and possible outcomes of upcoming EU elections.

Participants discussed the correlation between political ideology and support for common defence measures, emphasising the nuanced divisions within Europe and the need to distinguish between pro-European and anti-European sentiments. Projections for the European Parliament elections have indicated a rise in support for right-wing groups, raising concerns about the impact on European unity and key initiatives, including support for Ukraine.

> *It'll be easier for those who ride on fear to go through the campaign*

Dita Charanzova, MEP

> *We're moving from an agenda predominantly about the climate to an agenda on defence. There is a sense of fear from Europeans on what is coming, and this clearly brings the numbers for both the far-right and far-left up.*

Vessela Tcherneva

Many of these themes were also explored in further detail during the **Opening plenary session**, which began with remarks from **Belgian Foreign Minister Hadja Lahbib**, who stressed the importance of safeguarding democracy from external interference through clear transparency rules, particularly regarding online platforms. **Marija Pejčinović Burić** of the Council of Europe highlighted the organisation's efforts in supporting democratic values, including standing with Ukraine, addressing environmental challenges, and regulating AI.

> *Behind democracy lies hidden values*

Hadja Lahbib

> *When we talk about security, it's about democratic security. We [The Council of Europe] don't deal with defence but what we do is preventive.*

Marija Pejčinović Burić

The opening plenary session also included fireside chats with **European Commission Executive Vice-Presidents Valdis Dombrovskis** and **Maroš Šefčovič.**

The discussion with Vice-President Dombrovskis centred on the outcomes of the most recent WTO Ministerial Conference, highlighting both positive developments such as the extension of the e-commerce moratorium but also concerns including agriculture and subsidies. Emphasis was placed on supporting the WTO to uphold the multilateral trading system and addressing potential economic coercion from systemic rivals and allies.

Meanwhile, Vice-President Šefčovič focused on the ongoing relevance of the Green Deal amidst global challenges, emphasising the need to frame it within a competitive business case to attract private investment and ensure economic competitiveness. Also noted as important going forward was resource mobilisation for Green Deal objectives, completing legislative files for a unified 'green market', and the importance of showing empathy towards sectors like agriculture.

To watch the full presentation, please click here.

If you see something in our legislative programme that makes your life hard, that causes technology block – let us know... we need more private investment, more private funding.

Maroš Šefčovič

On the second day, the audience was treated to a truly fascinating and thought-provoking (as well as humorous) presentation on industrial policy by **Ricardo Hausmann**, who delved into the worldwide convergence puzzle, attributing widening income gaps to disparities in technological advancement between nations.

The following panel discussion debated the role of regulation and innovation in shaping industrial policy and stressed the need for a cohesive approach at the EU level to drive technological sovereignty and competitiveness. Discussions also revolved around the need for state capacity and strategic alliances to navigate the complexities of global supply chains and ensure Europe's leadership in key industries such as renewable energy.

To watch the full presentation, please click here.

Open, sustainable and autonomous are the three keywords in the EU's economic security toolbox.

Valdis Dombrovskis

There is no such thing as smart specialisation – only smart diversification.

Ricardo Hausmann

> *Dialogues with industry will be very important but we need the right format so not to fall into the incumbency trap.*

Hadja Lahbib

> *We all agree on the overall framework of the Green Deal – the problem is in the instruments and implementation. Industrial policy is currently focused on existing industries and technologies, not future ones.*

Sylvia Schwaag-Serger

Finally, the focused on international cooperation and governance for artificial intelligence (AI), with participants emphasising the need for inclusivity and collaboration across regions and stakeholders. The role of regulation, capacity building, and talent development, especially in Africa, was discussed, with a focus on leveraging AI for local solutions and addressing ethical considerations.

To watch the full presentation, please click here.

> *It's very important to involve all regions and all stakeholder groups in AI governance.*

Ricardo Hausmann

A SPOTLIGHT ON THE SEVEN INNOVATIVE IDEAS

An EU Commissioner for Implementation and Enforcement

The von der Leyen Commission has engaged in intense regulatory activity over the past five years due to having to try to shape Europe during a period of enormous challenges. To ensure this recent regulatory push successfully reshapes our societies, a dedicated Commissioner tasked with ensuring coherent, consistent, and effective implementation and enforcement of EU laws is vital. Read the full Expert Commentary here.

Getting EU enlargement back on track

The recent decisions to open accession negotiation with Ukraine, accompanied by major financial support, are excellent, but they risk being totally undermined by the US possibly deciding to cut its own supply of military equipment. Besides Ukraine, the Commission's Growth Plan for the Western Balkans is good but needs to be strengthened with an explicit link to the formal accession process. Read the full Expert Commentary here.

Launching an 'AI moonshot' to develop a European large language model

The von der Leyen Commission has engaged in intense regulatory activity The changes in society being led by AI are immense, yet the most powerful language models are being developed outside Europe by companies such as OpenAI, Google DeepMind and Anthropic. This is why the European Commission should launch a dedicated mission for a collaborative European language model to ensure Europe doesn't miss the AI boat. Read the full Expert Commentary here.

Finally fixing the EU-US privacy quarrel – with PETs

The EU and US should refine regulatory guidance on privacy-enhancing technologies (PETs) and clarify how their development, implementation, and deployment can bolster accountable privacy practices, domestically and for cross-border data transfers. While this won't singlehandedly overcome long-standing legal frictions, this can strengthen the EU and US' trust-building initiatives within multilateral forums and continue to foster transatlantic convergence on data protection practices. Read the full Expert Commentary here.
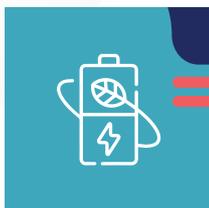
To increase EU competitiveness, civil law is one of the EU's 'hidden treasures'

A consensus is now building that structurally improving EU competitiveness is a condition for protecting and enhancing the EU's geopolitical position, for implementing the twin green and digital transitions and, in general, for preserving the European way of life. Relying on its civil law heritage as the backbone for turbocharging the EU's competitiveness truly is one of its 'Hidden Treasures' that simply cannot be emulated by other global trading blocs. Read the full Expert Commentary here.

Strengthening participatory democracy in the EU with a permanent Citizens' Assembly

EU citizens have multiple participatory instruments at their disposal and while these mechanisms are broadly welcome, they have remained too timid and largely ineffective in bolstering bottom-up participation. By creating a Standing Citizens' Assembly, the EU could serve as a true laboratory for a radical transformation of democracy beyond the state – it's an opportunity that shouldn't be passed over lightly. Read the full Expert Commentary here.

Rapidly including the Western Balkans into the EU ETS

The Western Balkans power sector is close to collapse. Fast-tracking full accession of the Western Balkans power sector into the EU Emissions Trading System (ETS) would demonstrate to the Western Balkans the reality of their European perspective and to the EU, the readiness of the Western Balkans to align themselves with ambitious EU climate objectives. Read the full Expert Commentary here.

A THEMATIC ROUND-UP – KEY INSIGHTS FROM ACROSS OUR VARIOUS LAB SESSIONS

Institutional reform and EU enlargement

- Previous attempts at participatory democracy in the EU have faced challenges, but these can be overcome by including diverse voices, transparently addressing hard political questions, and providing expert education on topics to be discussed.
- Visibility, transparency, and managing expectations are crucial for the success of citizens assemblies and their potential for long-term social impact.
- Geopolitical momentum should be leveraged to advance the EU enlargement process, with bold action and a clear perspective on the next steps, including the setting of intermediate milestones.
- Reaffirming commitment to the Western Balkans must include addressing issues such as stimulating political will and effective communication about integration and its benefits.
- A staged accession model allows for the gradual integration of sectors into the single market, which are anchored in formal negotiation processes and connected to comprehensive reforms in areas such as public administration and the rule of law.
- Leaders of candidate countries must actively pursue reforms and engage with the EU, as well as utilise their available tools to address Euroscepticism and ensure progress.

Upcoming elections

- Peace, defence, and migration are the top priorities for European voters, above all other issues, including climate.
- The future of the pro-European coalition in the Parliament is in question - can it adapt by integrating its less enthusiastic, more Eurosceptic members?
- Prebunking (creating mental immunity against misleading arguments) could be used, as part of larger long-term strategy, to tackle the most prevalent misleading narratives.
- Work to prevent misinformation, however, needs to look beyond citizens' simply lacking awareness of key issues and their intricacies.
- Identifying the core of the misinformation problem, and the right platform on which to fight it, remain key issues for election integrity.
- Democratic security starts with the political engagement of citizens, but also requires multi-level transparency and freedom from foreign interference.

External relations (foreign and trade policy)

- The primary priority for the EU today is stabilising Ukraine and ending the war. This requires a united EU in its support for Ukraine. Stabilising the Western Balkans is also important.
- Ukraine and the EU need to move away from relying on the US in terms of its defence and reconstruction capabilities, especially given that future support for Ukraine from across the Atlantic cannot be guaranteed.
- Left-leaning citizens are the most in-favour of a European common defence policy.
- The value of the WTO remains undisputed, but its current reforms are unsatisfactory. Structural change is needed to increase flexibility and thus facilitate progress.
- There was consensus that 'friendshoring' would lead to uncertain systems and welfare losses for all involved parties – Europe should continue with its support for the multilateral system.
- Private companies are already adapting to risks by increasing stock and diversifying supply chains, moving towards a 'just in place' strategy rather than 'just in time.'
- Concerns were raised about the inherently political nature of 'friendshoring,' as this leads to instability, uncertainty, and difficulty in defining who qualifies as a 'friend.'
- The current multilateral system provides flexibility for countries and firms that no other system can offer.

Economic policy, industry and skills

- Supply shocks, exacerbated by the Covid-19 pandemic and energy price fluctuations, were the primary drivers of inflation over the past couple of years, alongside demand-side effects from fiscal expansion and monetary policies.
- Central banks, including the ECB, demonstrated their commitment to inflation targets through timely action, albeit with some initial delays in reacting to inflation. However, it is now broadly recognised that the ECB has now got inflation under control.
- An effective and forward-looking industrial policy requires working out what industries need to make use of technology, to keep adoption and skills up with the development of (green) technology.
- To close the technology gap there needs to be dialogue with varied stakeholders, particularly cross-sector knowledge exchange.
- Historically labour market policy discussions have centred on unemployment – now they're on labour shortages.
- There is a substantial evolution in the labour market due to climate change and the digital transition, as well as an aging population. The effects of this will be felt differently across sectors, regions, socioeconomic groups, and types of work.
- More wide-reaching and coordinated policies, funds, and technical support are needed. The goal is not only to get people (re)skilled for the changing needs of the labour market, but also to get people onside.
- Challenges remain in adequately measuring the skills transition, addressing job dissatisfaction, and securing the necessary funding.

Energy, environment and the Green Deal

- For a just transition, policy solutions need to be coordinated, including standardising regulations, proactive reskilling initiatives, and engaging social partners to garner support and address the socioeconomic dimensions of job creation and quality.
- To ensure the Green Deal is competitive is challenging due to diverse interpretations of what the Green Deal is and a lack of conceptual clarity. This means redefining competitiveness beyond traditional notions.
- There is the need for a strong marketing tool to bridge the narrative gap and effectively communicate the benefits of the Green Deal to diverse audiences.
- Policymakers should establish flexible governance frameworks that balance social equity, environmental protection, and economic incentives.
- Tax systems can be aligned with net zero goals through mechanisms such as green taxes and tax incentives, although current systems often include incentives misaligned with environmental objectives, such as those for fossil fuel use.
- Emissions taxes, while challenging due to cost implications and their potential impact on vulnerable groups, can be combined with cost-reducing measures and revenue allocation strategies to facilitate a smoother transition to cleaner assets.

- Carbon pricing is crucial for climate policy, driving differentiation between clean and dirty alternatives, but must be complemented by other policy instruments to address global emissions reduction efforts and the prevention of carbon leakage.
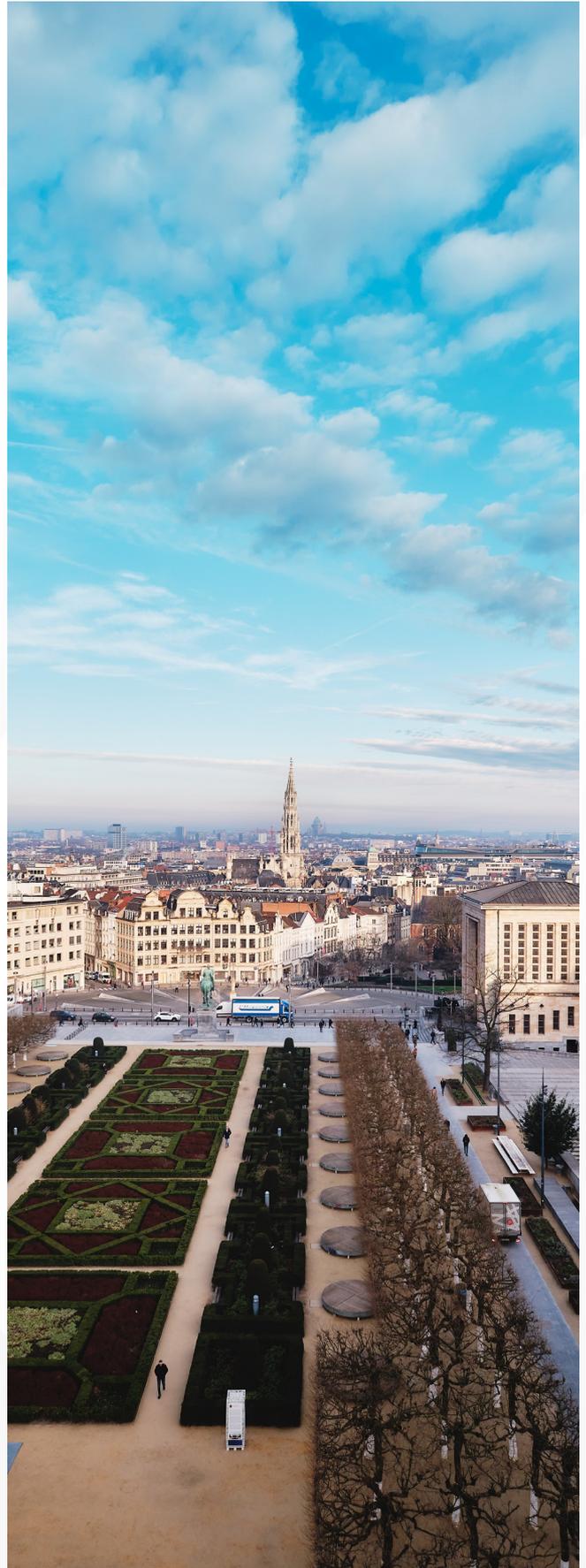
AI and technological innovation

- A European Large Language Model (LLM) is deemed essential for ensuring control, leadership, and trustworthiness in AI.
- Challenges in LLM implementation include biases in data sources and Europe's dependence on capabilities developed outside the region, thus there needs to be strategic planning and dedicated infrastructure development.
- Emphasis should be placed on fostering trustworthy AI and leveraging Europe's existing strengths.
- Concerns about technology dependence and governance to ensure responsible and value-driven innovation need to be addressed.
- There is a mismatch of EU-US policies on the data protection side, with no clear way to solve the transatlantic data transfer dilemma.
- The proposal for a EUR 10 billion EU tech fund to invest in research, innovation, and digital infrastructure has been gaining traction, backed by several EU Member States.

- Defining and implementing 'sovereignty' in the digital era requires clarity and alignment with existing initiatives and state aid frameworks.
- Calls for reframing sovereignty with a human rights approach and ensuring equal access and opportunities for all Member States underscore the broader challenges that the proposed tech fund would face to become operational.

Justice and home affairs

- There has been progress in the EU about addressing rule of law backsliding but there is still a way to go - implementation and enforcement need to be strengthened
- The rule of law, democracy, and fundamental rights should be more clearly linked in EU policy. To safeguard one requires the protection of all three.
- Responsibility shifting in asylum policy is dangerous and goes against the Article Two establishment of a community based on EU values.
- The New Pact on Asylum and Migration does not solve current problems affecting the lives of individuals seeking asylum, as people continue to experience violence and death during the process.
- Across justice and home affairs issues, there remains a need for European unity on the idea of a common good, solidarity beyond borders, and for transparent governance.

HIGH LEVEL DEBATE AT BOZAR
ON THE EUROPEAN ELECTIONS

Will the European elections of 6-9 June 2024 be a test for the European institutions? These five-yearly elections will allocate 720 seats in the European Parliament to help guide EU decision-making. They will be crucial elections, especially after the current European Commission's huge legislative output and Russia's invasion of Ukraine.

Many argue that European values themselves are at stake. Will these elections finally see voters casting their ballot on truly pan-European issues? Or will they once again be 27 *de facto* national elections decided only on narrow national issues?

Timothy Garton Ash, Professor of European Studies at Oxford University and renowned journalist, CEPS' Director of Research **Andrea Renda**, CEPS Researcher **Sophia Russack**, **Kalypso Nicolaidis**, Chair in Global Affairs School of Transnational Governance, EUI, and moderator **Meabh McMahon** of Euronews, spoke about these issues (and more) to a packed Bozar hall following the first day of Ideas Lab.

Other participants included **Damian Boeselager** MEP, **Domenec Ruiz Devesa** MEP, **Daniel Freund** MEP, **Danuta Hübner** MEP and **Eva Maria Poptcheva** MEP.

Kalypso Nicolaidis · Timothy Garton Ash · Andrea Renda · Danuta Hübner · Domenec Ruiz Devesa · Damian Boeselager · Eva Maria Poptcheva · Daniel Freund

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