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FOREWORD

SÁNDOR GYULA NAGY, EDITOR

There are moments when the future of the European Union is obscure and uncertain, especially when the coming future of the integration and the main questions that have remained unanswered are a matter of harsh political debates. Neither the politicians, nor the average citizen know exactly where the integration is currently heading to. With this issue of the Foreign Policy Review, titled as "Stronger Together: What Future Awaits the European Union?", we aimed to bring some clarity into the discussion and generate new ideas within. These new ideas fortunately arrived from various, sometimes unexpected, sources which reflected the increased attention toward the topic, regardless of the location or expertise of the people who took considerations on it. Therefore, the selection among the articles (after the double-blind peer review) was challenging and scientifically entertaining at the same time. As a result, I hope that the readers enjoy surfing on the different ideas of the authors from the global to the regional level perspectives, as well as from the theoretical to the practical approaches.

These authors are representing various universities from Hungary through France, Italy and Spain to Peru, which results in a volume embracing diversity among their views, while they stay united at a critical point. They all agree on the remarkable role that the European Union plays on the a political, economic and social stage of the continent as well as of the globe, and which role is expected to increase in the future.

That is not surprising, as the majority of the EU citizens (based on Eurobarometer data) had a definite positive opinion about the Union as a whole in 2017, which increased since the year before. They found the Union's respect for democracy, human rights and the rule of law as the main assets of the Union, and rated the unemployment, the social inequalities, the migration and terrorism-security issues as the main challenges last year. They also believed that more decision-making should have been taken to EU level in several questions from fighting terrorism to dealing with the migration from outside the EU. And for the future of Europe, they considered the establishment of comparable living standards to be the most helpful.

Therefore, in line with the thread and agreement of the authors of the 2018 issue of the Foreign Policy Review, and of the citizens in the most important questions of the EU today, the main conclusion or essence of the volume is how people should believe in or think about the future of the European Union: as an integration that stays "United in Diversity".

THE ROLE OF NATIONS IN THE EUROPEAN INTEGRATION PROCESSES

TIBOR PALÁNKAI

Abstract: The present integration processes are composed of international (global and interstate regional) and national integrations. They interact, they are mutually dependent, and their proper functioning determine the stability and performance of the whole structure. The EU and the national level regulation are the two basic "legs" of multi-level governance. The national level has the most complex and efficient institutional and regulatory structure, as well as the broadest democratic and legal mandate. It can be reasonably presumed that the EU's future lies in a certain federal configuration, however, only the multinational federal structures can be acceptable. A "multi-speed" Europe is already a reality. The model can only be supported on conditions.

Keywords: global integration, interstate regional integration, national integration, multi-level governance, multi-national federation, multi-speed Europe

THEORETICAL FRAMEWORKS

Integration as community forming and development, is a *complex, multi-level, multi-dimensional and multi-functional process,* that creates different types of socio-economic organisms. However, *integration can also be understood as a historical process.* It seems evident to claim that it has not recently begun, in the past few decades, but many thousands of years ago: first with families that lived in tribes, later in villages and cities, that eventually became part of nations, and lately the global society.

Integration can be either *an enforced or an organic process,* while historically it is a combination of both. Enforced integration is the characteristic of an oppressive society, and is imposed upon the society by individual persons or collectives, through the operation of the state or the market; it might be based on tradition or physical or subjective constraints.

In contrast, organic integration is based on internal driving forces: it is a structured process with close interaction among the different components; it is characterised by coherence, and is performance-oriented. Organic integrations

presuppose democracy and the normal functioning of market forces. The proportions and relations of organic and enforced elements of integration *have constantly changed throughout history. In contemporary integrations, organic factors get into the foreground.*

Different types of communities can be distinguished along whether they are based *on direct or indirect internal relations or on the exchange of activities and information*.

The main frameworks of *direct (natural) exchange of activities* are *families* (in economic terms: households), *workshops, factories or any other* (cultural, artistic or sports) *types* of *organisations*. Historically, in nomad and agricultural societies, direct production integration was closely linked to families, tribal or other small organisations (guilds). The industrial revolution brought the birth of modern production organisations, such as manufactures or factories. Simply put, in this case, we can speak about *micro-integration.*

The *exchanges of activities can be indirect, which are transmitted through market mechanisms and money.* At a certain stage of human development, the *market becomes the basic form of social organisation.* Market as a set of *indirect relations, is the basic framework of macro-integration.*

There are spheres and sectors, where the individuals' participation and operation are of both direct and indirect characters. These spheres or sectors have a mixed character and have intermediary or transmission roles. To mark them, I introduced the notion of *mezzo-integration.*

Accordingly, the recent integration processes can be structured in the following way:

a) *Macro-integration:* international (global and interstate regional) and national integration;
b) *Mezzo-integration:* transnational company and global city networks; religions - churches.
c) *Micro-integration:* families; workshops, factories and individual companies; socio-economic associations, NGOs, civil organisations or the multiple types of informal associations.

I focus on international integration, which is a new phenomenon, and is composed of interstate regional and global integration. I pay particular attention to the present relations and role of nations in these international integration processes.

Interstate regional integration is not only a new development, but a major component of international integration. According to WTO data, there are dozens of such integration organisations (NAFTA, ASEAN, Mercosur, etc.) ranging from free

trade areas to economic unions. With some few exceptions (such as North Korea or Cuba), all of the ca. 200 countries of the world participate in at least one regional integration organisation.

Among them, the EU with its uniquely high level of integration (integratedness), is the prime example: (1) it is based on a high intensity of relations, interconnectedness and relatively balanced interdependences; (2) it is the only form of integration with a closely *complex single internal market* and *single currency* (the 19 members possessing 77 percent of the total GDP of the EU); (3) it has extended the *principle of cohesion to the level of the Union*; (4) it commands a *certain political identity* (*polity*) with *several elements of supra-nationality;* (5) it aspires to become a *global power;* and (6) the EU is considered as *a model for regional integration*.

The present international integration is characterised by the *intensification of the internationalisation of national economies* - which shows the other side of international integration. Fully closed national economies never existed since they had to rely on external relations to a varying degree, and many of them (small and underdeveloped countries) were externally highly dependent on world markets from the beginning. Now the internationalisation of national economy has entered into a new intensive stage. It means a high intensity of cooperation and communication, increased interconnectedness and interdependence.

In a study, we drew a picture about the state or level of integration (integratedness) of the EU countries with particular attention to Central Europe.[1] In the summary of real-integration, we chose six parameters (in our broader analysis, we used a dozen) for a synthetic evaluation of the performance of EU members, and on the basis of this scoring, we ranked the countries into five classes (extremely high, high, medium, low and no integration).

In conclusion, the data indicated a high level of real-integration among the majority of EU members. Out of the 27countries, 20 fell into this category.

– The *"extremely highly integrated"* category involved 8, mostly small developed core and some Central-Eastern European countries.
– The *"highly integrated"* category involved 12 large countries and some of the small developed countries.
– The *"medium level integrated"* category involved 7 countries from the South of the EU (except Spain), the Baltic countries (except Estonia), and an Eastern Balkan country. In some cases, the performance can be low or marginal (the trade integration of Cyprus or Greece).

In terms of institutional and regulatory aspects,
the 19 members of the Eurozone qualify for a high level of integration.

Medium level	Highly	Extremely highly
integrated countries		
Bulgaria	Denmark	Austria
Cyprus	Estonia	Belgium
Greece	Finland	Czech Republic
Latvia	France	Hungary
Lithuania	Germany	Ireland
Malta	Italy	Luxemburg
Portugal	Poland	Netherlands
	Romania	Slovakia
	Slovenia	
	Spain	
	Sweden	
	United Kingdom	

Presently, *global integration* can be considered as the other major novel phenomenon. I do not wish to take a position, with regard to the history of globalisation.[2] There are convincing arguments about dating the globalisation process from the early empires (Mongols or Roman), from the discovery of America or from the industrial revolution. It is important to note here that in the decades following World War II, the globalisation turned into a global integration. I agree with David Held's distinction between the four main stages of globalisation: pre-modern (9-11 thousand years), early modern (1500-1850), modern (1850-1945) and contemporary globalisation (after 1945).[3] According to my opinion, global integration is related to this latest contemporary phase of globalisation. Thus, the global integration is new here and not the globalisation.

Globalisation as integration is defined by J. N. Bhagwati: „Economic globaliza-tion constitutes integration of national economies into the international economy through trade, direct investment (by corporations and multinationals), short-term

capital flows, international flow of workers and humanity generally, and flows of technology."[4] "By many standards, then economic integration had become a hallmark of globalization."[5]

International integration is structured by the co-existence and interaction of a great number of other communities as well, the functioning of which can largely determine the stability of the whole integration process itself. *TNCs, global cities and churches,* or the role of such principal communities as *families, NGOs or civil organisations* should not be neglected either.

THE DEVELOPMENT OF NATIONAL INTEGRATION

Historically, national integrations have emerged in the last two-three hundred years or so, structurally, they have been related to the industrial revolution, and in social-political terms, they can be aligned with capitalist transformation.

In 1914, there were only 65 independent states in the world (26 in Europe, 22 in America, 8 in Asia, 3 in Africa and 3 in Oceania).

The vast majority of the present about 200 nation states were created after the First, and then particularly after the Second World War, in the process of decolonization. In terms of gaining independence, the latest newcomers in Europe, have been the Baltic States and many Post-Soviet and Post-Yugoslav states.

During this time period, nation states have undergone fundamental changes, today they essentially differ from those of even half a century ago. Historically, national integration was based on the intensification of local economic cooperation, generated by the industrial revolution. Industrialisation boosted trade and led to the creation of national markets and monies. In general, communication played a special role, which was accelerated by the national media – national journalism and the educational system at first, which was then followed by the radio and television. The creation of "literary" and "official" language, and then the national identities were also important elements of this process.

The national states took broad regulatory functions, and based on national markets, the main institutions of policies (modern treasuries or national banks) have been created. The regulatory roles that the national states started to play in the 1930s, have led to the *emergence of the model of regulated market capitalism*.

With the emergence of capitalist societies, national integrations have taken an increasingly organic character. Contrary to former oppressive societies, such as slavery or medieval serfdom, labour and capital relations were marketized, and socio-economic relations were organised by the market and democratic principles. The element of enforcement in national integrations, however, remained strong from the beginning, both internally and externally.

National states have been organised along very different principles, and their development, character and performance have been based on several factors, such as political, economic, geographical, historical, cultural features and many other factors. The nation is only a general community framework, its characteristics and performance come from these above listed factors.

The dominant trend of national integration was to create a culturally, ethnically and politically *homogenous nation state*. We have to stress that ethnically homogenous nations are basically unrealistic objectives. According to UN University data: "on our planet about 5000 ethnic groups exist, who according to UN Charter can claim national self-determination. From them about 400 would be able to create an independent state, and about 80 are actively fighting for that aim."[6] Most of the traditional "nation states" have a smaller or a larger number of ethnic minorities within their borders.

The concept of the "*ethnical nation*" stresses such community forming factors as common origin, common cultural and linguistic heritage, certain common attachment to a dominant religion, or common historical and political fate. The "*cultural nation*" means people speaking a common language, with individuals who share a common cultural background, but regardless of which state's territory they live on.

The objective of the *homogenous nation state* is usually an attempt to *bring the dominant ethnic groups into a monopolistic position*. These groups try to subordinate the others, like the territories. The main form is assimilation, which can be declared ("melting pot"), can be spontaneous ("natural") – this is the dominant way –, and can be enforced. The latter can be realised through ethnic cleansing like the extermination of aborigines (Indians or Maoris) or a series of ethnic genocides, even if these states otherwise claim to be "democratic" ones. It was often a source of international conflicts, when a given nation state tried to acquire or "protect" its ethnic minorities living in neighbouring countries.

Addressing and settling the disputes of ethnic autonomy and minority rights, therefore, have always been important factors of stability in national integration. In this respect, countries have differed in their performance, and this has been the case until recently. In the process of democratisation of the last decades, however, these related tensions have come onto the surface, and they appear now as one of the most serious democratic deficits of nation states all over the world.

The nation state building in Western Europe had already been consolidated by the 20th century. In the Eastern part of the continent, the national states were created, primarily, during the 20th century, in fact, in two waves. They were born after the First World War as a result of the collapse of the Ottoman and the Habsburg empires, and then after 1990 by the disintegration of two Socialist federations (the Soviet Union and Yugoslavia). Consequently, all the major ethnicities of Central Europe and the Balkan acquired national statehood. (Except the Roma

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who, however, do not have such an ambition.) Accordingly, now there are 28 nation states in region. "At the moment, only six states can be considered as homogenous nation states, where the share of minorities does not reach 10 percent. Although in many cases, the share of minorities is disputed, Albania, Poland, Hungary, Armenia and Czechia are such homogenous nation states."[7]

"Geographically, in the period between 1908 and 1999, borders in Central and Eastern Europe changed at least ten times, even when there were no wars. Rare instances of something similar occurred in other European regions, such as the dissolution of the Norwegian-Swedish Union in 1905, the reiterate annexation of Alsace and Lorraine between France and Germany, and the United Kingdom-Ireland separation in 1921."[8] The Second World War did not create new national states but rather changed the status (Baltics, division of Germany) and the territory of some of the countries (Poland or Soviet Union).

In Western Europe, within the framework of the broad democratisation of the last decades, there has been an extension of minority and nationality rights, and in many regions, the changes in local autonomies and self-determination have often been exemplary. After many years of bloody conflicts, para-military organisations fighting for partition such as IRA or ETA have been disbanded.

In the East after 1990, the process was more or less peaceful, although in some cases, it was accompanied by bloody civil wars (e.g. the post-Soviet and post-Yugoslav disintegration). However, minority problems have prevailed. Open conflicts were mostly handled, but the restriction of minority rights and the rejection of otherwise legitimate claims for local autonomies have remained acute problems and potential causes for both internal and external disputes. Obsolete nationalistic mentalities do revive from time to time, and in the region, we are still far away from European value-conform solutions of the 21st century.

In recent years, the "neo-nationalist desires and partition strategies are posing" serious threat to integrity even in some old established Western European nations. "Claims to national self-determination, meaning state independence, have affected the stability only of some East European countries such as Ukraine and Georgia, but – quite unexpectedly – also of Western Europe, especially some important EU member states, such as the United Kingdom, Belgium or Spain."[9]

The process, however, is not primarily connected to ethnic disputes, but is reflecting a certain *distribution conflict* to a large extent. There is a striking similarity among the Catalan, Lombard or Flemish arguments in that their claims for secession are based on the problem that they pay more into the central budget than what they receive from it. Of course, the problem is not that Catalonia or Flanders are obliged to pay higher taxes, their higher tax transfers stem automatically from their higher development and performance levels. It is another question that the budgetary transfers

are only one dimension, in fact, far not the most important one in the balance of advantages and disadvantages of any integration. The composite balance of all costs and benefits can be totally different from that, and be it Brexit or Catalonia, it does not actually support any secession. The populist-nationalist agitation is only an addition to this trend. This new wave of disintegration "would have a more comprehensive effect, with geopolitical implications for both Western and Eastern Europe. Admittedly, however, all of these claims might not necessarily lead to independent states."[10]

If we look beyond Europe, it is clear, that the process of national state building is far from complete and in the last about half a century, we can experience a *remarkable political and economic development of a great number of countries*. Among them, the first were *the "Asian Tigers",* which not only produced impressive rapid growth, but achieved remarkable successes in several sectors in the global markets. The number of *"emerging"* (among them Central and Eastern European) and *"break out nations"* is quite high, and it would be long to list all of them. The acronyms, like *BRICS* (Brazil, Russia, India, China and South Africa), *MIST* (Mexico, Indonesia, South Korea and Turkey) or *"Gold Coast economies"* (Mexico, Peru, Chile and Columbia) are well known from the daily newspaper headlines.

Based on their rapid (often two-digit) growth rates, these countries have succeeded in improving their global ranking in GDP per capita and other parameters of development. They have achieved substantial structural change and have proved to be able to create sectors or companies, which successfully compete on the global market. We can observe in these countries the development of infrastructure and the level of education, the creation of welfare systems and the establishment of democratic political institutions and structures. All of these can be considered remarkable, even if we can experience big differences in the performance among these countries and in different periods.

It was an unfortunate development that after Second World War several artificial nation states were created with arbitrary borders drawn by the former colonial powers. This arbitrary division led to the separation of ethnic groups, which then culminated in ethnic and tribal conflicts. In organic national integration processes, these local communities or tribal differences simply blend together, and can be tamed into folkloristic or touristic curiosities. In enforced national integration systems, however, such arbitrary divisions lead to bloody tribal wars, which was the case in Africa and, more recently, in Iraq, Syria, Somalia, Yemen or Libya. There are some non-performing countries outside Africa and Middle East (Venezuela).

At present, these intra- or interstate national conflicts are contributing factors to the destabilization of the global community, in some respects, threatening even the cohesion of the European Union.

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CHALLENGES FACED BY NATIONS
IN THE AGE OF INTERNATIONAL INTEGRATION

International integration has substantially changed the position of nations. Present day societies are often called as „post-national", which implies that national states gradually lose their rationale, and are melting in the process of globalization. "In summary, declinists argue that globalization presents the traditional state with a set of profound challenges which seriously question that institution's appropriateness to contemporary circumstances. Economic forces are said to render the state unable to act except for slight manoeuvres around the fringes. Forces from above and below are challenging its monopoly on authority; they limit its capacity and transnational threats reveal its manifest inadequacies."[11]

Since the 1970s, international integration has posed *new challenges* primarily *to national regulatory roles,* and it has become clear that some fundamental changes are needed.

1. A growing range of activities are organised globally and get outside the scope and possibilities of the national state's control and regulation. "Many material conditions in the current globalizing world have made statist governance unviable. Computerized data transmissions, radio broadcastings, satellite remote sensing and telephone calls do not halt at customs posts. Internet use by transborder criminal networks present states with major challenges. Electronic mass media have also detracted from a state's domination over language construction and education. Nor can a state exercise complete authority over transplanetary associations or global companies. With the development of global currencies, credit cards and the like, even the most powerful state has lost unqualified authority over money supply and exchange rates. Nor can a state successfully assert supreme and exclusive rule over the global financial flows that pass through its jurisdiction (or can it?). Electronic commerce, intra-firm trade, offshore financial centres, derivatives and hedge funds have all substantially compromised state abilities to raise tax revenues. Transworld ecological developments such as ozone depletion and biodiversity loss have similarly contradicted the material territorialist preconditions of state governance."[12]

2. Due to the international integration and interdependence, the basic economic *processes* (growth, inflation, employment or equilibrium of economy) and policies have become largely determined by external forces, and the possibilities of influencing them by the national states have drastically shrunk. The operation,

performance and welfare of nations are increasingly conditioned by global competitive forces - that was demonstrated particularly in the present financial crisis. "After the debt binge of the last decade, which lifted all nations, the new area is one of moderate, uneven growth, with much wider gaps in performance between rival economies and markets. It's a tough age, but also very fair in the sense that there is no global tailwind for any nation, no matter whether it is developed or emerging. Now everyone has to row."[13]

3. The operation of the global markets represents a *disciplining force*, and they are often supported by international institutions (IMF or World Bank) or policies of transnational companies. "Market discipline is said to have dramatically reduced the range and character of economic policy making. Its core is a deregulated open economy in which tight fiscal policy is the order of the day, the social welfare spending is kept to minimum, the taxation regime is firm-friendly, non-progressive and structured around indirect mechanisms such as consumption taxes, the labour market must be flexible, and the monetary policy is run by an independent central bank fixed on a low-inflation target. Attempts to deviate from this minimalist model will result in global markets imposing severe penalties."[14] The issue is highly controversial, but it can be acknowledged that it can have a positive impact on irresponsible and corrupt governmental policies.

4. It is an important new development that in the last decades, *knowledge and information have become the most important production factors.* This has been accompanied by fundamental structural changes and has been associated with *deterritorialization.* The share of primary sectors, connected to territory or land (mining and agriculture), has lost dynamism and has been marginalized. Just after the war, even in the developed European countries, the share of agriculture was around 25-40 percent. Now it is about only 2-4 percent, while less than 1 percent of GDP comes from mining. At the same time, from the aspects of production and influences, information has been upgraded, and has become the most important factor of efficiency. „In summary, globalization is characterized by change in political, economic, military and environmental life due to reorganization of spatial relationships in which geography and territory no longer play the kind of determinative role that they played in the past."[15]

5. The *new social, political and cultural developments* have broad ranges which challenge the traditional concept of the nation. We can see, that "human societies have increased in complexity and interdependence. The liquefaction of pre-existing social links is indisputable. Traditional habits, family setting, class relations,

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urban/rural geography, gender relations, the perception of neighborhood – all of these are undergoing drastic transformation, affecting the predominant discourse based on imagined homogeneity, *one* standardized language, *one* predominant religion, *one* defined territory with *fixed* population, and a well-defined 'cultural recognition' between rulers and ruled."[16]

6. The changes call for *new structures of governance*. The process is characterized by two opposing tendencies. On the one hand, we can experience the transfer of competences and sovereignty down to local and regional levels. At the same time, the competences and the regulation are also shifting upwards to the levels of interstate regional and global integration. It leads to the appearance of *multi-level governance, which is a product of the international integration and the growing interdependence.* It tries to respond to the challenges of control and regulation of a multi-actor system, and to harmonize and compromise among the interested.

ADJUSTMENT OF NATIONS
AND PRESENT INTERNATIONAL INTEGRATION

Nations still represent one of the most important components of the present-day integration processes. "At the beginning of the 21st century, states have remained the basic 'building blocks' of international order; governments are the basic actors and shapers of the world order."[17] In a certain sense, we can even talk about the upgrading of the role of the nations. „Rather than killing off the state, the chapter concludes that globalization is changing the environment in which it operates, both domestically and internationally, and is thus contributing to a shift in the role that states play in the domestic and international spheres. States are a product of the political, cultural, economic and military circumstances of their times, hence, just as they were changed by the industrialization, they are subject to change today. The challenge is to determine the extent and character of the shift in state behaviour and the role played by global forces in these transformations."[18]

The national states have remained the *determining factors of the multi-level governance*. It is important to stress that the "national level" has the *most complex and efficient institutional and regulatory structures*, and has the *broadest democratic and legal mandate*.

National governments are far from being defenceless against the impacts of globalization, on the contrary. "Moreover, governments can shape the effects of globalization on their territories and populations: with fiscal policies, monetary

policies, consumer policies, labour policies, environmental policies, data protection, and so on."[19] "Although the economic role of the state has declined in certain significant ways, it has expanded in others, and therefore, it is inaccurate to conclude that nation-state has become redundant and anachronistic. Indeed, the importance of the state has even actually increased in some areas, certainly with respect to promoting international competitiveness. Even though its role may have diminished somewhat, the nation-state remains preeminent in both domestic and international economic affairs."[20]

Under the circumstances of international integration, the *nations integrate by adjusting. Open, cooperative, inclusive and competitive nations form an integral part of contemporary integration systems*. Nations do not disappear and should not be regarded as obsolete entities to be thrown onto the rubbish heap of the history.

What is eroding is the classical national state. The modern national state, if it is able to meet the new challenges, can increase its importance. First of all, it should be competitive. It must have not only globally competitive sectors, but also a competitive national middle class and political elite.

It must be stressed that in the process of regulation, the *national institutions and policy frameworks remain the integral parts of the integration structures*. Beyond abstaining from free riding, *new "policy mixes" are assumed*, and individual national interests and circumstances should reach a compromise in the general framework of normativity and coordination. The *EU and national level regulation are the two basic legs of multi-level governance.* They should be harmonized, coordinated and should not cross each other.

Even if we do not know how the story ends, it can be reasonably presumed that the EU's future lies in a certain federal configuration. Nevertheless, such a scenario would not necessarily entail the elimination of nations; it would rather support their development, along with adjusted national structures.

It seems that a centralised form of federation in Europe is out of the question at the moment, but various forms of *multinational federal structures* can be acceptable. "It presumed the protection, preservation and promotion of distinct sub-state nations that would be able to determine themselves as nations within the larger federal state."[21] This federation should seek to preserve the culturally and nationally heterogeneous character of the continent, and at the same time it should consider "sub-state nations" as the basic resource of its development.

The multinational federation, particularly as a similar notion to confederation (looser form of integration of states) is not new. In our region, it was broadly discussed in the second half of the 19th century, and often re-emerged from the beginning of 20th century. It arose in the discussions about the future of dynastic empires of that age (Ottoman or Habsburg), particularly in the multinational regions

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of Eastern and Central Europe and the Balkans (Lajos Kossuth, Oszkár Jászi, Aurel Popovici or many others). But it is also worth referring to the works of Gyula Szegfű in the 1930s, or the discussions about the future of Canada in the 1970s.

A solid federation should be *based on organic and democratic development*. The main stages in the federation of the American states are the Declaration of Independence, the Constitution and the conclusion of the Civil War. Nevertheless, the federation itself emerged very gradually, consolidated by developments such as the emergence of the American industry, the internal market, the construction of railways across the continent, the harmonisation of banking and financial markets, or the creation of a national highway network. This evolutional path of development will hopefully apply to the EU as well. Only a fully democratic federation can have a solid future. The enforced surrender of national identities and interests is an unacceptable option.

In my opinion, the current federalist versus intergovernmental discourse is largely misleading and counterproductive. Confrontation between nationalists and federalists in everyday politics is not only futile, but it can be detrimental. Organic dichotomy applies to national and supranational integration as well.

So far, the integration project has been largely shaped along the lines of interests and the will of old member countries. This applies to major integration projects such as the single market and the monetary integration. The Eastern enlargements, however, have brought with them substantial differences in economic, political and cultural terms. It can be considered as a typical case how the heterogeneity of the enlarged union was neglected when the single labour market was created. It seems that these anomalies played a role in the present social tensions, without which even the Brexit could have been avoided. As far as the monetary integration is concerned, excessive deflationary policies seem to be evidently in conflict with the much-wished convergence of the new member states.

A *"multi-speed" Europe is a model of integration* which is not alien to even classic federations (e.g. institutional differences between Alberta and Ontario, in Canada). These models are already a reality of EU development (Eurozone or Schengen). In the light of the substantial differences among the nation states, a multi-speed Europe is a realistic option, even in the longer run.

This model can be supported only by the following conditions:
– it remains open by retaining the possibility for other countries to join any time (i.e. it should not mean a "new Iron Curtain");
– it does not threaten the cohesion of the Union;
– it preserves the integrity of the acquis communautaire, particularly the basic rights, and the decision-making process; and
– it maintains the normativity of all major policies.

A multi-speed Europe means that we all are heading towards the same destination, but by different trains, or on a different track. In the light of the substantial differences, this can be a viable option. On the other hand, if we follow different aims, we can easily find ourselves on a train that is going nowhere. „Assuming that that the future will be a multi-speed Europe, it is evident that for us the only relevant and exemplary objective could be to belong to the core at all costs as soon as possible. We should do everything to stick on this core, and to use its gravitational power for our rising."[22]

The reforms depend on several factors. "Looking at the growing cacophony, however, skepticism is likely to prevail in public expectations. For almost a decade, the behavior of Europe as a whole, including both its communitarian institutions and member states, has manifested mentally and politically an unpreparedness to challenges of societal fusion and the new amalgamation in progress. Democracy, as a tool that is able to accommodate and represent the diversities and pluralities of social realities, might become a victim in the process of renationalization of territorial units and of partition. The result may be exposure to the risk of new wars, rather than enhanced guarantees for peaceful perspectives."[23] The reforms of the EU can be successful only if they take into account not only the economic development, but also the historical, political and cultural differences, and the different historical trajectory of the national integration between the old and the new Eastern and Central European members.

New members should be active participants of the coming reform processes, which would need to assume the will and determination of all parties, and should conform to the common norms and values of Europe. Europe has all the political, professional or financial potentials to address any of these challenges.

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THE FUTURE OF EDUCATION IN A (DRASTICALLY) CHANGING EUROPE

LÉONCE BEKEMANS

Abstract: The paper departs from the fundamental role of education and its responsibility to educate EU youngsters to live peacefully and fairly in a complex, globalising, multicultural, sometimes violent world. Education and educational governance are crucial in this perspective within the EU context. For the sake of better understanding the fluid and confusing context in which education, educational systems and approaches develop at different levels and in different forms, some preliminary premises are introduced concerning the international and European context of education, the value premises of Europe's future as well as the main tasks and responsibilities of Europe in the current globalising world. The core of the paper is structured into two main parts. The first part deals with the role of education to the rethinking of Europe in its global perspective. It diagnoses the legal and international environment of education; it explains the crucial role of education as a permanent learning to life together in society-building; and finally, it assesses the education challenges in a plural, interconnected and globalised world (from education for responsible citizenship to intercultural citizenship education). The second part of the paper concerns a more focused overview and critical assessment of the relation between the EU and education. It clarifies the legal framework of education within the EU context, assesses the major strategy and programmes of education and explores the importance of a European Education and Lifelong Learning Area for the future of Europe. The paper concludes with some policy suggestions for future developments in the field of education.

Keywords: Europe, European Union, education, learning, challenges

INTRODUCTION

1. The International and European Context of Education

We are living in a world characterised by change, complexity and paradox. This confusing world is subjected to contradicting processes of integration and disintegration, mainly due to the globalisation trends throughout the world. The subsequent economic,

political, social and cultural challenges have a drastic and diversified impact on societies, states, people, communities and persons across Europe. These undermine the values and principles of European societies and impact the future of the EU.

In such a complex international and European setting, it is argued that education at all levels (formal, informal and non-formal) should take the lead in providing individuals with the necessary attitudes and capabilities to deal with today's global challenges. This argument is made on the basis that, beyond being a right per se, education is also an empowering right, which enables people to develop fundamental skills, competences and confidence to secure other rights. This implies that it is mainly education which gives people the ability to access information, to grow in knowledge and to provide opportunities for self-development and responsible participation in society.

From a close look at the current European situation, we can easily conclude that the EU is at the crossroads of its destiny, a turning point of its integration process. Its historical development shows a dynamic and evolving entity with many faces, multiple identities and diversified cooperation forms. A number of (internal and external) challenges are now undermining the European model of socio-economic cohesion and cultural and regional diversity. Europe is in crisis and the EU project risks disintegration. The populist and nationalist drive in many European countries, the refugee and Brexit issues only demonstrate its seriousness.

In a February 2016 EurActiv interview, Edgar Morin, the French sociologist and philosopher, spoke of a 'planetary crisis' and the need 'to change civilisation' in order to respond to the complexity of today's world.[1] This pending reality should generate a collective awakening of consciousness. It certainly implies a rethinking and actualising of the multiple European narrative and the recognition of the new and radically changing context. We agree with Václav Havel when he wrote that "*without commonly shared and widely entrenched moral values and obligations, neither the law, nor democratic government, nor even the market economy will function properly.*"[2]

Our democracy is in crisis. EU citizens are losing faith in democracy because political leaders are unable to deliver the promises at national level.[3] Moreover, our democratic institutions seem not be able to adequately manage the problems. In sum, the place and the role of the State is drastically changing in international relations, mainly due to the positive and negative consequences of the globalisation process and the increasing multi-cultural dimension of our societies. The State is not any longer the exclusive actor in the globalising system and power has been globalised, despite attempts to return to national solutions as the current migration crisis illustrates. The ongoing and radical process of transformation of European societies needs a proper contextualisation within its globalising, Europeanising, regionalising and localising context. This seriously impacts education.

In order to avoid a pure economic dimension of education which seems to persist in the current debate, a revision of its purposes and role is drastically needed within the international and European context. Specifically, an applied reflection has to be made on the way in which knowledge should be transmitted and also on the type of capabilities and competences that individuals should acquire to cope with today's challenges. Such needs have been captured by Sustainable Development Goal number 4 which, differently from the previous Millennium development goals, seeks to "*ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*".[4]

2. Value Premises of Europe's Future in Perspective

In his final State of the Union address on the 12th of September, 2018, Jean-Claude Juncker called for a Europe that has to embrace its destiny.[5] Only "*by pooling sovereignty where necessary, we strengthen all our component nations and regions*", he added. Also, the White Paper on the Future of Europe (March 2017) clearly expressed the need for a reformulated narrative and convincing discourse as well as for concrete citizens-driven policies in order to remain an attractive and inspiring project and not an empty box for its citizens.[6] Therefore, it is important to clearly affirm the value premises of Europe as a community in dealing with the welfare and wellbeing of its current and future citizens. Europe is a multiple purpose community which requires multiple tasks to be continuously updated in a transforming international system.

In a rapidly changing world, continuous political courage, inspiration and human-centred practices are needed to shape and strengthen the values that are associated with Europe. These values do not only refer to Europe as a socio-economic community but also as a community of destiny, life, purpose, responsibility, but certainly as a space of multicultural learning and a meeting place of multiple identities.[7]

It is obvious that the European Union cannot be captured in a one-liner. It presents a rather unique process of integration, but it is still a project in the making which today is in urgent need for a new inspiring and mobilising story. This requires a continuous search for a dynamic vision for the future that captures a sense of belonging and offers true added value to EU citizens, even in times of transformation and confusion. This might be called a paradigm shift in European society building with an impact on the relation between the EU institutional fabric and its citizens and on the role for education.

A clear vision for the future based on a value-driven community is needed. Europe is a multi-faceted and multi-dimensional space exhibiting multiple characteristics. We should be aware that these aspects have to be understood, contextualised and translated to a diversified citizenry within a context that often produces radically

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changing and paradoxical realities These realities have an impact on current European identity, citizenship and solidarity building and, consequently, shape the education/learning objectives, tasks and responsibilities.

A true message of a positive and forward-looking vision needs to be conveyed. This implies a view that is embedded in a community of shared values, supports the strength of the European integration process, and recognises the positive heritage as well as the complexity of a multifaceted Europe as an added value to the European project. The care and promotion of these values should be conceived as a task and responsibility for education. This implies the recognition of internal and external aspects in the pursuit of a European model of society but reaches out beyond the European territory.

3. Tasks and Responsibilities of Europe in the World

Today Europe has an appointment with its destiny. Its model of society, based on the fundamental human rights, on culture as vehicle of emancipation, on sustainable development and socio-economic cohesion, and on a multilateral vision of the world order, is put under pressure. In other words, we experience a confrontation between the actual European confusing (political, economic, cultural and institutional) reality and the global responsibility of Europe in a context of an ever increasing globalisation.

Europe has a mission and responsibility in the globalising world. In the fast-changing global landscape, Europe is confronted with the preoccupation, but also with the moral responsibility to maintain its model of integration and diversity within a radically transforming world system. The question has to be put if Europe within a further unifying European economic space can guarantee internal solidarity, based on a common institutional basis in which states, regions and communities can live their diversity, as well as external solidarity, based on an open societal model of living together. This task requires an inspiring narrative which responds to institutional governance structures, internal and external European solidarity and a vision that motivates the participation of its citizens.

The challenge for further European integration (and Europe's survival) is the search for a new equilibrium between diversity and unity in a globalising world. The European model should consider the economic, historic, social and political changes which are taken place at the international level, but it should remain faithful to its principles of internal and external solidarity. 'Rethinking 'Europe' implies recognition of a radical increase of the level of complexity within societies, a further development of European citizenship within multiple identities and the elaboration of multi-level governance practices. Despite all current and dramatic changes, Europe still remains a civilisation project, characterised by a rich intellectual (material and immaterial) cultural heritage and common values.

However, in today's multi-faceted and multi-layered globalisation era, the EU needs a revisited political project and a common long-term (inspiring) vision, to counterbalance the increasing influence of national interests in European policy-making, at the expense of the 'European commons'. There is a real danger today that the Union, faced with the growing frustration, criticism and indifference of its citizens, will disintegrate or become a mere union of economic interests, detached from its very nature and identity. The undermining of these fundamentals could negatively influence Europe's economic, social and ecological welfare and finally lead to its marginalisation in the global system. To overcome the crisis in European solidarity, very much illustrated by the national(ist) policies in dealing with the refugee crisis, trust-building initiatives and measures need to be taken within a 'shared sovereignty' framework.

There is again need for an enlarging and mobilising vision which can raise a new élan and a regained connection with the citizens. Furthermore, we must dare to recall the enthusiasm and faith in the European project, as it was embodied by the Founding Fathers of Europe. They wanted to guarantee a sustainable peace within the European borders and combined a long-term vision with a pragmatic policy approach. Economic arguments supported the political goodwill. Therefore, Europe needs "bridge builders" who can concretely complete the rhetoric of the European story, underscore the European ideals of peace, unity in diversity, freedom and solidarity, and mobilise the young people for the European model of society. Still the rhetoric needs to be translated into a workable and forward-looking reality midst the radically changing world. The role of education is herein fundamental. Only through integral human development in education and learning processes true citizens' dialogue can develop and link EU citizenship to democracy. Also new forms and places of dialogue, active citizenship and cooperation emerge outside the existing institutionalised structures of representation with an increasing role of the formal and non-formal civil society.

In short, in spite of failures and imperfections in the integration process, the project Europe remains a valid working place to define Europe as a common and to develop a unique institutional and operational framework. Four fundamental tasks can be distinguished:

– Firstly, Europe has the moral responsibility to build a best practice of cooperation internally and externally. The individual and collective well-being depends more and more on a comprehension of man's capacity to read the signs of time and act accordingly in the pursuit of economic and social welfare within a world of global competition. A radical change in vision and method to survive as a European civilisation is an urgent mater.

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– Secondly, the Europeans have the moral responsibility to show that people can live together in the world, despite differences in language, culture, religion, origin, etc. In practice, EU citizens still need to show that they can form an international public space where a cultural diaspora can exist in mutual respect, tolerance and dialogue. Clear and coherent messages, examples and testimonies are important and meaningful instruments to inspire citizens.[8]

– Thirdly, the European countries and regions have to search continuously to make their social and economic systems more efficient so that the weaknesses of the one can be compensated with the strength of others. This implies the importance to encourage individual initiative, to aim for a broad and just distribution of the benefits of economic welfare and to revalorise the sense of responsibility in a value driven education with European dimension.

– Finally, the Europeans should play a more courageous and dynamic role on the international political scene by defending its model of peace and transnational cooperation and strengthening its method of collaboration with other macro regions. Europe should work for a transition of the traditional management of geopolitical and global economic conflicts to a new transversal policy of the global political and economic landscape.

THE ROLE OF EDUCATION TO THE RETHINKING OF EUROPE IN ITS GLOBAL PERSPECTIVE

In this first part, some reflections are presented on the role of education in a drastically changing Europe. They refer to the legal and international framework of education, to the role of education in society-building, and finally, to the various challenges Europe is confronted with in the plural, interconnected and globalised world.[9]

As said earlier, economic, political, social and cultural challenges in the age of globalisation have a drastic but diversified impact on societies, states, regions, peoples, communities and persons across the globe. The danger exists for a commodification and marketisation of education in its contents and outputs, neglecting the added human enhancement of the learning process. It may lead to a mere (global) market of education and an extended privatisation of education with a loss of quality.[10]

We strongly believe that new, innovative and peoples-oriented (human-centric) approaches are needed to respond to the challenges of fragmented and disturbed societies. Therefore, a substantial and urgent need exists for a revisited role and increased responsibility of education in culturally diverse and complex

societies. Such a new culture for education embodies a respect of an integral human development, including various (formal, informal and non-formal) learning places and environments. This implies a learning to cope with changes, uncertainties and risks. A focus on learning competences, life skills, practices, pedagogies, case stories, testimonies and exercises to stimulate creativity and fantasy is therefore required to bridge the educational gaps and change the mind-sets.[11]

1. The Legal and International Environment of Education

The main point of departure for understanding the role of education in society-building is the legal framework. The right to education was first enshrined in 1945 in UNES-CO's Constitution as a commitment to "*advance the ideal of equality of educational opportunity without regard to race, sex or any distinctions, economic or social*" (Article 1.2.b). Equal human dignity is conceived as one of the basic pillars of the democratic principles of justice, equality and (intellectual and moral) solidarity.

The right to education was universally proclaimed in Article 26 of the Universal Declaration of Human Rights (1948) as a means directed to the full development of the human personality.[12] It clearly emphasises the (enabling) right to education.[13] The right to education has subsequently been further specified in several international binding treaties. The first was the European Convention of Human Rights and Fundamental Freedoms in 1950 (Art 2).[14] It was followed by the International Convention on the Elimination of All Forms of Racial Discrimination (CERD) in 1965 (Art 5)[15], the International Covenant Economic, Social and Cultural Rights (ICESCR) in 1966 (Art 13)[16] and the Charter of Fundamental Rights of the EU in 2000 (Art 14)[17]. Hence, the right to education seems to be a widely recognised and protected fundamental right, crucial to shaping the dignity of the human person. States have therefore the obligation to provide education to all, in a non-discriminatory and, if required, progressive manner.[18]

An important aspect of the international legal environment of education has been the 2000-2015 Millennium Development process, in particular with development goal 2, aimed at achieving universal primary education. The so-called Millennium Development Goals served as a learning platform for the development and launch of the 2030 Agenda for Sustainable Development (UNGA, 2015) with 17 clearly specified sustainable development goals. The topic of education is directly addressed in SDG 4 "*to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*" with an innovative associated target aimed at "*education for sustainable development and global citizenship*". Furthermore, at the 73rd session of the UN General Assembly in September 2018, a new global partnership was launched with the aim to get every young person into quality education, training or employment by 2030. 'Generation Unlimited', a part of the

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UN Secretary-General's Youth 2030 Strategy, is to tackle the global education and training crisis. The partnership platform focuses on three key areas: secondary-age education; skills for learning, employability and decent work; and empowerment.

It is worthwhile to briefly introduce the recent activities of the international and European intergovernmental organisation, most active in the field of education.

1) UNESCO

Since its creation, this United Nations Educational, Scientific and Cultural Organisation has played a major role in promoting education in human integral development. Its continued effort in keeping education relevant for changing societies is marked by two key documents. The Faure Report "*Learning to be*" (1972) established the two interrelated notions of learning society and lifelong education. The Report dealt with "*the lifelong learning process of every individual that would enable the formation of the complete man who is an agent of development and change, promoter of democracy, citizen of the world and author of his own fulfilment*". The Delors Report "*Education for the 21st century: The Treasure within*"[19] (1996) focused on the relationship between education and subject areas of development: science, citizenship, culture, social cohesion and work. It identifies the major objectives of education: to learn to know, to do, to be and to live together. This Report still remains the basic resource in the contextualisation of education in society.

More recently, the 2015 UNESCO publication "*Rethinking Education: Towards a global common good?*[20] builds on the previous reports to reformulate education in the current context of change, complexity and uncertainty and to open a policy dialogue. It proposes to overcome the public/private dichotomy and to embrace forms of global cooperation rooted in a humanistic approach of intercultural knowledge and understanding, being directed at "*sustaining and enhancing the dignity, capacity and welfare of the human person, in relation to the others*". This has implications on education governance issues, because it involves a multi-stakeholders debate and a bottom-up policy exercise. We very much favour such human-centric approach to education.

UNESCO has also been playing a significant role in leading cooperation efforts in the education field. A milestone is the 1990 World Declaration on Education for All and the launch of EFA, a global movement involving intergovernmental agencies, national governments, and civil society groups to provide basic education for all. Its education objectives were finally summarised at the 2000 World Education Forum in Senegal. Governments formally committed to the Dakar Framework for Action with the goal of achieving basic education for all by 2015 and to incorporate the concepts of gender equality and quality education.

2) Council of Europe

In its Maastricht Global Education Declaration (November, 2002) the Council of Europe defines education as "*the process by which society transmits its accumulated knowledge, skills and values from one generation to another.*" It targets the development of a coherent vision of the role of education as a means to foster human rights, democracy and rule of law, and intercultural dialogue[21]. The CoE's vision of education encompasses values and competencies and attributes a fundamental importance to both formal and non-formal education. The idea is to integrate the concepts of lifelong learning and learning society into European educational policies with the aim of offering continuous opportunities for the development of skills and competencies. It recognises the key role of open, inclusive and flexible education systems, as well as the high potential of non-formal education. In terms of policy development, the CoE has partnered with the European Commission to foster the recognition, valorisation and validation of non-formal education and to encourage contamination of the formal and informal sectors to the benefit of learners.

Within the Council of Europe, global education is a priority focus area for the North-South Centre (NSC). In its view, global education encompasses "*development education, human rights education, education for sustainability, education for peace and conflict prevention and intercultural education; being the global dimension of education for citizenship*" (Maastricht Global Education Declaration, November 2002). It has adopted a unique concept called 'quadrilogue' to describe its working method, being a partnership governance scheme that brings together representatives of governments, national parliaments, local and regional authorities, as well as civil society. Common challenges are identified, solutions are proposed, and examples of good practice are shared. With this method and within the framework of IEGEND, the 2016-2019 joint programme between the EU and the CoE promotes global development education in the Balkan, Baltic, South-East Europe, Mediterranean, and Visegrád countries.

2. The Role of Education in Society-Building: Objectives and Competences

Objectives and competences of education need to be clearly identified for understanding its role in society-building as a permanent learning to tool to live together.

1) Objectives

Education is a dynamic learning process that creates added value, forms a person's integral development and/or arouses curiosity. It plays a significant role in the development of both human beings and modern societies as it enhances social, cultural and economic development, favour active citizenship and may underscore ethical

values. According to Katarina Tomaszevski, a former UN Special Rapporteur on the Right to Education, the right to education is structured along an approach which should make education: available, accessible, usable and adaptable.[22]

Education is to build peace, foster dialogue and enhance understanding in order "to build peace in the minds of men" as enshrined in UNESCO's Constitution (1945). This implies the need to transmit in an open and critical way ideals and principles that valorise the person at the centre of education systems. Its priority task today should be to transmit information, knowledge, competences and skills which give scope and responsibility to the development of each person in times of change, in line with fundamental values such as peace, tolerance of diversity.

However, the current crisis of socialisation and value transmission has made the task of education difficult but vital for society building. In the current market-oriented developments within societies, the need to re-contextualise the foundational principles for the governance of education, particularly the right to education and the principle of education as a public good, is crucial. The role of education should therefore be reset within the dramatic acceleration in the speed of social change brought about by the process of globalisation. We therefore plea for a humanistic vision of education and development, based on respect for life and human dignity, equal rights, social justice, cultural diversity, international solidarity and shared responsibility for a sustainable future.

In short, it is firstly necessary that young people are given chances to be valued in their own dignity and rights. Secondly, education should provide opportunities for valuing diversity in a perspective oriented at intercultural dialogue so as to support the strengthening of cultural literacy as an indispensable competence for the youth. Thirdly, a humanistic vision of education is grounded on the conception of common responsibility shared by the global community. Lastly, humanistic education is holistic inasmuch it permeates all disciplines with the aim of disseminating human rights not as part of a subject in itself, but rather as a systematic approach. Within this perspective Educommunication[23] can be conceived as a concrete trajectory of citizenship-building and social transformation that promotes everyone's opportunity and capacity to participate in society and to transform it by improving the quality of human relations

2) *Competences*

Key education competences refer to knowledge, skills and attitudes that serve personal fulfilment, social inclusion and active citizenship. These include the traditional competences but also the more transversal ones such as learning to

learn, social and civic competences, cultural awareness and expressions. In this context, Edgar Morin[24], proposes four objectives in the transmission of knowledge and the activities of teaching: - to form a well-developed mind; – to teach the human condition; to educate to live; and – to learn the dignity of the citizen.

Various educational skills can be identified as essential to becoming responsible and active citizens: civic-related skills for participating in society and influencing public policy; social skills for living, cooperating with others, and peacefully resolving contrasts and conflicts; communication skills; and finally intercultural skills for appreciating the worth of cultural differences, promoting solidarity, establishing intercultural dialogue, and effectively countering xenophobia (Eurydice, 2012).[25]

3. Educational Challenges in a Plural, Interconnected and Globalised World

Besides the right of education and its general role in society-building, some educational steps need to be distinguished in a plural, interconnected and globalised world, moving from responsible intercultural citizenship education, and putting human dignity at the core of all learning activities.

3.1. Education for Responsible Citizenship

A first step relates education to citizenship-building in society. Citizenship education implies to form (young) people within the specific socio-cultural context responding to the challenges of globality and complexity, cultural disintegration, the dispersion and fragmentation of knowledge. This implies an integration of various learning sources and levels of formal, non-formal and informal learning.

A Dynamic Approach

If education has the priority task of transmitting knowledge and competences that give scope and responsibility to the development of each person, some fundamental issues should be raised. These deal with (1) the education of and for all; (2) the education for humanity, which involves cross-cutting the dichotomy between a 'humanistic' education and a 'professional' education; (3) the education for change, which deals with the meaning of creativity and the use of a critical mind; (4) the education to master a variety of languages; and finally (5) the permanent education in the search for values, which implies surpassing the so-called contradiction between tradition and innovation. However, it is not sufficient to affirm the principle of the centrality of the person in education processes, the educator and the teacher have to act within a changing socio-cultural context.

Such a dynamic approach requires different sources and levels of learning. Growing social inequality and poverty, true understanding of internal and external solidarity, and respect for differences, as well as the inaccessibility of the benefits of globalisation to some, have to be tackled by various and differentiated forms of learning. We believe this can only be done in a dialogue's framework, through (formal, informal, and non-formal) education for active citizenship.

Furthermore, citizenship education should be based on a community of shared values. This includes an awareness, knowledge and exercise of rights and responsibilities and goes beyond the legal status and judicial relationship between citizen and state. The reality learns that the concept is steadily broadening and changing, as lifestyles and patterns in our relations with others become more diversified. Far from being limited to the national context, the notion of coexistence among citizens relates to the concept of a community embracing all contexts – local, regional, national and international – in which individuals live.

From this perspective, the link between citizenship and education is very close. Today's educational challenge is to strengthen citizenship-building in societies and develop learning modes that respond to the citizens' need for information, knowledge and capacity, and consequently, prepare people for living adequately with the societal changes of today's world. This is the core of the pedagogical approach to citizenship. However, the teaching of citizenship is not sufficient; it is the learning of citizenship that is essential. As a consequence, the concept of citizenship could (and should) be integrated into the educational process recognizing different perspectives and inputs.

Moreover, active and responsible citizenship is a lifelong process. Learning citizenship is interactive and deeply embedded in formal, informal, and non-formal contexts. Support should therefore also be given to citizenship learning within civil society as well as within the informal setting of the family. Teaching people to learn to become active citizens implies giving them access to the capacities and skills they need to participate efficiently in economic, political, and social life. This also means the knowledge of languages. Responsible citizenship is therefore to be seen as a universal concept, giving children and young people the knowledge, values, and skills, they require to participate in society and contribute to their own and society's well-being. In summary, citizenship education relates to educating (young) people to become responsible citizens who are capable of contributing to the development and well-being of the society in which they live.[26]

Objectives of Responsible Citizenship Education
While its aims and content may be highly diversified, the key objectives of responsible citizenship education in today's complex world relate to: (1) political and (multi)cultural literacy; (2) critical thinking and developing certain attitudes and values; and (3) active participation.[27]

1) *Political and (Multi)cultural Literacy*
   The development of political and cultural literacy may involve: learning about social, political, and civic institutions, as well as human rights; the study of the conditions under which people may live harmoniously together; teaching young people about national constitutions so that they are better prepared to exercise their rights and responsibilities; promoting the recognition of cultural and historical heritage; and promoting the recognition of the cultural and linguistic diversity of society. From this perspective, increased literacy should favour active communication and participation in democratic societies, finally leading to responsible citizenship-building. Moreover, the impact of globalisation on societies necessitates a growing awareness of the existence of different cultures, religions, and political systems in order to develop respect for the otherness. In other words, the increased diversity of peoples within and between societies requires a re-conceptualisation of literacy towards a political and multicultural literacy, which might be a vehicle to mutual understanding and learning in multicultural societies. Illustrative is the UNESCO World Report (2009) '*Investing in Cultural Diversity and Intercultural Dialogue*' that defined cultural literacy as a fundamental resource for benefitting from multiple learning places (ranging from family and tradition to the media and informal groups and activities) and an indispensable tool for transcending clashes of ignorance.

2) *Critical Thinking and Developing Certain Attitudes and Values*
   The development of critical thinking and the adoption of certain attitudes and values may entail: (a) acquiring the skills needed to participate actively in public life; (b) developing recognition of and respect for oneself and others, with a view to achieving greater mutual understanding; (c) acquiring social and moral responsibility, including self-confidence, and learning to behave responsibly towards others; (d) strengthening a spirit of solidarity; (e) supporting values with due regard for differing social perspectives and points of view; (f) learning to listen and resolve conflicts peacefully; (g) learning to contribute to a safe environment; (h) and developing more effective strategies for fighting racism and xenophobia.

3) *Active Participation*
   Finally, the active participation of youngsters may be promoted by: (a) enabling them to become more involved in the community at large (at international, national, local, and school levels); (b) offering them practical experience of democracy at school; developing their capacity to engage with each other; and (c) encouraging pupils to develop project initiatives in conjunction with other organisations (such as community associations, public bodies, and international organisations), as well as projects involving other communities.

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In short, it should be clear that citizenship education is not just concerned with imparting theoretical knowledge to enhance political and (multi)cultural literacy in issues such as democracy, human rights, the functioning of political institutions, cultural and historical heritage, etc. It is also crucial for integral human development that positive civic attitudes and values are developed and active participation is promoted – be it at the school level or in society at large. Citizenship education should therefore be conceived as embracing all members of a given society, regardless of their nationality, gender or their racial, social, and educational background.

Conditions for Citizenship Education

The conditions for such an integral human development in education and learning can be summarised as follows: The first condition is the development, not only of an analytical mind and understanding, but also of a synthetic and creative capacity for applied learning in concrete training projects. This favours tolerance and avoids stereotypical behaviour and prejudices. The second is the formation of both general and specific knowledge, implying thinking and acting with respect for diversity and differences. This requires knowledge acquisition with an open and critical spirit, rooted in an historical perspective, but conscious of basic values. The third condition is education for listening, comprehension, respect for other cultures and peoples and education for responsibility. Therefore, knowledge of one's own culture and language as well as of other cultures and languages is an important key for actual communication. The fourth is a pedagogy embedded in regional and educational specificity; this implies territorial inclusiveness in order to create formal and informal spaces of learning. Fifth and finally, there is the condition of the development of programmes for learning to live together and developing life skills at the grassroots level, which stimulate participation, respect and dialogue.

3.2. Intercultural Citizenship Education: A Tool to Live and Do Together

Objectives

Another important educational aspect of the rethinking of Europe in a global perspective refers to intercultural citizenship education. The general and priority objective of intercultural citizenship education is: "*Empowering and stimulating people to contribute to social cohesion and cultural enrichment with respect for diversity and on the basis of equality.*[28] Its specificity concerns learning processes that lead to knowledge of other cultures and instill behaviour patterns of availability, openness, respect and dialogue in and between societies. It implies concretely the promotion of learning skills for constructive conviviality in a multi-form cultural

and social context, valorising the cultural dimension of active citizenship. This consists not only of acceptance of and respect for diversity, but also recognition of the proper place of cultural identity in the perspective of mutual learning. The challenge of such an education is expressed at two levels: the cognitive level of knowledge and information on the world and on others, and the affective level of attention to narrative, relation and interaction.

To live peacefully together in a diversified world therefore requires intercultural citizenship education. In its Charter on Education for Democratic Citizenship and Human Rights Education: *'Education for democratic citizenship'*[29] the Council of Europe provides a clear definition: [it] *means education, training, awareness-raising, information, practices and activities which aim, by equipping learners with knowledge, skills and understanding and developing their attitudes and behaviour, to empower them to exercise and defend their democratic rights and responsibilities in society, to value diversity and to play an active part in democratic life, with a view to the promotion and protection of democracy and the rule of law*." The Intercultural Citizenship Handbook published by the Anna Lindh Euro-Mediterranean Foundation for the Dialogue Between Cultures[30] in 2014 is an excellent example of such a broad educational approach. It is a resource tool that covers both theoretical and practical aspects of intercultural citizenship learning, including practical case studies and exercises from across the Mediterranean region.

Intercultural citizenship education recognises the human rights paradigm as its point of departure, implying the importance of human rights education and consequently of education for democratic citizenship. Therefore a multi-dimensional approach to intercultural education in the current globalising reality should respond to a multiplicity of objectives: (1) education for reciprocity, which implies the promotion of an attitude towards life together, to collaborate with others and to affirm the value of each individual and all persons who make up society; (2) education for complexity, which signifies learning beyond particularities to be able to live in various educational spaces (schools, universities, families, etc.) between universality and cultural plurality amidst ongoing change; (3) education for correct and respectful interpersonal communication, both verbal and non-verbal; (4) education for conflict prevention, which means teaching conflict management in a civilised way; (5) education for the conviviality of differences, which implies the promotion of initiatives with respect for both differences and common denominators, which in turn means that respect for diversity and intercultural dialogue are conceived as vehicles for conviviality in multicultural societies, on the condition that intercultural learning is practice-oriented and rooted in a territorial context; (6) education for active participation,

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which implies the development of skills allowing the individual to play an active role in the solution of problems and to participate in the decision-making processes within society; (7) education for intercultural competences, which implies the development of the ability to communicate effectively and appropriately in intercultural situations based on one's own intercultural knowledge, skills, and attitudes; and finally (8) education to and for peace, which consists of a global education in values constitutive for peace-building and living together peacefully.

Intercultural Competences

Participation in multicultural societies presupposes the acquisition of intercultural competences by the individuals involved. These competences are an integral part of 'learning to live together'. They include abilities to effectively and appropriately interact in complex and diversified environments.[31] This implies that the scope of intercultural competences goes beyond formal education and school learning.

The Council of Europe's White Paper on Intercultural Dialogue '*Living Together as Equals in Dignity*'[32] (2008) defined learning and teaching intercultural competences as follows: "*Complementary tools should be developed to encourage students to exercise independent critical faculties including to reflect critically on their own responses and attitudes to experiences of other cultures*'. UNESCO's Intersectoral Platform for a Culture of Peace and Non-Violence [33] published in 2013 is a very useful conceptual and operational framework for addressing these intercultural competences.[34] It was argued that intercultural competences empower participating groups and individuals and enable them to interact with cultural others with a view to bridging differences, defusing conflicts, and setting the foundations of peaceful conviviality. In March 2016, the Council of Europe published a new conceptual model of the competences which citizens require to participate in democratic culture and live peacefully together with others in culturally diverse societies.[35]

4. Assessment

A knowledge society requires an in-depth development of lifelong learning, benefitting from a variety of interconnecting learning resources for citizenship-building. However, today's societal challenges to a learning society imply the need for a more innovative capacity to (re)design (new) institutions of political, economic, social, and educational governance, which can respond properly to the realities of the multi-faceted process of globalisation. This implies raising investment in different people and differentiated knowledge and broadening opportunities for innovative, more flexible forms of learning within various meeting

places. The policy consequence is that educational institutions should accept lifelong learning as their collective responsibility, but that governments should invest in training teachers and trainers for all stages of learning, in informal and non-formal as well as in formal education, and that the lifelong learning agenda for active citizenship should be deepened and widened.

A strengthening of international cooperation between learning resources, educational institutions and dialogue frameworks is therefore recommendable in this context. This could be based on work done by the United Nations, UNESCO, the Council of Europe and the EU, especially in relation to two key international instruments: the UN Declaration on Human Rights Education and Training (2011) and the Council of Europe's European Charter on Education to Democratic Citizenship and Human Rights Education (2010).

The educational community should be a dynamic community of learning to human conviviality and values. Therefore, it should recognise different types of knowledge, skills and training activities, using different pedagogies and methodologies in various educational environments. Still the rapidly changing world challenges the need for an integral education that focuses on the formation of young people to become responsible citizens, being critically-minded, committed and creative. The teaching and learning of knowledge, attitudes and activities should be faithful to this basic mission. Moreover, the transmission of inclusive education knowledge and skills should be done with motivation, enthusiasm and passion.

EU AND EDUCATION: HOW DOES EDUCATION CONTRIBUTE CONCRETELY TO THE RETHINKING AND REFORMING OF EUROPE?

In the second part, we focus on how education and education programmes have contributed and may further contribute concretely to the rethinking and reforming of Europe.[36] At the occasion of the 25th Anniversary of the Maastricht Treaty (9/12/2016) European Commission President Juncker said: *"We cannot explain the European Union, the European project, simply by going back to the history… we want to convince younger people that the EU is a must today … we have to explain the European history in a perspective: What is Europe today and what will it be tomorrow and the day after tomorrow?"*. In the following, we briefly present the legal framework in which EU education and education programmes should be understood; we further describe and analyse the major programmes and finally, stress the importance of a strong European Education Area for Europe's future.

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1. Legal Framework

It should be clearly acknowledged that education and training are not subjects of a common European policy. With the principle of subsidiarity each Member State maintains full responsibility for the content and the organisation of its education system. The European Commission's work in the field of education and training rests on two pillars: (1) policy cooperation with the Member States; and (2) funding programmes. The basic principle is that Member States are in charge of their education and training, and the European Commission works together with the Member States to help achieve common goals.

Education was formally recognised for the first time in the Treaty establishing the European Community signed in Maastricht, 1992. The Maastricht Treaty provides the legal context for education and vocational training in the EU. Its legal framework is based on Art 165 (education) and Art 166 (vocational training) of the Treaty of the EU (now the Lisbon Treaty, 2008).

Art 165, paragraph 1 says that: "*The Union shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity.*" The objectives are stated in paragraph 2: "*Union action shall be aimed at: − developing the European dimension in education, particularly through the teaching and dissemination of the languages of the Member States; − encouraging mobility of students and teachers, by encouraging inter alia, the academic recognition of diplomas and periods of study. − promoting cooperation between educational establishments; − developing exchanges of information and experience on issues common to the education systems of the Member States; − encouraging the development of youth exchanges and of exchanges of socio-educational instructors, and encouraging the participation of young people in democratic life in Europe; − encouraging the development of distance education; − developing the European dimension in sport, by promoting fairness and openness in sporting competitions and cooperation between bodies responsible for sports, and by protecting the physical and moral integrity of sportsmen and sportswomen, especially the youngest sportsmen and sportswomen*".

Art 166, paragraph 1 of the TEU says that: "*The Union shall implement a vocational training policy which shall support and supplement the action of the Member States, while fully respecting the responsibility of the Member States for the content and organisation of vocational training.*" Paragraph 2 defines the objectives: "*Union action shall aim to: - facilitate adaptation to industrial changes, in particular through vocational training and retraining; - improve initial and continuing vocational training in order to*

facilitate vocational integration and reintegration into the labour market; – facilitate access to vocational training and encourage mobility of instructors and trainees and particularly young people; – stimulate cooperation on training between educational or training establishments and firms; – develop exchanges of information and experience on issues common to the training systems of the Member States".

These two TEU articles clearly affirm that education is the responsibility of the Member States and the EU institutions only play a supporting role to provide an environment for education programmes. In other words, the European Community may contribute to the development of quality education and training by encouraging cooperation between Member States, through a wide range of actions, such as promoting the mobility of citizens, designing joint study programmes, establishing networks, exchanging information or teaching the languages of the European Union.

Therefore, the European Community has a complementary role to play: to add a European dimension to education and training, to help develop quality education and training and to encourage life-long learning. It also funds educational, vocational and citizenship-building programmes which encourage EU citizens to take advantage of opportunities which the EU offers its citizens to live, study and work in other countries.

2. EU Education Strategy and Education Programmes

In the following we are focusing our attention on some current contextualised developments in the European education and training area for building and strengthening the future for education in a global perspective: the EU 2020 Strategy and the Erasmus+ programme (2014-2020). We favour a broadly-defined European studies curriculum for all stages of informal, non-formal as well as formal education to strengthen the European dimension of national education systems and programs. Europe should strengthen its lifelong learning agenda to foster active and responsible EU citizenship. However, support for inclusive European-oriented education about responsible citizenship, multiple identities and citizens' dialogue would need to deal with differentiated discourses, general and specific curriculum content and social and cultural relevance of education projects.

1) *The EU 2020 Strategy*
   In March 2010 the European Commission proposed the EU 2020 Strategy[37] as a broad 10-year growth strategy, being the successor of the Lisbon Strategy (2000-2010). It aims at "*smart, sustainable, inclusive growth*" with greater coordination of national and European policy. Concrete actions at EU and national levels underpin the strategy through a growth-based building of a genuine European Knowledge Area, the empowerment of people in inclusive societies

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and the creation of a competitive, connected and greener economy. It identifies the key measurable priorities for the period 2010-2020 on employment, innovation, education, social inclusion and climate/energy.

This EU 2020 Strategy presents the general framework for the specific European Cooperation in education and training (ET 2020)[38], setting common objectives and benchmarks. Real progress has already been attained for two education targets under the Europe 2020 Strategy: early school leaving has been reduced from 13,9 percent in 2010 to 10,7 percent in 2016, with the target to reach 10 percent by 2020; and tertiary educational attainment is up to 39,1 percent in 2016 from 34 percent in 2010, with the target of 40 percent by 2020

As each EU country is responsible for its own education and training systems, the EU policy is designed to support national action and help address common challenges, such as ageing societies, skills deficits in the workforce, technological developments and global competition. It focusses on six priority areas: (1) to improve people's skills and employment prospects; (2) to create open, innovative and digital learning environments; (3) to provide support for teachers and trainers; (4) to cultivate the fundamental values of equality, non-discrimination and active citizenship, (5) to favour transparency and recognition of skills; and (6) to invest in a sustainable way quality and efficiency of education and training systems. Flagship initiatives to support these priority objectives are the followings: 'Innovation Union', 'Youth on the Move', 'A digital agenda for Europe', 'Resource efficient Union', 'An industrial policy for the globalisation era', 'An agenda for new skills and jobs', and 'A European platform against poverty'.

2) *EU Education Programmes*
Erasmus+ programme
The ERASMUS Programme, being the EU programme for education, training, youth and sport reaching out beyond the EU, is the most successful education programme. It clearly illustrates the concrete link between Europe and education. It enables European students to spend part of their studies at another higher education institution or with an organisation in Europe. It increases learning opportunities abroad for students and teachers. It was launched in 1987 and celebrated in 2017 its 30th anniversary.[39] It is based on the premise that investing in education, training and youth is the key to unlocking citizens' potential regardless of age or background. With the entry into force of the Treaty of Lisbon in December 2009, the European Union acquired a new competence in the field of sport. Since 2014, activities aimed at promoting the European dimension in sport have been implemented.

In the aftermath of the terrorist attacks in Europe in 2015 and of the massive migration flows entering the EU, the role of education, training, youth and sport for promoting shared values, intercultural understanding and social inclusion has

been vested with a renewed importance. In particular, the Erasmus+ programme aims to support actions in the fields of education, training, youth and sport for the period 2014-2020. It replaces seven former programmes, bringing together the Lifelong Learning Programme (Erasmus (higher education), Leonardo da Vinci (vocational), Comenius (school education), Grundtvig (adult) and Jean Monnet), the Youth in Action programme, five international cooperation programmes (Erasmus Mundus, Tempus, Alfa, Edulink, the programme for cooperation with industrialised countries) and finally, the new sport action. Its total budget amounts to €14.7 billion, representing a 40 percent budget increase, providing EU grants and training for about 4 million people and 125.000 institutions. In 2015 678.000 Europeans went abroad to study, train or volunteer with Erasmus+; 2.1 billion € were invested in the Erasmus Programme and 19.600 projects were funded with over 69.000 participating organisations.

The programme consists of three main key actions which illustrate the broad scope of activities:
– Key Action 1 concerns learning mobility of individuals: it aims to enhance the skills, employability and intercultural awareness of the participants (i.e. mobility of learners and staff, Erasmus Mundus Joint Degrees and Erasmus+ Master Loans).
– Key Action 2 deals with cooperation for innovation and the exchange of good practices in the fields of education, training and youth, aiming at a long-lasting impact on organisations, individuals and policy systems. It supports transnational strategic partnerships, capacity-building transnational cooperation projects, knowledge alliances and sector skills alliances.
– Key Action 3 finances support for policy reform in line with the overall European policy agenda, the Strategic framework for European cooperation in education and training (ET 2020) and the European Youth Strategy.

In 2015, 57 percent of the funds went to support the learning opportunities abroad for individuals within the EU and beyond (Key Action 1); 19 percent for partnerships between educational institutions, youth organisations, businesses, local and regional authorities and NGOs (Key Action 2); 4 percent for reforms to modernise education and training and to promote innovation, entrepreneurship and employability (Key Action 3). From the remaining 20 percent: support to international cooperation accounted for 11 percent, Jean Monnet for 2 percent, Sport activities for 1 percent; while management fees for National Agencies and administrative expenses accounted for 5 percent.
Since its launch in 1987 Erasmus has enabled 9 million people to study, train, volunteer and gain professional experience abroad. For the future Erasmus programme, which will run from 2021 to 2027, the European Commission is proposing to double its budget to €30 billion. This would enable 12 million people to participate in the programme,

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three times the number currently able to participate. It seems that the next programme will be substantially strengthened, extended and be more inclusive. It will further promote activities which foster knowledge and awareness of the EU, extend opportunities to forward-looking knowledge fields (e.g. climate change, robotics, etc.) and provide a better outreach and inclusion of people with fewer opportunities. Also, the international dimension of the programme will be boosted. We are convinced that further investing in people, skills and knowledge will help to respond to global challenges, to maintain social fairness and to consolidate Europe's future. Apart from the five international cooperation programmes (i.e. Erasmus Mundus, Tempus, Alfa, Edulink, the programme for cooperation with industrialised countries), the relevance of the international dimension of European education is also demonstrated by the cooperation with other international organisations such as the Council of Europe (i.e. Human rights/citizenship education: "*Democracy in Action*"; the ROMED Programme and Cooperation in the field of youth) and the OECD (i.e. the Programme for International Student Assessment (PISA), the Programme for the International Assessment of Adult Competencies (PIAAC) and Teaching and Learning International Survey (TALIS)).

In short, the December 2016 Eurobarometer findings[40] very well illustrate the increasing positive attitude of Europeans towards the Erasmus programme. Awareness of the Erasmus programme has risen considerably since 2009 from 30 percent to 53 percent. However, there are substantial differences between EU Member States: while more than three-quarters of the population have heard of the Erasmus programme in Luxembourg (80%), Spain (77%), Belgium (76%) and Portugal (76%), figures drop to mere 30 percent in Romania and the United Kingdom. But a very large majority of Europeans have a positive image of this programme: 86 percent express a positive opinion, just 5 percent have a negative opinion, and 9 percent are unable to answer.

Jean Monnet Programme
Within the Erasmus+ programme, the European dimension of higher education throughout Europe is favoured by the Jean Monnet Programme, formerly part of the lifelong learning programme of the EU (2007-2013). Jean Monnet Activities are designed to promote excellence in teaching and research in the field of European Union studies worldwide. The activities also foster the dialogue between the academic world and policy-makers. Focus is on the study and research of European integration, on the strengthening of governance of EU policies and on the understanding of Europe's position in a globalised world. They consist of actions (i.e. teaching Modules, Chairs, Centres of Excellence, Projects, Networks and Support to associations and institutions) and operating grants to specified institutions such as the European University Institute and the College of Europe.

Launched in 1989, the programme is now present in 78 countries throughout the world. Between 1990 and 2014, the Jean Monnet Programme has helped to set up approximately 4.000 projects in the field of European integration studies, including 200 Jean Monnet European Centres of Excellence, 1000 Chairs and 2.250 European modules. In 2015, overall, 260 projects were granted for a total amount of EUR 14.4 mio. The projects involved 335 organisations and more than 267.000 participants in 43 countries worldwide. One of its main objectives is to increase interest in understanding and participating in the European Union, leading to a more active citizenship-building.

In short, the Jean Monnet programme represents a success story in the development of European integration studies. It developed from a strict, limited and disciplinary focus to a much more open and interdisciplinary focus. It represents a wider geographical reach with target groups beyond the university. In the last years, we have also seen a greater attention to the diversity and innovation in teaching, research and reflections on Europe's future.

3. The Future of Europe: Towards a European Education and Lifelong Learning Area

We believe it is now time to further build on these foundations and step up our ambition to re-fond Europe's future for a more united, stronger and more democratic Union[41] towards a European Education Area. We welcome the prominence given to education and training at the EU level in recent months.

The European Commission has been developing initiatives to help work towards such a European Education Area. The goals should be that: (a) spending time abroad to study and learn should be the standard; (b) school and higher education diplomas should be recognised across the EU; (c) knowing two languages in addition to one's mother tongue should become the norm; (d) everyone should be able to access high quality education, irrespective of the socio-economic background; and (e) people should have a strong sense of their identity as Europeans, of Europe's cultural heritage and its diversity. Also, the Directorate-General for Education, Youth, Sport and Culture (DG EAC) has been active in promoting studies on the future of education and training in view of the "Future of Learning" agenda.

In the aftermath of the terrorist attacks of January 2015, an informal meeting of the EU Education Ministers in Paris on the 17th of March, 2015 adopted a joint Declaration on promoting citizenship and the common values of freedom, tolerance and non-discrimination through education.[42] A strong signal was given to the pivotal role of education in instilling and promoting human and civic values. It called for a strengthening of the role of education in promoting citizenship and common EU

values: "*The primary purpose of education is not only to develop knowledge, skills, competences and attitudes and to embed fundamental values, but also to help young people to become active, responsible, open-minded members of society.*"

The Paris Declaration also proposed EU-level cooperation on four overarching priorities: (1) ensuring young people to acquire social, civic and intercultural competences, by promoting democratic values and fundamental rights, social inclusion and non-discrimination, as well as active citizenship; (2) enhancing critical thinking and media literacy, particularly in the use of the Internet and social media, so as to develop resistance to discrimination and indoctrination; (3) fostering the education of disadvantaged children and young people, by ensuring that our education and training systems address their needs; and (4) promoting intercultural dialogue through all forms of learning in cooperation with other relevant policies and stakeholders.

As an immediate follow-up, the Commission and the Council jointly decided in November 2015 to adapt their policy cooperation in the fields of education, training and youth to give priority attention to the implementation of the Paris Declaration. In 2016, two expert groups were launched – one focusing on education and training and the other on youth work – to accelerate the exchange of good practices, inspire policymakers on issues listed in the Declaration and prepare concrete policy guidance tools.

Most importantly, the Paris Declaration already had its effects in schools and other learning institutions throughout Europe. In the 2016 Erasmus+ cooperation projects, priority was given to those projects tackling the objectives of the Paris declaration. Policy learning was further stimulated by the research of the NESET II, being an advisory network of experts working on the social dimension of education and training, set up at the initiative of the European Commission's Directorate-General for Education and Culture. It examines how European education systems can better prepare future citizens for tolerance, respect for diversity and civic responsibility.[43]

At the occasion of the 60th anniversary of the Rome Treaty, the leaders of 27 Member States and of the European Council, the European Parliament and the European Commission declared in Rome on March 25, 2017 their commitment to creating a "*Union where young people receive the best education and training and can study and find jobs across the continent.*"[44] With the debate on the future of Europe in full swing, the European Commission formulated its vision for a European Education Area by 2025 in its Communication "*Strengthening European Identity through Education and Culture*".[45] The ideas formulated were intended as a contribution to the EU Leaders' meeting on the 17th of November, 2017 in Gothenburg, where the future of education and culture was discussed. It is very clear that the Commission believes that it is in the shared interest of all Member States to harness the full potential of education and culture as drivers for job creation, economic growth and social fairness as well as a means to experience European identity in all its diversity.

The Communication was quickly followed up with the launch of a new *"Future of Learning"* package in January 2018, addressing key competences for lifelong learning, digital skills, common values and inclusive education. The same month the first ever European Education Summit took place in Brussels, gathering over 20 national Ministers for Education to discuss equity and diversity in education.

In May 2018 the Commission presented a second package of new initiatives to further boost the role of education in view of building a European Education Area by 2025. In its May 2018 Communication on *"Building a stronger Europe: the role of youth, education and culture policies"*[46] the important role played by education, youth and culture in building the future of Europe is highlighted. The proposed measures aim to enhance learning mobility and educational opportunities in the EU, empower young people, in particular by encouraging them to participate in civic and democratic life, and harness the potential of culture for social progress and economic growth in Europe.

The Commission's vision of building a European Education Area is based on a combination of a strengthened Erasmus+ programme, an ambitious framework for European policy cooperation in education and training, support for Member State reforms through the European Semester, and a better targeting of European funds. It also describes on-going initiatives towards European Universities and a European student card. This package of initiatives also includes proposals for Council Recommendations on early childhood education and care, on the automatic mutual recognition of diplomas and learning periods abroad, and on improving the teaching and learning of languages.

In order to respond properly to the challenges of Europe's future, we assume that such a European Area of education and lifelong learning, reaching out to citizens[47] should include:

– Making mobility a reality for all: by building on the positive experiences of the Erasmus+ programme and the European Solidarity Corps as well as by creating an EU Student Card to offer a new user-friendly way to store information on a person's academic records;
– The mutual recognition of higher education and school leaving diplomas: by initiating a new 'Sorbonne process' and building on the "Bologna process";
– Greater cooperation on curricula development: by making recommendations to ensure education systems impart knowledge, skills and competences that are deemed essential in today's world;
– Improving language learning: by setting a new benchmark for all young Europeans finishing upper secondary education to have a good knowledge of two languages in addition to their mother tongue(s) by 2025;
– Promoting lifelong learning: by seeking convergence and increasing the share of people engaging in learning throughout their lives with the aim of reaching 25% percent by 2025;

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- Mainstreaming innovation and digital skills in education: by promoting innovative and digital training and preparing a new Digital Education Action Plan;
- Supporting teachers: by multiplying the number of teachers participating in the Erasmus+ programme and eTwinning network and offering policy guidance on the professional development of teachers and school leaders;
- Strengthening networks of European universities so that interuniversity cooperation raises quality output in teaching and research;
- Investing in education: by using the European Semester to support structural reforms to improve education policy, using EU funding and EU investment instruments to fund education and setting a benchmark for Member States to invest 5 percent of GDP in education;
- Preserving cultural heritage and fostering a sense of a European identity and culture: by developing – using the momentum of the 2018 European Year of Cultural Heritage – a European Agenda for Culture and preparing a Council Recommendation on common values, inclusive education and the European dimension of teaching;
- Strengthening the European dimension of Euronews, which was created in 1993 by a number of European public broadcasters, with the ambition of having a European channel offering access to independent, high quality information with a pan-European perspective.

The current momentum should benefit from a clear commitment by Member States to give a concrete follow-up of initiatives. We wish to stress, however, that the follow-up steps by the European Commission and Member States should be rooted in a holistic vision of education, which means looking at education in its universal scope and not exclusively at one specific education/learning level or at the sole purpose of labour market demands. This is why we call for a European Education and Lifelong Learning Area which encompasses all levels, sectors and forms of learning - formal, non-formal and informal - in order to truly be of benefit to all EU citizens. After all, not all young people are students and not all students are young people - we need education policies that match this 21st century reality to live as Europeans in a globalising world.

CONCLUSION

This paper adopted a human-centric approach to education, analysed the right to and role of education in society, and assessed the major characteristics of the European/EU dimension of education and learning in today's fragmented world. In our conclusion, some guidelines and policy suggestions are proposed which are in line with a prospective European Education and Lifelong Learning Area.

Within a context of mounting economic, political, social and cultural challenges in European societies, following conceptual education guidelines should be considered: (a) the valorisation of the educational and cultural dimension of citizenship-building is crucial to the morally robust engagement of the citizen in society at all governance levels; (b) the promotion of education for responsible citizenship and multiple identities should to be understood and carried out in the wider societal context of the knowledge triangle; (c) a more comprehensive, international, and multi-perspective analysis of the interconnections between education and society should make societies more cohesive and sustainable; (d) education at various formal, informal, and non-formal levels of learning should foster a culture of peace, understanding, and dialogue, leading to active and responsible citizenship; (e) promotion of the internal and external dimensions of a social market economy should be a priority in educational governance and learning practice; (f) and finally, the remaking of educational institutions as formal and informal learning places/spaces par excellence. These guidelines may also provide answers to the growing social problems in globalising societies.

In order to respond to these contextual and societal developments, following policy-oriented education activities are suggested within the EU context and beyond:
– promote places of intercultural learning through international exchange programmes;
– introduce innovative learning methods and tools at various educational levels;
– develop a multi-layered curriculum on integral human development to enhance understanding of the new realities of citizenship and the ongoing socio-cultural and political transformations of multicultural societies;
– launch creative incentives to learn active and responsible citizenship, since formal, non-formal, and informal learning in an interdisciplinary perspective are all necessary to preserve and enrich the political, cultural, and economic heritage of communities;
– launch an integrated strategy to foster education in human rights and responsibilities.

The search for appropriate answers, however, needs to be rooted in an enlarging and mobilising vision of global intercultural citizenship-building towards a workable and forward-looking European reality amidst a radically changing and confusing world. The role of education is fundamental to this vision. Only through integral human development in education and learning processes can a true European citizens' dialogue and participation develop. In short, a European Education and Lifelong Learning Area may contribute to building up trust in the future of the European project by transmitting understandable information, critical formation and dialogical learning and making citizens the reference for Europe as a common.

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THE FUTURE OF THE EUROPEAN UNION FROM ITS CITIZENS' VIEW

THE EU CITIZENS' OPINION AND ATTITUDE TOWARD THE FUTURE OF EUROPE AND THE RELEVANT POLITICAL TRENDS AND CONCEPTS

SEJLA ALMADI

Abstract: The objective of the research was to evaluate the EU citizens' latest (2017-2018) opinion and attitude toward the future of Europe and to find actual political trends or relevant concepts that can be linked to them. The measurement of public opinion in the Union became essential since the EU has nowadays been widely criticised for being far from its people and for getting even farther from them. To this end, the study applied an inductive approach and a multi-quantitative design: it used descriptive and inferential statistics, in a two-step (transpose) method with parametric tests (Pearson correlation, multiple regression). The findings were far-reaching and diverse including the identification of a considerable gap between the EU citizens' attitude toward the EU and their opinion on the extent to which they would empower the EU to face the arising challenges; the revealing of the significant Greek divergence from the average EU citizens' attitude; the hypothesizing of a core country concept; the determination of trending political alliances and where those could/ should take place; the highlighting which states could arise with the power of facing the challenges; the calculation of explanatory power of political views and perceptions on the EU's challenges in the EU citizens' views. Finally, the study suggested to turn in more cases, and in a more in-depth manner to citizen discourses or opinion polls to clarify the need of the citizens. That could help to avoid the misinterpretations of their views, and to increase the cooperation among the member states to face and solve the emerging challenges or crises.

Keywords: European Union, EU citizens, public opinion, social attitude, future, challenge, populism

INTRODUCTION

In contrast to the most common research approach, the deduction, the current research opens up the question on the future of Europe and the European Union without prejudice and the use of theories. It applies an inductive approach that examines the collected data and only then it considers to link the gained results to existing concepts. That approach is justified by bringing more objectivity to replying the question and also by focusing on the data generated directly on the EU citizens. The EU citizens as the unit of the analysis refer to the citizens of the European Union member states, whose citizenship was given by the Maastricht Treaty in 1992[1], and whose rights and initiatives are regularly reported by the European Commission[2]. Nonetheless, measuring their opinion and attitude toward the future of Europe and the Union should also be regarded as essential since the EU has nowadays been widely criticised for being far from its people and accused of even getting farther from them. The reason for that may lay in the democratic deficit of the EU but also in the mis- or non-management of the emerging crises[3]. Moreover, on the basis of that distance or gap, the Union is blamed for fuelling such political trends that actually stand opposite to its legitimacy and reflect the need of the masses[4].

Therefore, the research objective has become *to evaluate the EU citizens' latest (2017-2018) opinion and attitude toward the future of Europe and to find actual political trends or relevant concepts that can be linked to them*.

RESEARCH DESIGN AND METHODS

The research collects secondary data, where the overall and specific suitability of the data to the research objective (measurement validity) and to the analysis (measurement bias) needs to be checked[5]. Hence, I first select Eurobarometer, the European Commission's official opinion poll, that collects data from the target population (EU citizens) since 1974. Its surveys can be categorised along a timeline and also along four classes: standard, special, flash, qualitative[6]. In line with the research objective, I choose 2017 and 2018 for the years of measurement, where I pick the special class that contains a survey on the "Future of Europe", and one on the "EU citizens and development cooperation" as these two include keywords from the objective.

The former survey was carried out between the 23rd of September and 2nd of October, 2017 in the 28 member states of the EU[7], upon the release of the Commission's White paper on the "Future of Europe" which set out challenges and opportunities for Europe in the coming decade, hence it aimed to see how Europeans perceived the EU and its future direction. The latter survey was carried out between the 23rd of June

and 6th of July, 2018 in the 28 member states of the EU[8], as the EU and its member states remained the biggest global donors of official development aid in 2017, hence it aimed to see how Europeans found it important to help people in developing countries and tackle poverty in these areas. Therefore, I reject the second survey since its topic does not show overall suitability to the research objective.

The special surveys are in-depth thematic studies carried out for various reasons for the Commission or other EU institutions[9]. Their sample consists of appr. 1000 face-to-face interviews per country, and their methodology used is that of the Standard Eurobarometer surveys in each country, and is annexed to the reports, where I check the confidence intervals[10]. Regarding the size of samples and the 95 percent confidence level, the amount of data in each country are enough to tend to normal distribution (central limit theorem) and to the mean of the population (law of large numbers) but are not too large to distort the results. Hence, I accept the first survey since above the overall suitability, it shows specific suitability to the analysis as well. That methodology applied by the Commission, furthermore, ensures the better generalisability of the results.

The survey consists of a report, an annex and six datasets. I apply a multi-quantitative design to analyse the datasets in order to ensure the better reliability and validity of the results. I use descriptive and inferential statistics[11] to provide first an overview on the data, and then to see beyond, where I can link and embed the most relevant political trends or concepts (propositions).

DESCRIPTIVE STATISTICS

I am presenting below the relevant data from each of the main themes of the survey at EU and country level[12]: The European Union in 2017, Life in the European Union, The Future of Europe. Additionally, I track the trends between 2017 and 2016[13] and also compare the results of the euro zone to the non-euro zone countries[14].

1. The European Union in 2017

a) Both, firstly and secondly the respondents from all country found (Figure 1.) the EU's respect for democracy, human rights and the rule of law as the main asset of the EU (18-15%), that was followed by the economic, industrial and trading of the EU (17-14%), the good relationship between the EU's member states (13-13%), and the standard of living of EU citizens (12-12%).
The trend data shows that the aspect of the economic, industrial and trading power of the EU decreased with 2 percent, while the standard of living increased with 1 percent in 2017, compared to 2016.[15]

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The data on the euro zone vs non-euro zone countries do not show significant differences in most of the questions (0-5%): the standard of living (firstly) is a more important asset in the non-euro zone (15%) than in the euro zone countries (10%), while the respect for democracy and human rights and the rule of law (firstly) is a more important asset in the euro zone (19%) than in the non-euro zone countries (15%).[16]

Figure 1.[17]
"In your opinion, what are the main assets of the EU? Firstly and secondly?" (%)
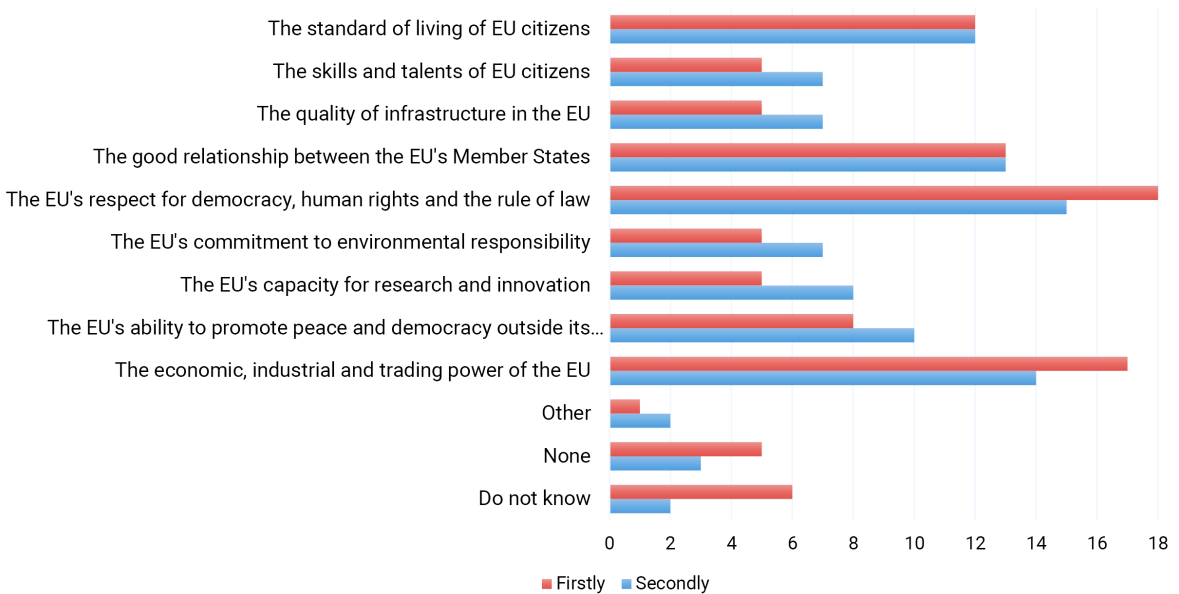
b) The respondents rated (Figure 2.) the unemployment (39%), the social inequalities (36%), the migration (34%) and terrorism-security issues (32%) as the main challenges for the EU in 2017. The unemployment was the top rated in 12 member states (Republic of Cyprus, Greece, Spain, Portugal, Latvia, France, Italy, Croatia, Slovenia, Luxemburg, Ireland, Romania), the social inequalities was the top rated in 4 states (German, Lithuania, Sweden, Slovakia), the migration issues was the top rated in 6 states (Malta, Czech Republic, Estonia, Hungary, Poland, Bulgaria), the terrorism and security issues was the top rated in 3 states (Finland, The Netherlands, United Kingdom). In Austria, the unemployment and the migration issues, in Belgium, the unemployment and the social inequalities, while in Denmark, the social inequalities and terrorism-security issues were equally rated as top challenges.

The trend survey adds that the rating of unemployment decreased by 6 percent, of the public debt by 4 percent, and of the migration issues by 2 percent, while the environmental issues increased by 5 percent in 2017, compared to 2016.[18] Greater differences are shown between the euro zone and non-euro zone countries in the challenges of social inequalities (39%-29%), public debt of EU members (24%-18%), and unemployment (44%-28%).[19]

Figure 2.[20]
"Which of the following do you think are the main
challenges for the EU?" (max. 3, %)
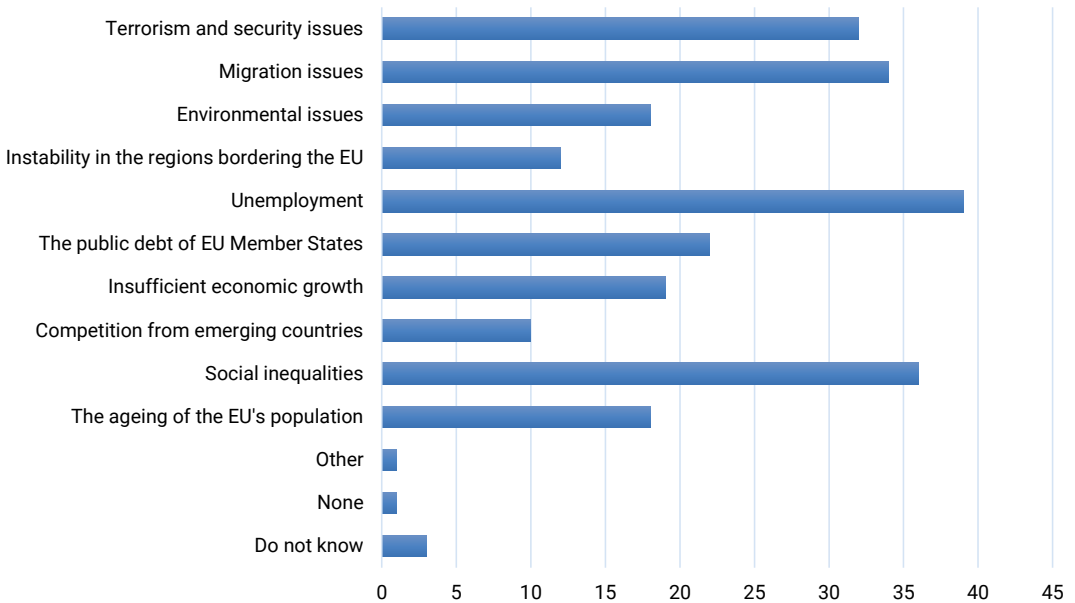
c) Three-quarter of respondents had a positive opinion on the European Union as whole (Table 1.). The results ranged from 91 percent (Lithuania) to 59 percent (Greece), where Austria's value equalled the EU 28's result, to which Hungary's result fell close (71 percent). That result on the EU as a whole was 6 percent higher than in 2016 (EU Open Data Portal, 2017c).

On the USA, 45 percent; on Russia, 28 percent; on China, 32 percent of the respondents had total positive view in 2017, while on the USA, 61 percent; on Russia, 32 percent, on China, 37 percent of the respondents had total positive view in 2016.[21]

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Table 1.[22]
"As regards each of the following countries or group of countries, do you have
a positive or a negative view about it: European Union? Total positive view (%)

LT	DK	NL	LU	EE	IE	FI	LV	SE	PL
91	89	87	86	86	85	84	84	84	84
MT	SI	RO	DE	BE	HR	ES	BG	PT	AT
84	83	83	83	81	80	79	79	78	75
SK	HU	CY	IT	FR	UK	CZ	EL		**EU28**
72	71	71	69	68	59	59	59		**75**

d) The respondents agree with most statements, mainly with that the free market
should go with a high level of social protection (83%). On the other hand, 48 per-
cent of them do not agree with that the interests of people like them are well taken
into account by the political system in their country (Figure 3.).

Since 2016, the results of agreeing with the statements have decreased at all cases
(-4,3% on average), except at agreeing with that the EU is a place of stability in a
troubled world, where it has increased by 5 percent. [23]

Figure 3.[24]
"To what extent do you agree or disagree with each of the following statements?" (%)

■ Total agree ■ Total disagree
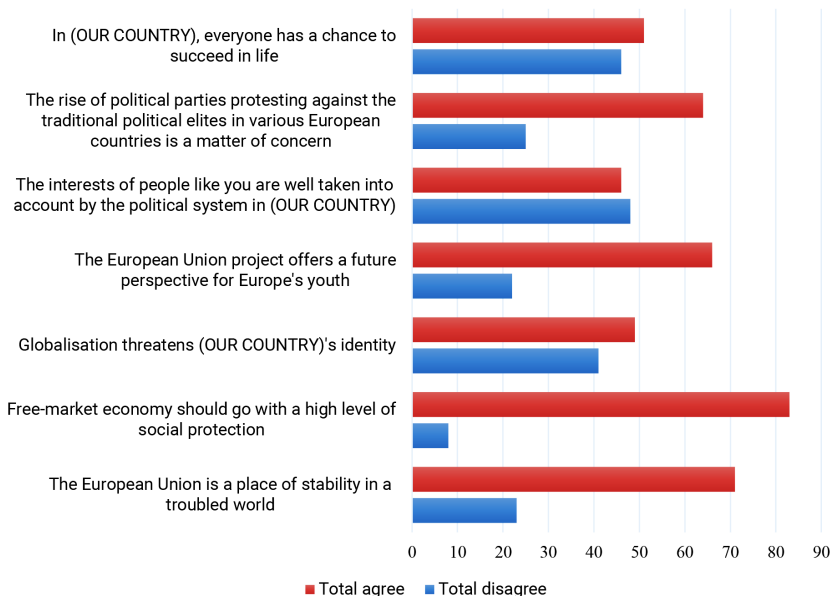
2. Life in the European Union

a) In both examined years (Figure 4.), the respondents think that the life of those in the EU who are children today will be more difficult as the life of those of the respondents' own generation (54-56%). Almost the same proportion of respondents think that their life will be easier or the same, in 2017 (19-22%), and in 2016 (20-20%). The countries in the euro zone see more pessimistically that future compared to countries in the non-euro zone: easier 17%-24%, more difficult 57%-47%[25]. In 2017[26], the respondents from Latvia (39%) and Lithuania (40%) find it the easiest, and the respondents from France (73%), Belgium (72%) and Luxembourg (72%) find it the most difficult.

Figure 4.[27]
"Generally speaking, do you think that the life of those
in the EU who are children today will be easier, more difficult or about
the same as the life of those from your own generation?" (%)
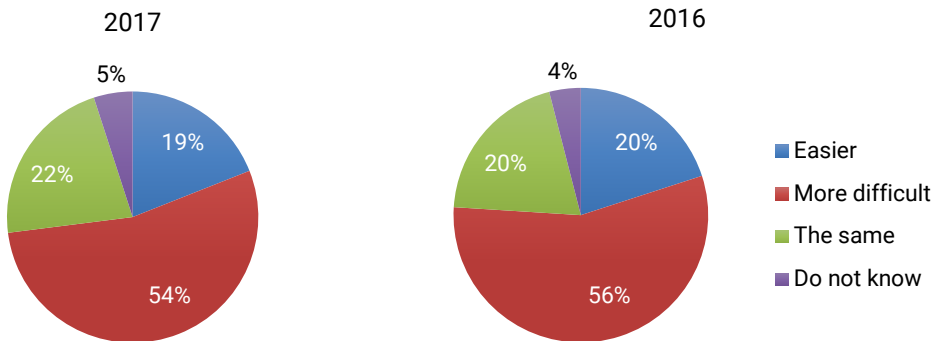
b) When the respondents place their political views on a scale, 28 percent of them feel to be on the left, 19 percent on the right, and 35 percent in the centre (Table 2.). Although in the trend data[28] no significant differences are found between the two examined years, in the country groups, big differences are revealed on the left (euro zone 30%, non-euro zone 23%), and on the right (euro zone 16%, non-euro zone 25%). At a country level[29], Sweden (42%) and the Netherlands (40%) have the highest while Estonia (12%) has the lowest proportion of "left-side-viewed" respondents; Ireland has the highest (51%) while Italy (21%) and Bulgaria (23%) has the lowest proportion of "centre-viewed" respondents; Bulgaria has the highest (34%) while Malta (9%), Spain, Luxembourg and Slovenia (11-11%) have the lowest proportion of "right-side-viewed" respondents.

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Table 2.[30]
"In political matters people talk of "the left" and "the right".
How would you place your views on this scale?" (%)

	Left	→	→	→	Centre		←	←	←	Right
EU	4	4	9	11	22	13	7	6	2	4
Euro zone	4	4	11	12	24	10	7	5	1	3
Non-euro zone	4	5	6	9	16	18	8	8	4	5

c) While almost equal share of the respondents totally agree (47%) and disagree (48%) with whether their voice counts in the EU (Figure 5.), the majority of them agrees with that their voice counts in their country (61%), and only about one-third of them disagrees with that statement (35%). For their voice counting in the EU, the Swedish (84%) and the Danish (80%) respondents agreed, and the Greek (76%) and the Estonian (72%) respondents disagreed the most. Similarly, for their voice counting in their country, the Swedish (95%) and the Danish (94%) respondents agreed, and the respondents from Lithuania (69%), the Republic of Cyprus (67%) and Italy (63%) disagreed the most.
Between the examined years of 2016 and 2017, or between the euro zone and non-euro zone countries no significant differences can be found.

Figure 5.
"Please tell me to what extent you agree or disagree with each
of the following statements: My voice counts in the EU,
My voice counts in (our country)." (%)

My voice counts in the EU
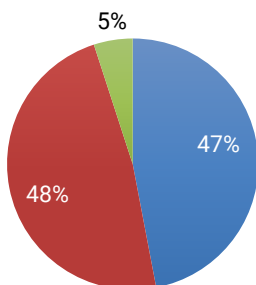
My voice counts in (our country)

■ Total Agree
■ Total Disagree
■ Do not know

d) Regarding both, in the EU and in their own country, appr. one-third of the respondents would say that the things are going in the right direction, while 44 percent of them in case of the EU and almost the half of them in case of th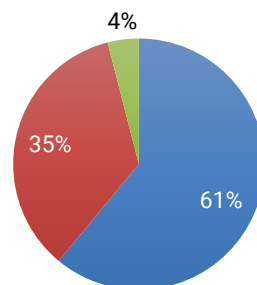eir respective countries would say that the things are going in the wrong direction, in general (Figure 6.). The respondents from Ireland (59%-75%) are the most optimistic and the respondents from Greece (69%-83%) are the most pessimistic about the things going both in the EU and in their respective countries.

Between the examined years of 2016 and 2017, or between the euro zone andnon-euro zone countries no significant differences can be found.

Figure 6.
"At the present time, would you say that, in general,
things are going in the right direction or in the wrong direction,
in the European Union, in (our country)." (%)
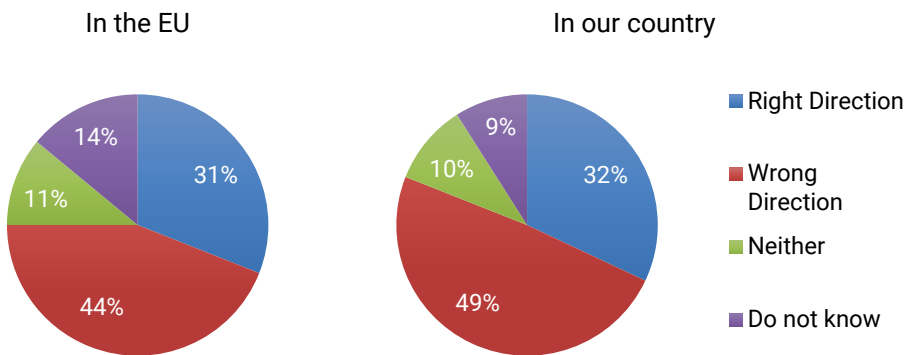
3. The Future of Europe

a) The respondents believe (Figure 7.) that the social equality and solidarity should be emphasised the most (45%) by our society to face the major global challenges, then the environment protection (35%) and the progress of innovation (30%); while the traditions were rated the least to be emphasised (13%). The trend data do not show significant differences between the two examined years, while there are greater differences between the euro zone and the non-euro zone countries in social equality and solidarity (49%-36%), and in free trade\ market economy (20%-29%).

Figure 7.
"From the following items, which two should our society
emphasise in order to face major global challenges?" (max. 2, %)

Figure 8.
"Which two of the following would you consider to be most helpful
if anything, for the future of Europe?" (max. 2, %)
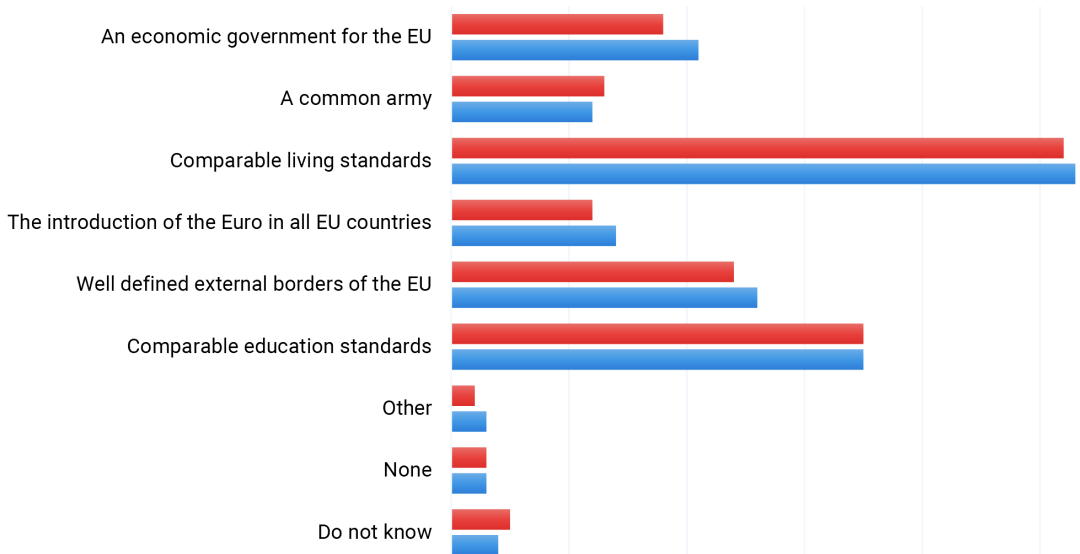
Figure 9.
"For each of the following areas, please tell me if you believe
that more decision-making should take place at a
European level or on the contrary that less decision-making
should take place at a European level?" (%)

Fighting terrorism

2% 3%
13%
82%

Dealing with health and social security issues

4% 4%
32%
60%

Promoting equal treatment of men and women

5% 4%
20%
71%

Promoting democracy and peace

3% 4%
16%
77%

Securing energy supply

4% 5%
23%
68%

Dealing with migration issues from outside the EU

3% 4%
20%
73%

Protecting the environment

3% 3%
18%
76%

Stimulating investment and job creation

3% 4%
28%
65%

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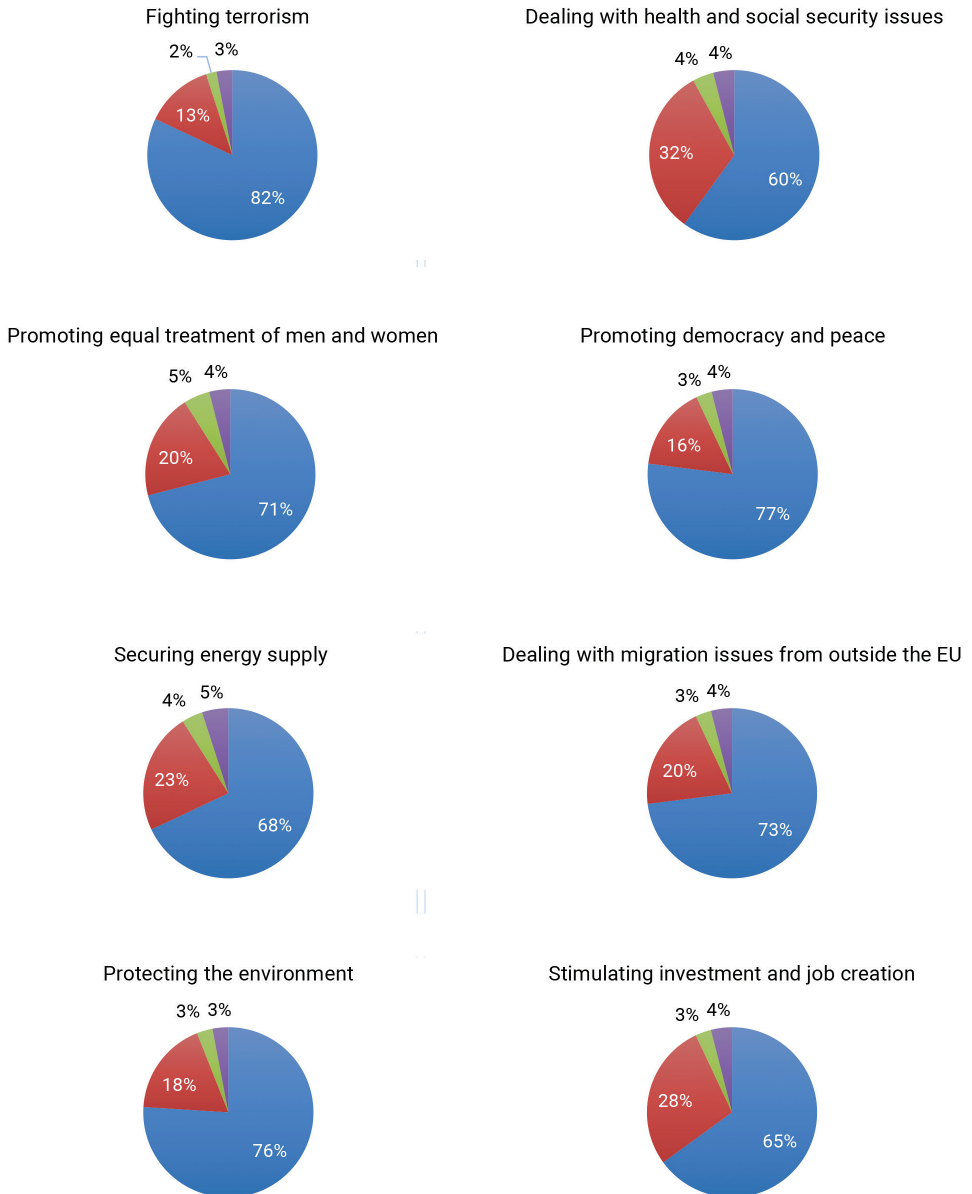
b) The respondents consider (Figure 8.) the establishment of comparable living standards to be the most helpful for the future of Europe in both examined years (52-53%). The ratings of the comparable education standards stagnated (35%), the well-defined external borders of the EU (26-24%), the economic government of the EU (21-18%), and the introduction of the Euro in all member states (14-12%) decreased by 2017. In contrast, the rating of a common army increased by 2017 (12-13%). Difference between the euro zone and the non-euro zones countries arises the most at the comparable living standards (49%-56%) .

c) The respondents supported the most (82%) that more decision-making should take place on fighting terrorism at a European level (Figure 9.), and the least on dealing with health and social security issues (60%).
Since 2016, with the exception of fighting terrorism where the result on more decision-making have increased (+2%), the emphasis on all aspects have decreased: dealing with health and social security issues (-4%), promoting equal treatment of men and women (-2%), promoting democracy and peace (-3%), securing energy supply (-1%), dealing with migration issues from outside the EU (-2%), protecting the environment (-1%), stimulating investment and job creation (-3%).

d) The visionary questions on the year of 2030 reveal that the majority of respondents at an EU level (62%) would prefer a society where more importance is given to solidarity than to individualism (13%); that almost the half of them (46%) would prefer more importance to be given to work than to leisure (20%); while when the choice comes to order versus individual freedom, almost equal number of respondents would prefer more importance to be given to order (35%) and to individual freedom (34%) (Figure 10.).
The country break-down shows that the Republic of Cyprus would prefer solidary Comparing the data on the euro zone and the non-euro zone countries in more decision making at a European level, differences arise at each item: fighting terrorism 84%-77%, dealing with health and social security issues 61%-57%, promoting equal treatment of men and women 74%-64%, promoting democracy and peace 80%-72%, securing energy supply 71%-63%, dealing with migration issues from outside the EU 77%-66%, protecting the environment 79%-71%, stimulating investment and job creation 67%-61%. over individualism at the most (92%) and Germany at the least (40%); the United Kingdom and Ireland would prefer the reversed at the most (29%) and Greece at the last (2%). It shows that Lithuania would prefer work over leisure at the most (66%) and Germany at the least (17%); the Czech Republic would prefer the reversed at the most (40%) and Malta (5%) and Italy (6%) at the least. It shows that Lithuania would prefer order over individual freedom at the most (59%) and Germany at the least (19%); Ireland (53%) and the United Kingdom (52%) would prefer the reversed at the most and Malta (15%) and Italy (18%) at the least.

Regarding the euro zone versus non-euro zone countries, the data show that on the question of solidarity there is not much difference (65% vs 57%) but on individualism, there is (8% vs 12%). Similarly, on work, there is not much difference (46% vs 47%) but on leisure, there is (16% vs 29%). Concerning the third question, there is not much difference on order (34% vs 38%), nor on individual freedom (32% vs 39%).

Regarding the trend at an EU level, there is no significant difference between 2016 and 2017 on solidarity (61%-62%) and individualism (13%-13%), nor on order (29%-35%) and individual freedom (35%-34%), but on work (29%-47%) and leisure (33%-20%), where a shift can be seen towards the importance of work.

Figure 10.
"In 2030, in the European Union, would you prefer a society where more importance is given to solidarity, or to individualism?" (…) „to work, or to leisure?" (…) "to order, or to individual freedom?" (%)
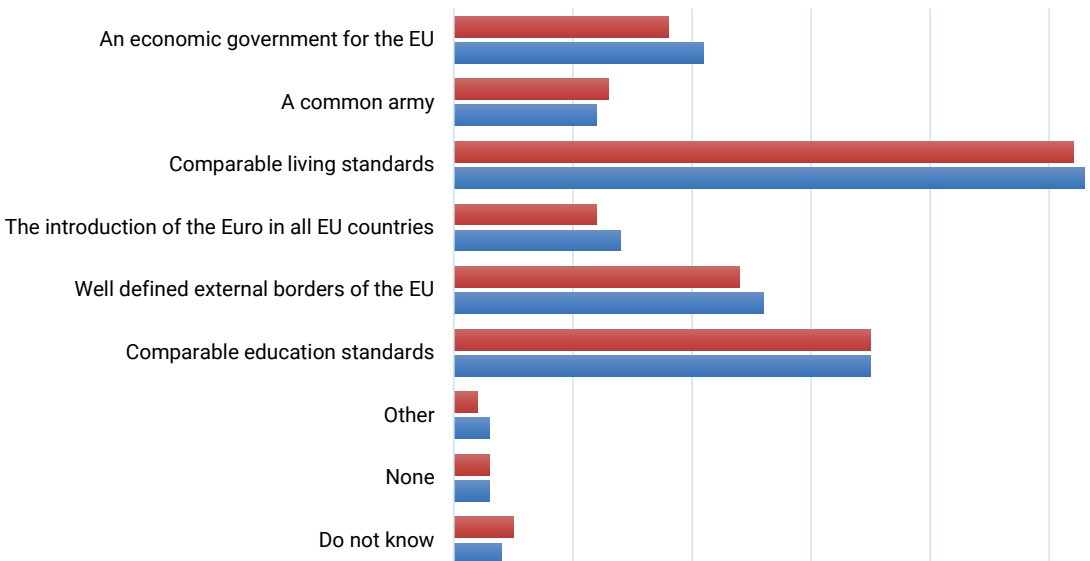
INFERENTIAL STATISTICS

Although the collected data are mostly categorical, the dataset presents the number or the percentage of the respondents within the categories which suggests to better use parametric tests. To this end, I apply the measurements in two steps by transposing the initial structure of the dataset: (1) on the countries, (2) on the survey questions.

Measurement on the Countries

Here, I measure the relationship among the countries and their respective results on the most relevant questionsby Pearson correlation. The coefficients show only positive moderate, strong and very strong correlations at .01 level (Annex 1.).

The correlations are the weakest (positive moderate) among the citizens of Greece and Denmark, Greece and the Netherlands, Greece and Sweden. That opposition appeared formerly in the descriptive section as well where the Swedish and Danish respondents agreed, while the Greek respondents disagreed the most on that whether their voice counted in the EU. The Greek pessimism about the Union was also reflected by having the least positive opinion about the EU and feeling the most that the things were going in the wrong direction. These all reflect a meaningful Greek divergence from the average EU citizens' attitude toward the Union and its future.

The correlations are the strongest (positive above 0.9) among the countries that are geographically closer, historically more intertwined, have common economic goals and usually represent their political interests together e.g. the Benelux countries, the V4 countries (Hungary and Poland, Czech Republic, Slovakia); or Greece and the Republic of Cyprus; Lithuania and Latvia, Estonia, etc. However, it can also be seen that the very strong correlation above 0.9 does not appear among all these countries but around a core country which has that strong relation with the members of its interest group or alliance i.e. Luxembourg has that top level of relationship with Belgium and the Netherlands, but Belgium and the Netherlands have a correlation between 0.8 and 0.9; similarly, Hungary has that top level of relationship with Poland, the Czech Republic and Slovakia, but those have a weaker correlation between 0.8 and 0.9 (Figure 11.).

Figure 11.
Core country concept of V4 countries
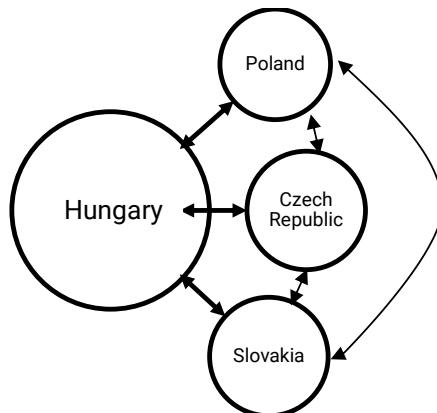
Although that core country concept could be further supported by evidence on the leading role of the core countries in the alliances, neither in case of the Benelux states, nor in case of the V4, were found official reference to whether Luxembourg or Hungary had a distinct role or provided more initiatives than its counterparts. Moreover, in contrast to the Benelux Union that has an established institutional background[31], the structure of the Visegrád Group is based on mutual contacts and periodical meetings without institutionalised background[32]. However, in the examined year, Hungary did hold the presidency program[33], and before it was the location of forming the group in 1991[34] which could give a moderate explanation.

Trending political alliances or where those could take place could also be tracked down, carefully, along the strongest correlations (positive above 0.9). Example for the former one is Hungary and Italy where the citizens' opinion and attitude reflect a covariance, hence the countries' political leadership can build on that and join forces in issues concerning Europe. Not by chance, the meeting of Hungarian Prime Minister, Viktor Orbán and Italian Interior Minister, Matteo Salvini in the end of summer, this year raised wide media attention and for which the representatives were labelled as "the master and pupil of EU populism"[35]. The populism has become a widespread phenomenon in Europe, both on the left and on the right, it refers to when politicians, parties or movements place the "pure people" and their interests in contrast to the "corrupt elite"[36]. The descriptive statistics highlighted that the rise of political parties protesting against the traditional political elites in European countries was a matter of concern for the 64% of the respondents in the EU – from which the result in Hungary did not (63%), in Italy it mildly did (55%) differ[37]. Hence, in Italy, the citizens are more receptive toward the populism, and that questions whether the labels were given properly.

In contrast to that alliance, an example for the latter one is Italy and Greece that could or should bring several issues on a common table but - continuing the discussion on populism – the formerly introduced political trend may rather unable a possible cooperation. Evidence for that was provided by Alexis Tsipras, Greek Prime Minister[38], who on one hand criticised the EU and its lack of democracy for fuelling the rise of far rise movements on the continent, and criticised the "contradictory attitude" of the Italian Government toward the "Mediterranean migration". According to the data[39], the representative's words are in line with the Greek citizens opinion on the rise of anti-elite movements since 68% of them felt it was a matter of concern, and on the migration issue in general since they assigned it as the second most important challenge of the EU. Therefore, based on the results, these two differences could amplify the disagreements between Italy and Greece, while they could also engage in a fruitful cooperation.

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The distribution of strongest positive relationships (above 0.9) among the countries is left-skewed meaning that most countries had fewer strongest positive relationships (Figure 12.). Regularities among the countries cannot be found along territorial or economic attributions, hence it cannot be stated if a country is smaller/greater in its physical size or economic power, it has a more "common" opinion among the citizens of the Union. Similarly, current political interests cannot be found as the reason because while Hungary has appeared frequently in the international media spotlight in the past years, Slovenia has not. However, herein centred geographical locations could be considered as contributors to the wider or more common EU opinion but still not as the reason for having the strongest correlations.[40]

Figure 12.[41]
Distribution of strongest positive relationships among the countries
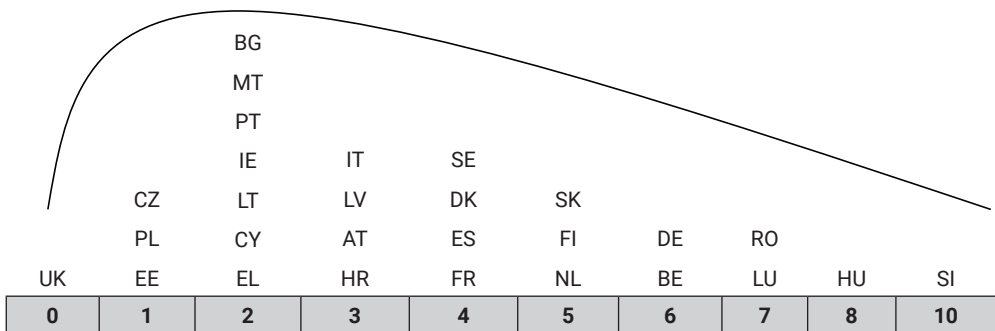
Here, it is also worth to mention that the coefficients of the United Kingdom, of which citizens have lately decided to leave the EU (Brexit, 2016), do not show the top level (above 0.9) correlations to any of the EU's member states. Hence, the opinion or attitude in the UK are not the same as the other countries in any of the examined questions for the future of Europe (2017). And by being aware of the former finding of divergence in Greece, it should be noted that the country has only two coefficients falling into the top strength category. Hence, for the situation of Greece within the Union, great attention should be raised to prevent a decision similar to which the citizens of UK made in 2016. To do it, it is important to remember that the Greek respondents rated the unemployment as the top challenge currently in the EU, even though the rating of unemployment decreased by six percent from 2016 at an EU level; that was followed by the migration issues and the insufficient economic growth[42]. Hence, to stop the further divergence of the country and its citizens, these issues should be faced primarily.

Nevertheless, the countries with the most common opinion and attitude represent the most typical EU citizens whose vision and will provide the weight to shape the future of Europe – which should be represented by the national and EU-level political forces. And the countries that have more strongest relationships have actually the ground to establish alliances and could or should use their power to face and solve the emerging challenges or crises, hence the member states should strive to establish stronger relationships based on the views of their citizens.

These findings - suggestions on the member states' cooperative possibilities correspond to the interview with Benczes[43] who said that so far the EU integration had been based on the assumption that small and open economies had to work together and act collectively to solve arising crises. Hence, the EU citizens and governments had intended to deeper the integration, to create common policies and to establish new institutions. But according to him, the emerging challenges and crises such as the 2008 bank crisis, the sovereign debt crisis, the migration crisis and the Russian-Ukrainian conflict exchanged the shared values and interests with individual ones that further led to a division among the member states (i.e. North-South, Debtor-Creditor, Core-Periphery) and to the escalation of conflicts between them. These conflicts gave a renewed importance to deal-making among the member states and pushed the EU institutions including the Commission into the background.

That is on one hand supported by the left-skewed distribution (Figure 12.) referring to that today in general, the citizens of the member states have less alike views, from which a few states may arise with the power of facing the challenges through their network of cooperation or alikeness, that is based on their citizens' views. However, it cannot be stated clearly that the stand of these states is led by their own interest.

Herein Slovenia, Hungary, Romania and Luxembourg, in that sequence, have the most strongest level of linkages.[44] The citizens in Slovenia, Romania and Luxembourg found the unemployment, while in Hungary, they found the migration issues as the EU's main challenge currently. The question is whether these countries' political leadership finally tries to use their power to face and solve unemployment and migration?! And if they do, whether they do it in alignment with the typical EU citizens' vision?! Although the stand and/or action of Slovenia, Romania or Luxembourg on the unemployment in the EU has not got into the spotlight, Hungary's view and action plan on the migration has been clear and echoed by the international media since 2015[45]. Hence, no use of power appears in case of the three former countries, while it definitely does in case of the last one. But to judge the substance of Hungary's political fight for its views and against the elite, it would be necessary to collect exhaustive data on the EU citizens' attitude toward the migration.

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On the other hand, although in politics a less common view among the states naturally would indeed lead to a less common decision-making, hence to less support on the EU-level decisions, in the view of the EU citizens (descriptive statistics), more decision-making should take place at a European level in most issues i.eg. fighting terrorism, promoting democracy and peace, protecting the environment, dealing with migration issues from outside the EU, securing energy supply or stimulating investment and job creation. The numbers were somewhat more supportive in euro zone countries, and also in 2016. These findings highlight a considerable gap between the citizens' attitude toward the EU, its assets, functioning, and their opinion on the arising challenges, their possible solution and the extent to which they would empower the EU to face and solve those. Hence, it can be assumed that this ambiguity significantly contributes to a division, a breakthrough in the current political life of Europe.

And that can be tracked down in Benczes' conclusions on the (re)strengthening of the nation states, where, in the view of political life, he also emphasizes the rise of populism and the extreme critique of the EU and the globalisation, all of which tried to blame external forces for deteriorating conditions at home; and where he finds the visionary European politics to be gradually replaced by opportunistic and short-term vote-maximization. While in contrast to the aforementioned critique, three-quarter of the respondents (descriptive statistics) had a positive opinion on the European Union as a whole (even increased in 2017), and they had a shared view on whether the globalisation threatened their country's identity. In the context of globalization and economic crises, Dobrescu and Palada[46], as well as Habermas[47] wrote that the Union faced challenges on an identity level as well since its pillars no longer satisfied the demands and necessities of the European citizens.

Measurement on the Survey Questions

Here, I measure the relationship among the responses given to the questions[48], hence among the opinions manifested by the EU citizens in the most relevant issues for the future of Europe[49]. I use multiple regression[50] (stepwise) on the three main independent and eight main dependent variables that I have identified from the selected questions to see their explanatory power.[51]

1) The quality of infrastructure in the EU (R^2=.193, p=.015, Durbin-Watson: 1.678) and the good relationship among the EU member states (R^2=.394, p=.000, D-W.: 1.861) to be considered as the main assets of the EU are weakly-moderately explained by having "right-sided" political views. The EU's ability to promote peace and democracy outside its borders is moderately explained by having "centre" political views (R^2=.422, p=.000, D-W.: 2.135). The EU's commitment to environmental stability is moderately explained by having "left" political views (R^2=.365, p=.000, D-W.: 2.000).

2) The ageing of the EU's population (R^2=.132, p=.049, D-W.: 1.885) and the competition from emerging countries (R^2= .148, p=.038, D-W.: 1.115) to be considered as the main challenges of the EU are weakly explained by having "right" political views. The social inequalities (R^2=.525, p=.000, D-W.: 1.673) and the public debt of EU member states (R^2=.572, p=.000, D-W.: 2.136) are explained moderately by having "centre" and "left" political views. The instability of the regions bordering the EU (R^2=.537, p=.000, D-W.: 1.341) and the terrorism and security issues (R^2=.543, p=.000, D-W.: 1.948) are explained moderately by having "left" and "right" political views. The environmental issues (R^2=.549, p=.000, D-W.: 2.087) is explained moderately by having "left" political views. The migration issues (R^2=.391, p=.000, D-W.:2.241) is explained moderately by having "centre" and "right" political views

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3) The comparable education standards (R^2=.543, p=000, D-W.: 1.391) to be considered as one of the most helpful, if anything for the future of Europe is explained moderately by having "left" political views. The well-defined external borders of the EU (R^2=.541, p=.000, D-W.: 2.686) and the comparable living standards (R^2=.360, p=.000, D-W.: 1.899) are explained moderately by having "centre" and "right" political views. The introduction of the euro in all EU countries (R^2=.206, p=.000, D-W.: 1.507) and the economic government of the EU (R^2=.221, p=.009, D-W.: 2.052) are explained weakly by having "centre" political views.

4) Agreeing on more decision-making at EU level in the question of fighting terrorism (R^2=.819, p=.000, D-W.: 2.359) is very strongly explained by all political views (mainly centre), while disagreeing on that is weakly explained by "right" views (R^2=.209, p=.011, D-W.: 1.964). Agreeing on more decision-making at EU level in dealing with health and social security issues is moderately explained by "centre" political views (R^2=.356, p=.000, D-W.: 1.466), while disagreeing on that is strongly explained by "right" and also "centre" views (R^2=.603, p=.000, D-W.: 1.458). Agreeing on more decision-making at EU level in the equal treatment of men and women is strongly explained by "left" and "centre" political views (R^2=.791, p=.000, D-W.: 1.904), while disagreeing on that is moderately explained by right views. By extending the model to the perception of the EU's challenges as independent variables, it can be seen that the respondents' considerations on the challenges can explain strongly the considerations on shifting the decision-making to EU level i.e. fighting terrorism is explained very strongly by the social inequalities, the competition from emerging countries, insufficient economic growth and the terrorism and security issues besides centre political views (R^2=.924, p=.000, D-W.: 2.002).

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5) In 2030, in the EU, where more importance is suggested be given to solidarity, it is explained strongly by the perceived challenges of ageing of the EU's population, unemployment and environmental issues (R^2=.632, p=.000, D-W.: 1.730); where it should be given to individualism, it is explained strongly by the challenge of social inequalities, and centre and right political views (R^2=.702, p=.000, D-W.: 1.583). Where more importance is suggested to be given to work, it is explained moderately by the challenges of insufficient economic growth, migration, terrorism and security issues (R^2=.571, p=.000, D-W.: 1.255); where it should be given to leisure, it is explained moderately by the challenge of social inequalities, and centre and right political views (R^2=.601, p=.000, D-W.: 1.838). Where more importance is suggested to be given to order, it is explained moderately by the challenges of ageing of the EU's population and insufficient economic growth (R^2=.382, p=.002, D-W.: 1.637); where it should be given to individual freedom, it is explained strongly by the challenges of competition from emerging countries and the instability in the regions bordering the EU and by the centre views (R^2=.658, p=.000, D-W.: 1.454).

6) The consideration on the life of those in the EU who are children today will be easier as the life of those from the respondent's own generation is explained moderately by the perceived challenges of insufficient economic growth, environmental issues, terrorism and security issues (R^2=.444, p=.001, D-W.: 1.714); where it is considered to be more difficult, it is explained moderately by the challenges of public debt of EU member states, the unemployment and the migration issues (R^2=.592, p=.000, D-W.: 1.342); where it is considered to be about the same, it is explained strongly by the challenges of social inequalities and instability in the regions bordering the EU (R^2=.659, p=.000, D-W.: 1.826).

7) The consideration on emphasising the environmental protection by the society to face major global challenges is explained very strongly by perceiving the environmental issues as the main challenge of the EU and by having "centre" political views (R^2=.811, p=.000, D-W.: 2.862). Emphasising social equality and solidarity is explained very strongly by perceiving the social inequalities and unemployment as the main challenges and by having "left" views (R^2=.913, p=.000, D-W.: 2.380). Emphasising free trade/ market economy is explained strongly by having "centre" and "right" political views (R^2=.693, p=.000, D-W.: 1.859). Emphasising cultural diversity and openness to others is explained strongly by perceiving the environmental issues and terrorism and security issues as the main challenges of the EU (R^2=.775, p=.000, D-W.: 1.189). Emphasising progress and innovation is explained strongly by perceiving the unemployment and the migration issues as the main challenges of the EU (R^2=.611, p=.000, D-W.: 2.559). Emphasising traditions

is explained strongly by perceiving the competition from emerging countries and the migration issues as the main challenges of the EU and by having "left" political views (R^2=.620, p=.000, D-W.: 1.660).

8) The feeling of that the things are going in the right direction in the respondent's country is explained moderately by the feeling that everyone had the chance to succeed in life in the respondent's country (R^2=.454, p=.000, D-W.: 2.145). In contrast, the feeling of that the things are going in the wrong direction in the respondents' country is explained strongly by the feeling that the interests of people like the respondent are not well taken into account by the political system in his/her country and that the rise of political parties protesting against the traditional political elites in various European countries is a matter of concern, by perceiving the social inequalities as the main challenge of the EU and by the "centre" political views (R^2=.740, p=.000, D-W.: 2.164). The feeling of that the things are going in the right direction in the EU is explained strongly by the feeling that the EU project offers a future perspective for European youth (R^2=.616, p=.000, D-W.: 2.335). The feeling of that the things are going in the wrong direction in the EU is explained very strongly by perceiving the ageing of EU population as the main challenge of the EU and by the feeling that the EU project does not offer a future perspective for European youth, the rise of political parties protesting against the traditional political elites in various European countries is a matter of concern, the EU is a place for stability in a troubled world, the globalisation threatens the respondent's country's identity (R^2=.886, p=.000, D-W.: 1.579).

CONCLUSION

The current study has examined the EU citizens' opinion and attitude toward the future of Europe. Due to its inductive approach, the findings are far-reaching, diverse and can provide a ground for multi-layered arguments and can serve as a match point for different kinds of future researches. But most importantly, it suggests to turn in more cases, in general and at particular issues such as the migration, and in a more in-depth manner to citizen discourses or opinion polls in order to clarify the need of the citizens. Therefore, to avoid misinterpretations of their opinion and attitude, and to increase fruitful cooperation among the member states to face and solve the emerging challenges and crises. That recommendation is in line with former studies that involved measuring the public opinion: Dimitrova and Kortenska[52] lately found the citizen discourses an increasingly important factor in influencing the EU's integration capacity and argued that the political elites could turn to them in order to identify the conditions under which the enlargement would be acceptable to the citizens.

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The main findings of the current study are the followings:

1) There is a significant Greek divergence from the average EU citizens' attitude toward the Union and its future, that could or should be stopped by focusing on the challenges of unemployment, migration issues and insufficient economic growth.

2) Although the data did no support to measure social attitude toward the enlargement of the EU, it indirectly gave post-explanation (Brexit) and pre-warning (Greece) on its possible narrowing.

3) A core country concept was hypothesized along the results where a core country held the top level of relationship with the members of its alliance, and the members held a lower level of relationship with each other e.g. Luxembourg in Benelux states, Hungary in Visegrád Group.

4) Trending political alliances (i.e. Hungary and Italy) or where those could take place (i.e. Italy and Greece) were tracked down. The former one linked the trend of populism to the results, the latter one found the anti-political elite movements and the unemployment as obstacles in the way of higher level of cooperation.

5) The countries with the most common opinion and attitude represent the most typical EU citizens whose vision and will provide the weight to shape the future of Europe. The countries that have more strongest relationships have actually the ground to establish alliances. However, the countries with the most strongest relationships were relatively small regarding their population (i.e. Slovenia, Hungary, (Romania and) Luxembourg), hence even they could form strong alliances based on their citizens' views to face the arising challenges, they could not necessarily have enough weight over the relatively big countries such as France and Germany that cooperate closely in EU matters.

6) A considerable gap was highlighted between the citizens' attitude toward the EU, its assets, functioning, and their opinion on the arising challenges, their possible solution and the extent to which they would empower the EU to face and solve those. Hence, it could be assumed that this ambiguity significantly contributed to a division, a breakthrough in the current political life of Europe.

7) Having different political views in several cases did not even, in a few cases it weakly and moderately explained the respondents' considerations on the EU's main assets, its challenges and what could be the most helpful for its future.

8) Agreeing on more decision-making at EU level in the question of fighting terrorism was very strongly explained by all political views. In contrast, the other questions on that shift were explained by one or two kinds of political views and at various levels.

9) The responses on whether in 2030 more importance should be given to solidarity or individualism, work or leisure, order or individual freedom, as well as on whether what should be emphasised by the society to face global challenges were explained moderately, strongly and very strongly by the perceived challenges of the EU and the political views.

10) The responses on whether the life of those in the EU who are children today will be easier/more difficult as the life of those from the respondent's own generation was explained moderately by the perceived challenges of the EU.

11) The feeling of that the things are going in the right/wrong direction in the respondent's country were explained moderately and strongly by the perceived challenges of the EU, and the political views and personal concerns of the respondents.

Its supportive findings are the followings:
1) The EU citizens found the EU's respect for democracy, human rights and the rule of law as the main asset of the Union, and rated the unemployment, the social inequalities, the migration and terrorism-security issues as the main challenges in 2017. The three-quarter of respondents had a positive opinion on the European Union as whole, which even increased since 2016.

2) The respondents believed that more decision-making should be taken to EU level in several questions from fighting terrorism to dealing with the migration from outside the EU. For the future of Europe, they considered the establishment of comparable living standards to be the most helpful.

3) More than the half of the respondents thought that the life of those in the EU who were children today would be more difficult as the life of those of the respondents' own generation. Similarly, the respondents were rather pessimistic about the things going in the wrong direction in the EU and in their respective countries. For 2030, the majority of the respondents would prefer a society where more importance was given to solidarity than to individualism.

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The main methodological limitation comes from applying secondary data as that kind of data cannot meet the research objective to the maximum extent. As a result, they did not provide exhaustive information on e.g. the EU citizens' expectations for the outcome of the current challenges in the EU or for the political trends. And although no heteroskedasticity or multicollinearity were found at the regression calculations, not each variable had linearity or normal distribution, and the Durbin-Watson measurements showed serious concern below the values of 1.500 and above 2.500 that could refer to positive or negative autocorrelations, hence these could undermine the validity of results.

Convergent validity at a measurement procedure level could be detected by the matching findings of the Commission's report and the descriptive statistics section of the current study. And although the report also provides a few references to inferential statistical measurements, they target the demographical aspects of the questions, which were intentionally left out of that study, and instead of which I focused on a more complex and less common approach.

Concerning the generalisability or external reliability of the results, it had to be stated that since appr. the same sample size was taken from each country during the data collection, the findings of inferential statistics, particularly at the countries' data measurements, did not take the population size into consideration and regarded each country with the same weight. Hence, a weighting technique could improve the external reliability of the current research. Similarly, the measurements disregarded the content of the questions, of which quality or approach (positive or negative) could bring more insights in knowing whether the countries with the most and the least strongest relations are fighting for or against the most important causes of the EU.

Since the time horizon in the survey is cross-sectional, the statistical measures could only tell the respondents' attitudes in 2017. As that is the seventh survey on the future of Europe, future research could measure trends among the series. To do that, a heterogeneous purposive sampling could be applied on the member states' three attributions like the size of gross domestic product, population and land, to select six countries with the lowest and highest ranks. The elements with diverse characteristics could represent the maximum variation possible in the population[53], and the gained results could reflect sharper the trends in the opinion and attitude of the EU citizens.

ANNEXES

Annex 1.[54]
Pearson correlation on the countries' data

Positive moderate (0.35-0.6)				
EL-DK	NL-EL	SE-EL		
Positive strong (0.6-0.7)				
AT-EL	NL-BG	SE-BG	CY-DK	BG-DK
AT-CY	NL-IT	SE-EE	LV-DK	EL-DE
AT-LT	NL-HR	SE-IT	LT-DK	EL-IE
PL-EL	NL-CY	SE-CY	LT-DE	ES-DK
FI-EL	NL-LV	SE-LV	MT-EL	IT-DK
FI-CY	NL-LT	SE-LT		
Positive strong (0.7-0.8)				
LV-BE	HU-DK	PT-CZ	SE-CZ	BG-BE
LV-DE	MT-BG	PT-DK	SE-ES	BG-CZ
LV-IE	MT-CZ	PT-EL	SE-HR	CZ-DK
LV-FR	MT-ES	PT-EE	SE-HU	DE-BG
LT-BE	MT-HR	PT-IT	SE-PT	DE-CZ
LT-IE	MT-IT	PT-AT	SE-RO	EE-DK
LT-EL	MT-LV	SI-DK	SE-SI	EE-DE
LT-FR	MT-LT	SK-DK	SE-SK	IE-BG
LU-BG	NL-CZ	SK-NL	UK-BG	IE-CZ
LU-CZ	NL-EE	FI-BG	UK-CY	EL-BE
LU-EL	NL-ES	FI-CZ	UK-LT	EL-BG
LU-HR	NL-HR	FI-EE	UK-PT	EL-EE
LU-IT	NL-HU	FI-ES	HR-DK	ES-DE
LU-CY	PL-ES	FI-IT	HR-DE	ES-EE
LU-LV	PL-FR	FI-LV	HR-EE	ES-IE
LU-LT	PL-CY	FI-LT	IT-DE	FR-BG
AT-BG	RO-LU	FI-HU	IT-IE	FR-EE
AT-EE	RO-MT	PL-PT	CY-DE	RO-NL
AT-ES	RO-DK	PL-RO	CY-IE	AT-MT
AT-IT	RO-DE	AT-LV	RO-AT	
Positive very strong (0.8-0.9)				
PL-LT	PT-BE	SI-CZ	SK-BG	FI-BE
PL-LU	PT-BG	SI-DE	SK-CZ	FI-DE
RO-BE	PT-DE	SI-EE	SK-DE	FI-IE
RO-BG	PT-IE	SI-IE	SK-EE	FI-FR
RO-CZ	PT-FR	SI-EL	SK-IE	FI-HR
RO-EE	PT-HR	SI-IT	SK-EL	FI-MT
RO-IE	PT-CY	SI-LV	SK-ES	FI-PL
RO-EL	PT-LV	SI-LT	SK-FR	FI-SI
RO-ES	PT-LT	SI-LU	SK-IT	FI-SK
RO-FR	PT-LU	SI-MT	SK-CY	SE-BE

RO-CY	PT-HU	SI-NL	SK-LV	SE-IE
RO-PL	PT-MT	SI-AT	SK-LT	SE-FR
UK-BE	PT-NL	SI-PL	SK-LU	SE-LU
UK-CZ	PT-PL	AT-CZ	SK-MT	SE-MT
UK-DK	PL-MT	AT-DK	SK-AT	SE-AT
UK-DE	PL-NL	AT-IE	SK-PL	SE-PL
UK-EE	PL-AT	AT-FR	SK-PT	HU-BE
UK-IE	PL-BE	AT-HR	MT-BE	HU-DE
UK-EL	PL-BG	AT-NL	MT-DK	HU-IE
UK-ES	PL-CZ	AT-HU	MT-DE	HU-EL
UK-FR	PL-DK	AT-LU	MT-EE	HU-ES
UK-HR	PL-DE	LT-BG	MT-FR	HU-FR
UK-IT	PL-EE	LT-CZ	MT-CY	HU-HR
UK-LV	PL-IE	LT-EE	MT-HU	HU-CY
UK-LU	PL-HR	LT-ES	NL-BE	HU-LV
UK-HU	PL-IT	LT-HR	NL-IE	HU-LT
UK-MT	PL-LV	LT-IT	NL-FR	HU-LU
UK-NL	CY-BE	LT-CY	NL-MT	IE-BE
UK-AT	CY-BG	LU-DK	HR-BE	IE-DK
UK-RO	CY-CZ	LU-EE	HR-BG	IE-DE
UK-SI	CY-EE	LU-ES	HR-CZ	IE-EE
UK-SK	CY-ES	BE-CZ	HR-IE	EL-CZ
UK-FI	CY-FR	BE-DK	HR-EL	ES-BG
UK-SE	CY-HR	EE-BG	HR-ES	ES-CZ
LV-BG	CY-IT	EE-BE	HR-FR	ES-EL
LV-CZ	IT-BE	EE-CZ	IT-ES	FR-DE
LV-EL	IT-BG	FR-CZ	IT-FR	FR-IE
LV-ES	IT-CZ	FR-DK	IT-HR	FR-EL
LV-HR	LV-IT	LV-CY		
Positive very strong (0.9-1.0)				
BE-DE	AT-BE	SK-BE	HU-BG	SI-BE
DE-DK	AT-DE	SK-HR	HU-CZ	SI-BG
ES-BE	PL-HU	SK-HU	HU-EE	SI-ES
FR-BE	RO-IT	SK-RO	HU-IT	SI-FR
FR-ES	RO-HR	SK-SI	MT-IE	SI-HR
IT-EL	RO-LV	FI-DK	MT-LU	SI-CY
CY-EL	RO-LT	FI-LU	NL-DK	SI-HU
LV-EE	RO-HU	FI-NL	NL-DE	SI-RO
LV-LT	PT-ES	FI-AT	NL-LU	SI-PT
LU-BE	SE-DK	LU-IE	SE-NL	SE-FI
LU-DE	SE-DE	LU-FR		

ENDNOTES

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WHAT IS THE FUTURE OF THE CIRCULAR ECONOMY?

THE RELATION OF THE EUROPEAN UNION AND CHINA

SYLVIA GRACZKA

Abstract: Developed just a few years ago, the concept of circular economy shows the signs of crisis. The new economic model based on resource efficiency, waste reduction, re-use and recycling works mostly on paper in the European Union. Recycling seemed to be the 'big business' of circular economy. China, however, has put the spotlight on this sector with its recently taken decision to ban the import of waste, that affected the EU seriously as 80 percent of plastics collected for recycling in Europe had been exported to China. China was also the world's largest paper waste importer until now. The study presents the concept of circular economy, and analyses the related situation in the EU and China. The author reveals how the concepts were developed, and what the motivations of the parties were. The paper also gives a summary on the details of China's communication to the WTO on the ban of waste import, and presents possible underlying reasons. As a conclusion, it shows alternatives in the European Union on how the circular economy concept may be put in effect.

Keywords: China, circular economy, European Union, import ban, resource efficiency, security of supply, waste

INTRODUCTION

The future availability of natural resources is mostly unknown, at best, estimates exist. Taking inventory – as initiated in the European Union Raw Materials Knowledge Base (EURMKB) – shall demonstrate whether natural resources are scarce in economic terms or also per se, being physically finite or unable to renew in a given time frame. The ever-growing level of foreign trade increases interdependency on internal and external natural resources. On the other hand, the linear

construction of economies – meaning raw material extraction and production followed by distribution, consumption and waste – lead to the generation of huge volumes of wasted material. These were the circumstances when policy-makers started to develop the concept of circular economy in many parts of the world, introducing a new vision that includes the resource-efficient use of materials.

A similar concept was developed in China preceding the EU, and it is well-known that this country was the largest waste importer in the past decade. In 2017, however, China checkmated the EU by announcing the ban of waste imports, causing severe problems in the EU.

The topic of resource-efficiency makes part of the modern security policies as contributor to the security of supply and the reduction of dependence on external natural resources. The study aims to analyse the material use and waste situation, and the recently developed circular economy policies of the EU and China, and understand the motivations behind the steps of the parties. It also aims at setting up potential routes for the European Union on how to continue, and put circular economy policy in effect.

MEASUREMENT OF MATERIAL USE

The measurement of material use in the economy could be approached from the product side. The so-called life cycle assessment (LCA) is the method that evaluates environmental impacts associated with all the stages of a product's life from raw material extraction through materials processing, manufacture, distribution, use, repair and maintenance, and disposal or recycling. This information is rather useful on micro level, for firms to be able to follow the material demand of their products. It is important to mention, that the borders of the system analysed do not coincide with the start and end point of the production, but an extended process is being scrutinised.

The other method for calculating the use of material is the material flow accounts (MFA). This is run at macro level, and official statistics are regularly provided by Member States (MS) of the European Union (EU). Most commonly known indicator is the Domestic Material Consumption (DMC) as the quantity of raw materials extracted from a country's territory, plus physical imports, minus physical exports. No matter which method, measurements of material use are unfortunately not comprehensive. To understand the basics of circular economy, it is essential to get the big picture of material flow of parties. Differences in demand and supply may, for example, include implications on the demand and supply of secondary raw materials and as a pull effect, on waste.

THE MATERIAL USE OF THE EUROPEAN UNION

Statistics show that in the period of 2000−2016 the physical imports have increased well over 10 percent taking 2000 as a base year, and exports boosted performing more than 60 percent of growth in this period, which is important to consider as re-export − typical in the EU's economic structure − also requires significant raw material. Nonetheless, the trade balance is negative and is worsening, making EU a net importer in physical terms (Figure 1). What is not counted, is the additional waste generated by extraction in third countries, to estimate this, there is a method called raw material equivalent, including this additional material use as well; taking this into account would demonstrate an even worse balance for the EU. As opposite to the growth in trade, the Domestic Material Extraction (DME) has declined significantly due to strengthening environmental standards and administrative barriers to extraction.

1. Figure.
Development of Domestic Extraction and Physical Trade, EU-28 [1]
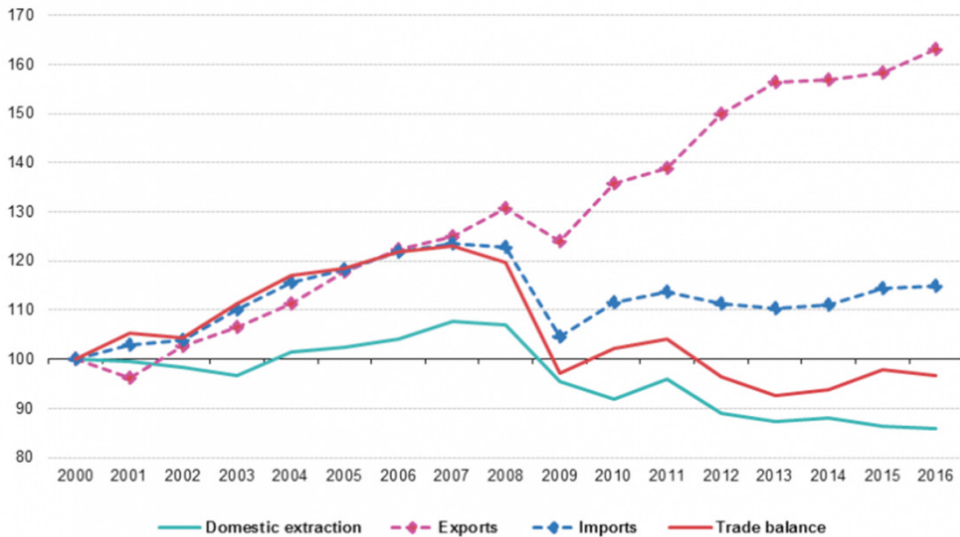
Source: Eurostat (online data code: env_ac_mfa)

It should be mentioned that as the primary measurement unit, the foreign trade of the EU in monetary terms is balanced, as imports are rather made up of cheaper raw materials, while added value is created in the EU.

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Domestic Material Consumption (DMC) of the EU shows an interesting trend during the period of 2000–2016. Before the crisis, growing consumption was experienced, especially in case of non-metallic minerals, in other words, mainly construction materials, which coincides with the boom in the construction sector leading to the severe financial crisis of 2008. The crisis led to a drastic fall in the consumption of all materials, including biomass, non-metallic minerals and fossil energy material (used for non-energy purposes), with metal ores suffering an extreme drop. This then climbed back to the level of 2000 and even topped it by 2016. All other materials and the total average is declining since the crisis. This may have two explanations: first, the decline in consumption (more dominantly in the poorer parts of the EU), second, the rationalisation of firms to achieve cost-optimisation. Overall, the crisis showed the right way in material consumption, yet, we cannot talk about decoupling, as there was a fall in GDP as well. Although Europe's material consumption is declining, it is still so high that it outpaces the world's average, notwithstanding the growing use in fast developing countries, like BRICs.

What is the situation on the waste side? The total amount of waste generated has never been higher in the previous 10 years than in 2014, which is the latest statistics available. The total waste generated by EU-28 amounted to 2 503 million tonnes.[2] 62.9 percent of this waste comes from mining and construction. Household waste ads up to only 8.3 percent. It is interesting to see that, while domestic extraction is declining, the amount of major mineral wastes is increasing. Mineral wastes include waste of mining and of construction and demolition, growing so much that the decrease in all other sectors is offset by it. Only exception is the wastewater, which increased by 87.7 percent due to sewage investments. Household waste continuously increased until 2010 then started to decline, demonstrating again, that most probably waste generation fell because of the crisis and the reduction in consumption; no decoupling can be traced so far.

THE CONCEPT OF CIRCULAR ECONOMY IN THE EUROPEAN UNION'S POLICY

It is important to mention that improving resource-efficiency is a worldwide goal (see UN Sustainable Development Goals, Target 8.4.) both for environmental and for security – of raw material supply – reasons. As MS are all signatories, it is obvious to follow this goal.

The so-called "Flagship Initiative: Resource Efficient Europe" was launched under the auspices of the EU2020 Strategy. Its aim is to decouple economic growth from growth of resource use, as mentioned above. In environmental economic terms, the goal is to create an environmental Kuznets curve for resources[3] that demonstrates

that in case of low income per capita, or low level of welfare, wasting of material is high, and as income increases, due to environmental standards and more educated society, resource efficiency actions may take place, leading to further growth of welfare, going hand in hand with declining material use.

The other approach to material use, surprisingly or not, originates in waste management, partly because of the secondary raw material recoverable from waste, and because data of this sector shows the most problematic part of material use: the amount wasted. Waste statistics are available in all MS regularly with highly developed disaggregation options, however, the differences in definitions and calculation methodologies often end up in misleading information.

The European Waste Framework Directive (2008/98/EC) (WFD) serves as the basic legislative document for the sector, and defines the priorities. The WFD sets the scientific background to waste management activities, in terms of environmental impacts. This concept is the so-called 'waste pyramid' or 'waste hierarchy' (Figure 2), which defines priorities in waste management according to the environmental burdens associated with them.

2. Figure.
The Waste Hierarchy[4]

Disposal or landfilling and incineration, and recovery or waste-to-energy incineration have the worst environmental impact, whereas prevention puts the least stress on the environment. The objective is to minimise risks on health and on the elements of the environment.[5]

The circular economy concept originates in the 1990s, created by industrial ecologists focusing on industrial symbiosis – one producer's waste becomes input for the other producer. The circular economy concept closes the above described linear model in a loop, and was embraced by the Europe 2020 Strategy[6] through the Resource

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Efficient Europe – Flagship initiative[7], rolled out in details in the Roadmap to a Resource Efficient Europe[8]. The overall goal is to reduce, reuse and recycle as much as possible, to keep the circular flow of material in the economy continuous, mimicking the processes in nature. The Circular Economy Action Plan[9] of the EU refers to the efficient use of raw material by reducing production needs – in processes and product design –, rationalised consumption needs and effective waste management, then redirecting material to the economy (European Commission, 2014).[10] Regarding products, the main requirements are reparability, upgradability, durability, and recyclability, and concerning the production process best available techniques shall be published. Facilitation of industrial symbiosis, and gaining innovations and competitiveness from the actions are also crucial in the Action Plan. According to the Commission, consumption may best be restructured by information campaigns, product labelling, the promotion of re-use activities and greening public procurement. In waste management long-term recycling targets are set, provisions will be made to promote the use of economic incentives, the extended producer responsibility schemes will be regulated more in detail, and the waste hierarchy will have a stronger support. To facilitate creating secondary raw material from waste, the Commission undertook to work on the so-called 'end-of-waste' rules, which define the point when waste enters product status. This is a sensitive topic, as waste and product fall under totally different legislation. The priority areas of the Action Plan are plastic, food waste, critical raw materials, construction and demolition waste and biomass.

To follow progress in the field, the Circular Economy Monitoring Framework was set up in 2018. This is a selection of ten indicators – that already have data with time series –, and measure goals of the Circular Economy Action Plan relative to production and consumption, waste management, secondary raw materials and competitiveness and innovation.

RESOURCE USE AND EFFICIENCY IN CHINA

China is the world's largest consumer of natural resources and the largest generator of waste surpassing USA in 2004 with 212 100 million tons of municipal solid waste generated.[11] It consumes more than what the OECD countries do all together (OECD, 2011).

GDP of China dramatically increased between 1980–2008, although DMC did not follow it by the same scale (Figure 3). The growth of GDP slowed down moderately reaching 6.7 percent in 2016, but during the post-crisis period of 2009–2016 foreign trade import has grown by 69 percent and the export by 78 percent.[12]

On the other hand, huge and ever-growing amounts of waste are generated in China. In the period of 1995–2004 for example municipal waste increased by 45 percent, and industrial waste by 86 percent.[13] As the recycling power of the world,

it is interesting to see a trend between 2014 and 2016 with projections to 2020 that this Chinese sector is turning towards local sources.[14] Imports were stagnating or slightly decreasing in all important waste streams, like paper, plastic, non-ferrous metals, iron and steel. The competitive advantage of import waste was that it had better quality characteristics (being cleaner) than the domestic. Large proportions of low-quality, often illegally shipped waste is managed under uncontrolled circumstances in the inner lands of China, the recycling plants of the developed parts are only able to accept recyclables of higher quality, i.e. imported waste.

3. Figure.
Growth of Domestic Material Consumption
(DMC) and GDP of China and USA[15]
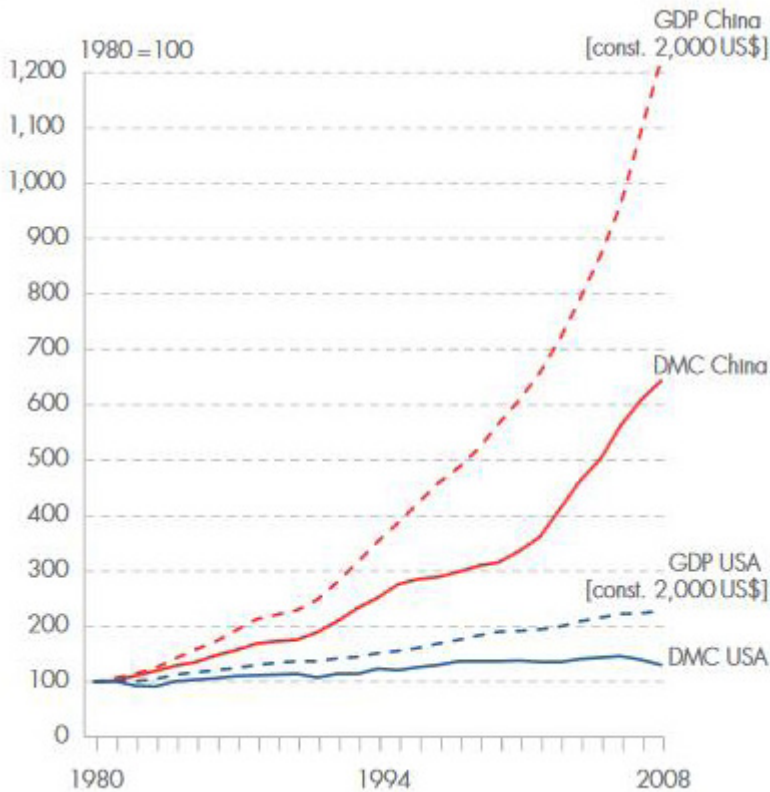
As a summary, the raw material efficiency of the country is low (Figure 4). The OECD countries produce 1 USD of GDP from 0.54 kg material, whereas China does the same from 2.5 kg[16] resulting very high material consumption intensity.

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Examining the relation of GDP and DMC the other way round, we get material productivity (Figure 4). This shows how much GDP can be produced using 1 kg material. Either we consider resource efficiency of material productivity, China is not efficient. Even through there is a moderate improvement in resource efficiency, the growing demand of natural resources overwrites that. This is called the rebound effect.[17]

4. Figure.
Resource Efficiency of OECD countries[18]
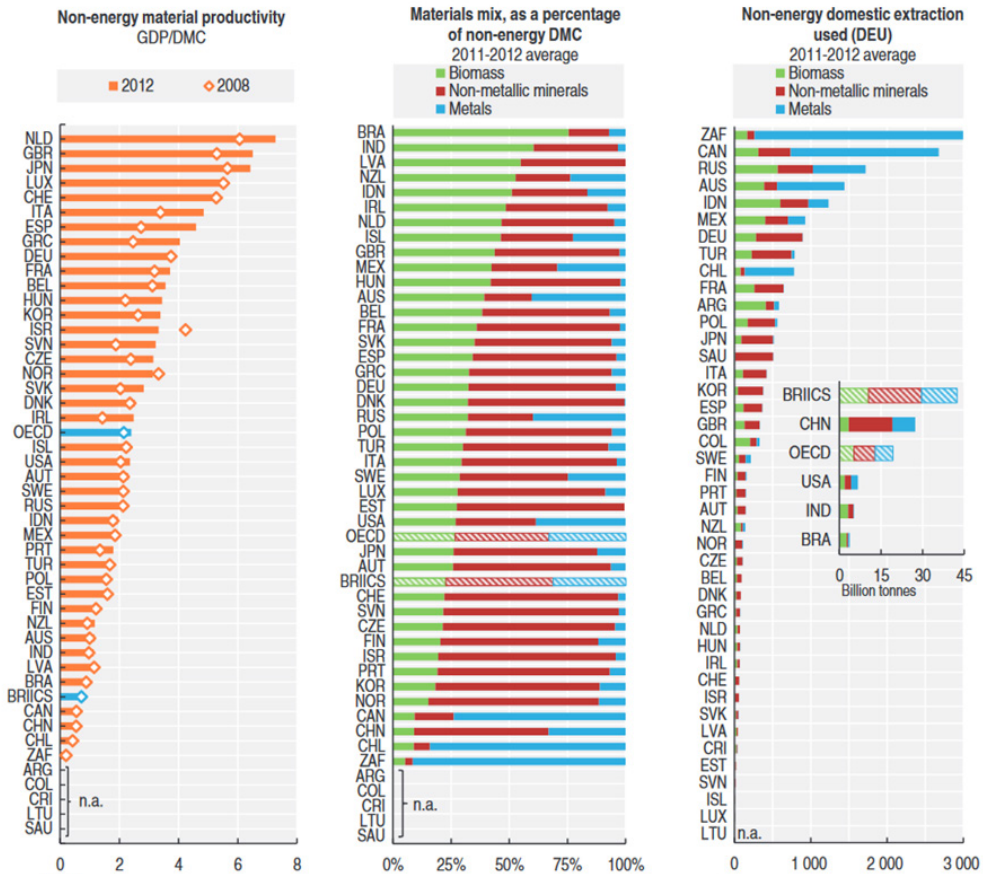
THE CHINESE ENVIRONMENTAL PERFORMANCE AND THE POLICIES FOLLOWED

Due to the limited information, we usually do not know too much of China's environmental performance, but it is essential to analyse the dimensions of environmental problems to understand the motivations of the country. The cost of Chinese environmental

pollution added up to 3.5 percent of its GDP in 2004.[19] According to the Environmental Performance Index 2018[20] China has moderately improved its performance in the past ten years. Significant improvements have been achieved in the field of water quality and sanitation, climate and energy, some development was experienced in air quality, but there was a serious drop back in forest coverage. Today China ranks 120 on the EPI list compared to its 136th place in 2008. The SDG Index rank of the country is 71 out of 157 countries.[21] This index shows a country's progress towards the UN Sustainable Development Goals defined in the UN Agenda 2030. China seems to be performing a little stronger in social goals than in the environmental ones.

Difficulties in language only enables the author to use secondary sources regarding China's circular economy policy, which was introduced to the above scenario. (In its 11th Five Year Plan circular economy appeared as the new paradigm of growth.[22] Later, in 2005 the State Council of the People's Republic of China published a Guide of Circular Economy including concrete legislative and institutional measures. The commitment was strengthened by putting down the foundations of the Circular Economy Policy with goals such as: increasing eco-efficiency in the cement and paper industry, modernising the management of e-waste and closing the loop in industrial parks based on the concept of industrial symbiosis. Circular economy indicators were developed, i.e. resource input, consumption, balance (physical trade and stock), and output is measured.[23] Pilot projects were also launched in 2005, 2007 and 2008 involving more and more players. 2008 was the year when the independent Circular Economy Promotion Law was adopted. The 12th Five Year Plan included the target for the recycling of heavy industry, the 72 percent re-use of industrial waste and the improvement of resource-efficiency by 15 percent by 2015. A budget of 468 bn USD was allocated to these targets. Three levels of action were defined: 10 industrial parks, 100 settlements and 1000 companies were to be involved.[24] The Action Plan for Circular Economy Development Strategies was developed in 2013 aiming to improve the previous quantitative targets, to increase the re-use of municipal waste and the development of effective recycling industrial capacities by 2020. In the 13th Five Year Plan the improvement of management systems, the enhancement and the restoration of the environment have priority – as the pressure from the population became stronger. A new set of quantitative targets – among them the increase of resource efficiency by 15 percent relative to 2015, and a growth target for the circular economy industry – were determined, and the introduction of green tax and the issuing of green bonds were also mentioned. The evolution of the circular economy policy of China[25] led to a broad, environmental approach, including topics like pollution control and improving conditions of the environment in general, which is very much different from the EU's circular economy policy focusing narrowly on waste and resources, and the business opportunities.[26]

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The first significant customs control action against illegal waste shipments was launched in 2013 named "Operation Green Fence" resulting in redirecting 800.000 tons of waste, and 247 companies losing permits. The second similar action, the "National Sword" took place in 2017 where irregularities were found in case of 590 companies (more than 66 percent).

CHINA'S BAN ON IMPORT OF WASTE

In July 2017 China notified[27] the World Trade Organisation that it should ban import of 24 types of wastes shipped for recycling, i.e. plastic, paper, textile and metallurgical wastes. Member States of WTO – particularly the largest powers like the European Union, the United States, Canada and Australia – called upon the withdrawal of the notification, and later requested derogation, but remained unsuccessful in negotiations. In November 2018 China announced the quality requirement for the waste streams (referring to the 'cleanness' of waste), which is not achievable with current collection technologies. The decision entered into force on 1 January 2018.

The international market of these wastes is oligopsonistic, meaning the demand side is controlled by very few players. Suppliers – in other words, the waste generators – are constrained to accept the conditions set by the buyer. The European Union in this sense is highly dependent on China making a security issue out of the situation. China took up 56 percent of the world's plastic waste, EU exported 87 percent of its plastic waste to China in 2012.[28] The world's largest paper and pulp producer and paper waste importer is also China.[29] Table 1 shows the absolute dominance of China in waste imports, currently there is no substitute in terms of capacity. In case of plastic a complex supply chain makes it difficult to sum up China's market share, as significant amount of waste goes through ASEAN countries ending up in China (see 'Other Asia, nes'). Basically 100 per cent of Hong Kong's import may be added to China's, as that is the primary gate to deliver waste to China through more lax regulation.

Why did China announce the ban? The action is so recent, that no theories are available to put the case into perspective. It is for sure that the Chinese population is seriously suffering from environmental pollution, which is unsustainable even in the short run. This was the official motive, fairly respectable having seen the moderate environmental performance of the country.

Another reason may be, as it turned out during the customs control, the huge number of illegal shipments. These shipments meant wastes that did not meet the quality requirement, and because of that were not suitable to be recycled in the industrial parks closely controlled by the state, as those operate technologies with higher input standards. The destination of this type of shipments were the small

private companies in the remote areas of China, with no environmental standards in place, or no enforcement, if there are any. Waste separately collected, but not clean enough, unfortunately ends up burnt – causing air pollution – or dumped illegally in waters, for example. As the calorific value of plastic and paper is relatively high relative to wet municipal waste, it is often incinerated. This process may be named recovery in case the site corresponds to certain energy output requirements, but it is hardly controlled.

The third reason could be that China prepares to create scarcity in waste import services, pushing up the quality, while lowering the prices of recyclables by indirectly generating severe oversupply. This poses serious risks to waste exporters.

1. Table.
The Top Ten Waste Importers of the World 2016[30]

PLASTIC				PAPER			
	Reporter	Netweight (kg)	Share of market (%)		Reporter	Netweight (kg)	Share of market (%)
	World	*15 479 148 479*	*100*		*World*	*57 566 320 771*	*100*
1	China	7 347 175 529	47,46	1	China	28 498 510 807	49,51
2	China, Hong Kong SAR	2 877 955 762	18,59	2	Germany	4 285 732 803	7,44
3	Netherlands	611 300 446	3,95	3	India	3 177 568 369	5,52
4	Germany	548 028 921	3,54	4	Netherlands	2 748 707 434	4,77
5	USA	447 944 649	2,89	5	Indonesia	2 021 051 144	3,51
6	Belgium	312 586 838	2,02	6	Spain	1 638 323 313	2,85
7	Malaysia	287 673 296	1,86	7	Rep. of Korea	1 562 257 564	2,71
8	Austria	229 822 363	1,48	8	Mexico	1 531 174 893	2,66
9	Italy	178 631 256	1,15	9	Austria	1 259 030 600	2,19
10	Other Asia, nes[31]	177 934 264	1,15	10	Thailand	1 086 906 621	1,89

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It may also try to achieve better positions in international trade disputes. This is relevant, because the European Union has an ongoing dispute with China's export restrictions on raw materials since 2009, and as the result of the WTO dispute settlement it was declared that China should adhere to WTO rules.[31] The EU launched a third case against China's practice in 2016.[32] Also, due to violating anti-dumping rules, the EU has set barriers on cheap Chinese import in 2017, by introducing special calculation methodologies in anti-dumping[33], limiting China's business opportunities.

It is also clear that China's dependency ratio on import is high, it aims to become self-sufficient as much as possible with respect to economic and environmental aspects. The country's resource footprint increased more rapidly than the domestic extraction (DE). It has the largest national resource footprint among BRICS, nonetheless it still does not reach the world average. Between 1995–2008 China's per capita footprint increased fastest, particularly for its minerals footprint (increased by 170%) and fossil fuel footprint (increased by 100%).[34]

China does realize its huge economic impact and dominance in the waste sector, and it is a power in material consumption as well. At the same time, it faces significant vulnerability as it is unable to satisfy the ever-growing material demand with domestic extraction. The circular economy concept is the best remedy for this situation: become as resource efficient as possible, develop local recycling and collection capacities, reduce dependency on imports. A precious "side-effect" of these measures is the increasing protection of the environment, causing growing domestic tension among the population.

OPTIONS FOR THE EUROPEAN UNION

On the one hand, the European Union is in a maladjusted condition, preparing and adopting a complex, well-constructed chain of policy documents declaring the steps towards a circular economy. On the other hand, the sector is not environment-, but primarily business-driven with non-transparent statistics. The waste hierarchy is there in each MS's legislation, but the higher levels of it remained part of the preamble often without concrete action.

The worst thing that may happen, and signs are showing, is that separately collected plastic and paper waste shall not by recycled as a secondary raw material, but shall be incinerated in waste-to-energy plants, which is a big step backwards in the waste hierarchy. It is a fact that Western Europe suffers from overcapacity of incineration since years. In addition, there is an intent from CEE countries to build additional incinerators, which cannot be a healthy, environmental friendly solution due to its consequences on air quality, not to mention the extremely high investment costs.

The three most important levels of the waste hierarchy – recycling, re-use and reduction – are main promoters of resource efficiency, reducing dependency of states. It is worth viewing the key obstacles at the different levels, to understand what the next steps should be. The first step to force MS to take the waste management principles seriously was the introduction of quantitative recycling targets, with the ones not meeting them risking infringement procedures and sanctions. The point where this goal was disorientated, was that there was no agreement on the precise definition: there were countries presenting recycling data reflecting the waste collected separately for recycling. Others presented data were it was certified that waste was handed over for recycling to third parties. But, if the third party was Chinese, for example, there was no final proof on what really happened to it.

Stepping up another level on the hierarchy, it is seen that the main problem with promoting re-use was the lack of targets, this is to some extent remedied by this year's adopted revision of the Waste Package, including several waste related EU directives. The other problem calling for solution is the precise definition of end-of-waste. From a legislative point of view, it is not indifferent whether we take over waste, repair it, then re-sell it as a product, or we take over a product, repair it and re-sell it as a second-hand product.

Waste prevention is the most neglected field, even though the European Union strives to convince MS on its significance. The reason is simple: prevention would need restructuring of production and consumption patterns, sometimes even reduction of those, which is a great risk for politicians. In addition, prevention of waste originating in production and consumption fall under the scope of multiple legislations (production, trade, advertising, etc.), the least under waste legislation. Usually, for this reason the field does not have an empowered, responsible organ in the MS, not to mention the allocation of the budget. To strengthen this goal the Waste Framework Directive was revised in 2008, and the preparation of National Prevention Plans became obligatory. The content, however, is based on the sole decision of MS. A major part of these plans misuses the term prevention and instead set goals on recycling or preparation for re-use. Reporting only happens every six years, the first one due by the end of 2019.

Even though policy documents and statistics are presented, the current sad solution for the circular European Union is that it keeps the economy linear, but takes out the tail of it – the waste management part – to third, mostly developing countries. Very often, this happens illegally, exporting waste tagged 'recyclable'. It is not accidental that the waste shipment regulation has been strengthened in 2016. The EU makes developing countries bear the environmental externalities of its production and consumption in terms of waste. China's ban has revealed the true situation in the EU.

What options does the EU have in stepping further? The signing of a Memorandum of Understanding (MoU)[35] on Circular Economy Cooperation in July 2018 (European Commission and NDR Commission of China, 2018) by the EU and China

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demonstrates two things: on the one hand, the issue is crucial and full of tension that had to be eased; on the other hand, there is no other option for the EU than cooperation due to its extremely strong dependence. The MoU includes elements of co-working on strategies, legislation, policies and research in the field of circular economy. Signatories shall address management systems and policy tools (eco-design, eco-labelling, extended producer responsibility, green supply chains) and financing should also be on the agenda. Regarding practical considerations, the EU may try to correspond to the new quality requirements of China, but this will need significant investment, as the technology for separation and separate collection should be changed Europe-wide. The second option for the Union is that it redirects its waste towards new importers. Other developing countries may see a business opportunity in accepting European waste, as their development requires increasing amounts of material (Preston et al., 2017; Lehne, 2017)[36][37].

2. Table
The Top Ten Destinations of the EU Waste Exports, 2016[38]

PLASTIC				PAPER			
Rank	Reporter	Netweight (kg)	Share of market (%)	Rank	Reporter	Netweight (kg)	Share of market (%)
	Total	6 185 823 315	*100*		*Total*	11 345 251 728	*100*
1	China	1 621 146 980	26,21	1	China	8 639 753 400	76,15
2	China, Hong Kong SAR	762 114 600	12,32	2	India	555 471 700	8,98
3	Malaysia	150 476 930	2,43	3	Indonesia	541 890 650	8,76
4	Viet Nam	131 570 618	2,13	4	Switzerland	382 731 675	6,19
5	India	127 497 100	2,06	5	Turkey	229 720 185	3,71
6	Indonesia	42 752 360	0,69	6	Rep. of Korea	198 881 300	3,22
7	Switzerland	39 800 933	0,64	7	Malaysia	122 567 210	1,98
8	USA	33 909 809	0,55	8	Ukraine	116 890 667	1,89
9	Turkey	33 493 049	0,54	9	Thailand	106 420 930	1,72
10	Pakistan	25 662 065	0,41	10	Norway	105 939 106	1,71

This would still keep the EU extremely vulnerable for it would support the outflow of material that is non-renewable (plastic made of crude oil), or critical raw material as in case of e-waste, for example. This would very much increase the risks of security of supply. Table 2 shows the high level of concentration of EU exports in plastic and paper waste. Statistics will not give a precise picture of the processes, as there is a specific supply chain involved in waste movements. As mentioned before, the majority of waste going through ASEAN countries and Hong Kong SAR ends up in China. Unquestionably, China would be extremely hard to substitute in capacity, only a group of countries would be able to approximate their capacities to that of China. Another interesting aspect shown by the table is that there are "inland" destinations within Europe. Given the characteristics of its natural landscape, Switzerland has no option of landfilling, while Norway banned landfilling in 2009. Instead, incineration is a highly developed form of disposal in these countries, requiring lot of high calorific value waste (paper, plastic) to be burnt. Incineration is the route that goes contrary to the waste hierarchy as explained, and a true fear to become the solution for problems emerging from China's decision.

The dependence on external primary and secondary raw material sources may be reduced by closing the loop within the borders. The reaction of the EU to the Chinese ban was the new Plastic Strategy[39] adopted recently. This includes the goal of local capacity-building in the recycling industry, and the creation of market for secondary raw material. The main problems so far were the volume, which could be helped by the co-operation of MS in this field. The other con for domestic recycling were the high investment and employment costs, that may be moderated by economies of scale. Under recent conditions China was the place where the Gross Value Added (GVA) was generated: waste was bought at low price from Europe, then recycled and new products were produced from them, and ultimately sold for Europe at a higher price. The issue of downcycling vs upcycling is also worth analysing, if we mention GVA, with gains expected from upcycling and loss from downcycling.

CONCLUSION

The EU and China are leading characters internationally in the topics discussed. The EU is the biggest material consumer as a net importer, with one of the leading positions in waste exporting, and improving resource efficiency indicators. China is the world's biggest waste importer, the number one natural resource extractor and the largest waste generator. It is particularly weak in resource efficiency. However, it also has a huge internal market and it seems as if it has started to 'close the loop' one step earlier than the EU.

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The Chinese ban on waste import revealed serious structural problems of the waste sector of the EU. As a first step, the dissonance between policy papers and practice should be avoided. Solution may be found only if decision-makers deal with evidence-based policies, not just visions. To this end, statistics should be made transparent, with consistent definitions and standards in methodologies. Decision makers should seek to channel waste business into a legal framework as much as possible. MS should act based on long-term strategies, instead of consistently downplaying targets proposed by EU institutions.

The topic of circular economy in the relation of the EU and China is interesting, as two internals policies – circular economy policies are focusing on domestic issues – aim the same resource efficiency and environmental protection as set by the UN worldwide, but they collide with each other. This reveals that in reality these are not internal issues, or at least have serious external effects, and that this should be considered by policy-makers.

Waste management based on priorities of the waste hierarchy is part of resource efficiency. The access to and availability of sufficient primary and secondary resources have direct effect on security concerns, risking too high dependency of countries on external sources. The Chinese ban draws attention on that, it is time to deal with it.

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ENABLING THE EUROPEAN INTERVENTION INITIATIVE: CAN U.S. AFRICA COMMAND SERVE AS AN ORGANISATIONAL BLUEPRINT?

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Abstract: The European Intervention Initiative (EI2) has been one of the most recent political proposals creating a stronger joint defence cooperation amongst European states. By comparing the initial proposal in President Macron´s Sorbonne speech with the following EI2 Letter of Intent as agreed by the nine participating member states, this paper has identified considerable gaps in the EI2 level of ambition. To close these gaps, a potential politico-military role for EI2 amongst already existing multinational frameworks with military intervention capabilities has been defined. Furthermore, since this paper placed a central emphasis on the African continent as a geopolitical challenge to Europe, a comparative analysis with the U.S. Africa Command (USAFRICOM) provided valuable insight into the U.S. regional combatant command framework as well as into the conduct of U.S. military interventions in Africa. As a result of this analysis, the paper concluded with several recommendations for a potential future EI2 organisational implementation and included considerations about relevant lessons learned from USAFRICOM operational experiences.

Keywords: defence, *European Intervention Initiative (EI2), USAFRICOM*

INTRODUCTION

This paper represents a contribution to the 2018 Foreign Policy Review issue about the topic "Stronger together: What future awaits the European Union?" by highlighting recent developments in European defence integration. While the launch of the Permanent Structured Cooperation on Defence (PESCO) attracted the attention of many researchers and political analysts, the French-proposed European Intervention Initiative (EI2) has matured rather silently outside the limelight.

To change this, the paper offers a thorough exanimation of the EI2 from the proposal to the first implementation steps in 2018. The focus is therefore placed on the organisational implementation, which encompasses the planned and actual administrative structures that are supposed to enable participating members in reaching the common goals as set in the Letter of Intent. Since European defence has undergone and is still undergoing continuous changes, the second section sets the scene for the further definition of the EI2 scope and level of ambition. In this third section, a brief overview on U.S. Africa Command is delivered. By being a military intervention organisation with almost 12 years of lessons learned from operations on the African continent, it provides a comprehensive overview on larger scale operations from the Atlantic partner country. The final section contains recommendations for organisational structure, operational scope and political considerations for the ongoing EI2 implementation.

THE EUROPEAN INTERVENTION INITIATIVE (EI2)

In the 'Initiative for Europe' speech at Sorbonne University in September 2017, French President Emmanuel Macron delivered a comprehensive portrait of the European Union, spanning from historical milestones of EU integration, over contemporary internal and external challenges for Europe, to short- and long-term proposals for overcoming the EU's current problems.[1] Since addressing all those issues in their specific context is beyond the scope of this paper, the focus is furthermore placed on the topic of defence, in particular the EI2, which he mentioned and outlined in this speech for the first time.

President Macron combined a long-term vision to develop a common strategic culture among European countries in order to create a joint perspective on defence-related issues with the short-term goal of creating a 'common intervention force, a common defence budget and common doctrine for action' in the 2020+ timeframe: *"What Europe, Defence Europe, lacks most today is a common strategic culture. [...]. But I propose trying, straight away, to build that common culture, by proposing a European intervention initiative aimed at developing a shared strategic culture. To create this convergence, we need deep-rooted change. I thus propose to our partners that we host in our national armed forces – and I am opening this initiative in the French forces – service members from all European countries desiring to participate, as far upstream as possible, in our operational anticipation, intelligence, planning and support. At the beginning of the next decade, Europe needs to establish a common intervention force, a common defence budget and a common doctrine for action."*[2] Following the publication of the French proposal, political analysts from several research institutes have intensively examined the EI2 as well as the Letter of Intent[3]

signed by nine participating member states in June 2018. Amongst European states some skepticism of EI2 has been raised due to the fear of potential duplication with NATO and EU initiatives, particularly with the equally new Permanent Structured Cooperation in defence (PESCO). In addition, European member states also stated some concerns about an extension of French influence on the general shape and direction of the European foreign and defence policy.[4]

The initiative was therefore met with reluctance by the other EU member states, as seen in the exemplary case of Germany, which reacted rather slowly to the EI2. From the French perspective, the EI2 represented a logical next step following experiences from its national foreign and defence policy, e.g. a general prioritisation of the southern neighbourhood to its national security and lessons learned from past military interventions, particularly the recent Mali operation in Africa.[5]

As a result, the Letter of Intent had to address and accommodate a number of politically sensitive issues amongst the European partners: 1) Preventing duplication with NATO and the EU (particularly with PESCO), 2) Excluding new rapid reaction force and earmarked forces (EI2 should draw from existing national intervention contingents), 3) Being resource-neutral without new structures or budgets, and 4) Retain openness to other willing European countries.[6] The first tangible step, to which the EI2 participating member states agreed, was mentioned under paragraph 17 of the Letter of Intent. The participating member states concluded that, *[i]n order to reach the objectives of EI2, we decide to establish a light EI2 Permanent secretariat in Paris based on French personnel and on the existing network of national liaison officers in the various military structures of the French MoD (possibly complemented by national voluntary contributions), to oversee policy and objectives, and to coordinate actions along the different lines of cooperation. (p.3).*[7]

In practice, the EI2 aims at closer cooperation by sharing information with present foreign military personnel on 1) strategic foresight and intelligence sharing, 2) scenario development and planning, 3) support to operations, and 4) lessons learned and doctrine.[8]

As of end of 2018, the participating member states have not completed the draft of the EI2 memorandum of understanding as stipulated in paragraph 18 of the Letter of Intent and therefore have not yet provided more details on their national contributions to EI2.

A comparison between the original proposal made by President Macron in his 2017 Sorbonne speech and the outcome of the EI2 Letter of Intent shows a visible disparity in the level of ambition. While the three "C's" of the 'Initiative for Europe' (common intervention force, common defence budget, common doctrine for action) had been clear and tangible, and even provided with a timeframe to be met (early 2020s), the scope of the EI2 as described in the Letter of Intent was rather modest and not very innovative.

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In order to close the gap between the intentions of the initial proposal and the EI2´s current level of ambition, this paper argues for a stronger organisational framework, which should be created in the remit of EI2. The creation of a common strategic culture, which has been reiterated in the EI2 Letter of Intent, might not be reached just by the information exchange between military officers; an endeavour that led one political analyst to ask the provocative question of EI2 as an "Erasmus for soldiers".[9] As a way towards stronger and deeper military integration between the participating member states, the role and structure of EI2 needs further refinement. By considering the strategic environment that member states acknowledged, and particularly the challenges posed by instability, terrorism and migration in the southern neighbourhood (Mediterranean and the Sahel-Sahara region), a first start would be to construct EI2 with operations and missions on or nearby the African continent in mind.

OTHER JOINT MILITARY OPERATIONS ACTORS

In this section, established frameworks are closer examined regarding their operational activities on the African continent and thus define the "brackets", in which the EI2 format needs to be further defined. The paper offers an analysis of the three dominant multinational organisations that were mentioned in the EI2 Letter of Intent and which conduct operations in an expeditionary capacity in the African theater of operations: The EU, NATO, and the UN. In addition, the bilateral cooperation between France and the United Kingdom has been added to the list for further analysis as well, since both states provide comprehensive military expeditionary capabilities in Europe and this formalized cooperation need therefore be considered in the remit of the EI2.

Excluded from the analysis are African states, regional organisations in Africa as well as Non-African countries[10] that have established a military presence on the African continent. For future analyses, these actors might warrant a closer look, if they represent opponents or cooperative partners that could participate as observers or even participants in the EI2 framework, thereby transforming the European into a transcontinental initiative.

1. The Military Planning and Conduct Capability (MPCC) – European Union (EU)

In November 2016, the EU member states have agreed to create a permanent strategic command for EU military missions at the European level. This new organisation was geographically located in Brussels and administratively headed by the Director-General of the EU Military Staff as part of the European External Action

Service (EEAS). Furthermore, the MPCC adds a military dimension to the already existing adjacent Civilian Planning and Conduct Capability (CPCC), thereby providing the EEAS with civil and military mission execution capabilities at once. According to its political mandate given by the Council of the EU, the MPCC conducts non-executive Common Security and Defence Policy (CSDP) military missions, if tasked to do so. As of 2018, there are currently three active military missions with focus on training African partner nation's armed forces under the auspices of the MPCC: EUTM Somalia, EUTM Mali, and EUTM RCA.[11]

The creation of the MPCC has been the result of a lessons learned process with three EU military crisis management options that were at the EU's disposal so far: 1) Using NATO strategic planning assets through the 2003 Berlin Plus agreement, 2) using designated national military strategic headquarters from one of the five providing member states, and 3) using the EU Operations Centre (OPCEN). Since using NATO structures was only done for Operation Althea (Bosnia and Herzegovina) and the OPCEN was never used for EU military operations management, the most experience in EU military operations management was gained from the use of national strategic headquarters. While the new organisation solved some administrative problems by introducing a strategic layer at the EU level (prior to the MPCC, the Mission Commander had the dual role of conducting the mission in-theatre while also managing the political part in the politico-military committees in Brussels), the small staff size and the limits of its mandate under the CSDP leave an organisational capability gap to manage major conflict interventions at the EU level. In addition, the creation of the MPCC has also been a highly political challenge due to divergent national positions on EU-integration in defence and potential duplication with NATO command structures.[12]

The implementation of the EI2 might therefore provide an executive mission capability that the MPCC currently lacks and evade political barriers posed by divergent national interests towards the question of EU-NATO relations and arguments about potential duplication between those two organisations, however, with the caveat that the developed capabilities are usable in all frameworks.

2. Non-Article 5 Operations under Allied Command Operations (ACO) – NATO

As the predominant multinational defence organisation in Europe, NATO has a traditional strong role in joint expeditionary operations and high-intensity interventions in crises and conflicts. Besides its comprehensive experience from deployments to the Balkans and Afghanistan, the transatlantic alliance has also

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successfully conducted several operations on the African continent as well as the nearby maritime areas. The scope of NATO missions, which were executed in or near the African theater of operations, ranged for example from assistance support to the African Union in Sudan, over counter-piracy operations in the Gulf of Aden, up to direct military interventions, e.g. enforcing a no-fly zone over Libya.[13] From its headquarters in Mons, Belgium, the ACO, also known as Supreme Headquarters Allied Forces Europe (SHAPE), directs two joint operational commands (in the Netherlands and Italy) as well as four tactical commands that cover the military domains of land (Turkey), air (Germany), sea (U.K.) and communication/information support (Belgium).[14] This organisational arrangement has the ability to support two deployed major joint operations, one maritime-heavy and one air-heavy small joint operations from static locations.[15] NATO has considerable amounts of forces at its disposal and offers established organisational structures for any kind of joint military operation.[16]

When indications for conflicts or crises have been identified, NATO can start a refined politico-military operational planning process. In six phases, NATO's operational planning covers identification, assessment, development of options for decision, the actual mission planning as well as execution and finally transition. In order to reach a common understanding between the deciding NATO member states, the numerous subcommittees and working groups involved in the process can draw on established manuals and framework documents (e.g. NATO Crisis Response System Manual or Bi-SC Conceptual Framework for Alliance Operations), which have received previous approval of all NATO member states.[17]

With comprehensive crisis management structures already in place inside NATO, the EI2 would have a hard time to prevent any duplication. In order to add value, EI2 should be designed as a vehicle for further politico-military consolidation of national positions amongst the nine participating member states. This could eventually represent one starting point of strengthening the European pillar in NATO, less in respect to defence budget increases, but more in relation to actual capability contribution to NATO missions and operations.[18]

3. Peacekeeping – United Nations (UN)

The tool of peacekeeping has been used as early as 1948, when the United Nations was founded. In order to adhere to the UN charter's chapters on human rights and international humanitarian law, the UN Security Council has adopted several resolutions to conduct peacekeeping operations, which encompasses mostly the following tasks:

-   Observation, monitoring and reporting – using static posts, patrols,
-   Over-flights or other technical means, with the agreement of the parties;
-   Supervision of cease-fire and support to verification mechanisms; and
-   Interposition as a buffer and confidence-building measure (p.21).[19]

UN peacekeeping is based on three principles: It requires consent of the parties involved, necessitates impartiality of the UN in the issue, and is restricted to the non-use of force except in self-defence and defence of the mandate. Operations have so far evolved around maintaining peace, security and rule of law in the respective country, protecting civilians, assisting in the disarmament/demobilization and supporting political or electoral processes.[20] As of 30 September 2018, the UN has conducted 71 peacekeeping operations so far, with more than 100,000 mostly military and additional police personnel serving in the currently active 14 operations.[21]

Following approval by the UN Security Council, peacekeeping missions are required to be active within 30 days and in 90 days in case of multi-dimensional missions. Successful execution of the missions is also largely dependent on troop contributors as well as financial support to the mission by the UN peacekeeping finance mechanism.[22]

When looking on UN peacekeeping missions conducted so far, the picture of successes and failures appears rather mixed. While the UN's disarmament mission in Sierra Leone and election support in Burundi were promoted as success stories, UN peacekeeping has also tremendously failed with high publicity. Inactivity of UN peacekeepers in Srebrenica 1995, the UN's inability to stop the genocide in Rwanda 1994, and the failure of the UN peacekeeping in Somalia after U.S. withdrawal of forces 1995 have damaged the reputation of UN peacekeeping in serving as a success intervention tool in sudden crises and emerging conflicts.[23]

In this regard, the EI2 framework might support the UN in its mission to maintain peace and security in the African theater of operations with a rapid reaction crisis management force that can prepare follow-up missions and operations under the aegis of the UN.

4. Combined Joint Expeditionary Force (CJEF) – Bilateral (France/United Kingdom)

In the remit of the 2010 Lancaster House Treaties, France and the United Kingdom have formalised their defence and military cooperation in a number of domains, which included inter alia joint deployment of their armed forces.[24] As of 2011, both countries would commit one brigade each to the CJEF framework, undergo joint training, and eventually conduct ad-hoc coalition operations and, even though it is

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purely based on a bilateral agreement outside multilateral frameworks, the force has been intended to contribute to EU, NATO and UN missions as well.[25] The CJEF covers all three military domains (land, air and maritime), including headquarters planning and conduct as well as logistics support. It is foreseen that the initiative will lead to a stronger harmonization of doctrines, training and equipments requirements and eventually to a better interoperability between France and the U.K..[26] In 2016, the CJEF concept was successfully validated in its first training exercise Griffin Strike, wherein more than 5,000 personnel from both countries participated. The practical scenario covered were e.g. an armoured land attack with attack helicopter and fighter aircraft support as well as airlift of amphibious vehicles. The CJEF deployment would be able to sustain operations up to 90 days. Potential tasks of CJEF include rapid deployment ahead of larger NATO or coalition operations, but also cover peace-keeping, disaster relief or humanitarian assistance.[27]

The CJEF initiative could be a practical precursor of what the EI2 might evolve into. Since France and the U.K. are both EI2 participating member states, a logical next step would be to enable CJEF to be used under the EI2 framework and to eventually invite other participating member states to contribute to CJEF on an ad-hoc or permanent basis, thus also enabling joint training and lessons learned, and eventually evolution of a joint strategic culture beyond France and U.K. as CJEF founders.

THE U.S. AFRICA COMMAND (USAFRICOM): LESSONS LEARNED FROM A U.S. GEOGRAPHIC COMBATANT COMMAND AND ITS OPERATIONS INSIDE AFRICA

While the EI2 Letter of Intent represented a jointly agreed document on "what" the initiative should do and not do, details of "how" the EI2 should be implemented have been rather limited (i.e. in the format of a 'light permanent secretariat in Paris'). In this regard, this paper takes the approach to identify a further potential source for organisational and operational lessons learned. Despite the difficulties of USAFRICOM being a different "politico-military animal", it has faced considerable challenges since its foundation in 2007; internally (e.g. relation between civilian and military foreign policy in Africa) as well as externally (e.g. conduct of various mission types across the full spectrum of forces), which represent an excellent source of information that should be taken into account for any further EI2 implementation. The following section therefore provides some important lessons learned from the political, legal, communicational and military capability domains of USAFRICOM, which the EI2 could face at one point in time as well.

1. Political Guidance and Legal Framework

After the 2nd World War, the U.S. recognized the necessity to retain a permanent military presence abroad in order to confront the Soviet Union. This permanent military presence, which was implemented in the form of Combatant Commands (COCOM), continue to protect global U.S. interests from a military operational perspective up to today. These military organisations are either tasked by function, e.g. a strategic COCOM for ensuring nuclear deterrence, or by geography, e.g. with a mostly continental-defined Area of Responsibility (AOR). In addition to this, if at least two different military services are controlled by one COCOM, then the command is called unified.[28]

As of 2018, the United States has a consolidated network of ten Combatant Commands (COCOMs) at its disposal to conduct global major military operations throughout all military domains.[29]

USAFRICOM is the youngest geographic COCOM that was just created in November 2007 by the U.S. Administration under President George W. Bush. Historically, Africa had not been in the focus of U.S. military organizational planners. The first steps to create a smaller formal organisation for the region, the U.S. Africa Bureau, and the inclusion of African states to the USEUCOM's AOR have been made in the 1950ies, back then under the influence of the Cold War and the beginning decolonisation period. In 1983, responsibility for Africa was reorganized inside the COCOM structure between USEUCOM, USCENTCOM, and USPACOM. After the end of the Cold War, U.S. strategic interest in Africa began to wane, but increasing terrorist activities threatened regional stability and safety of U.S. citizens (e.g. through the 1998 terrorist attacks on U.S. Embassies in Africa). Particularly after 11 September 2001, the U.S. perspective on Africa shifted towards a more active role and the beginning War on Terror also impacted missions and operations of U.S. Armed Forces on the African continent.[30]

All COCOMs worldwide draw their political guidance from one classified document, the Unified Combatant Plan (UCP). Revised at least bi-annually by the Chairman of the Joint Chiefs of Staff, the UCP provides comprehensive guidance on mission mandate, planning, training and operational responsibilities of the COCOMs. The UCP also translates central political documents, i.e. the National Strategies on Security, Defence, and Military, thus guaranteeing a downstream from the U.S. foreign and defence policy to the U.S. military strategic and operational levels.[31] In addition, COCOM commanders are also required to provide an annual posture statement before the House Armed Services Committee and Senate Armed Services Committees of the U.S. Congress, presenting current politico-military goals of their COCOM and recent developments in their COCOM's AOR.[32]

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Furthermore, in order to enable U.S. Armed Forces to operate inside foreign country's territory with the least amount of legal limitations necessary, a Status of Forces Agreement (SOFA) is usually put in place by the providing and receiving country, which clarifies rights and responsibilities of U.S. military personnel while deployed to the target country. This agreement can include for example "respect for laws of the host nation; exemption from passport/visa requirements; rules concerning driving; uniform wear in host country; guidelines for possession of arms; shared framework for criminal jurisdiction; limited immunity for civil jurisdiction; waiver or compensation formula for damages and liability; the provision of services (use of civilian local labour, financial, medical, postal); and personal tax and customs exemptions" (p.80).[33]

One of the major legal issues that USAFRICOM was confronted with, was the insecure legal situation due to the absence of SOFAS's with African countries. To amend the situation, there was a certain loophole that U.S. soldiers could be entering countries with an U.S. diplomatic status (guaranteed by the Vienna Convention on Diplomatic Relations), but this solution would be problematic from a practical point of view, e.g. through the limitation of deployment timeframe by the African host nations. The proposal to have a joint pan-African SOFA, agreed with regional organisations like e.g. Economic Community of West African States, might be an interesting prospect to solve the legal insecurity posed by soldiers deployed on a rather insecure legal basis. Two further legal issues to be addressed evolved around the status of U.S. soldiers in case of criminal persecution in the remit of the International Criminal Court (ICC) as well as the Acquisition and Cross-Servicing Agreement (ASCA), which clarifies logistics and resupply rights via a low bureaucratic footprint with in-kind contributions or on cash basis between the signing parties.[34]

2. Strategic Communication

USAFRICOM had to overcome considerable political reservation from within the U.S. government and from without, when it was announced in 2007. One major concern evolved around the feared 'Militarisation of U.S. Foreign Policy' regarding the African continent and subsequently the distribution of power between the U.S. Department of State and the U.S. Department of Defence. Another major issue was heavy opposition by African states against a permanent presence of U.S. troops on their soil, after rumours emerged that the U.S. Government might be looking for regional USAFRICOM base on the African continent.[35]

The special mission outline of USAFRICOM, which contains crisis prevention measures in addition to the traditional military war fighting task common to the

COCOMs has posed the challenging question on the "project lead" at other civilian U.S. institutions, which are active on the African continent as well, like the U.S Department of State and USAID.[36]

After five years of experience with USAFRICOM, a comprehensive analysis has shown that concerns raised could not be confirmed, even though issues around responsibilities and accountability between the different U.S. civilian services and USAFRICOM have to be clarified and more thoroughly examined.[37]

Furthermore, and maybe more critical to this paper, are the external perceptions of USAFRICOM by the African states as well as other external actors in Africa. In the phase of inception of USAFRICOM, only limited attention was paid to the regional and local context of the African states and their respective foreign and defence policies, in which the new COCOM was supposed to operate. The new command also received considerable backlash in African communities, which feared the impact of U.S. military presence and subsequently U.S. national interests particularly in securing/controlling African national resources. Further allegations were that USAFRICOM might serve as a U.S. tool to keep China out of Africa and supplant the traditional French sphere of influence with an U.S. American one. So far, these concerns could not be proven, as e.g. Chinese trade with Africa has increased over the last three decades and France is financially not able to retain its current force projection levels for long time in the region and might therefore be looking for further support from other allied partners.[38]

3. Military Capabilities

In order to gain a comprehensive understanding of the military capabilities that are available to USAFRICOM, all the branches of the U.S. Armed Forces that are currently active under this geographic COCOM are subsequently introduced below in the following section.

3.1 Land - U.S. Army Africa (USARAF)
The army component of USAFRICOM conducts its mission from Vicenza, Italy, and is naturally responsible for the land force-related operations. Among the regular politico-military tasks of protecting U.S. interests abroad and conducting land activities in the respective theater of operations, USARAF supports African governments and regional institutions in military capability development, training and exercises.[39] The 173rd Airborne Brigade, based in Vicenza as well and organisationally under the U.S. Army Europe, has been marked as Army Contingency Response Force and is able to deploy inter alia to USAFRICOM AOR in

a maximum of 18 hours.[40] However, USARAF is also active in capability and interoperability training with the African partner nations. In particular, the land component enables African militaries to execute multinational missions under the African Union or in a UN peacekeeping operation.[41]

3.2 Air - U.S. Air Forces Africa (AFAFRICA)

From October 2008 to April 2012, the AFAFRICA's air component had consisted of the reactivated 17th Air Force. In that timeframe, the unit conducted more than 200 missions with 36 African partner countries and was particularly active in the Libya campaign.[42]

After its deactivation in 2012, the air component of USAFRICOM was moved to a joint composition with the U.S. Air Forces Europe (USAFE) and the 3rd Airforce has taken it over. This unit, which is currently active, consists of 10 wings, two groups, and the 603rd Air and Space Operations Center and operates from Ramstein Airbase, Germany.[43] Its mission tasks include traditional combat operations, as well as strategic and tactical airlift, including support to humanitarian and peacekeeping operations.[44]

The Libya campaign represented the first high-intensity operation with AFAFRICA's involvement after its foundation in 2007. It was central in e.g. air refuelling, suppression of enemy air defences and intelligence/surveillance/reconnaissance tasks, which strongly supported the European allies conduct of air operations over Libya.[45]

3.3 Maritime - U.S. Naval Forces Africa (NAVAF)

NAVAF operates out of Naples, Italy, and just like USARAF and AFAFRICA, it has been set-up as a combined headquarters together with its branch equivalent for the European theater. The command provides air and maritime assets to ensure maritime security and to protect U.S interests at sea. NAVAF tasks encompass precision strike combat and non-combat operations, which includes intelligence/surveillance/reconnaissance, evacuation of civilians as well as humanitarian assistance/disaster relief.[46] In order to conduct operations, NAVAF can draw on the Combined Task Forces of the U.S. 6th Fleet, which provide different capabilities that reflect mission requirements.[47] The naval component conducts numerous exercises with a focus on maritime security, boarding and counter-piracy operations, as well as illicit trafficking of arms, drugs, etc.[48]

3.4 Expeditionary and Amphibious Forces - U.S. Marine Corps Forces Africa (MARFORAF)

The U.S. Marine Corps, representing the traditional amphibious assault capability at the U.S. disposal, plays also an important role in the remit of USAFRICOM. From its base in Stuttgart, Germany, MARFORAF provides the crises response forces to

protect U.S. personnel and infrastructure on the African continent and can draw from ground, air, logistics and command capabilities.[49] MAFORAF conducts the annual exercise *African Lion* together with Morocco and further African and European partner nations, wherein transnational threats and combat against extremist organisations for the purpose of destabilisation prevention of the region play a strong role.[50]

3.5 Special Operations Forces – U.S. Special Operations Command Africa (SOCAFRICA)

The official public information on SOCAFRICA is rather limited, which is not surprising in face of the general secretive nature of special operations forces (SOF). The mission of SOCAFRICA consists of three elements: 1) Countering terrorism and extremism, 2) supporting military capabilities of allied African countries and regional organisations, and 3) protecting U.S. interests.[51]

However, newspapers have been quite able in investigating more details on the subject matter. The New York Times discovered that 1,200 SOF soldiers are currently active in the African theater of operations; a force size that amounts to a 16% share of all deployed U.S. SOF soldiers worldwide (2018).[52]

Regarding its operations, SOCAFRICA's presence could be identified in Tunisia and Libya(North Africa), in Mali, Mauritania and Niger (West Africa), in Kenya and Somalia (East Africa),as well as in Cameroon (Central Africa). In addition, SOCAFRICA regularly conducts missions based on section 127e, which gives proof of a quite extensive active involvement of U.S forces in direct military actions against terrorists and violent extremists.[53] The respective paragraph is part of the Congressional law under U.S. Code Title 10, which provides authority and funding for the "[...] support to foreign forces, irregular forces, groups, or individuals engaged in supporting or facilitating ongoing military operations by United States special operations forces to combat terrorism" (p. 118).[54] Amongst the violent terrorist organisations, SOCAFRICA acts for example against Al-Qaeda in the Islamic Maghreb and Boko Haram.

Beside counter-terrorist operations, SOCAFRICA also conducts counter-terrorism training with African partner countries and including European allies, e.g. via the annual Flintlock exercise in North and West Africa.[55]

3.6 Combined Joint Task Force - Horn of Africa (CJTF-HOA)

Founded by U.S. Central Command in November 2002, the CJTF-HOA preceded the foundation of USAFRICOM by several years. Influenced by 9/11 that considerably altered U.S. foreign and defence policy abroad, the task force's main responsibility evolved around the challenge to eliminate transnational terrorist groups that operate in the region and represent a threat towards the U.S. in the region. The CJTF-HOA consists of 2000-2500 military and civilian personnel.[56] CJTF-HOA's

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mission focuses on capacity building in and with partner nations particularly against violent extremists and likewise groups, as well as projecting U.S. military power in the region to safeguard U.S. national interest at the Horn of Africa.[57]

4. Lessons Learned from USAFRICOM

The U.S. can draw from an extensive practical experience of a sustained military presence worldwide since the end of the 2nd World War. The COCOM structure offers a tremendous administrative capability in enabling U.S. forces to operate on all continents and in a joint force setting. Therefore, lessons learned from this experience should naturally be considered for improving intervention capabilities for different military scenarios. Two elements can be learned in this regard: 1) The structural management of forces in vast geographic areas, like e.g. Africa, and 2) the conduct of operations and missions across all military branches and domains, preferably in a joint setting.

The set-up of USAFRICOM around 12 years ago has raised several questions. First, the scope of the new command had to be defined, not only from the military task perspective, but also regarding its non-military activities that offered potential overlaps and subsequent inter-agency conflicts with other U.S. civilian administrative bodies (e.g. US Department of State and USAID). Second, the legal situation of the deployed U.S. soldiers had to be clarified and a reliable legal framework is an important requirement for enabling the scope of missions and operations.

Third, the creation of a military command with operational focus on the African continent receives considerable attention of African countries and non-African countries. While African societies might represent a hostile environment, thus directly threatening deployed soldiers in their operations, non-African countries, like e.g. China, might interpret the foreign military presence as a risk for their own national interests on the African continent. Therefore, a clear strategic communication must be provided in order to accommodate or prevent undesired reactions.

Forth and last, if a military presence is established, it requires appropriate personnel to fulfill its politico-military mandate. USAFRICOM has largely been supported by established commands and sub-commands of USEUCOM. This might be helpful to overcome initial shortfalls, as USEUCOM had been one of the politico-military cornerstones of U.S. presence in Europe since the Cold War. While all military sub-components of USAFRICOM have their tasks and conduct their missions on both sides of the Mediterranean Sea, the double responsibility to serve the European AOR and the African AOR at the same time might stretch availability of forces.

With these four takeaways, lessons learned from the experience of USAFRICOM are certainly relevant and can be used for the benefit of EI2, it would be also recommended to look at the COCOM structure and if this could be adapted

to a European context. The idea of joint integrated commands encompassing all relevant branches of the armed forces in a geographic area or functional domain has been based on U.S. experience of their military engagement since the 2nd World War and particularly through the Cold War. In reaction to the geopolitical changes, the need for reforming this established structure has been debated by experts on the matter and two proposals should therefore be presented.

The first proposal would recommend retaining the COCOM at the strategic headquarters level, but replace the subcomponents (e.g. land, air, and sea) with Joint Task Forces (JTF). This would decrease the bureaucratic effort, as well as costs to operate larger formations under a subcomponent command with their own headquarters. In addition, JTF missions could be designed to cover only certain aspects or parts of the COCOM AOR, e.g. an example would be the CJTF-HOA described above, and which could be dissolved after mission accomplishment.

The second proposal is a more radical one, which aims at replacing the COCOM structure with a so-called 'Joint Interagency Organisation'. Reversing the argument of "militarisation of U.S. foreign policy", this organisation would be led by civilians and deputised by high-ranking military staff officers. Eventually, this modification of involved U.S. governmental services might then lead to a more monolithic organisation, which provides U.S. foreign policy in all aspects (civilian, military, development aid) and reports to the President via the National Security Council.[58]

CONCLUSION AND RECOMMENDATIONS

This paper has provided an analysis of the EI2 proposal with a view on two of the three "C's" (Common Intervention Force and Common Doctrine for Action) and the outcome of its implementation so far. It furthermore delivered the context that the EI2 needs to be established and drew from lessons learned by the U.S. from the creation of its Africa Command. The initiative is still in its early stages of implementation and the current dynamics in European defence as well as the evolution of current multilateral frameworks most likely influence, if EI2 will eventually become a successful initiative with added value to existing frameworks. In that sense, the debate on President Macron's proposal for a common budget has not been accepted by the EI2 member states in the Letter of Intent and would therefore require a considerable shift in the political rationale.

In order to improve the scope and depth of the EI2 and as a result of the analysis delivered on existing structures and lessons learned from USAFRICOM, the following five recommendations could be extracted:

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1. Utilise the Combined Joint Expeditionary Force (CJEF) as core of the EI2 intervention force

France and the United Kingdom both represent EI2 participating member states (with France as the initiator), have considerable national military capabilities for intervention tasks at their disposal, have developed a closer joint strategic culture, and subsequently have already formalised their cooperation within the CJEF. This military force has been validated in an exercise in 2016 and should be used in the remit of EI2 as a core force for war fighting, air combat support, logistics and transportation. The respective strategic headquarters that are currently used to command and control these forces should be then designated as EI2 Joint Commands and subsequently integrate military personnel from other EI2 participating member states in order to exchange lessons learned from the bilateral FR-U.K. conduct of operations and joint doctrines.

In addition to the general cooperation, EI2 participating member states must further define their national contributions that they would be willing to use in EI2 operational settings. This should be done in the next step following the Letter of Intent. It is recommended that the contributed military units will conduct a joint EI2 training in order to identify shortfalls in interoperability.

2. Provide joint forward basing to EI2 participating member states

France has historically retained a strong and permanent military presence on the African continent. In the remit of Operation *Barkhane*, its armed forces operate from four different countries (Chad, Mali, Burkina Faso and Niger). In addition, France has also retained a rapid deployment capability to set-up additional temporary bases as required. However, due to the budgetary constraints and negative financial outlook, France might not be able to sustain its current operational speed.[59] The United Kingdom reserves a smaller presence in Africa, when compared to France, but still retains the capability to deploy. The country has retained military presence in overseas territories and is willing to take an active role in operations outside Europe.[60]

It would therefore be recommended that EI2 participating member states offer existing forward bases for troop deployments or even a rotating presence. In this regard, the first experience has already been made by individual EI2 participating member states in e.g. Djibouti, where German and Spanish troops were hosted in the French base. If the EI2 pursues a stronger rapidly available intervention force, those arrangements might be moved into a more permanent status.[61] In addition, such deployments might then also necessitate a clear legal framework for deployed soldiers, comparable to the U.S. SOFA.

3. Define military tasks and doctrines for operational conduct for forces under EI2

This recommendation is probably one of the most challenging to acquire. However, if the development of a joint strategic culture is aspired, the different national positions on the scope of the EI2 must be harmonised by answering the two following questions:

1) What should EI2 as a military intervention organisation do in the field, e.g. on the African continent?
2) How should the deployed forces execute the mission?

In order to ease the situation, existing manuals and guidance from other frameworks could be used for a baseline understanding and ground for further doctrine development. This work process should, in the best case, lead to 1) compatibility with established frameworks from NATO, EU and UN, 2) increased interoperability amongst EI2 participating member states, and 3) preparatory work for strengthening the European military capability pillar.

So far, European countries have mainly focused their defence cooperation to ground forces, e.g. through the EU Battlegroups. In the remit of the EI2, addressing the capability gaps in other domain would enable those EI2 participating member states to conduct expeditionary operations more independently. As an additional benefit, the developed joint capabilities could be made available for all kinds of frameworks, depending on the political context and operational requirement.[62] It is recommended that the force contributing member states need to conduct a joint EI2 training in order to identify shortfalls in interoperability.

4. Provide strategic communication

One of the central issues that USAFRICOM had to face, was the concerns about a stronger U.S. military presence on the African continent with its diverse security environment and the potential interest of other countries. France has retained a strong position in the region because of its foreign policy goals and national interests and is therefore already embedded in the regional security environment. A further increase of other European militaries in the region might be evaluated as similar to the increased U.S. military presence after USAFRICOM was founded. It is thus recommendable to accompany the further implementation of EI2 with participatory opportunities of African partners. This can be conducted in several joint exercises and trainings (e.g. also in the remit of more EU non-executive operations) as well as a clear communication about the precedence of civilian crisis management tools over military interventions.

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5. Coordinate closely with other international actors (EU, NATO, UN, other partner nations)

The advantage of EI2 from an operational point of view is the availability of many potential partner organisations, which are already present in the region and can supplement a rapid response military intervention initiative either with preceding civilian crisis prevention management or successive post-crisis reconstruction and stability management capabilities.

However, it is of utmost importance to clarify the political role of EI2 and its added value to the existing frameworks to reach seamless share of responsibilities in the respective region.

The EI2 Letter of Intent has already started this political process by clarifying the boundaries of the initiative regarding its aims and links to established multinational and/or ad-hoc frameworks. The upcoming memorandum of understanding should therefore provide the technical details about the interagency coordination with international partners.

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THE GREAT CHALLENGE OF THE EUROPEAN MIGRATORY POLICY

MARÍA CARMEN PARRA RODRÍGUEZ & DIEGO SÁNCHEZ BORJAS

Abstract: The paper aimed to contribute to the understanding of the European migration policy by answering two questions. First, 'How could the migration crisis to be defined?', and second, 'How could the concise knowledge on the main European actions, that addressed the crisis, to be explained and demonstrated?'. Migration is a constant phenomenon in the history of humanity. Today, compared to previous times, an increased number of individuals decide to abandon their countries under either the legally established procedures or illegal conditions, but in both cases, by risking their lives to escape from the scourge of war and poverty. Since 2015, the European Union has received a significant flow of migrants, especially from countries that had been devastated by war, like Syria, Libya, Afghanistan and Iraq. In addition, migrants have also come from states where they had to face worsening living conditions, such as Venezuela. Herein, another question arose: 'Whether did the migration fluxes in Europe affect the economy and the socio-labour politics?'. The study found that, in 2015, the European Union created the European Agenda on Migration as a feasible guide to support the migrants who have recently arrived on its territory. Currently, it proposes three lines of actions along two aims: (a) outside the EU's territory, (b) at the EU's borders, and (c) inside the EU's territory; (1) to attend the people who just arrived on the continent and (2) to avoid such a massive migratory flux that the EU cannot absorb. The main conclusion of the analysis was that in the most ideal case, the EU would be shaped or developed in a way to be capable of handling that enormous migratory challenge.

Keywords: European Union, European Agenda on Migration, migration crisis

INTRODUCTION

The September of 2018 marked a transcendental approach in the European Union's strategy towards migration. An informal meeting was held in Salzburg that brought the EU 28 Member States' leaders together. According to the President of the European Council, Donald Tusk, "(…) we [EU 28 leaders] may not agree on everything but we agree on the main goal, which is stemming illegal migration to Europe."[1]

Nevertheless, the emphasis given to the "(…) cooperation with third countries (…) on a much broader vision of partnership"[2] seems to be in line with the approach and aims proposed and pursued by the European Agenda on Migration (hereinafter, the Agenda), in 2015, that is "(…) a coherent and comprehensive approach to reap the benefits and address the challenges deriving from migration."[3] For that reason, an overview on the efforts of the EU, from 2015 to nowadays, suggests a constant dichotomy between the fight against irregular (or illegal) migration and the cooperation with the bordering third states. The question of a *vis-à-vis* opposition or complementariness relies heavily on a rising anti-immigration perspective that has gradually taken the control over the EU's policing debate, a fact impeding any possible attempt to harmonize and develop a single response that would address the migration in the Union based on the aims of the Agenda. Notwithstanding these information, the reference to "migration crisis"[4], in addition to the complex EU legislation which suffers from significant amendments, represents an issue in the efforts of the EU to not only adopt a common policy on migration but also to align it with the principles and obligations that the EU is compelled to respect.

Bearing in mind the implications about the question of decision-making on migration, the present essay proposes to briefly and concisely address the dual nature of the European migratory policy. To this end, the first section deals with the substance and phenomenon of migration focusing on the European context through a legal assessment. The second section discusses and explains the tripartite migratory policies currently enforced and endorsed by the EU to respond to the ongoing 'migration crisis' since 2015. However, the essay does not limit itself to offering simple and vague explanations of the policies or arguments already utilized by the EU. Instead, it proposes a critical examination of whether there is a conceptual and legal relationship between the coined term of crisis and reality, in order to demonstrate whether the EU legislation aiming to tackle irregular migration is legitimate, effective and plausible. For the aims of the essay, the references to legitimacy and plausibility concern the discussion on whether the EU's legal instruments act reasonably and proportionally to the incumbent facts, based on (mainly) international responsibility and the question of the migrants' human rights. Finally, this study contributes to designing and proposing alternative measures with a feasible background for this social phenomenon, that actually challenges the given scope of law, and to enhancing and encouraging the community' efforts in fulfilling its "(…) imperative (…) duty to protect those in need."[5].

In response to the issues in the former paragraphs, our study intends to offer clear, reliable and well-supported arguments defending a non-partisan analysis of the EU's common migration policy. Thus, it intends to give a reference to legal instruments or political decisions, in order to clarify the scope and the range of policies on

migration. In addition, the arguments are planned to follow the conception of law as a "social phenomenon"[6] (to the extent they may respect the aim of the essay), whereby our reasoning and conclusions will focus on the evolving nature of law in accordance with the dynamic social dimension of human beings. Certainly, the latter one is a situation that undeniably relates to the challenges that the migration has created within the practice of the EU law. These challenges create a battlefield of controversy where the fight for fundamental rights and fair practice stands opposite to the will and the sovereignty of EU Member States.

UNDERSTANDING THE MIGRATION CRISIS IN THE EU

According to the aim of the present essay, this section deals with the question of migration crisis within the EU's scenario. A complex and multidimensional issue covered in three features: (a) an understanding of the semantic concept of the 'migration crisis' or 'migratory crisis', that will later be used to (b) prove whether the incumbent migratory flux directly or indirectly represents that meaning, in order to (c) argue its legal implications for either the Member States, third states or individuals.

1. What Is Migration?

The proposed definition for migration can be read as follows:

The movement of a person or a group of persons, either across an international border, or within a State. It is a population movement, encompassing any kind of movement of people, whatever its length, composition and causes; it includes migration of refugees, displaced persons, economic migrants, and persons moving for other purposes, including family reunification[7].   That definition provides a ground to clarify the nature and the roots of migration, a question we will later recall to 'decode' the European case. For instance, the essay covers the movement of a heterogeneous group of persons across an international border moving for a variety of possible causes to the territory of the EU. In the following paragraphs, the possible roots of this movement as well as its main semantic connection with the 'crisis' will be discussed.

Briefly, migration, as such, comprises a "(...) multidimensional reality of major relevance for development of countries of origin, transit and destination (...)"[8]. That definition complements the essence of migrants, who, similarly to refugees, "have the same universal human rights and fundamental freedoms".[9] That latter one encompasses an undeniable legal relevance, especially if it took the lack of binding specific legal frameworks into consideration that were there to regulate the states' reception and treatment

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of migrants. However, the Declaration goes beyond the mere affirmation on the need of legal enforcement to ensure the quality of life and the dignity for the migrants by recognizing that "…migration should be a choice, not a necessity"[10]. Regardless of its non-binding status, the fact that it passed by a consensus materializes the *consensus generalis* element, a figure that allows us to deduce that it could create norms of the general international law.[11] However, the Declaration was only able to generate obligations to all UN Member States in the protection of migrants, qualified as "a global phenomenon"[12], if a continuous and uninterrupted practice joined with a full conviction and clear demonstration of its binding effect within the international community.[13]

2. The 2015 Incumbent Migratory Flux

Notwithstanding the differences originating from discussions on the causes and repercussions of the phenomenon of migration in Europe, a concise correlation exists within the political sphere on the reasons behind the rise of migration. Herein, both the European Commission and the Committee of Regions (hereinafter, the CoR) have issued separate but similar opinions on the causality of migration in Europe. We shall consider the advisory role the Committee plays with regard to the Commission's performance (Art. 13.4, Treaty of the European Union, hereinafter TEU)[14]; therefore, we can presume a *prima facie* connection with their examination or position on the question of migration. The CoR considers factors, namely, the war in Syria, the underdevelopment or unrest in Africa and Asia, as well as the desire to reach better living conditions in Europe, to explain the rise in irregular migration to Europe, but underscores a *force majeure* reason such as "(…) the absence of legal channels for migration".[15] That latter one connects to the State of the Union 2018 speech addressing the European Parliament by the President of the European Commission, Jean-Claude Juncker, where he wanted to "(…) remind Member States (…) of the need to open legal pathways to the Union (…)".[16] In other words, at the political level, a sustained concern is evident on the question of tightening and limiting feasible options for potential migrants to come to the EU.

Bearing in mind the former paragraph, a relation exists between the lack of real and accessible opportunities to migrate 'legally' with the incumbent exceptional migratory flux to the EU territory. On this matter, Cathryn Costello affirms that the "(…) admission-seekers to the EU face considerable challenges if they seek 'freedom to live in a law-abiding environment'. Their legal environment is replete with booby traps that increase the likelihood that they may find themselves liable to be deemed 'illegal'."[17] The futuristic scenario above notably reduces any possible incentive for migrants to regulate their situations or to opt for 'legally' established procedures that aim to offer them the conditions to settle down and to take an active role in the labour market within the EU's Member States.

However, what is the logic behind this systematic policy in relation to the migratory status? We can assert that this apparent relation falls into the general trust to the efficacy and reliability of the system to address and solve any arising issue, particularly considering the 'general trust' as the power of the majority or the predominant voice within the society, concerning a specific measure or plan. Then, is this general trust relevant to force any change in public policies? This undeniably holds a great importance, because the people still preserve a power to alter or transform the political orientation of their own government.[18] As a result, the predominant public sentiment towards immigration may influence potential legislation, either restrictive or flexible, on this matter. A position we can contend with is the Beccaria theory, whereby a good legislation appoints to ensure the happiness or less unhappiness of the citizens under it in order to prevent rather than just punish.[19] Therefore, if public opinion looks favourably at restrictive measures towards immigration, lawmakers and governments will tend to enact stricter and tougher legislation for the sake of securing political stability in the form of general trust. A matter that brings herein the debate on whether the major supported actions do represent a greater / common good or an "evil [that] would only have changed its symptoms"[20]? To justify legally a broadly supported animadversion towards foreigners equals to an arbitrary attempt to differentiate their treatment before the law, on behalf of a majority public support, instead of pursuing a technical-likely to be impartial criteria. For the purposes of the essay, it is not our duty to assess the morality of a numerously backed measure or law. Noting that, the possible examination made by lawmakers or governments may result from the greater influence that public perception plays in the migratory legislation.

3. The Legal Implications of Addressing the Migration Crisis

How would the EU, an international organization, that depends on the will of its Member States, in areas like immigration (Article 4, Treaty on the Functioning of the European Union, hereinafter TFEU), pretend to legally solve the question of irregular migration, if an attempt to enforce such a proposal might outrage some Member States' civil societies? For this reason, national governments' decision-making process on migration takes the roots and the impact on its territory under consideration.[21] Consequently, a national government's duty is to respond to its national needs with an instrument that enforces a measure to correct or regulate a relation or activity based on justice that, in this case, is migration. Nevertheless, since 2015, the EU Member States have presumed that they are entitled to enact prohibitive, restrictive and objectionable legislation to address this exceptional situation. A reality that obliges us to recall the principle of proportionality, whereby a State responses to an internal affair – whilst suffering from a grave economic crisis -, still does not justify disproportionate

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legal measures against the right to be treated with dignity to any extent.[22] The reason for that could be explained by the rise of illegal activities or conducts rather than by the permitted or legal pathways to obtain a favourable migratory status in an EU Member State. However, that questions whether the more prohibitions are issued, the greater the number of illegal actions are?![23] This relation demonstrates clearly that governments and lawmakers have opted to criminalise a sort of conducts that are connected strictly to what migration involves, instead of preventing more illegal activities to occur. Is criminalisation or constant variations, according to public perception, the only alternative way to address migration and its roots?

On this side, the predominant influence does not only affect criminal law but the administrative law as well in many cases. There are a disproportion and a confusion about the principle of legal certainty, because (not necessarily) it could be assumed that the contrary to an illegal act would mean that it was a legal one. *Ergo,* immigration laws are bound to stipulate undoubtedly the requirements and application process framework to prevent dubiety and unintended negative effects for the potential migrant who aims to travel to and/or stay on the territory of the EU. Notably, "(...) Member States' legal rules should be worded unequivocally so as to give the persons concerned a clear and precise understanding of their rights and obligations and enable national courts to ensure that those rights and obligations are observed".[24] In other words, the extent to which the EU Member States, that bear a competence to establish immigration rules[25], fail to state clearly and undoubtedly the individuals' rights, hence, they might not be as enforceable as they should be. In connection to the aforementioned rights and obligations, only a published and comprehensible norm can be opposed to any attitude or conduct from individuals, that are subject to the competences of the contested State.

Moreover, it would be disproportionate to punish an individual for a matter that concerns a wrongful elaboration or delimitation of the scope of a contested law, especially if the State had to to fulfil the obligations stipulated in the text. This matter involves directly the "right of States to establish their own immigration policies"[26], in opposition to "the fundamental rights of the persons concerned [that] may be interfered with" [27]. While on the one hand, the State contends its sovereign right to define and determine its policy on immigration, on the other hand, according to the legal condition or status of the arriving migrant, the responsibility of the State would vary in line with its international obligations. As an example, the directly presumed affected rights in the case of an asylum-seeker attempting to enter without the necessary documentation or respecting an established procedure, are not similar to the ones of a migrant within EU borders seeking to set its residence on the territory of another EU Member State. And when the EU Member States imply obligations and undertake actions for the reception, processing, detention and/or treatment of intercepted

migrants (notably, referred to as asylum-seekers), multiple rights may coalesce and enter into conflict, such as the right to an effective remedy,[28] prohibition of torture,[29] prohibition of collective expulsion of aliens,[30] including the right to liberty and security.[31] In the opposite case, the lack of fulfilment of obligations from the EU state may derive in violation of rights connected directly to the individual life and integrity.[32] For this reason, the protection of human rights of migrants relies on the legislation conceived to prevent wrongdoing and ill treatment, which, to the last extent, receives a varying public pressure.

Recalling the former consideration, a direct correlation seems to be evident between the society and the state legislation. Expressly, this relation reveals that one element depends on the other to deploy its efficacy when acting. For this reason, if a determined legislation enacted to affect vividly a large group of a certain society, the chosen government (responsible for implementing it) cannot simply dismiss the social claims, which ultimately show a support or willingness to ensure its efficacy. The latter one does not exclude the possibility that this short and concise established presumption may not be applicable in the rest of the matters, on which the governments are bound to act. This cause-effect sequence may explain the impact that legality produces on dealing with migration. An outcome that underscores the term 'irregular', next to migration, just materializes the lack of fulfilment of legally established procedures by the country of destination with regard to the entry of a third state national. At the end, the migration sums up in the understanding of any activity susceptible to prosecution, changing legal framework and social stigmatization. For this reason, why would the EU Member States claim irregular migration as an issue, if apparently this phenomenon is the logical result of the drawbacks, whether intentional or not, established in the official procedures required for migration?

4. Public Opinion and the Treatment of the Exceptional Migratory Flux

Then, the initial dilemma attributed to the EU governments, now drives the attention to the factor or cause that defines or influences heavily the elaboration of restrictive legislation on migration procedures. To propose an effective solution, considering "(...) the 21st century has seen the major displacement and concomitant migration of population (...)"[33], we must focus on the role that public opinion plays in the limitation of favourable or flexible migratory rules. Juliet Pietsch argues, "[t]he effect of public opinion and the growing influence of the far right impose significant national constraint on various attempts within EU institutions to improve conditions for migrants through new legislation"[34]. However, this argument encompasses largely both public opinion and elaboration of laws and provisions.For the former one, public opinion

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reflects the perception of a representative group in a civil society that is developed for the matter of migration. The reason for that can be demonstrated in the changes of public opinion on migration from 2015 to 2017 . In the year of presentation of the European Agenda on Migration, 59 percent of Europeans viewed migration from third states negatively in an unexpected outcome, due to the instability in the Middle East and Northern Africa, another reason why 89 percent supported additional measures to fight irregular immigration[35]. Nevertheless, in 2017, that proportion was decreased to 54 and 86 percent for the additional measures, which demonstrates a social context in which more than the half of EU Member States' population still did not regard the extra-community migration[36] favourably. Based on the prevalence of this desire to continue enforcing and implementing measures as a response to the irregular immigration, we should refer to the measures already taken, namely, the establishment of *hotspots* and the examination of the effectiveness of the Dublin mechanism for treating asylum seekers[37]. If more than the half of Europeans continue to demand more legislative actions to prevent irregular migration, it is because there is an implicit questioning of the effectiveness of the measures already implemented jointly by EU and Member States. The likeliness, that these perceptions may have influenced undoubtedly the legislative action towards immigration, is justified in the change of the political course in several EU Member States[38].

For the other side, we have the legal question whereby the recognition and enforcement of competences attributed by basic law, either in the community or national sphere, performs a transcendental role in the range of action that the EU Member States have to deal with in this issue in particular. Its degree of importance is laid down in the criteria set forth by the CJEU in its jurisprudence, recognising "...the rules regarding the manner in which the EU institutions arrive at their decisions are laid down in the Treaties and are not within the discretion of the Member States or of the institutions themselves."[39]. After justifying that the Member States or the EU institutions cannot surpass the provisions of the EU founding treaties, the next question concerns the application of competences as stipulated in the treaties and in the EU law. Notably, whenever the exercise of the power conferred to, by a competence that affects immigration and external borders security, encompasses such relevance and probability to affect the rights of third parties, "...that provisions which, in order to be adopted, require political choices falling within the responsibilities of the European Union legislature cannot be delegated"[40]. The lack of capacity to delegate certain powers reaffirms the emphasis that the law should give to these matters, in particular for the sake of preventing and ensuring the international obligations and the internal rule of law for the Union itself. The understanding of this symbiosis raises the alarm and moves forward an interrogation, regarding the reasons for gradual restrictions: Why are most European

societies sceptical and reluctant to enact favourable policies to migrants?The answer relies on the generalized belief that migration has a negative impact in an adequate distribution of the state budget to cover health services (e.g. medical attention), in addition to the job availability within the labour market[41]. If it were to blame the migrants for unemployment and deterioration of the access to public health services, it would be senseless to encourage and support programs and/or measures aimed to receive and integrate them, such as the call for skilled migrant workers, referred to in the State of the Union speech. Then, how is it possible to sustain this thesis in a context where public perception towards migration is not favourable? We should first use the consideration as a basis, that migrants, who had to struggle with deploring and miserable conditions in their countries of origin, will largely look for prosperous and industrialised states with basic guaranteed services[42]. Following this criterion, it would be, in principle, contradictory to presume a great number of migrants, to not fall into a broad generalisation, will remain passive and inactive to the needs of the society (s)he desired to migrate for the sake of reaching a better quality of life. For this reason, the worsening of the original conditions, that led favourably to a rise in migration, might probably affect most of the first migrants' circumstances by practice. In other words, migrants would also have to face and overcome the effects originated by socio-economic phenomena, as they will now be part of the society that belongs to the country they migrated from. Herein, it can be examined or affirmed *a priori* a broad or common fear to external realities, that exploited effectively by whoever actor, may lead to empower the presumption that migrants hold responsibility for the problems a society has to deal with. This question reaffirms a proportionally direct relation between the degree of restrictions on migration policies and socio-economic stability[43]. The more migrants or favourable background for migration the country offers, the more chances exist to consider plausible the implementation of restrictions.

5. Final Remarks

Furthermore, any examination (along the scopes of legality) on the impact and treatment of migration, tends more to a short rather than a long-term spectrum. A situation that, according to Aristotle, "(...) makes it hard (...) to satisfy the claims of justice"[44], if we recognise that legal development goes along with social evolution, including but not limited to certain changes on social perspectives, namely, in migration. Probably, in connection to the previous paragraphs, the reference to migration as "one of most challenging issues in Europe"[45], may allow us to define crisis as "[a] time [of intense difficulty or danger] when a difficult or important decision must be made"[46]. That could be a reasonable ground, to the extent it recognises the lack of sufficient

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means in order to anticipate and prepare for the management of the large influx of asylum applicants, that dramatically increased from 626 960 to 1 322 845[47] in the EU, which created a "(...) catastrophic situation to which that crisis gave rise in the Member States (...)"[48]. However, it is pointed out that the exceptional measures to be applied in exceptional circumstances, as contemplated in Article 78(3) on the TFEU, do not allow Member States to violate their obligations in the field of respect to standards on human rights and legality (referred to as *supra*). In addition, if these respect the criteria of proportionality, we can affirm that they are reasonable to the extent they respond to a situation that endangers the stability and capacity of the affected States to fulfil their obligations as set forth in international and internal law instruments.

To conclude, we can argue that, if measures are taken to face this crisis as explained and constantly defended, the objective and essence pursued by legislators and policy-makers can neither dismiss nor omit the responsibility a State possesses to protect those in need. Further, the influence of politics in legislation continues to constitute a reason to examine carefully the powers granted to respond to a crisis that may threaten not only the stability and integrity of the affected state but of the individuals who will be subject to the outcome of this policy-making process.

THE EU'S COMMON MIGRATORY POLICY

The migratory flows are, for various reasons, part of our human history that displaced people from one country to another depending on the existing historical and political-economic circumstances[49]. As an example, America received European immigrants that came especially from Southern Europe in the 1950s[50]. However, nowadays the European cities are the ones under pressure due to the high number of migrants fleeing from the existing instability in the third states[51].

Since 2010, the number of migrants and refugees coming particularly from African and Asian states and the Near East, that attempt to enter the European Union, has significantly increased. Aspects such as the Syrian crisis, the proliferation of riots in various regions in Africa and Asia, in addition to the search of better living conditions in Europe, have contributed decisively to stress the migratory phenomenon, notably in the southern frontline of EU Member States, such as Spain, Greece and Italy[52].

In response to this situation, in 2015, the European Commission created the European Agenda on Migration[53]. Its primary goal was to undertake actions that could serve to improve the search and rescue operations; to fight against criminal trafficking networks; resettling of refugees within EU borders; the relocation of displaced people from their country of origin and the provision of help to those EU Member States that can be found among the typical destinations for migrants and refugees.

To respond to this situation, the European Agenda on Migration established four basic pillars for the adoption of a common migratory policy based on: (a) the reduction of incentives for irregular migration; (b) the rescue of human lives and the enforcement of external borders; (c) the creation of a common European asylum system; and (d) the setting of a new legal migration policy[54].

Nevertheless, not all EU Member States accepted these measures as some of their governments are against the massive arrival of immigrants, which is such a decision that led some States to dismiss the ratified and, therefore, binding international treaties that protect the life of the people who are forced to leave their countries of origin. In this sense, the so-called "axis of the willing against illegal immigration", in which Vienna–Rome–Munich participate, presents itself as a coalition that claims to strengthen the Union's external borders, even though by applying different mechanisms. Whereas Italy and Germany support the burdens of sharing and responsibility among Member States in a solidary manner, the countries of Visegrád Group undoubtedly refuse to assume any obligation. Before this situation, we can affirm that migratory policy has converted into a challenge for EU institutions and values[55].

THE FUTURE OF IMMIGRATION POLICY

Definitely, the complexity in the management of migratory flows created conflicts that have forced to change the measures adopted in the European Agenda on Migration, especially to make a stance before inequalities created by the refusal of immigrants from certain states which have been received by other Member States in respect to humanitarian law principles[56].

To offer an answer to this asymmetry in the European migratory policy, we will establish the EU priorities for the next years offering a common system that would solve the differences within the European migratory model. This situation has obliged the European Commission to establish urgent measures to fulfill both, the commitment of the European migratory policy as well as its international commitments[57]. This has supposed the activation of joint operations in the Central and Eastern Mediterranean ("Triton" and "Poseidon") to fight the illegal trafficking maffias. On the other hand, the granting of emergency economic aids for the Member States that, due to their geographic location, receive massive migratory flows with the object to offer them medical, social and legal attention as well as for their identification in the arrival points ("critical points"). Likewise, an increase in the funding of the Asylum, Migration and Integration Fund (2014-2020)[58] took place, in order to encourage local and regional entities to enhance the third states nationals' integration[59].

Jointly with these favourable measures to the management of migration, the implementation of other systems has been questioned, which consisted of the creation of barriers to stop the entry of migrants outside the European territory (as in Turkey) in exchange for economic compensations. Considering this case, these measures could represent, in some occasions, a violation of international rules that regulate human rights[60].

The provision of military aid to the Libyan Coast Guard received the same consideration within the EUNAVFOR Med Sophia Operation, that consists of the use of detention methods to reduce the migratory flux that escapes from a continent, which does not offer them worthy living conditions.[61]

Another topic of urgent attention, which Member States have failed so far to solve, is the one concerning the unaccompanied minors that arrive in Europe. This term is greatly associated with children and teenagers coming from Maghreb countries and mostly from Morocco and Algeria. However, it also observes unaccompanied minors from Eastern Europe, Sub-Saharan Africa and Syria.[62] The EU has shown its concern on the social groups that are victims of displacements due to poverty, family conflicts, lack of institutional protection, and lack of opportunities, war or violence, natural disasters, persecution and generalized violent situations against human rights.The question concerning the European citizen for many years is the EU ability to face the massive arrival of migrants without destabilizing its economy and social resources, in parallel with the need to respect international obligations.

The answer to this question needs to examine the range of actions, on which the EU can focus its efforts. Firstly, the provision of aid to Member States that has to face an increase in the migratory flux of refugees and migrants. Secondly, the establishment of measures which discourage the irregular migration. Thirdly, the creation of an external border management system. Fourthly, the reinforcement of a European asylum policy. Fifthly, the creation of programs which allow the social integration of migrants and, lastly, which allow to promote cooperation in the countries of origin, and improve the economic conditions there.

a) *The Provision of Aid to Member States Which Have to Face an Increase in the Refugee and Migrant Flux*
The European Council at its French-Italian promoted meeting in June, 2018, to support the States which receive massive migratory flows, agreed on the possibility to create controlled centres within the EU 'under a voluntary basis', from which asylum beneficiaries would be relocated in the Member States that have voluntarily accepted it to do so. This measure represents, as well, the creation of a national return policy to restore irregular economic migrants back to their countries of origin. To combat budgetary items that aimed to welcome refugees in a

dignified way, the EU will allocate funds to the countries of destination in order to offer them a dignified reception for the duration of their process, to solve their legal situation.

b) *The Establishment of Measures to Discourage Irregular Migration*

The main challenge for the EU is to centralize its efforts in the cooperation with third states to combat irregular migration, particularly with the countries of origin and transit of irregular migrants.

To achieve this goal, the EU must combine several measures underscoring the creation of a European Centre on the Illegal Trafficking of Migrants[63], with the objective to support logistically the proactive work that Member States do to dismantle the criminal trafficking networks[64]. This Centre should prove its usefulness in the collaboration of EU Member States jointly with EU bodies, with the end to effectively combat trafficking networks.

Equally, to eradicate irregular migration, Member States will have to commit to returning the individuals who are not entitled to remain in the EU back to their countries of origin. However, the real great challenge is to convince the EU Member States' authorities that these returns must take place by respecting all guarantees without the migrants feeling of victims of discretionary measures depending on the State where they enter European space[65].

The need of reconsidering the questioned EUNAVFOR Med Sophia Operation mandate goes beyond examining the already done work by the mission participating teams. The latter situation, due to the fact that traffickers continue to submit irregular migrants and refugees to greater dangers, can be observed in the migrants' and refugees' search for new risky routes to avoid European controls, as well as in the use of cheap pneumatic boats that are inadequate to maritime navigation, forcing the migrants to remain until rescued by the EU Member States' authorities.

c) *The Creation of an EU External Border Management System*

On 14th of September, 2016, the Council issued its final authorization to the creation of the European Border and Coast Guard[66]. Its main function is to contribute to easing the integrated management of external borders that will be useful to guarantee the effective management of migratory flows by reaching a high-level security within the EU. At the same time, it will contribute to safeguarding the free movement within the EU and respecting completely the fundamental rights of migrants.To achieve it, both, the FRONTEX (the European Agency for Border and Coast Guard)[67], and the national authorities responsible for border management, will integrate the European Border and Coast Guard. Its main goal is to establish an operative strategy to manage borders and its coordination with interventions

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in migratory tasks of all Member States. With this, the EU aims to achieve the possibility to organise joint operations and rapid interventions to reinforce the capacity of Member States in order to control external borders, and to overcome the challenges set because of illegal immigration or cross border crime.

The other instrument the EU counts with, is the development of a series of directives for the creation and establishment of reception and identification centres ("critical points") in the external borders of EU Member States. These centres are born with the objective of guaranteeing full respect to international and EU fundamental rights by setting a common administrative framework that allows the standardisation of all information related to migrants.

It is important that the EU bear in mind the experience accumulated by the Member States as receptors of migrants, particularly the specific treatment needed by refugees and migrants[68]. To achieve that, the 'regional disembarkation platforms' are used and aimed to classify migrants that arrive in Europe whether they are economic migrants or if they have right to asylum and, therefore, are receivers of international protection as due to their origin, they may be able to enter or not the European space. This system seeks to reduce the incentives for migrants to embark on dangerous journeys without being certain about if they remain on the territory of the EU. That provides a reason for these platforms to be located in the zones bordering the EU, and to work tightly in cooperation with the UNHCR and the IOM.

d) *The Strengthening of the European Asylum Policy*

Relying legally on Article 67, paragraph 2, and articles 78 and 80 of the TFUE in addition to article 18 of the European Charter of Fundamental Rights, the European Common Asylum System was created in 2015. Besides these legal requirements, it is necessary to invoke the principle of solidarity that would oblige the EU Member States to fulfill their international commitments respecting the proportional relocation of refugees on European territory.The Common European Asylum System[69] pursues the establishment of a common policy in asylum, in order to offer an integral temporal protection to every third state national that requires international protection, guaranteeing the respect to the principle of *non-refoulement*[70]. Neither the TFUE nor the European Charter of Fundamental Rights define the terms, "asylum" and "refugee", a reason why this policy should adjust to the Geneva Convention of the 28th of July, 1951, and its Protocol of the 31st of January, 1967.Nonetheless, the accumulated experience since its creation demonstrated its weak points, calling for the revision of the Dublin system regime that created the asylum policy, whereby criteria and mechanisms are determined to establish which EU Member State is responsible for the processing of an asylum application.In that sense, the current in-force system implies an unequal distribution of refugees and migrants among

Member States depending on the state where they enter the EU. Currently, countries located in the Mediterranean basin, are the ones receiving a strong migratory pressure - massive arrival of refugees and irregular migrants that generated migratory flows within the EU, according to the provisions given by the States[71] - that has led to the dissatisfaction of society and social tensions.To combat the issue efficiently, it is necessary to count with the support of local and regional authorities where refugees install, a reason for which any possible solution to the social needs and integration would consist of delegating the competences for the treatment of asylum applications to the local and regional entities, to manage directly these aids.

Besides, Member States should accelerate their proceedings for the examination of applications without renouncing legal certainty. In this sense, the European Commission proposals during these years have been heading to urge Member States to carry on reforms in their legislations to manage transparently, and with all international guarantees, the arrival of migrants and asylum seekers.

e) *The Creation of Programs that Allow Migrants' Social Integration*
The success of the European integration policies is based on the principles of democracy, respect of human rights and equality between men and women, tolerance, freedom of expression and rule of law[72]. All these principles constitute the basis of the European values found in the European Fundamental fund. The success of these European integration policies must base on the principles of democracy, respect of human rights, equality between men and women. In addition, all these principles bear an important basis for the constitution of European values that are found within the European Charter of Fundamental Rights.In conjunction to these fundamental principles, the EU considers primarily the fastest and complex integration of the third country nationals (regular migrants and refugees) in the EU Member States' societies. This integration must be multilevel and coherent; nevertheless, it is necessary to bear in mind, on the one hand, the local peculiarities of the countries of allocation, and on the other hand, the specificities and diversity (ethnical, linguistic, religious, etc.) of the third states' nationals. Consequently, the focus should adjust to the particular conditions prevailing in each case.Likewise, the EU bears a commitment with the individuals that migrate legally or that have the right, in conformity with international law, to a specific regime of international protection, such as humanitarian visas[73], extended family reunification or private sponsorship programs. To this end, it is necessary, for one side, to consolidate and, for another, to extend the existing modalities of cooperation with third states, whether it concerns the countries of origin of displaced people or from the countries of transit to arrive to the EU.

CONCLUSION

The migratory policy is a topic that worries the EU the most nowadays, hence, it is a reason why, in order to achieve acceptable satisfactory results for all Member States, the cooperation between European institutions and national governments is necessary. Likewise, the implication of the civil society and the private local-regional sector is important in every itinerary that targets the migrants' integration.

The EU should take into consideration the good practices and test experiences endorsed by international organisations as well, namely the UNHCR and IOM programs because migratory flows go beyond the European scope. On this line, cooperation with third states is fundamental to create safe spaces that prevent people from abandoning their countries of origin to seek spaces where they couldtembark inta dignified life.

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ASSESSING THE (UN)SUCCESSFULNESS OF CHINESE INVESTMENTS IN CENTRAL AND EASTERN EUROPE

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Abstract: Despite a myriad of promises and a tangible political rapprochement between China and many Central and Eastern European (CEE) states, the expected great new investment inflow of the Belt and Road Initiative (BRI) era did not materialise. There was no noteworthy focus on productive sectors or greenfield investments, and expectations remained unmet in terms of much heralded transport and energy projects. As a number of EU grants were at their disposal for infrastructure projects, EU member states were not in such a dire need of fresh capital as China might have anticipated. Chinese endeavours for infrastructure construction were more successful in the Western Balkans where there was no real alternative to their loans. Nonetheless, these loans can create a vicious circle by deteriorating governance standards and public finances, hence distancing Western Balkan countries from EU accession. Meanwhile, the guidelines of the 16+1 summit in Sofia echoed the disenchantment of CEE states, and the platform's official standpoint incorporated important elements of Brussels' continuously repeated concerns.

Keywords: Central and Eastern Europe, China, European Union, Western Balkans, foreign direct investment, Belt and Road Initiative

CHINESE INVESTMENTS BEFORE THE "BELT AND ROAD"

1. General Trends

Since 2000 and the birth of China's "Go Out" or "Going Global" policy, the Chinese government has progressively introduced increasingly liberal rules for outward foreign direct investment (OFDI). As a result, Chinese firms started to expand globally, which prompted a gradual growth in OFDI since the mid-2000s. The global economic and financial crisis had a similarly important part to play in that surge. As the crisis hit, FDI outflows from many developed countries dropped, and the number of financially troubled firms increased.[1] By 2013, almost negligible annual flows came to exceed USD 100 billion per year. Meanwhile, the mix of target countries has undergone

an important change: the supremacy of natural resources dropped, and the Chinese capital increasingly aimed for a new composition of assets such as brands, technology or consumer capabilities. That shift paved the way for a larger importance of developed economies as the targets of Chinese investors.[2]

Progressively, European countries have become important beneficiaries of Chinese investments. Rhodium Group which considers direct investment transactions by ultimately Chinese-owned companies put annual inflows at around EUR 2 billion in 2009, already above EUR 10 billion in 2012, then at EUR 14 billion in 2014. The bulk of these investments went to the UK, France or Germany, but the geographical composition started to become more diverse. Investments into Eastern States have gained momentum, and the region increased its share at the beginning of the new decade, attracting Chinese investors into sectors such as manufacturing, infrastructure, agriculture or the chemical industry.[3]

Bar Hungary, where this process started as early as in 2003, Central and Eastern European (CEE) countries[4] decided to develop much closer relationships with China as the global financial crisis hit. The subsequent European sovereign debt crisis and a low-growth environment in the EU played an equally key role in why they became increasingly open to Chinese capital.

2. Motivations of Chinese Investors and Benefits for the Region

Efficiency-seeking was a primary motivation behind Chinese investments in the region. After opening up their markets, CEE states were increasingly targeted due to their relatively low unit labour costs. As wages rose significantly in China, Chinese investors started to consider the region's skilled labour force and set up an assembly base for products destined for the core European markets. Avoiding trade barriers have been made possible with their EU accession. Similarly, joining the Union had spurred investment inflows as a result of strengthened institutional stability, such as the protection of property rights.[5] A certain level of strategic asset-seeking behaviour was also of key importance from the outset: Chinese FDI aimed for market niches, new technologies and brands.[6] Last but not least, Chinese government agencies and state-owned enterprises (SOEs) were motivated by the fact that they could now adjust to EU rules and regulations at lower expenses, as it was less costly to set up a business in CEE than in Western Europe.[7]

The inflow of Chinese investments brought some notable benefits for CEE states. For example, it paved the way for the establishment of channels to overseas markets and granted access to new production chains. In an indirect way, Chinese FDI gave the possibility for local firms to gain a deeper knowledge on Chinese business and working culture. Another key factor was employment. As investment levels

decreased considerably during the crisis, "productive direct investment" was more needed. Chinese companies, such as Huawei, contributed to generating or at least to maintaining jobs.[8]

3. The 16+1 and its Alignment with BRI

The first important step leading to the creation of the so-called 16+1 platform, the cooperation mechanism between China and CEE states, was the China–CEE Trade and Investment Forum held in Budapest in June 2011. Amidst the crisis of the Eurozone, China was somewhat reluctant to cooperate directly with the EU in terms of macro-economic issues, and it suggested that Poland could host a similar but larger event in a summit format. That is how the first 16+1 summit came into existence: in April 2012, Chinese prime minister Wen Jiabao presented in Warsaw a so-called "twelve-point action plan" to advance China–CEE relations. It focused on the institutionalisation of the cooperation but also mentioned expanding the size of investment and trade flows. The relationship was then formalised in September 2012 and as part of the Chinese Foreign Ministry, a special secretariat for cooperation with CEE states has been set up. Subsequently, the cooperation has been kept alive by organising annual summits for heads of governments.

It was evident from the very outset that in many respects, the 16+1 platform holds similarities with China's already established practices in the developing world. The platform is much alike the Forum on China-Africa Cooperation (FOCAC) insofar as neither of these is truly multilateral: summits are mainly about bilateral meetings, and there is a great asymmetry between the weighty China and the small European states. China clearly emerges as the "headmaster" of the cooperation. For example, without any real consultation, it successfully brought Belarus on board to the Riga summit.[9] Henceforth considering CEE states as one single bloc, the 16+1 platform created a tool for China to simplify its relations with the region and circumvent Brussels.

By 2015, it became clear that for China, the 16+1 platform is even more than that: it serves as a centrepiece of its Belt and Road Initiative's (BRI) European implementation. As the 16+1 region constitutes a crossroad between several areas of both BRI's maritime routes and the Eurasian Land Bridge Economic Corridor, the above mentioned main Chinese motivations were now complemented with a major geopolitical perspective and a desire to export China's industrial overcapacities. Chinese investment projects became largely affected by a common vision of reaching the European market through new intermodal transport networks while trying to realise important savings in time and costs. The so-called "Land Sea Express Route" or "Balkan Silk Road" emerged as an important corridor, linking the Greek port of Piraeus to Hungary through Macedonia and Serbia.

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In CEE states, the envisioned projects were generally warmly welcomed. There was an important need for infrastructure constructions, particularly in the Western Balkans, where an IMF report[10] showed that at present annual public investment rates, roughly 33 years would be needed to catch up with the level of capital stock per capita within the EU. In terms of investments, with the BRI and the 16+1 becoming intertwined, a major emphasis was now placed on the transport and energy sectors, and on infrastructure construction.

Political relations flourished, promises and memorandums of understanding (MoU) abounded. In 2016, Chinese president Xi Jinping visited the Czech Republic, Poland and Serbia, raising high expectations with regards to future investment projects. New direct flights connecting China to Prague and Warsaw were launched. Poland, Hungary and Serbia lifted ties with China to comprehensive strategic partnership, while China established a strategic partnership with the Czech Republic.

But expectations in terms of investments were not met. In 2015, following the launch of BRI, Chinese FDI in the EU hit a new high at EUR 20 billion but Chinese direct investments were aggressively targeting Southern Europe.[11] Then in recent years, the focus shifted back to large Western states. In 2017, the "Big Three", the UK, France and Germany accounted for two thirds of all Chinese investments in the EU.[12] Despite grandiose promises, 16+1 EU member states could not increase their share compared to their Southern and Western European peers, and the region as a whole did not receive the much-anticipated big wave of Chinese investments.

To put things into perspective, at the 16+1 summit in Budapest (2017), the Chinese prime minister talked about an increase of USD 6 billion in investments during the platform's five years of existence: initially at USD 3 billion, they increased to over USD 9 billion in cumulative terms.[13] The rise according to these figures is undeniable but it remains insignificant compared to the cumulative numbers in the rest of Europe (non 16+1 EU member states), where it clearly exceeded USD 100 billion by the end of 2017.[14] One reaches the same conclusion by considering that between 2012 and 2017 yearly Chinese OFDI flows averaged around USD 130 billion and almost reached USD 200 billion in 2016 only, the highest year on record. Further, according to UNCTAD data from 2017, the volume of Chinese capital invested in CEE states continues to be dwarfed by all other sources. Even in Hungary, with the largest stock, its share remains below 3 percent, and generally, it does not even surpass the 1 percent threshold. [15]

At the same time, Chinese capital stocks remained extremely unequally distributed among countries. The bulk of Chinese FDI is concentrated in Hungary, the Czech Republic, Poland, and Romania. On the Balkans, and much in line with the two countries' political rapprochement, Serbia attracted the most Chinese

investments. Although CEE countries would logically favour greenfield investments to boost local employment, since 2011 the number of greenfield projects has decreased in favour of acquisitions – and the launch of BRI did not bring about any tangible change. Fusions and mergers emerged as a clear priority in countries like Romania and Bulgaria as well, where previously greenfield projects had relatively larger shares.[16]

INVESTMENTS IN THE EU-11

According to Rhodium Group's data, among EU Member States from the 16+1 region (EU-11), only the Czech Republic and Poland could considerably increase Chinese FDI inflows between 2014 and 2017. The Czech Republic's FDI stock jumped from EUR 138 to EUR 600 million, whereas Poland's doubled from EUR 453 million to around EUR 1 billion, now the second highest stock in CEE after Hungary. Still, these numbers remain smaller than those encountered in Southern Europe (Italy EUR 13.7 billion or Spain EUR 3.4 billion), let alone Western European states.[17]

1. The Czech Republic

Following the diplomatic U-turn led by President Miloš Zeman in 2013, the Czech Republic ceased to be a fervent critic of China, and in 2015 and 2016 it received the largest amount of FDI mainly through acquisitions of China Energy Company Limited (CEFC). For example, it acquired office buildings in Prague and a majority share in the biggest online travel agency in the country. In 2017, CRRC, the largest rolling stock manufacturer in the world was planning to acquire Škoda Transportation, the biggest locomotive and train producer in the region. That would have been a major source of Chinese capital in the country, but the manufacturer was in the end purchased by a Czech billionaire.[18]

The Czech Republic did not receive any major investment into its transportation or energy sector, and infrastructure constructions did not take off. Despite the pledges made in 2016 during Xi Jinping's state visit, the promise of EUR 3 billion investment by the end of the year was only wishful thinking.[19] At the same time, despite the mostly negative media coverage on China's presence in the country, the president continues being confident in its pro-China policy. It remains to be seen how the recent detainment and stepping down of CEFC's founder and chairman, Ye Jianming[20] will or will not affect this position over the long term.

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2. Poland

In Poland, Chinese investments were mainly targeting finance, electronics, distribution, ICT, transportation and small infrastructure projects. Notable examples for recent investments include the acquisition of Novago, a solid waste treatment company by China Everbright International (EUR 123 million) or purchasing 49 percent of shares in a wind farm by China Three Gorges Corporation (EUR 289 million).[21]

So far, mergers and acquisitions were undoubtedly the most preferred form of Chinese investment.[22] An important point of contention in Poland's case is effectively this, as the Polish government is now increasingly aiming for greenfield or brownfield investments, and not M&As. More specifically, Poland endeavours to improve its infrastructure, and facilitate its industrialization while gaining access to new technology, know-how and recognised brands. Sadly, the promises of BRI in terms of big new infrastructure investments failed to materialise. Initially very optimistic, despite the well-known failure of a highway construction by the Chinese COVEC Group before the BRI-era, Poland is now taking a cautious approach, and is drawing its own conclusions from BRI infrastructure projects around the world. For example, the country does not welcome investments in which the Chinese would end up with (nearly) full control, such as in the case of the Piraeus port in Greece.[23]

3. Other Important Beneficiaries

Elsewhere in the EU-11 sub-group, the BRI-era did not bring about any important investment inflow. Hungary and Romania both have comparatively significant Chinese direct investment stocks, but neither of them accumulated these in recent years.

In Hungary, the list of recently completed investment projects contains only two elements: a minor greenfield investment (EUR 20 million) in electric buses, and a bigger (EUR 202 million) acquisition of the telecom firm Invitel by the China-CEE Fund – although the Fund has already sold Invitel's consumer and SME operations to Digi for EUR 135 million.[24] That being sad, despite the political efforts of the government, the country's very good initial position, and the largest Chinese diaspora in the region, Hungary did not receive any major Chinese investment since the launch of BRI.

In Romania, the extension of the Cernavoda nuclear power plant with two new reactors (worth about EUR 6.5 billion) has been on the table for more than three years now.[25] Similarly, negotiations on the modernization and extension of the Rovinari thermal power station (EUR 847 million) has been underway for quite some time.[26] Neither of these are ready for implementation.

There are numerous failed or pending projects elsewhere as well. For example, the planned mega-acquisition of U.S. Steel Košice is a likely failure[27], despite the efforts of the Slovakian government, while the EUR 660 million project to upgrade Maribor Airport in Slovenia remains pending, as reportedly the state was not even informed about the plans.[28]

4. The Unsuccessfulness of BRI in the EU-11

As a whole, the EU-11 sub-region was more in the pursuit of job creation (greenfield projects), technology or know-how than it was desperate for capital and infrastructure. Considering their liquidity problem following the crisis, China might have taught that its model already utilised in the context of developing countries without a wide access to capital might work, but it did not. To understand the reasons, it is worth having a look at the particularities of the financial mechanism that China offered for most of its infrastructure funding.

Beijing proposed loans enshrined in intergovernmental agreements, without publicly disclosing their exact terms. Problematically, these do not envisage a public tender and are linked to a Chinese main contractor and a massive involvement of Chinese material and labour force. State guarantees from the local government are also often required in case companies are unable to pay the loan back.[29] Thus, in their current form, these loans are not compatible with the EU's public procurement rules on open and competitive bidding EU Member States were probably well aware that opting for such a financing mechanism would trigger the intervention of the European Commission. And most importantly, the EU offers numerous alternative capital sources.

For the period between 2014 and 2020, Poland as a single country has been allocated more than EUR 85 billion from European Structural and Investment Funds (ESIFs).[30] Retrospectively, from 2007 to 2015 a massive amount of EUR 163.7 billion was effectively disbursed in EU-11 states through EU structural and cohesion funds.[31] They funded the implementation of numerous infrastructure projects across the region.

Moreover, certain EU funding mechanisms are specifically targeting transport infrastructure projects. The Trans-European Network (TEN-T) programme directly aims at enhancing interconnectivity within the Union, and grants play an important role in its financing. Funding is available from several instruments such as the Connecting Europe Facility (CEF) possessing a grant budget of EUR 22.4 billion specifically for TEN-T projects between 2014 and 2020. The ESIFs also offer around EUR 70 billion for transport projects in that period.[32]

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Further, these funds are supplemented by the European Fund for Strategic Invest- ment (EFSI), the central pillar of the so-called Juncker Plan. Even though it provides loans, these are considered transparent and relatively cheaper compared to what the Chinese can offer. As a matter of fact, even loans from the commercial debt market could offer lower rates than the Chinese. Last but not least, CEE countries received massive private FDI flows from other EU countries. In terms of total FDI stock, capital from non-regional member states accounts for around 80 percent across CEE states.[33] There was thus no real need for such dubious loans.

5. The Budapest-Belgrade Railway Line as an Exception

In the light of all these existing opportunities, the case of the Budapest-Belgrade railway is more of an exception to the rule than an emerging pattern. Although we cannot yet speak about a completed project, the project has surmounted some important hurdles, and is now expected to be completed by the end of 2023. According to the most recent estimates, the railway line's Hungarian sec- tion would cost EUR 1.65 billion.[34] Most probably, the China Export-Import Bank would provide a 20-year loan to finance 85 percent of the constructions.

In 2015, amid concerns about the project's economic rationale and necessity, Hungary and China signed a bilateral agreement which attributed the contraction of the project to the state-owned China Railway International Corporation. How- ever, BRI's flagship initiative has encountered fierce opposition from Brussels: despite EU rules for large-scale infrastructure constructions, no announcement for a public tender was made. As a response to Brussels' concerns, after organ- ising the 16+1 summit in 2017, Hungary promised a public tender. Although the project's feasibility studies were not made public, hence the continuously arising concerns could not be addressed, the move clearly confirmed the willingness of the Hungarian government to pursue its plans.

The new tender opened in November 2017 for the railway line connecting Soroksár (on the outskirts of Budapest) to Kelebia (near the Serbian border) is now compliant with the specifications of EU and TEN-T rules. The contract will be an all involving EPC contract (engineering, procurement and construction).[35] Two valid applications have been retained: both are international consortiums (CRE and Strabag-CCCC 2018) involving Hungarian, European and Chinese actors.[36] The winning applicant is to be selected before the end 2018, and negotiations with the credit-provider Export-Import Bank of China are also underway. Although the dispute with Brussels considerably slowed down the project's implementa- tion, the Budapest-Belgrade railway line could soon turn out to be the first major infrastructure project in the EU-11 backed by a Chinese loan.

BRI ON THE WESTERN BALKANS

As opposed to EU member states within the platform, countries on the Western Balkans attracted both Chinese loans and direct investments. Although here as well, there is a number of pending projects, EBRD data from 2017[37] puts the value of Chinese projects for energy, highways and railways in the Western Balkans at EUR 6.2 billion (Serbia EUR 2.6 billion, Bosnia and Herzegovina EUR 2.1 billion, Montenegro EUR 0.9 billion, FYR Macedonia EUR 0.6 billion).

As already mentioned, the sub-region's primary beneficiary was Serbia. The share of Chinese investments (Hong Kong included) jumped by 6.1 percentage points between 2015 and 2016, made possible by a steel mill acquisition for EUR 46 million. As a subsidiary of the one located in Hungary, a new branch of Bank of China was opened in Belgrade in January 2017. Further, between 2014 and 2017, about EUR 425 million of Chinese loans was disbursed to infrastructure projects, mainly highways and power plants. For example, a bridge over the Danube in Belgrade has been completed. The construction of Budapest-Belgrade railway line's Serbian part started in November 2017. Elsewhere too, many plans focused on large-scale infrastructure projects. In Macedonia, a major motorway construction started in 2014 by Sinohydro Corp., financed by the Ex-Im Bank of China. With several pending infrastructure projects, there is already one major completed thermal power plant in Bosnia and Herzegovina as well (in Tuzla) financed by the loan of the China Development Bank (EUR 350 million).[38]

The general pattern shows that on the Western Balkans, Chinese companies have been awarded contracts to implement infrastructure projects without any prior open and transparent bidding process. Not bound by EU procurement rules, governments were willing to provide state guarantees, thus they could access funding from credit lines established for the 16+1 platform. The offered financial mechanism was clearly more suitable for them. As they are only EU candidate or potential candidates, they cannot yet access any of the structural and cohesion funds. The Instrument for Pre-accession Assistance (IPA) is at their disposal, but that provide only a limited amount of financing. For example, between 2007-2013 the total volume of IPA allocations only exceeded EUR 1 billion to Serbia, while Montenegro received less than EUR 240 million. Moreover, these funds were utilised not specifically for infrastructure investments, but to support a myriad of sectors.[39] One cannot also forget that Chinese loans were possibly more attractive than rather fragile loans from Russia, and unlike IMF credit lines, they were not linked to political conditionality. With relatively low institutional capacities, working with the Chinese offered an efficient approval process, and a swift implementation.

1. The Balkan Paradox

States on the Western Balkan were trapped by the "Balkan paradox": to join the EU, they should ameliorate their infrastructure and transport services; but as non-member states, they need to look for alternative financing, which may in turn worsen their quality of governance, and lead to rising debts and the mismanagement of public finances. To Sadly, that was exactly the case with Chinese (concessional) loans.

It is somewhat too early to quantify the projects' spill-over effects such as SME development, but the heavy involvement of Chinese labour and materials (although they might reduce costs) ultimately result in an outflow of state capital. The multiplication mechanism of state expenditures cannot kick off: money leaves the national economy instead of bringing about more spending. An immediate source of revenue is also lost, as Chinese materials are generally exempted from VAT or customs duties. Moreover, these loans often provide funding for projects that were deemed financially less viable by Western institutions. If feasibility studies are ignored and the loan is not properly managed, they can lead to serious fiscal instabilities and debt trap scenarios, such as the recent example of Sri Lanka, where the country was eventually forced to hand over a China-built port on a 99-year lease.

A case in point is Montenegro, where the 41-km section of a highway connecting the Adriatic port of Bar to Boljare, at the Serbian border is due to be completed by the end of the year. Carried out by the state-owned China Road and Bridge Corporation (CRBC), the project's budget already amounts to nearly EUR 1 billion. To build the whole of the envisioned line, three other phases will have to be finished. The terms of the contract, CRBC is exempted from paying taxes and custom fees in Montenegro. An USD-denominated loan of EUR 809 million has already been provided, representing as high as 19 percent of the country's GDP in 2017. Although the loan is endowed with a low, 2 percent interest rate, due to the appreciation of the dollar, the cost has increased by 13 percent. To make matters worse, Montenegro's debt-to-GDP ratio is expected to rise to 78 percent in 2019 - compared to 59 percent had the loan not been taken out. Given these numbers, the IMF has already warned the country that it does not possess enough fiscal space to finance the remaining sections with debt.[40]

Aside from financial problems, Chinese loans and constructions sustain weak social, environmental and governance standards too. Contracts are not transparent enough to allow public scrutiny and generally involve close and corrupt relationships with local elites. For example, in FYR Macedonia, it was only after the eruption of a scandal involving the Kicevo-Ohrid motorway that exact details were disclosed to the public, and the project's successful completion was in jeopardy when the transport and communication ministry stopped the motorway's implementation for more than a year. The procurement of the project has possibly favoured local subcontractors with political connections.[41]

In terms of environmental standards, it is notable that although China aims to decrease its own carbon emissions at home, it increasingly contributes to their rise in CEE countries. There has been a number of successful energy projects on the Western Balkans, but they regularly took the form of coal-fired plants (Kostolac 3 in Serbia or Kamengrad in Bosnia and Herzegovina).

2. Prospects on the Western Balkans

Duly noting that Balkan states do not take big step forwards in terms of building stable market economies or complying with the energy and transport *acquis*, the Commission presented a new strategy for the Western Balkans in February 2018.[42] The document hinted that Montenegro and Serbia might join the bloc in 2025. Nonetheless, later in May, the six Balkan countries were invited to the EU heads of state summit in Sofia, only to see their membership aspirations dashed once again. Owing to resistance from member states such as France, the issued declaration did not even mention words like "accession" or "enlargement".[43] Additionally, a month later, the EU postponed Macedonia's and Albania's accession talks by at least a year.[44]

Despite these setbacks, Brussels has probably understood that at present time, the capital need of the Western Balkans cannot be satisfied by European capital only. Whereas for the 2014-2020 budgetary period it only increased the IPA II budget by EUR 200 million, its new proposal include an EUR 2.8 billion increase with a total budget of EUR 14.5 billion.[45] But if the EU wants Western Balkan states to comply with the related *acquis* parts and turn down Chinese offers not involving a public tender, it should establish additional good alternatives for Chinese – and other foreign – financing, and signal a common political will to integrate them within a reasonable time.

POLITICAL IMPLICATIONS OF CHINESE PRESENCE IN THE CEE

In recent years, many in Western Europe and from Brussels echoed concerns about a degree of political influence China holds over Eastern European states in exchange for the promise of better economic relations. Indeed, the EU was divided over some important matters: it could not directly reference China when issuing a statement on China's legal defeat over the South China Sea dispute, and consensus could not be reached over a joint letter denouncing the torture of detained lawyers in China either. There were dissenting views on China's market economy status and more recently, the EU has also failed to unite all members behind its newly proposed investment screening mechanism to counter inflows into strategic assets.

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Chinese influence also had a say in domestic politics: in the Czech Republic, there were several examples of the government's China-friendly policy shaping the political personnel. For example, two ministers and a deputy prime minister was criticised and practically discredited by a public statement issued by all four top leaders in the country after they met the Dalai Lama.[46] Another prime example is the appointment of CEFC founder Ye Jianming as senior economic policy adviser to the president.[47]

It is first true that Chinese presence exacerbates existing divides among member states, especially in terms of a European China policy. Second, offering a normative alternative to the Western-style recipe of how to advance national economies is appealing for those CEE countries that increasingly question the pertinence of dominant liberal values. Third, both within the ranks of member states and from the Western Balkans, cultivating good relationship with China offers an important political bargaining chip against Brussels. Balkan states can for example leverage their political and economic ties with China to increase their visibility in Europe.

One must, however, note that none of the above-mentioned statements or proposals were torpedoed by CEE as a bloc, not even by the majority of the EU-11. Aside from the prominent role of Greece, Hungary emerged as the primary dissenting voice in cases such as the market economy status or the torture of detained lawyers. True, in terms of the South China Sea ruling, Croatia and Slovenia were also against the adoption of the statement, but they were mostly concerned about their own maritime disputes and setting the wrong precedent.[48] More recently, concerning the proposed screening mechanism, the original protectionist language was considerably watered down by an ad-hoc coalition of countries including traditional free traders such as the Netherlands or Sweden backed by Portugal, Greece and the Czech Republic.[49] The proposal itself is now examined in the European Parliament but even if adopted, it will not impose any binding requirements or limitations.[50] The list of opposing countries reinforces that ultimately, China's economic and political clout matter (all three countries were relatively popular destinations of Chinese investments), but the phenomenon itself is a wider European concern, not specific to the CEE region.

On a slightly different note, it is even more notable that certain 16+1 states were inclined to support the screening mechanism proposal. Although mostly with conditions, Bulgaria, Estonia, Lithuania and Poland all showed their willingness to back it.[51] And this new scepticism was tangible during the most recent summit of the platform as well.

Already at a preparatory meeting in early June, Poland criticised the way the summits are organised and how the guidelines are put together. Then only deputy prime minister Jarosław Gowin attended the summit in Sofia, while prime minister Mateusz Morawiecki went to a pilgrimage gathering of an ultra-conservative radio

station instead. There was another absentee, the Lithuanian prime minister, but he had a much more solid excuse, as he attended the celebrations commemorating the 100th anniversary of Lithuania's independence.[52] Most certainly, the Polish government has become disillusioned as large investment flows did not materialise, their trade deficit grew, and China did not provide neither a massive amount of new jobs nor new technology. Poland might have also considered that as the largest country in the region, Beijing will want to cooperate with them anyway.

The guidelines of the previous 16+1 summit in Budapest has already produced some reference hinting towards changing political attitudes within the CEE region, and the Sofia summit further reinforced these elements. The guidelines formulated some criticism in terms of both the quality of the cooperation and the lack of tangible economic gains. For the first time in their seven-year history, they referenced the need for a more balanced economic partnership (trade deficits), and the importance of a "level playing field and equal opportunities". They also touched upon market access issues for CEE products and advocated for transparent and non-discriminatory procurement procedures. Another important new development was mentioning the importance of observers and third countries – their potential involvement should be strictly based on prior consultation and consensus.[53]

Many of these newly formulated concerns (such as market access issues) have been endlessly echoed by Brussels as well. The lack of new direct investments certainly played a role in bringing the opinion of CEE states closer to the official EU discourse, a warmly welcomed development for many.

Nonetheless, it would be a premature conclusion to claim that the only force at play is the region stepping up against Chinese unfulfilled promises. The dynamics have always been greatly influenced by Chinese political calculus. Even prior to the conference, when Beijing cautiously mentioned the probability of moving to bi-annual meetings, the Chinese probably wanted to make a gesture towards the EU and Germany, saying that they are willing to decrease their involvement in the region. Not long after, Chinese Foreign Minister Wang Yi even spoke about the possibility of a trilateral cooperation with Germany in the 16+1 region[54], and the summit itself was scheduled right before the fifth round of the China–Germany Intergovernmental Consultations in Berlin.

As for the guidelines, they aimed to reassure Brussels of Beijing's commitment towards an open world economy, multilateralism and globalisation. Most possibly, China has used this year's 16+1 summit to show its goodwill first in order to decrease the chances of the envisaged screening mechanism; second, to cement the EU as a partner in the face of its trade dispute with the United States. One has to bear in mind that the summit and Li's visit to Germany was scheduled for the time when the first round of U.S. tariffs hit Chinese goods and the EU was edging closer to a trade war with the U.S.

It is thus notable, that amid these tensions and despite many remaining concerns, the EU-China Summit later in July was a success. A joint communiqué was agreed upon and parties exchanged market access offers, possibly paving the way for a new chapter in the EU-China Comprehensive Agreement of Investment (CAI), underway since 2013. An agreement was also reached on the implementation of the Near-term Action Plan of the EU-China Connectivity Platform whose main goals involve a cooperation in infrastructure standardization and strengthening synergies between BRI and the TEN-T.[55]

CONCLUDING REMARKS

For the CEE countries, it will be imperative to understand that while they might be more interested in short-term economic gains through direct investments, the Chinese perspective is definitely wider and is endowed with a loosely defined long-term vision. To For China, it is not individual projects, but the wider strategy that matters. There are plans such as the corridor linking the Greek Piraeus port to Belgrade and Budapest that are probably more important for China as well, but while key states encounter opposition from the EU (Hungary) or become mired in a corruption scandal (Macedonia), Beijing remains patient and flexible. Ultimately, China is increasingly open to other comprehensive plans such as the Three Seas Initiative, newly endorsed in the Sofia guidelines. CEE states and Brussels should pay attention to Chinese endeavours in other sub-regions as well, such as in Southern States with the China–Southern Europe sectoral cooperation forums, or aspirations concerning Nordic countries.

On a wider European level, decision makers should make sure that EU funding in the EU-11 remains sufficient to provide a viable alternative to Chinese financing. Sadly, according to the recently published proposal for the 2021-2027 Multiannual Financial Framework[56], EU funds for the EU-11 would diminish in favour of Southern states as new factors such as employment and migration would be now taken into account. Additionally, the Commission would be given further leverage over member states with an envisaged connection between the spending of EU funds and the rule of law. The European Parliament and national leaders will have to critically assess arising concerns and consider that China might at any moment decide to launch more attractive financial mechanisms for the region, which would in turn incentivise Central Eastern Europe's economic and political rapprochement to China.

ENDNOTES

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VISEGRÁD: A TOOL THAT SUPPORTS THE IMPLEMENTATION OF EU STRATEGIES TO ENHANCE THE CONNECTIVITY AND INTEROPERABILITY OF THE CENTRAL EAST EUROPEAN RAILWAY NETWORK

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Abstract: On account of their central geographical position between the Eastern and the Western sides of Europe, Visegrád States have numerous geopolitical, strategic, economic, social, and historical features in common that provide a solid platform for a joint transport planning. Despite being represented in a number of international railway organizations, the Visegrád Governments have always kept railway-related topics on the table during their quadripartite summits too. The co-ordinated improvement of transport axes may contribute to the economic perfor-mance of Visegrád States. Therefore, Budapest, Bratislava, Prague, and Warsaw help each other adopt the European Union's railway traffic standards and legislation. The Visegrád Cooperation provides an optimal forum to agree upon joint lobbying positions before new railway regulations are approved by specified EU bodies or organizations. Consequently, the Visegrád Forum may also be seen as a tool for the endorsement of railway development interests complementing these Four States' endeavors in specialized EU bodies.

Keywords: European Union, railway policy, Visegrád Group

INTRODUCTION

This paper intends to provide a comprehensive overview of the railway policies that Visegrad Countries (the Czech Republic, Hungary, the Republic of Poland and the Slovak Republic)[2] have followed since their accession to the European Union in 2004. The Four States are represented in a number of international railway organizations where public transportation strategies and the related legislation are discussed and decided. In addition, the specialized bodies of the European Union may also be used as negotiating forums if challenges concerning international rail traffic emerge. Having said that, V4 Governments normally address railway-related topics during their

quadripartite summits too. The four Central East European (CEE) Countries tend to harmonize their positions on EU railway policies whenever their interests coincide. This paper seeks to find answers on how and to what extent the Visegrad Cooperation as a weakly institutionalized regional intergovernmental negotiating platform can be a useful means for the support of the European Union's efforts to enhance the connectivity and interoperability of the European railway network.

Through research and analysis of official memoranda of understanding, presidency programs, minutes of expert meetings, panel discussions, EU documents and statistical data, this paper concludes that the Visegrad Cooperation provides an optimal forum to agree upon joint lobbying positions before new railway-related regulations are approved by EU bodies or organizations. In addition, Budapest, Bratislava, Prague, and Warsaw also tend to exchange best practices and know-how at V4 forums in order to help each other adopt international railway traffic regulations or standards. This paper shall contribute to the better understanding of the Visegrad Four's real-life functioning, the operation of the European Union's mobility policies and structural funds, as well as the transportation needs of a region that is located in the crossroads of east-west and north-south corridors.

## THE BACKGROUND OF RAILWAY POLICIES
IN THE VISEGRAD AREA

The Czech, the Hungarian, the Polish, and the Slovakian railway systems are heterogeneous as far as certain technical parameters and organizational attributes are concerned, however, the railway network of the modern-day Visegrad Countries has preserved some characteristics of the former Austro-Hungarian Dual Monarchy's (Austria-Hungary) transportation system, as the core of the track infrastructure was originally laid down in the second half of the 19th century.[3] The railway infrastructures nationalized by the successor states of Austria-Hungary suffered immense damages during the Second World War and were rebuilt in the subsequent Cold War era (1947-1990).[4] The area has thenceforth been characterized by a relatively dense intertwining of transport networks.[5] Due to the socialist heavy industrialization, Czechoslovakian, Hungarian, and Polish railway links were primarily developed in the direction of the Soviet Union. After the fall of the Iron Curtain, however, transportation modes have predominantly been developed on an east-west axis, reflecting the routes of major freight movements between the European Communities and the former Eastern Bloc countries.

Nevertheless, after the 1989-1990 regime changes, rail infrastructure needed to be improved in order to open up V4 economies and attract trade partners to the region. Visegrad States have gone through a deep economic liberalization amid profound political transformations, required for their accession to Euro-Atlantic organizations. Since the 1990's, railway-related reforms in CEE thus have basically followed Brussels' requirements and legislative measures. The enlargement of the EU to 25 members in 2004 reinforced the need for the creation of trustable corridors and logistics terminals. Incumbent Visegrad Governments have followed EU tendencies and prioritized the channeling of the growing transport demand into rail.[6] Ultimately, rail freight transport market has started to grow in the region, and for 2017, the Czech, the Hungarian, the Polish, and the Slovak railway systems reported promising figures for the intensity of use, mostly driven by freight utilization.
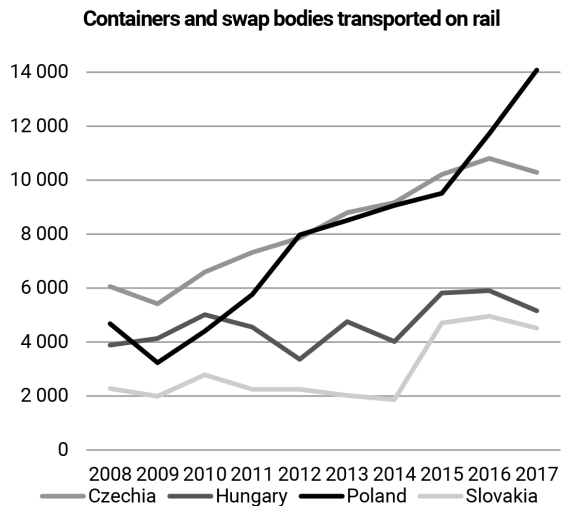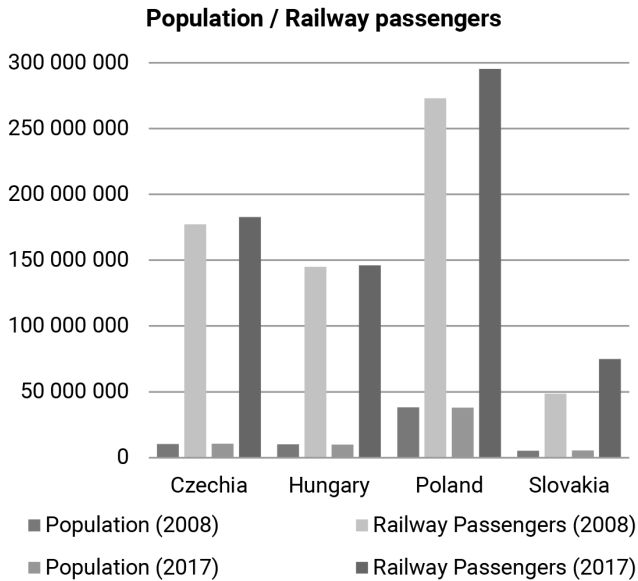
Diagrams 1-2.
Annual passenger transport in V4 Countries
(Diagrams made by the Author based on Eurostat data)[7]

Annual passenger transport
Thousand Passengers

Annual passenger transport
Millions of passenger-kilometres
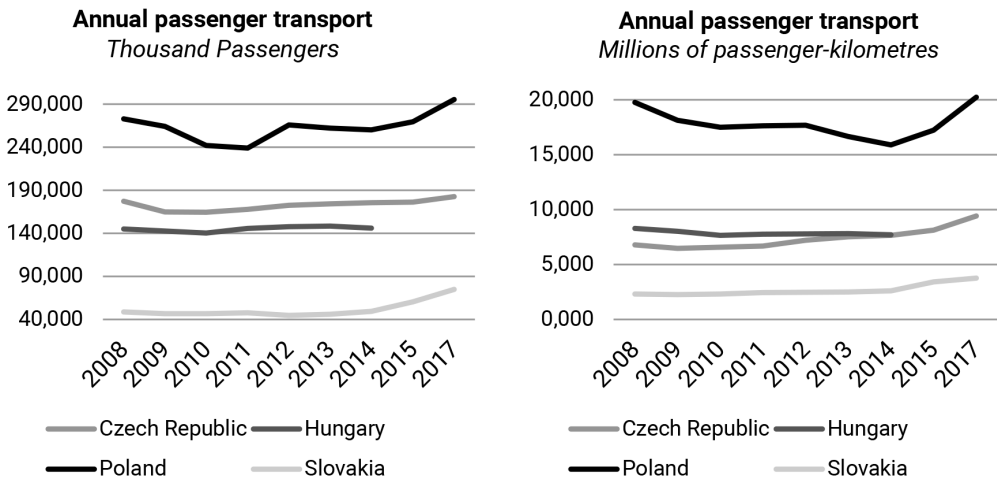
According to researches executed in 2018, 11% of the EU's population uses passenger train services on a weekly basis. In Slovakia, this figure is 15%; in the Czech Republic, this ratio is 10%; while in case of both Hungary and Poland, this number is 7%. The same statistics show that 15% of Slovakian citizens use train services for national or regional trips at least once a week; while Hungary reported 6%; in the Czech case it was 5%; and for Poland this value was only 1%, as opposed to the EU average 5%.[8]

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Diagrams 3-4.
Population / Railway passengers ratio,[9]
and Containers & swap bodies transported on rail (thousand tonnes)
(Diagrams made by the Author based on Eurostat data)[10]

Population / Railway passengers

- Population (2008)
- Railway Passengers (2008)
- Population (2017)
- Railway Passengers (2017)

Containers and swap bodies transported on rail

Czechia   Hungary   Poland   Slovakia

Given their dependence on foreign trade partners, V4 Countries are in constant need of upgraded and reliable freight transport networks. As the Four States have important economic links between each other too[11], the gaps these countries have in their respective railway infrastructures – in terms of travel speed, time, and reliability – constitute a notable burden on the economic growth of the region. The improvement of rail linkages stimulates economic development by boosting business relations and tourism.[12] EU institutions have launched investment initiatives in regional transport connections, strengthening the internal trade within the V4 Region and its economic connections to other Member States of the Community (see Chapter 2.2.).

THE EUROPEAN LEGAL-INSTITUTIONAL PILLARS OF THE V4 RAILWAY COOPERATION

1. EU Railway Packages

The First Railway Package was adopted in 2001 and gave railway operators the right to enter the trans-European network on a non-discriminatory basis. This railway *acquis* consisted of three directives originating from the Commission's 1996 white paper on strategies for revitalizing the Community's railways.[13] The Commission conducted an assessment analysis in 2006 and found that the relative position of railway undertakings *vis-à-vis* business entities that provide services related to other transport modes has stabilized, the expected quality of rail traffic safety has been secured or advanced, and the newly established railway undertakings had successfully contributed to the creation of jobs. The practical implementation of the Package's provisions, however, was quite challenging, especially as far as the new EU Member States were concerned (see Chapter 2.2.).

The Second Railway Package (2004) proposed regulations on the safety of the Community's railways, elaborating in detail the due safety certification procedures. The Package contained a new directive on the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure, while adding modifications to the rules on the licensing of railway undertakings too. The new regulation amended rules on the interoperability of the trans-European high-speed and conventional rail systems. The Second Railway Package phrased new rules on the development of the Community's railways, and last but not least, it established the European Railway Agency (ERA).[14]

Adopted in 2007, the Third Railway Package introduced open access rights for the provision of international rail passenger services by 2010. It further gave birth to a special European licensing for locomotive drivers, enabling them to circulate

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on the entire European rail network if certain basic requirements (educational level, age, physical and mental health, driving skills, etc.) were met. Additionally, the new legal material embodied paragraphs concerning the strengthening of rail passengers' rights.[15][16] In 2012, the recast of the First Railway Package, the so-called Single European Railway Directive laid down rules regulating the use of railway infrastructure for domestic and international rail services (e.g. the collecting of railway infrastructure charges, capacity allocation, criteria applicable to the issuing, renewal or amendment of licenses, and the management of railway infrastructure). The text says that *"[i]n order to render railway transport efficient and competitive with other modes of transport, Member States should ensure that railway undertakings have the status of independent operators behaving in a commercial manner and adapting to market needs."*[17]

The Fourth Railway Package (2016) completed the single market for rail services: the Single European Railway Area. By significantly reducing costs and administrative burdens for railway undertakings, the legal package's technical pillar was intended to support the competitiveness of the railway sector *vis-à-vis* other transport modes. The Fourth Railway Package's market pillar meant the final legal step towards market opening, originally initiated in 2004 by the First Railway Package. Once the Member States harmonize their national legislation with the new European railway *acquis*, undertakings established in one Member State will be allowed to operate all types of passenger services in any other country within the EU. In addition, in order to prevent discrimination, the new set of railway regulations introduced the principle of mandatory tendering for public service contracts.[18] For a global overview on EU Railway Packages, please see *Table 3* in the Annex.

2. V4 endeavors to implement the Community's railway acquis

Visegrad Countries tend to harmonize their positions on EU railway policies whenever their interests coincide. The 2004-2005 Polish V4 Presidency gave birth to a railway working experts group introducing regular meetings of professionals. The aim was to boost railway cooperation and combined transport links in the area.[19] The first expert group meeting had a particular focus on the gradual implementation of the interoperability of goods and passenger rail transport (cp. Second Railway Package, Chapter 2.1.). In order to strengthen macroeconomic cooperation in the region, V4 railway experts delineated a joint procedure in accelerating the forwarding of goods trains at border stations. Railway professionals from the four countries also exchanged views on the European Commission's legislative packages proposed with the aim of constructing an integrated European Railway Area (to be completed by 2016, cp. Chapter 2.1.).[20]

In order to facilitate the provision of international business services, railway infrastructure operators and capacity allocation bodies registered in Visegrad States joined RailNetEurope (RNE) in 2004. As an umbrella organization, RNE provides support for its members in the compliance with the European legal framework.[21] Czech, Hungarian, Polish, and Slovak professionals found that by establishing the European Railway Agency (ERA) as a provider of technical support for railway safety and interoperability, the Second Railway Package would definitely accelerate the liberalization of rail freight services, however, they requested that the opening of the rail freight market to competition as from January 2007 would happen in line with the interests of their relatively weak economies.[22] As EU Member States, V4 Countries may opt for requesting professional assistance from the ERA (currently referred to as the European Union Agency for Railways) with regards to the implementation of EU railway legislation.[23] As far as the individual railway undertakings of V4 Countries are considered, the major ones are members of the Belgium-based lobby organization, the Community of European Railway and Infrastructure Companies (CER) that represents the interests of European railway operators and infrastructure companies all through the EU policy-making procedures.[24]

The implications of the Third Railway Package (2007) were discussed at the V4 transport ministers' informal meeting during the 2008-2009 Czech Visegrad Group Presidency.[25] The delegates agreed that the harmonization of the Member States' different railway regulations was beneficial for their countries and therefore Bratislava, Budapest, Prague, and Warsaw started to cooperate closely in the implementation of such legislative initiatives of the Commission. In order to adopt the rules embodied in the so-called Single European Railway Directive of 2012 (guaranteeing the competitiveness of the railway market in EU Countries and the independent status of operators), V4 States established national authorities (or redefined the activities of already existing regulatory bodies) to safeguard the lawful operation of railway entities. The Transport Infrastructure Access Authority of the Czech Republic *(Úřad pro přístup k dopravní infrastruktuře)* has been acting as a regulatory body, an independent supervisory authority, and conciliation body (for the European electronic toll services) since April 2017.[26] The Hungarian National Transport Authority's Department of Railway Regulation *(Nemzeti Közlekedési Hatóság Vasúti Hatósági Főosztály, VHF)* was founded in 2014 and reorganized in 2016 within the Ministry of National Development, currently referred to as the Ministry for Innovation and Technology. VHF is Hungary's railway infrastructure licensing authority responsible for staff training, rail traffic security, urban and national rail infrastructure, as well as mechanical and electrical issues.[27] Poland's Office for Rail Transport *(Urząd Transportu Kolejowego)* was established in 2003 and has been ever since safeguarding the cohesion of the rail system and supervising the

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technical solutions that may affect rail traffic and rail system safety, regulating and licensing the rail transport market, supervising the operation and maintenance of railway lines and vehicles, ensuring traffic safety, and the observance of passenger rights, as well as issuing train driving licenses and certificates.[28] Slovakia's Transport Authority *(Dopravný úrad)* was established in 2014 as an administrative body responsible for regulations in the area of railways and other guided transport, civil aviation and inland waterway transport.[29]

A number of business entities operating in the railway sectors of Visegrad Countries have membership in the International Rail Transport Committee (CIT), which is an association of international railway passenger and/or freight services provider enterprises that helps such entities implement international rail transport law.[30] Founded in 2010, LEO Express is the first private passenger train services provider in the Czech Republic. It operates trains also in Austria, Germany, Hungary, Poland, Slovakia, and Ukraine. Since 2011, another private entity named RegioJet has also been providing regular passenger railway services in the Czech Republic and Slovakia.[31] Due to the appearance of the private operators, some fare prices fell 75%, while the incumbent state-owned rail passenger company (ČD) added new services to its timetable.[32] The agenda of the 2012-2013 Polish and the 2014-2015 Slovak Presidencies of the Visegrad Group deepened the railway cooperation by the promotion of exchange of experiences concerning the opening of the market for domestic passenger rail transport services.[33] [34]

During the Visegrad Group's 2014-2015 Slovak and 2015-2016 Czech Presidencies, the Four Countries' railway cooperation – and the related expert's meetings – concentrated mainly on the impacts of the Fourth Railway Package: the application of tariff policies in international and domestic passenger transport, as well as railway infrastructure access fees.[35] [36] As mentioned above, with the intention of accelerating the integration of the whole European rail network, the Fourth Railway Package introduced measures aimed at removing existing administrative and technical barriers. Visegrad Countries in general supported the new legal act, however, in the beginning, they were concerned about the revision of the rules on access to the road haulage market in order to further lift the restrictions to road cabotage in the EU.[37] Either way, the EU's Fourth Railway Package was unanimously adopted in 2016.[38]

The 2016-2017 Polish Visegrad Group Presidency put emphasis on the exchange of experiences with regards to the implementation of railway transport constructions co-financed by the Connecting Europe Facility (CEF), an EU funding instrument promoting growth, jobs creation, and competitiveness through targeted infrastructure investments, including the development of trans-European transport, energy, and digital services networks.[39] Special attention was given to investments

and cross-border projects among V4 Countries, Belarus and Ukraine.[40] As net recipients of EU structural funds, Budapest, Bratislava, Prague, and Warsaw have always been active players in the informal "Friends of Cohesion Policy" club and managed to get the highest amount of funds per capita for the 2014-2020 multiannual financial period. EU Cohesion Policy investments helped the region improve public transport by purchasing new rolling stock, upgrading railway infrastructure or constructing new sections. The 2013-2014 Hungarian and the 2014-2015 Slovak Presidencies of the Visegrad Group proposed to examine common opportunities and methods with respect to preserving the 2014–2020 value of EU rail funding.[41] The "CEE Futurail" conference of CEE rail freight companies held in November 2017 was one of the priority programs of the 2017-2018 Hungarian V4 Presidency, where representatives of the Four States jointly prepared for the expected changes of the post-2020 multiannual financial framework by the harmonization of their respective positions.[42]

The 2017-2018 Hungarian V4 Presidency proposed the formulation of a joint regional position concerning the revision of the European Council Directive 92/106/EEC of December 1992 on the establishment of common rules for certain types of combined transport of goods between Member States. With such legal act, the Community aimed at optimizing the management of resources using combined transport as an alternative to road transport. The Council intended to solve the increasing problems related to road congestion, environmental issues, and safety, by taking measures to develop transport methods based on intermodality.[43] V4 States found it important that railways received a better position relative to other transportation modes, and that Central European specificities (relatively small-sized domestic markets, relatively low technical levels of rail traffic operations, etc.) were taken into consideration when amending the 92/106/EEC act.[44] In addition, the four Central East European governments proposed a joint action also concerning the revision of the NOISE Technical Specifications for Interoperability (NOISE TSI) directive so as to avoid possible competitive disadvantages for the Visegrad Countries.[45]

The EU's economic, social, and territorial cohesion strategies have also been used in the V4 Region as financial tools and coordinating mechanisms of initiatives aimed at harmonizing technical and safety regulations of the railway network.[46] The deployment with the second level of the European Train Control System (ETCS) and various rehabilitation as well as construction projects on key railway corridors have been at the center of the Visegrad Countries' infrastructure development strategies. Ensuring interoperability between railway lines is essential for the competitiveness of this type of transport mode. The 2014 Danube Transnational Cooperation Program included projects aimed at improving transport infrastructure quality and safety in the region in order to construct a fully

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multimodal and interoperable network.[47] In this context, railway lines have started to be upgraded and equipped with the European Rail Traffic Management System (ERTMS) with EU support.

Map 1.
Deployment plans for ERTMS (2018)[48]
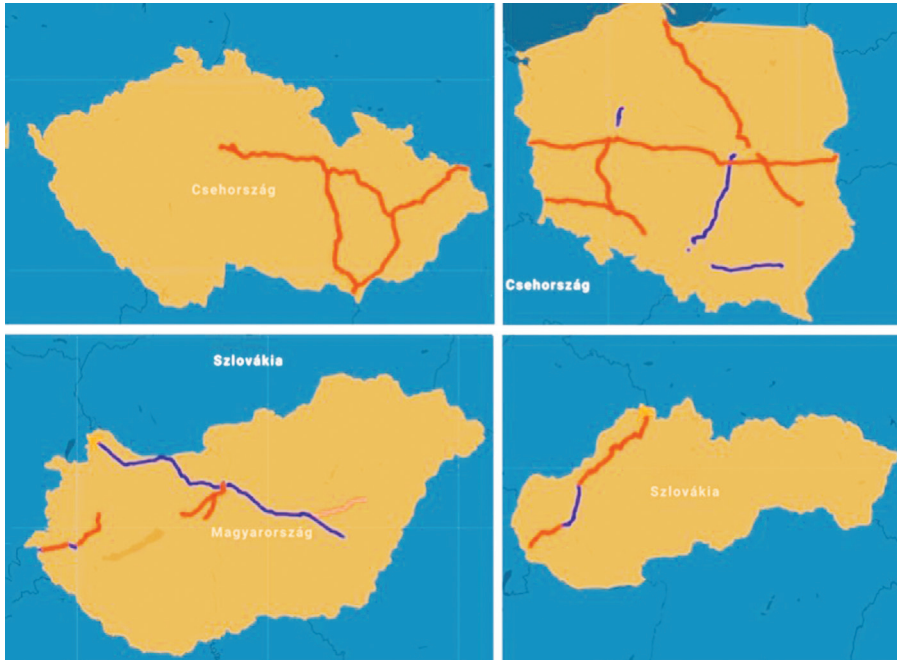
All V4 Countries take part in the cooperation launched in 2005 by the European Commission (together with manufacturers, infrastructure managers, as well as other railway undertakings) to deploy the key rail network of the Community with ERTMS solutions.[49] Since 2009, the Four States have intensified their efforts in supporting the development of the ERTMS proliferation in the region.[50][51] According to recent deployment plan deadlines, the system on the core network corridors passing through the V4 Region will be implemented within a five-six year term.[52] V4 Countries participate in EU-funded rail research and innovation projects too. In the 2014-2020 financial period, the EU contributed around 150 million euros to rail research initiatives, such as the *Shift2Rail* joint undertaking public-private partnership that was established in 2014 to coordinate scientific research activities.[53] As far as cooperation in infrastructure management is concerned, ČD, MÁV, and ŽSSK from Czechia, Hungary, and Slovakia, respectively, are participants in the

European Company for the Financing of Railroad Rolling Stock (EUROFIMA), a supranational organization that supports the development and modernization of European rail infrastructure.

3. Difficulties in the compliance with EU railway directives

In 2009, the Commission pushed 22 Member States – including all Visegrad Countries – to fully implement the directives of the railway packages, as the Brussels-based body had identified a number of infringements. Numerous countries of the Community amended national rules in order to comply with EU railway regulations and removed obstacles to fair competition on the rail market. The Commission underlined, however, that: certain Member States had failed to safeguard enough independence to infrastructure managers; regulatory bodies had not been given sufficient powers and resources; the level of investments in rail infrastructure development and maintenance in some cases remained insufficient; and the infrastructure charges had not always been calculated in a transparent and consistent way.[54]

The Commission has filed and won lawsuits against V4 Countries at the Court of Justice of the European Union regarding the non-fulfillment of measures embodied in the First Railway Package. In 2013, for instance, the Court ruled that by laying down a maximum amount for charges for the use of railway infrastructure, the Czech Republic infringed provisions of the Package. The Court further found a lack of incentives for the Czech infrastructure manager to reduce the costs of providing infrastructure and the amount of the access charges. According to the judges, Prague had failed to introduce performance schemes in order to minimize disruption and improve the development of the country's rail network. The Court also pointed out the lack of a prior administrative appeal against the decisions of the regulatory body that was absolutely against the regulations embodied in the first European railway *acquis* (see Chapter 2.1.)[55]

In the same year, the Court ruled in favor of the Commission that acted as an applicant against Hungary claiming that the latter had failed to lay down conditions to ensure financial equilibrium for the accounts of infrastructure managers. The Czech Republic and the Republic of Poland backed Hungary during the legal proceedings. The judges further stated that the charges for the minimum access package and track access to service facilities were to be set at a cost that was directly incurred as a result of operating the train service, however, by that time, the Hungarian Government had not introduced any measures ensuring the application of the so-called "Direct costs principle".[56]

Still in 2013, the Commission acted as plaintiff against Poland (supported by the Czech Republic and Italy) too, claiming that Warsaw had failed to introduce an incentive scheme to encourage the infrastructure manager PLK SA to reduce the costs of providing infrastructure and the amount of the charges for access to the railway

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network. According to the Court, similarly to the Czech government, the Republic of Poland too did not reduce sufficiently the costs of providing infrastructure and the amount of access charges. The judges also identified infringement related to the calculation of the charge levied for minimum access to railway infrastructure.[57]

These above-noted countries were obliged to harmonize their national rules on the given matters. The Commission often refers Member States to the Court of Justice for failure to correctly implement railway-related EU legislation. Most recently, in November 2018, Bulgaria's government had to give explanations why it did not guarantee that investigations of rail accidents are performed by an independent body as required by Directive 2004/49/EC (Second Railway Package).[58] Such proceedings are part of the EU's everyday operation.

TRANS-EUROPEAN CORRIDORS CROSSING THE V4 REGION

Since their accession to the EU, V4 States have supported undertakings designed to strengthen the cooperation in the areas of trans-European transport networks (TEN-T).[59] Visegrad Countries have become integral parts of some of the priority transport axes, and the creation (or enhancement) of such routes has been given a special priority in their cooperation.[60] In 2009, the Visegrad Group declared its readiness to promote the European integration of countries from the Western Balkans and the ones belonging to the Eastern Partnership initiative of the EU also by facilitating the construction of reliable road, rail, and energy networks.[61] [62] The historical east-west axis in Central European geopolitics can be broadened by developing tighter ties to the non-EU countries of the Western Balkans (WB). Therefore, since 2009, each high-ranking Visegrad Four summits have addressed WB-related questions, and V4-WB foreign ministerial meetings have been organized on a yearly basis ever since.[63] V4 Governments agreed that the future EU Member States would be linked to the Community by fast and reliable transport routes, therefore, they suggested programs for the intensification of the Four Countries' efforts to support the development of international rail freight corridors and road infrastructure within the TEN-T network.[64] [65]

In November 2010, V4 Transport Ministers agreed that the TEN-T projects of the European Union should take into consideration the existing differences among old and new Member States in terms of their levels of economic and infrastructure development, as well as geographic location.[66] The ministers also affirmed that TEN-T projects should respect the principles of subsidiarity, ensure good quality road and rail infrastructures connecting underdeveloped regions within EU Member States in

order to provide geographically balanced access to the major transport corridors of the Community. The ministers promised they would act together to strengthen the mobility of citizens and cross-border cooperation.[67]

In 2011, the Commission issued a document on a renewed approach to transport cooperation between the EU and its neighbors. The paper stressed that since 2000, the rail freight volumes between the Community and Belarus, Moldova, and Ukraine have increased by 7% and predicted a further growth of up to 40% in rail freight demand *vis-à-vis* Eastern Partnership Countries by 2020. According to the Commission, the 2007 opening up of the rail freight market contributed to volume increases and the growth can be further supported by strengthening cooperation with the Eastern European non-EU States (see the First and the Fourth Railway Packages, Chapter 2.1.). Such conclusions were supported by the Council of the European Union too.[68] In November 2018, the Commission introduced indicative road and railway TEN-T maps for the Eastern Partnership Countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine) in order to continue the cooperation on infrastructure development with the Eastern European neighbors bringing these countries closer to EU Member States.[69]

Map 2.
Rail Freight Corridors crossing the V4 Region[70]

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In 2012-2013, the Visegrad Governments elaborated a common position on the implementation of the EU regulation N. 913/2010 that created a competitive European rail freight network. The list of initial routes included five Rail Freight Corridors (RFC) crossing V4 territories responding to concrete operational and market-driven demands. The RFCs are cross-border governance structures involving ministries, infrastructure managers, railway undertakings, and logistics terminals. The RFC network covers routes outside of the TEN-T network too.[71]

The 2013-2014 Hungarian V4 Presidency gave a special focus to the development of north-south transport routes, emphasizing Central Europe's need for infrastructure guarantees managed as collective European programs. The lack of sufficient cross-border transport links was considered by V4 Governments a great burden on the competitiveness of their economies. They proposed to coordinate the completion schedule of the TEN-T's core rail network, in terms of the scheduling of border crossings and the connected sections, technical parameters, as well as interoperability.[72] Additionally, on the occasion of the Croatian accession to the EU in June 2013, the foreign ministers of the Visegrad Countries and Croatia decided to step up jointly in tackling regional challenges of mutual concern, particularly to clear the infrastructural bottlenecks in the CEE Region and to develop the north-south axis of the region's road and rail transport network.[73]

In 2014, the presidents of the Visegrad Group Countries, Austria and Slovenia considered the development of rail transport networks between the V4 and the two aforementioned states to be of mutual interest of all the parties underlining the significance of investments in key infrastructures. In order to enhance economic growth, the presidents pushed for a close cooperation on TEN-T projects, with special regards to the north-south connections and with a clear focus on the Baltic-Adriatic corridor.[74] Multilevel meetings have paid attention to the traffic problems caused by bottlenecks in the area. The 2014-2015 Slovak Presidency, for instance, strived to coordinate the working of a High Level Working Group (HLWG) on transport connections between Visegrad Countries with the aim of implementing the previous V4 agreements facilitating cross-border rail traffic.[75] From that date on, several HLWG meetings have been held focusing on the progress achieved so far in that field.[76]

Baltic, Black Sea, and Adriatic ports, as well as railway gates at the Belarusian, Ukrainian, German, Austrian, Slovenian, and Serbian borders are immediate entry points of freight transport to V4 Countries. The coordinated improvement of transport on the basis of holistic and integrated development concepts increases the attractiveness of inland waterways, road and rail infrastructures providing cost-effective transport solutions with important international connections within the CEE Region. The implementation of European rail freight corridors interlinked

with intermodal terminals on the Danube could mitigate road congestion and contribute to an environmentally sustainable modal split.[77] The European Union Strategy for the Danube Region (EUSDR) focuses on the improvement of mobility and multimodality, the encouragement of more sustainable energy consumption, and the promotion of culture and tourism. For the 2007-2013 financial period, the EU's Structural Funds budgeted 24.8 billion euros for Danube Region transport policies, out of which 8.5 billion was channeled for railway upgrading projects.[78]

The Hungarian Presidency of the V4 and the Danube Region Strategy coincided in the 2017-2018 term. Budapest proposed the establishment of the so-called V4 Rail Roundtable to be a platform for railway expert discussions about how to increase competitiveness of rail transport along the north–south freight corridors and exploit railway infrastructure developments through the sharing of experiences and best practices among V4 and Central East European terminals, as well as freight services providers. In mapping the railway connections of the Visegrad Region, the Hungarian Presidency aimed to define possible transport development directions and related common V4 strategies by removing technical and legislative obstacles in order to have the Central East European transport bottlenecks unblocked. Delegates of the four governments also examined the possible effects of launching the so-called "VisegRail" project to foster intraregional tourism by offering regional and season railway tickets.[79]

In addition to such projects, launched in 2016, the joint Polish-Croatian political-economic "Three Seas Initiative" aims at strengthening trade, infrastructure, energy, and political co-operation among Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. The project prioritizes the development of railway connections within the European transport corridors.[80]

CONCLUSION

Visegrad Countries have become integral parts of European priority transport axes. The coordinated improvement of these routes on the basis of holistic and integrated development concepts amid appropriate technical, eco-sustainable solutions may increase the attractiveness of V4 rail infrastructures providing cost-effective transport solutions for costumers and thus contributing to the economic performance of the states concerned. Due to their shared interests in developing railway networks, the Visegrad Four tend to formulate common negotiating and lobbying positions at EU forums related to the construction of new international corridors in the region, modernize old lines or deploy the individual national infrastructures with

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standardized European train control systems in order to have a fast, reliable, and interoperable transport grid in the eastern part of the EU. The Visegrad Cooperation provides Central European governments an optimal platform to agree upon joint lobbying positions concerning financial support mechanisms or international rail transport regulation procedures initiated by different EU bodies and organizations. In addition, Budapest, Bratislava, Prague, and Warsaw tend to use V4 meetings as forums to exchange best practices and know-how in order to help each other adopt international railway standards and legislation. For this purpose, the Visegrad Four have launched various initiatives, such as the V4 Rail Roundtable as a platform for expert discussions, or the High Level Working Group on transport connections to help implement the V4 railway agreements. Consequently, the weakly institutionalized regional intergovernmental negotiating platform of the Czech Republic, Hungary, Poland, and Slovakia is a useful tool for the endorsement of interests in railway diplomacy, complementing the endeavors of these states in specified EU bodies or organizations to gain favorable positions if railway-related reforms, developments strategies, new tendencies, legislation or regulations are concerned.

ANNEX

Table 1.
Annual Passenger Transport in V4 Countries
(Table made by the Author based on Eurostat data)[8]

Annual Passenger Transport in V4 Countries (Thousand Passengers)									
	2008	2009	2010	2011	2012	2013	2014	2015	2017
Czechia	177,257	164,813	164,642	167,789	172,580	174,189	175,705	176,146	182,724
Hungary	144,900	142,690	140,398	145,561	147,688	148,379	146,010		
Poland	272,859	264,177	241,976	239,054	266,011	262,382	260,260	269,664	295,394
Slovakia	48,655	46,597	46,509	47,453	44,609	45,946	49,098	60,292	74,916

Table 2.
Annual passenger transport in V4 Countries
(Table made by the Author based on Eurostat data)[82]

Annual passenger transport in V4 Countries (Millions of passenger-kilometres)									
	2008	2009	2010	2011	2012	2013	2014	2015	2017
Czechia	6,773	6,472	6,559	6,669	7,196	7,512	7,644	8,125	9,403
Hungary	8,291	8,004	7,653	7,763	7,769	7,806	7,71		
Poland	19,762	18,128	17,485	17,633	17,674	16,659	15,885	17,24	20,215
Slovakia	2,296	2,264	2,309	2,431	2,459	2,485	2,583	3,411	3,754

Table 3.
Containers and swap bodies transported
(Table made by the Author based on Eurostat data)[83]

Goods transported in intermodal transport units (Containers and swap bodies, thousand tonnes)										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Czechia	6 060	5 410	6 589	7 321	7 852	8 793	9 165	10 212	10 804	10 284
Hungary	3 882	4 132	5 010	4 557	3 360	4 757	4 016	5 816	5 907	5 157
Poland	4 679	3 232	4 403	5 760	7 970	8 510	9 060	9 507	11 718	14 073
Slovakia	2 280	1 985	2 779	2 243	2 243	2 018	1 864	4 709	4 955	4 516

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Table 4.
EU Railway Packages
(Table made by the Author based on EU Commission data)[84]

EU Railway Packages				
	Technical elements	**Market elements**	**Adoption**	**In force until**
1st Railway Package	Development of the Community's railways (2001/12/EC, later replaced by 2012/34/EU)		2001	2015
	Licensing of railway undertakings (2001/13/EC, later replaced by 2012/34/EU)			
	Allocation of railway infrastructure capacity (2001/14/EC)			Present
	Levying of charges for the use of infrastructure (2001/14/EC)			
2nd Railway Package	Railway Safety Directive (2004/49/EC) - Amending 2001/14/EC		2004	
	Interoperability of trans-European high-speed and conventional rail systems (2004/50/EC, replaced by 2008/57/EC)			2010
	Development of the Community's railways (2004/51/EC)			
	Establishment of the European Railway Agency (EC Regulation 881/2004)			Present
3rd Railway Package	Development of the Community's railways (2007/58/EC, replaced by 2012/34/EU)		2007	2015
	Certification of train drivers (2007/59/EC)	Public passenger transport services by rail (EC Regulation 1370/2007)		
		Rail passengers' rights and obligations (EC Regulation 1371/2007)		
		Organization of a labor force sample survey (EC Regulation 1372/2007)		Present
4th Railway Package	Establishment of the European Union Agency for Railways (EU Regulation 2016/796, see EC Regulation 881/2004)	Opening of the market for domestic passenger transport (Regulation 2016/2338, see 1370/2007)	2016	
	Interoperability of the rail system within the EU (Directive 2016/797)	Governance of the railway infrastructure (Regulation 2016/2370, see 2012/34/EU)		
	Railway safety (Directive 2016/798, see 2004/49/EC)			
		Rules for the normalisation of the accounts of railway undertakings (Regulation 2016/2337)		2017

ENDNOTES

1   The Author serves as an international relations expert at MÁV Hungarian State Railways Co. and is a bursar researcher, lecturer, and PhD student at the Corvinus University of Budapest (International Relations Multidisciplinary Doctoral School). The assertions and conclusions proposed in this paper are the Author's own and do not represent the opinions, positions or strategies of MÁV Hungarian State Railways Co. The paper was elaborated with the support of the EFOP-3.6.3.-VE-KOP-16-2017-00007 program.

2   The following name variations for Visegrad Group are used in the paper: "the Visegrad Four", "V4", "Visegrad Countries", "Visegrad States", "Visegrad Region", and "Visegrad Area".

3   For further details please cp. Tóth, B. L. (2018). "The V4 railway cooperation: Is there a homogeneous Visegrad Railway Area?" *Köz-Gazdaság*, Volume 13. Issue 3. pp. 158-177.

4   Garber, P. M. and Spencer, M. G. (1994). "The Dissolution of the Austro-Hungarian Empire – Lessons for Currency Reform." *International Monetary Fund Essays in International Finance,* Issue 191, p. 3.

5   Bianchini, S. (2009): *Eastern Europe and the Challenges of Modernity, 1800–2000.* Routledge, Oxon, p. 2-9.

6   Interreg-Danube (2014): Cooperation program n. 2014TC16M6TN001 under the European territorial cooperation goal, p. 26.

7   Data not available for the year 2016. Data n/a for Hungary for the years 2015 and 2017. [Eurostat (2018). Railway transport – total annual passenger transport. Retrieved from appsso.eurostat.ec.europa.eu/nui/show.do?dataset=rail_pa_total&lang=en]

8   Eurostat (2018). Annual railway transport of goods in intermodal transport units. Retrieved from appsso.eurostat.ec.europa.eu/nui/show.do?dataset=rail_go_contwgt&lang=en

9   European Commission (2018). Flash Eurobarometer 463 - Europeans' satisfaction with passenger rail services (January - February 2018). Retrieved from ec.europa.eu/commfrontoffice/publicopinion/index.cfm/survey/getsurveydetail/instruments/flash/surveyky/2172

10   Passenger data not available for Hungary for 2017, therefore 2014 data is used instead. [Eurostat (2018). Population. Retrieved from appsso.eurostat.ec.europa.eu/nui/show.do?dataset=demo_pjan&lang=en]

11   Here follows a list of the 2016 top five importers in V4 Countries. The Czech Republic: Germany, Poland, China, Slovakia, and the Netherlands; Hungary: Germany, Austria, China, Poland, and Slovakia; Poland: Germany, China, the Netherlands, Russia, and Italy; Slovakia: Germany, the Czech Republic, Austria, Poland, and Hungary. The 2016 top five exporters in V4 Countries are as follows. The Czech Republic: Germany, Slovakia, Poland, France, and the UK; Hungary: Germany, Romania, Slovakia, Austria, and Italy; Poland: Germany, the UK, the Czech Republic, France, and Italy; Slovakia: Germany, the Czech Republic, Poland, France, and the UK. [Nations Encyclopedia (2018): Europe. Retrieved from nationsencyclopedia.com/Europe/index.html].

12 Dühr, S. (2014). *Are there arguments for a Central European macro-regional strategy?* INTER-REG IVB Central Europe 'City-Regions' project. Nijmegen, p. 24-34; 48.

13 The following three directives constitute the First Railway Package: 2001/12/EC, 2001/13/EC, and 2001/14/EC. [European Commission (2018). Railway packages. Retrieved from ec.europa.eu/transport/modes/rail/packages_en]

14 The following legal acts constitute the Second Railway Package: 2004/49/EC, 2004/50/EC, 2004/51/EC, and 881/2004 [Ibid.]

15 The following legal acts constitute the Third Railway Package: 2007/58/EC, 2007/59/EC, EC Regulation 1370/2007, EC Regulation 1371/2007, and EC Regulation 1372/2007. [Ibid.]

16 Based on 2018 Eurobarometer data, 66% of the Community's population is satisfied with the frequency of trains. The Czech and the Slovak satisfaction rates stand above (72% and 75%, respectively), while the Hungarian and Polish numbers are below the EU average in this regard (51% and 60%, respectively). [European Commission (2018): Flash Eurobarometer 463, Ibid.]

17 Official Journal of the European Union: Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012 establishing a single European Railway Area. Paragraph n. 5.

18 The following legal acts constitute the Fourth Railway Package: EC Regulation 2016/796, EU Directive 2016/797, EU Directive 2016/798, EU Regulation 2016/2338, Directive 2016/2370/EU, and EU Regulation 2016/2337. [European Commission (2018): Railway packages, Ibid.]

19 visegradgroup.eu (2004): Programme for the Polish presidency of the Visegrad Group. Retrieved from visegradgroup.eu/documents/presidency-programs/2004-2005-polish-110412

20 visegradgroup.eu (2004). Joint Declaration of the Ministers Responsible for Transport in the States of the V4. Retrieved from visegradgroup.eu/2004/jointdeclarationofthe

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22 visegradgroup.eu (2004). Ibid.

23 From 2019, ERA becomes an integrated authority to issue single EU-wide safety certificates to railway undertakings; vehicle authorizations for operation in more than one country; as well as pre-approvals for ERTMS infrastructure. [European Union Agency for Railways (2018): About us. Retrieved from era.europa.eu/The-Agency/About-us/Pages/Home.aspx]

24 The Czech Republic is represented in CER by ČD and the infrastructure manager SŽDC. The Hungarian CER members are the national railway company MÁV, the Hungarian-Austrian GySEV, the railway capacity allocator VPE, as well as the railway association HUNGRAIL. Poland's CER undertakings include the national railway company PKP and the rail freight business operator *Rail Polska*. Slovakia is represented by its rail infrastructure manager ŽSR and the national rail passenger operator ŽSSK, as well as the freight services provider ŽSSK Cargo. [CER (2018): Membership. Retrieved from cer.be/about-us/members-partners/members?page=7]

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26 ÚPDI (2018). Reason for establishment. Retrieved from updi.cz/en/about-us/reason-for-establishment

27 NFM Közlekedési Hatóság (2018). Vasúti szakterület – Hatáskör és illetékesség. Retrieved from nkh. gov.hu/web/vasuti-foosztaly1/a-szervezet; NKH: A Nemzeti Közlekedési Hatóság Alapító Okirata. Retrieved from nkh.gov.hu/dokumentumtar/pdf-elonezet/-/p/175268

28 UTK (2018). Information on the Office of Rail Transport. Retrieved from utk.gov.pl/en/the-office-1/6087,Information-on-the-Office-of-Rail-Transport.html

29 Dopravný úrad: Basic information. Retrieved from nsat.sk/en/home

30 At the time of finalizing this paper, the following V4 companies have CIT membership: the Czech railway transport company ČD and freight services provider IDS Cargo; the Hungary-based railway passenger transport companies MÁV-Start and GySEV, as well as the cargo shipping entities CER Hungary, FLOYD, FOXrail, GySEV Cargo, Hungarian Railway, *Magyar Magánvasút* (MMV), *Metrans Danubia*, and *Train Hungary Magánvasút*; the Polish PKP and the freight companies CTL Logistics and *Koleje Dolnośląskie*; as well as the Slovakia-based Carbo Rail, Central Railways, Express Group, LOKORAIL, *LTE Logistika Transport Slovakia*, METRANS Danubia, *Prvá Slovenská železničná*, Railtrans International, *Slovenská železničná dopravná Spoločnosť'* (SŽDS), ŽSSK and ŽSSK Cargo. [International Rail Transport Committee (2018): Members 2018. Retrieved from cit-rail.org/secure-media/files/members_2018-05-01.pdf?cid=41744]

31 Bloomberg (2018). Company Overview of LEO Express a.s. Retrieved from bloomberg.com/research/stocks/private/snapshot.asp?privcapId=208580626; RegioJet (2018): Basic information. Retrieved from regiojet.com/about-us/basic-information, How it all began. Retrieved from regiojet.com/about-us/our-story

32 Holvad, T. (2017). "Market Structure and State Involvement – Passenger Railways in Europe." *Università degli Studi di Milano Working Paper*. No.4/2017, p. 22.

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34 Ministry of Foreign Affairs of the Republic of Poland (2012). Programme of the Polish Presidency of the Visegrad Group. Retrieved from visegradgroup.eu/documents/presidency-programs/programme-of-the-polish

35 Ministry of Foreign Affairs of the Slovak Republic (2014). Ibid. p. 40.

36 visegradgroup.eu (2015). V4 Trust – Program for the Czech Presidency of the Visegrad Group. Retrieved from visegradgroup.eu/documents/presidencyprograms/20152016czech

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39 European Commission (2018): Connecting Europe Facility. Retrieved from ec.europa.eu/inea/en/connecting-europe-facility

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41 visegradgroup.eu (2013). The Hungarian Presidency in the Visegrad Group (2013–2014). Retrieved from visegradgroup.eu/documents/presidency-programs/20132014-hungarian

42 Ministry of Foreign Affairs and Trade of Hungary (2017): Program of the Hungarian presidency of the Visegrad Group, p. 11.

43 Combined transport is a type of carriage of goods that brings together road and other modes of transport, such as rail, inland waterway, and sea transport. [Council of the European Union (1992): Council Directive 92/106/EEC of 7 December 1992 on the establishment of common rules for certain types of combined transport of goods between Member States.]

44 Ministry of Foreign Affairs and Trade of Hungary (2017). Ibid. p. 10.

45 The current EU noise regulations adopted by Commission decisions for new or upgraded interoperable rail vehicles came into force in 2002 for high-speed rail and in 2006 for conventional traffic. [European Federation for Transport and Environment (2011): Revision of EU rail noise standards (TSI) – Input to the ERA Working Party TSI Noise.]

46 Interreg (2014). Cooperation Programme V-A Slovakia-Hungary 2014-2020.

47 Danube Transnational Cooperation Programme (2014). A stream of cooperation – 2014TC-16M6TN001, p. 20.

48 ERTMS.NET (2018). ERTMS Deployment World Map. Retrieved from ertms.net/?page_id=55

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THE EVOLUTION OF MFF

ANALYSIS AND EVALUATION OF DRAFT REGULATIONS

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Abstract: In this paper, we aimed to explain the necessary evolution of the Multiannual Financial Framework as a budgetary instrument and the cohesion policy within EU policies, with a particular attention to the periods of major reform efforts until the 1980s. We did that in order to promote the comprehension of the on-going negotiation procedure on the MFF for the period between 2021 and 2027. The new MFF is expected to affect remarkably the future development of cohesion policy, thus as a net beneficiary, Hungary must represent the interests through the negotiation process distinctly. Therefore, the outcome of this paper has become a critical review of the Commission's reform concepts based on a historical approach from a national view, with some highlighted factors, which certainly need to be debated in the upcoming years.

Keywords: Draft Regulations, European Union, Hungary, Multiannual Financial Framework, rule of law mechanism

INTRODUCTION

The European Commission made its proposal for the Multiannual Financial Framework (MFF) 2021-27[1] and for the suggested rules of cohesion funding in May-June 2018, which contained several changes compared to the previous financing periods. While the documents are only the basis for the possibly protracting negotiation process between the European Parliament and the Member States, the principles have been foreseen in these. It is obvious that there are some disagreements between the interested parties, especially between the Commission and the net beneficiaries. The possibly considered topics are the following: principles of fund allocation, sectorial and territorial restrictions, expectations about forms of support, concepts about the institutional system.

But, as the Eastern enlargement and the last two financing periods had high-lighted the challenges of cohesion policy[2,3], a comprehensive rethinking of the tools and structures still seems indispensable. However, different ideas about the

future of cohesion policy can be identified at the Community and national levels[4,5]. While the regulating process comes from the Community level, the Member States are trying to assert their interests as well. Therefore, the basic aim of the paper is to offer alternatives for the upcoming financial period and the conditions of cohesion policy particularly from the national aspect but also in accordance with the Community rules.

The analysis starts with a historical review of regional disparities, cohesion policy measures and MFFs' evaluation by explaining aspects like the weight of the policy, the allocation conditions or common priorities. Then the paper explains the Commission's reform concepts for the upcoming financial term about the MFF and the regulations. The suggestions are examined in line with the principle aims of the Community and the theoretical basis of common development policy. Finally, it presents alternative conditions to be considered in the funding process related to topics like priorities, tools, allocation principles or country specific regimes.

HISTORY OF REGIONAL DISPARITIES

The phenomenon of continuously growing regional disparities within the European Union and the functioning of the EU funds is a well-known and deeply researched topic in the Hungarian (e.g. Horváth[6], Kengyel[7], Nagy and Heil,[8] and Palánkai et. al.[9]) and international literature (e.g. Allard and Annett[10], Cappelen et. al.[11], Ederveen et. al.[12], Hooghe and Keating[13], Mendez et. al.[14]). Initially, regional disparity was a peripheral issue for the six founding states where just the Southern Italian regions were involved. Then regional differences have risen to unprecedented levels as a consequence of the enlargement rounds, especially after 2004. The fall of the Soviet Union and communist regimes in Central and Eastern Europe and the (politically unavoidable) "reunification" of Europe highlighted the necessity and importance of the cohesion policy, thus policy-makers had always been forced to follow the changing circumstances.

However, the Founders have confronted less with the challenges of regional disparities, hence, not only Italy is involved with that issue. Eastern German territories and the overseas areas of France have been also traditionally among the less developed regions. The enlargement rounds, especially in the 1980s and 2000s multiplied the differences and gave legitimacy to create the common regional policy at the same time. Not only the number of the lagging regions has increased in the past decades, the characteristics and the problem drivers have also been differentiated. The Northern countries had to face the sparsely populated areas,

Member States fought with the significant internal regional disparities, France or Spain with the overseas territories, while the Eastern region was struggling with sectorial challenges or with the dependence on capital city areas.

And last but not least, Greece has presented a dead-end of regional policy and cohesion funding since joining the EU[15]. The Greek example is otherwise the absolutely worst practice for the Member States' funding. Entering the Community with a GDP per capita level far below 60 percent compared to EU average in 1981, Greece had almost reset the board after decades with reaching only 67,8 percent of the EU average in 2017. On the other hand, Ireland realized an incredible achievement by quadrupling the GDP per capita between 1995 and 2017 – even though the financial crisis particularly affected the country in the early 2010s. But beyond the extremes, generally two reverse phenomena can be observed, the convergence of economic development in the Member States and the widening regional disparities within the countries.[16]

Chart 1.[17]
GDP per capita in PPS in countries and regions of Europe in 1998
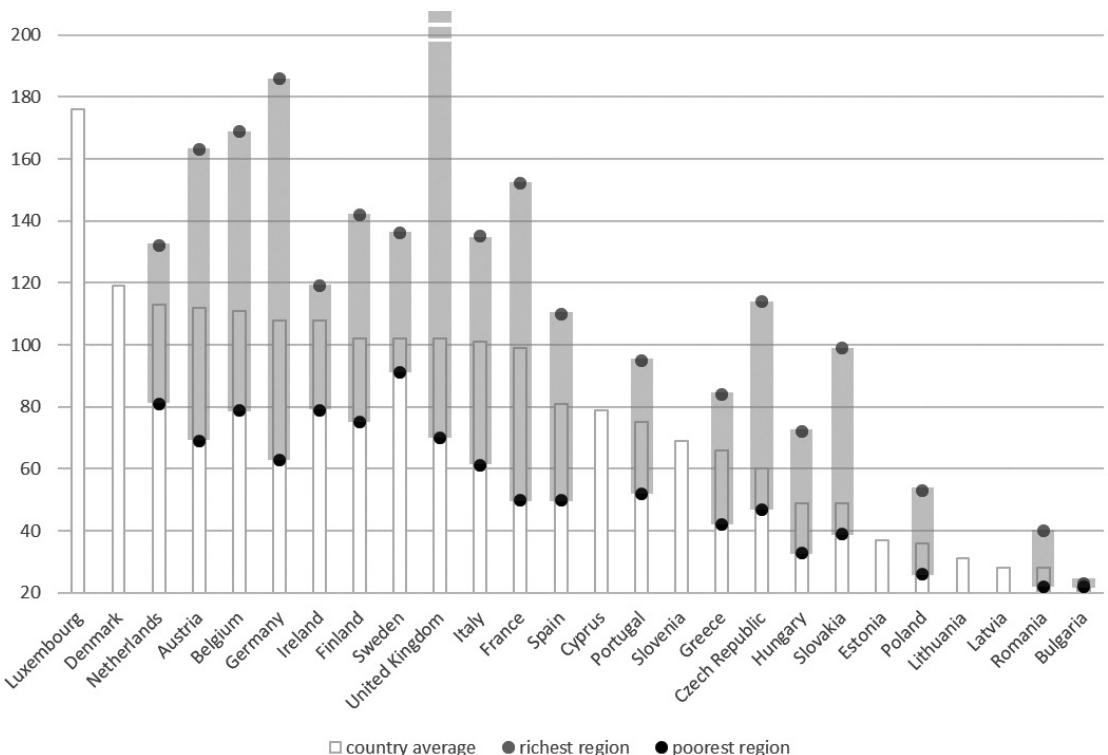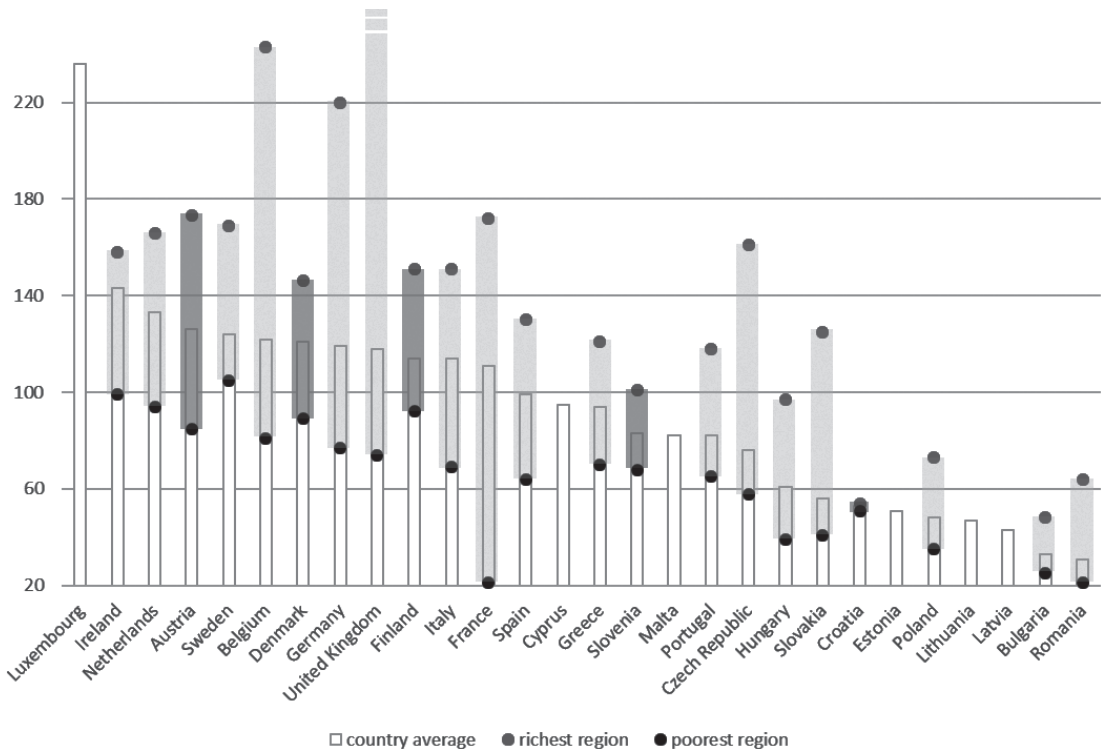(EU15 average = 100)

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Chart 2.[18]
GDP per capita in PPS in countries and regions of Europe in 2003
(EU28 average = 100)

□ country average   ● richest region   ● poorest region

As it is illustrated by the charts 1-3 below, the level of the GDP per capita based on purchasing power standards compared to EU average, has started to gain balance between the Member States, yet it is also clear that regional disparities have changed in a different manner.

The level of regional development is demonstrated by red and black dots, while the blue, yellow and green stripes demonstrate the difference between the richest and poorest ones. The green stripes symbolise the cases when the difference between the best and worst region has decreased since the previous years. But if the stripe is yellow, it means that regional disparities have increased, as it can be observed in thirteen Member States in 2016 compared to 2003. It seems that regional trends are slightly inconsistent with the historical pursuit about reduced regional differences between the various regions.

Chart 3.[19]
GDP per capita in PPS in countries and regions of Europe in 2016
(EU28 average = 100)
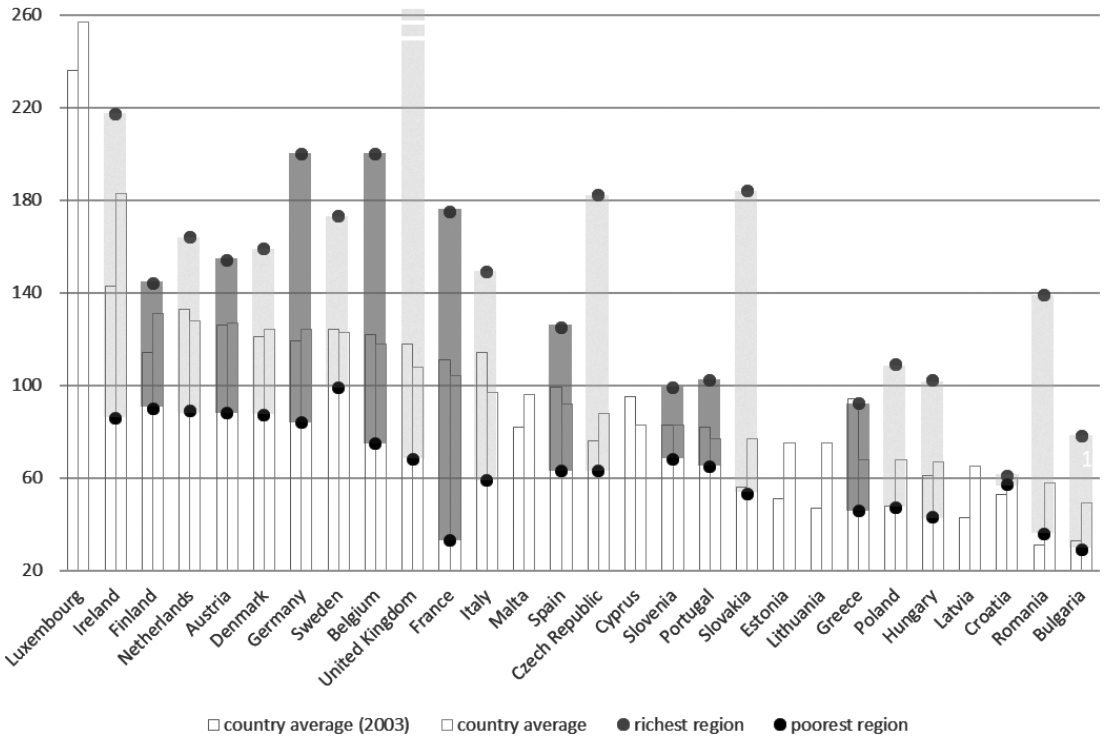
EVOLUTION OF COHESION POLICY

1. Appearance at the Horizon

Although there were considerable regional differences within the six founding states even in the 1950s, the Treaty of Rome still contained only indirect indications on regional issues. The preamble of the Treaty establishing the European Economic Community stated that the founders were *"anxious (…) to ensure their harmonious development by reducing the differences existing between the various regions and by mitigating the backwardness of the less favoured."*[20] Also, the Treaty of Rome established the European Social Fund – which then became one of the main funds of Cohesion policy – *"in order to improve the possibilities of employment for workers and to contribute to the raising of their standard of living"*[21], and the European Investment

Bank to promote *"projects for developing less developed regions"*[22]. Meanwhile the main body of the Treaty contained only indirect mentions about the regional topic in particular to other sectoral policy issues.

Without proper legal basis, the evolution of regional policy continued as an informal institutional approach in the 1960s, which still led to the creation of the Directorate General dedicated to Regional Policy in 1968. This brand-new DG of the Commission was an obvious sign of the growing interest in the regional issue. And while the first enlargement round with the accession of Ireland in 1973 resulted in a considerable increase of regional disparities – the Irish GDP per capita reached only 60 percent of EU average in 1960 –, the main turning point came in the 1980s, when the Southern enlargement went through with the accession of Greece (1981), Portugal and Spain (1986).[23] However, the European Regional Development Fund was also established – in order to find a common solution for the regional problems –, and by then the regional issues were increasingly handled as a respective topic, the newcomers turned the regional differences upside-down. With an under 75 percent of EU average GDP per capita value, the accession of both countries exacerbated the importance of a common regional policy.

It is also worth mentioning that in the late 1970s and early 1980s Europe was struggling to handle the economic crisis, with recent problems like social issues, declining industrial sectors and lagging regions. But not only the economic situation acted as a catalyst for the creation of a common cohesion policy, the increased pursuit of the Economic and Monetary Union was also a stimulating aspect.

The casual connection between monetary integration and regional development intervention was highlighted by the Werner Plan, which stated that *"in an economic and monetary union, structural and regional policies will not be exclusively a matter for national budgets."*[24] The importance of common regional development policy finally became a certainty. However, after all, it still required almost one decade to achieve a real breakthrough in policy-making.

There was little political concern in these early stages of creation of the common cohesion policy. While the Founders were initially interested in catalysing the establishment of the Economic and Monetary Union, the Members with lagging regions, like Italy, Ireland or the United Kingdom – the latter two with a long-standing tradition of regional policy intervention – quickly had made covenants to speed up the slow policy-making progress. Regional differences could no longer be treated as a less-important problem of Southern Italy. Meanwhile, the consensus on the budget and the legislation could be prepared in short-term, the institutionalisation and the fine-tuning purposes needed some time to achieve. The common regional policy seemed to be dominated by the political will of the Member States.

Moreover, it was also an individual interest for the United Kingdom to increase the importance and the available resources for regional issues to restore their budgetary balance, thus the UK was not a real beneficiary of the Common Agricultural Policy. We can state that these concerns were the first signs of the subsequently increasing conflict of interests between the contributors and beneficiaries of the European budget.

2. Taking the Place

We can see that the early pursuits of the regional/cohesion policy remained at the national level. But, as there were visible inadequacies of the regional development process in the early 1980s, the necessity of a stronger common regional policy became clear.

Basically, the Tindermans Report from 1975 – which sought to outline the vision of European Union – was the first document which strongly stated the unquestionable necessity of a common regional policy "*to offset the tendency of the market to concentrate capital and activity in the more competitive areas of the Union.*"[25] The document suggested to prefer the transfer of development resources from the prosperous regions to the lagging areas based on objective criteria and through the Community budget instead of national interventions with concentration on the most economically backward areas. However, the report failed to make an immediate impact, it had a decisive effect on regional policy-making later.

Beyond the necessity of increased financial resources, better focusing on actual European problems, clear common objectives and criteria, effectively and efficiently coordinated instruments and last but not least, a stronger role of the Commission became also important. The implementation of the reforms was realized in two rounds, and soon, by the middle of the 1980s, regional policy started to get the shape as it is known today. The policy started to move to a more cooperative relationship between national and Community level and became more and more based on Community objectives and priorities. All in all, these early and determined ambitions were the ones which eventually rolled out the red carpet for the milestone reform process at the end of the decade and set up the turning point for the common regional policy.

The legal basis of the brand-new common policy was provided by the Single European Act. The first major Treaty revision replaced the previous statements with strong reference to the necessity of "*strengthening economic and social cohesion*"[26]. It named the existing three funds – European Social Fund, European Regional Development Fund, Cohesion Fund – as key policy instruments and it cleared the distinct roles of these funds as well. The budgetary elements and regulations followed the legal basis rapidly as part of the Delors I Package, which also presented a new instrument for the budgetary process, the Multiannual Financial Framework.

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MULTIANNUAL FINANCIAL FRAMEWORK

1. Compass Among Priorities

The European Union has applied the Multiannual Financial Framework (MFF) as an operational instrument since 1988. It sets annual maximums for the whole EU expenditure and for the main categories within the budget for seven-year periods. The MFF forces budgetary discipline with these ceilings and secures that the spending develops within the limits of the Union's own resources and in line with the policy objectives. Therefore, the policy priorities of the European Union are adequately presented by the financial perspectives of the MFF in line with the historical progress of common needs and interests explained in the previous chapters and the upcoming reform progress of the common regional policy. However, MFF does not have any powers to implement sectorial interventions or to position itself in sectorial issues.

The first MFF is well-known as the Delors I Package.[27] As the reform of the European Community budget was becoming increasingly necessary in the early 1980s, Jacques Delors, President of the Commission was able to achieve the required modifications. Two main objectives were presented in the package: to guarantee the revenue side of the budget by defining the own resources and to improve the annual budgetary procedure by setting up rules and a five years long financial period. Within the cycle the perspectives indicated the maximum amount and the composition of future expenditures. At this time, although the agricultural expenses represented the majority of the budget, the allocations for structural policies were doubled and increased from 17,2 percent to 27 percent, which indicated the new era in the history of cohesion policy. The package also prepared new regulatory elements and introduced the well-known basic principles of cohesion policy like concentration, programming, partnership and additionality.

Due to the sufficient results of the new budgetary system, the Commission decided to continue the reform efforts and declared the Delors II Package in 1993. The new reform introduced not only the still used seven-year long financial schedule – first time between 1993 and 1999[28] –, but repeatedly doubled the allocations for the Structural Funds, simultaneously with the establishment of the Cohesion Fund for the less prosperous Member States by the Maastricht Treaty[29]. The Treaty also rose economic and social cohesion to a core European objective and promoted the Cohesion Report in order to monitor the progress of the policy by the Commission. In line with the Treaty, the new package aimed to fine-tune the principles and increase the effectiveness and efficiency, so, in conclusion, the reform wisely highlighted the continuously growing importance of structural policies at the expense of common agriculture. But there were some major modifications too, related to the maintained

principles. On the one hand, the new cycle brought reimagined objectives with the reflection of new challenges of the 1990s as a result of Northern enlargement (sparsely populated areas, fishery etc.). Besides, there was simplification in the programming process and the partnership principle was also broadened too. These reforms and challenges seemed to be little, compared to what the Community had been facing as the millennium approached.

As in the late 90s and early 2000s the Community's attention was focused on the Eastern enlargement, besides the preparation for the accession of new Members and the maintenance of strict financial structure, the following MFF – also known as Agenda 2000[30] – aimed to continue the reform of the policies with paying special attention to the regional policy. In that last regard the framework pursued to narrow the wealth and economic gaps between regions, maintain the Cohesion Fund and enhance cost-effectiveness, while also urged greater concentration of objectives, continuous simplification regarding programming and implementation, and structural support for the new Members. But the new rules resulted in a stricter policy as well by emphasizing the importance of evaluation, monitoring and effectiveness as well. The proportion of structural allocations reached 34,71 percent of the total amount in this financing period which did not represent real progress according to the previous cycle. In close relation with it, the Commission was forced to react to the global and European socio-economical context, the fiscal pressure in line with the introduction of the Euro and the historical enlargement round. But the Community was able to take advantage of these aspects in the next fiscal period.

Although the ratio of regional funding remained almost at the same level (35,7 percent), the upcoming MFF for the period between 2007 and 2013 brought a massive increase of the whole budget.[31] Of course, it was necessary to reflect on the booming regional disparities, as a result of the Eastern enlargement in 2004. This episode resulted in a brand-new situation for the regional policy-making process too. Meanwhile the previous reforms aimed to configure the regional policy instruments, this era brought a new viewpoint and reforms needed not only with the enormously increased regional disparities but also because of the shifted positions of net contributors and beneficiaries (in favor of the newcomers) and the deepening annoyance of the traditional net contributors. But it wasn't only this circumstance that led to a last radical reform of the policy. The weak implementation of the Lisbon Strategy in the early 2000s also urged the Commission to introduce a more strategic approach and to focus the resources on specific issues related to the strategy. To settle contention among EU15 and EU10, there was also a major change in the territorial beneficiary system, as all of the regions became entitled for some allocation, even those which were outside of the objective for the lagging

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regions. Of course, the new MFF brought some intervention in the field of simplification and decentralization and continued its efforts to establish the audit and control systems as well.

2. From an Interinstitutional Mechanism to a Legally Binding Instrument

The MFF is functioning as an interinstitutional agreement between the Council and the Parliament. However, since the Treaty on the Functioning of the European Union – also known as Lisbon Treaty – entered into force, the MFF has become a legally binding instrument. The Treaty states that *"the financial framework shall determine the amounts of the annual ceilings on commitment appropriations by category of expenditure and of the annual ceiling on payment appropriations. The categories of expenditure, limited in number, shall correspond to the Union's major sectors of activity."*[32] Since then the MFF must be accepted by the Council unanimously, based on the consent of the Parliament. That means that the perspectives and the opinion of the European Parliament[33] have to be taken into consideration, as well.

The new MFF has already brought novel instruments and approaches in regional policy. In itself, it was an important development that this was the first time in history, when cohesion allocations reached the higher portion within the EU budget, which definitively expressed the ambition to make cohesion policy a key issue for the EU. But not only the quantity of funds underpinned the policy-making progress. The MFF also emphasized on investing in areas to boost jobs and growth and the administrative and structural reforms in the Member States by introducing severe conditionalities. Moreover, the MFF presented a more performance-based approach and innovative instruments to be capable to respond the new challenges.

As it turned out lately, it proved to be a perfect timing to create a legally harmonized budgetary process. On the one side the twelve new members were involved in the negotiation process actually with a lack of experience but a greater appetite. On the other side there were the concerned net contributors who tried to enforce their will. The EU had barely recovered from the global financial crisis and Eurosceptic voices were advancing. Therefore, there was nothing surprising about the halting progress of negotiations lately. The agreement was reached only at the end of 2013 after a two and a half years long negotiation procedure. The sequence of events highlighted some corners in the rearranged membership and heighten the different ways of approach in the field of regional policy. These aspects shall be respected by both parties during the negotiations of the new MFF for the period of 2021-2027.

3. New Challenges for the Multiannual Financial Framework

The content of MFF shall be persistently decided under a legislative procedure agreed by the European Parliament and the unanimous approval of the European Council. On the other hand, the policy suggestions are approved under a regular legislative procedure of qualified majority. The negotiations are conducted by the working groups. The financial allocation of the MFF for the period of 2021-2027 is determined by the decrease of overall EU budget due to the Brexit and by the responses of new challenges, such as security and migration.

Funds under Cohesion Policy in 2021-2027
The European Structural and Investment Funds (ESIF) will probably be supplemented by two new funds in order to address new challenges for the European Union. The Commission intends to set up the Asylum, Migration and Integration Fund and Border Management and Visa Instrument. The two new instruments can be brand new instruments for the Member States to cope with the challenges of illegal and legal migration. Meanwhile, the European Agricultural and Rural Development Fund (EARDF) is proposed to be out of ESIF and would be regulated and implemented separately from other structural funds. This pursuit can have negative impact on the link and coherence among agricultural and rural programs with other operational programmes.

Financial Allocation
In the current programming period of 2014-2020, there is a single allocation ceiling for the Member States. However, the proposal for the new period contains three categories that will decide the financial allocations for the Member States. The maximal level of allocation would be calculated according to the following basic rules:
- 2.3 percent of the GDP in the Member States where the GNI per capita does not exceed 60 percent of the EU27's average.
- 1.85 percent of the GDP for the Member States, where the GNI per capita is between 60 percent and 65 percent of the EU27's average.
- 1.55 percent of the GDP where GNI per capita exceeds 65 percent of EU27's average.

Besides the 'capping' above, a safety net is introduced to the system in order to avoid drastic increase or decrease of financial allocation for a Member State. As a result, the financial allocation for a specific Member State cannot be more than 108 percent or less than 76 percent of the financial allocation in the previous budget period. On the whole, the new allocation methodology rather favors the developed and moderately developed Member States than the less developed Member States,

which is the case in the current programming period. As a consequence, the new allocation methodology favors the western and southern Member States against the Central-Eastern European countries.

In sum, the financial resources of Cohesion policy can be decreased by 7 percent and the budget of Common Agricultural Policy by 5 percent. However, the available financial resources seem to be increased on crucial issues, such as:
– by 60 percent for R&D and digitisation;
– by 120 percent for youth support objectives;
– by 70 percent for climate control;
– by 160 percent for migration and border protection;
– by 80 percent for defense.

Reform of Common Agricultural Policy
As for the Common Agricultural Policy (CAP), the suggestion of the Commission envisages a 16,5 percent decrease due to the decreased overall EU budget. A new element in the regulation is that the external equalization of the allocation will also be financed by the Member States, which receive funding under the EU average. The theoretical allocation of direct payments for the Member States could be decreased by 3,9 percent for all the Member States, but the Member States which receive funding less than 90 percent shall be compensated. The new system may decrease the Union's contribution for the Member States that received the highest support per hectare (Malta, Belgium, The Netherlands), while the amount will be increased for the Member States that receive low level of funding (Bulgaria, Estonia, Spain, Lithuania, Latvia, Poland, Portugal, Romania, Slovakia, Finland and Sweden). The financial resources for the rural development will be decreased by 25-27 percent for each Member States. As a consequence, the available funding for rural development will decrease in proportion for all Member States, which means that some of the Member States will suffer more due to the changes.

Strengthening the Economic and Monetary Union
The Commission suggested new instruments within the cohesion policy to promote the Economic and Monetary Union. The new initiative consists of the following instruments:
– A "Reform Delivery Tool" will provide financial support for key reforms identified in the context of the European Semester (with a total amount of €22 billion).
– A Technical Support Instrument to help Member States design and implement reforms and to improve their administrative capacity (with a total budget of €0.84 billion). This builds on the Structural Reform Support Service (with 440 reform projects in 24 Member States already implemented).

- A Convergence Facility of €2.16 billion that will provide dedicated financial and technical support to Member States having made demonstrable steps towards joining the euro.

Stability, Security and Migration
The Commission also wants to create the European Investment Stabilisation Function with 30 billion euro. The new fund will provide *refundable* financial resources to compensate the Member States for asymmetric shocks by maintaining the level of governmental investments. The instrument would only be available for members of the euro zone (ERM II), while the suggested guarantee mechanism would be financed by all Member States.

The Asylum and Migration Fund (AMF) intends to contribute to the efficient management of migration. The AMF will support the integration procedure of legal migration and also the prevention of illegal migration. The Commission also suggests setting up the Integrated Border Management Fund that will support the border and visa management and financing customs control instruments. The border management is now supported by the Internal Security Fund, however, the financing of custom control would be a new element. The purpose of the suggestion eliminates smuggling of humans and goods, the arrest of dangerous persons, support of the maritime search and rescue, the training and equipment border guards and operation support for countries under migration pressure.

Rule of Law
The Commission also suggests the conditionality related to rule of law. The suggestion warns that although constitutional and justice system of the Member States provide the protection of rule of law theoretically, there has been shortcomings in terms of some national control on the rule of law. According to the suggestion, proper measures must be conducted on the shortcomings, to not endanger the efficient financial management and financial interests of the European Union. In case the Commission diagnoses the general shortcoming of the rule of the law in a Member State, it will propose a suggestion to the European Council that only can be refused via qualified majority. As a result of the decision, the European funds could be suspended or decreased.

Link to Economic Governance
The ex-ante conditionalities of the current period can be replaced by the system of enabling conditions for the next period. The enabling conditions must be fulfilled during the whole programming period. The failure to meet the enabling conditions any time during the next period can result in an immediate suspension of the relevant operational programmes.

The Commission also suggests a closer relation between the Cohesion policy and the European Semester. The relationship would have three aspects, such as the macroeconomic conditionality, the ESF+ concentration and country specific proposals during the programming of European funds. As for the macroeconomic conditionality, the current regulation stipulates that the Commission may ask the Member State to revise the operational programmes in order to allocate more funds to satisfy the suggestions of the country specific proposal if it is necessary. In case the Member State fails to conduct proper measures to satisfy the country specific proposal, the Commission may suspend the payments for the relevant programs or priorities. If the Member State does not modify the programs in line with the country specific proposals, the Commission may suspend the programs completely under his own authority between 2021 and 2027. The current regulation stipulates that the Council should be included in the process.

Co-financing of Cohesion policy and Common Agricultural Policy
The Commission proposes the decrease of the level of co-financing of operational programmes due to the Brexit and the decreased of the overall EU budget. The proposed level of co-financing would be the following:
– The rate of co-financing will be decreased from 85 percent to 70 percent in less developed regions.
– The rate of co-financing will be decreased from 60 percent to 55 percent in transitional regions.
– The rate of co-financing will be decreased from 50 percent to 40 percent.

In addition, the Commission intends to decrease the co-financing rates in terms of the second pillar of the Common Agricultural Policy. As a result, the co-financing rates in case of rural development, are proposed to decrease from 85 percent to 70 percent for less developed regions and to decrease from 53 percent to 43 percent for developed regions.

Reform of Thematic Concentration
The eleven thematic objectives of the current period will be substituted by five policy objectives that will simplify the system of thematic concentration and may decrease overlaps and demarcation issues. ERDF, the ESF+, the Cohesion Fund and the EMFF will support the following policy objectives[34]:

1. a smarter Europe by promoting innovative and smart economic transformation;
2. a greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management;

3. a more connected Europe by enhancing mobility and regional ICT connectivity;
4. a more social Europe implementing the European Pillar of Social Rights;
5. a Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives.

The level of thematic concentration will focus on smarter and greener Europe, while the majority of EU funding shall be required to be spent on these two issues. According to the future regulation plans, 65 percent of the financial resources must be allocated for smarter and greener Europe in less developed regions (35 percent for smarter Europe and 30 percent for greener Europe). In addition, the 60 percent of total financing must be allocated for first policy objective and 80 percent of total resources for the first two policy objectives in terms of developed regions.

As a result, the financing of some areas may be decreased, such as social infrastructure, transport and territorial support. The thematic concentration is further complicated in terms of the European Social Fund (ESF), as the financial allocation for social inclusion will be a minimum of 25 percent (current level is 20 percent) and for the youth initiative the minimum spending will be 10 percent. The Cohesion policy is required to finance only transport developments that are related to the TEN-T network, so the available funding for other transport infrastructure and lower level transport network shall be decreased significantly.

Accelerating the Implementation of Programmes
The reintroduction of N+2 rule is also one of the proposed regulations for the next period. According to the new regulations, the 60 percent of commitment must be used by the end of N+2 year at the beginning of the period, and the level of commitment must be increased every year by 10 percent during the programming period. The N+2 rule can enforce the Member State to implement projects faster than in the current period under the N+3 rule. The Commission proposes a resource planning for 5+2 years that would make the implementation of the operational programmes (in the last two years of the next period) more difficult.

4. The Perspective of Hungary

The proposed budget for the European Structural and Investment Funds is around 374 billion EUR, which seems to be fair number regarding the effects of Brexit. However, there are some structural changes, for example the falling importance of Cohesion Fund, which will affect heavy loss of EU-funds for some of the net beneficiaries, including Hungary. The Cohesion Policy all together suffers a 10 percent cut compared to the previous budgetary period of 2014-2020.

New funds and programs will also be set up to help Member States for helping structural reforms and attracting more investment. A new policy instrument is aiming to help Member States to effectively manage migration flow, including asylum seekers, legal migration and integration, irregular migration and return. The Fund would take over and finance partially national responsibilities, which in the face of migration-pressure in the Mediterranean-basin could be an acceptable proposal. However, the Commission wants to develop and attach to the Fund a Common European Asylum System, which will face harsh criticism from several member states, including Hungary as well, and that could be one of the biggest debates of the coming months or years.

The Commission is making efforts to reform the revenue side of the budget too. New contributions are proposed, such as 20 percent of the revenues of the Emissions Trading System (of the CO_2 quotas), tax on non-recycled plastic packaging waste and a rate applied on a Common Consolidated Corporate Tax Base. A common tax base is a long-standing proposal, which could be seen as a forerunner for a common EU-wide corporate tax rate. In spite of this, the Commission's proposal could be accepted even by the Member States, which see the tax-policy as 100 percent national sovereignty, as long as the Commission is not vindicating rights for taxation for European level and not influencing the EU-level competitiveness.

Meanwhile the Commission proposes to increase the level of national co-financing of the EU-funds as well, which could lead to budgetary imbalances in the Cohesion Countries, in case it would be increased significantly and without a phasing-in period. The recent proposal foresees new eligibility systems which could include other indicators than GDP/GNI (e.g. unemployment level), and that could make it more sophisticated, however, in the same time, it is less transparent.

But the non-official information about regional eligibility categories are suggesting that the NUTS 2 regions, whose GDP (in PPP) is less than 75 percent of the EU average will be maintained as definition for "Less developed regions", however, the more developed region's category would start at 100 percent of the EU average, which creates the transition region criteria between 75-100 percent threshold. This would be a significant change in the region's categorisation. This change would include around 28 regions to the transition category, which are actually in the more developed category. Among the affected regions are 8 French and 6 German regions, as well, but no Hungarian ones. One special Hungarian interest seems to be accepted by the European Commission, which is the separation of the Central Hungarian region for the more developed Budapest (~150 percent of the EU average) and the less developed Pest county (~60 percent of the EU average).

All things considered, regarding the size and the rules of the budget, the Hungarian government's interest is to maintain the status quo and to maximize the national envelop for the country. Therefore, it may accept the setting up of new instruments but will fight for minimalizing the cuts in the overall national pay-outs[35].

CONCLUSION

1. Evolution of MFF

The turning points in the evolution of MFF and cohesion policy always came with the turning points for the future of the Union itself. The vision of the Economic and Monetary Union and the enlargement rounds highlighted the importance of regional development policy at Community level, but the more heterogeneity among the Member States brought more and more conflicting interests as well. Cohesion policy shortly became an over-regulated and frequently realigned monster that the Community has tried to treat by continuous simplification and simultaneously strengthened regulations. However, it seems nowadays that neither the Commission, nor the Member States have had adequate resources for proper implementation.

It is no exaggeration to say that the present political and economic situation poses historical challenges to the European Union. The high level of Euroscepticism, the advance of radical political parties, the Brexit, the migration issue and the global socio-economic process inevitably bring new challenges for the budgetary planning and for the programming as well. However, the Union has to react to these circumstances, and it is also necessary to maintain the relevance of cohesion policy within the common policies and to allocate essential development resources for the Member States. Therefore any review of the upcoming MFF and the proposed regulation package must consider this context.

First, the Commission tries to further develop the initiatives introduced in the 2014-2020 period. This intent may be observed in the case of the thematic concentration where the new system overall seems to be simpler but stricter in terms of financial allocations that result in a higher influence of the Commission on the content of the operational programmes.

Secondly, the proposal intends to strengthen the result orientation of the programs. The interim evaluations seem to be replaced by the interim report, and ex-post evaluations can be put under the Commission's authority instead of the Member State. The new system gives more audit control for the Member States, but the overall audit control can become stricter with the possibility for the Commission to easier suspension of the operational programmes.

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Thirdly, the Commission tries to reform some very fundamental rules of the Cohesion policy that were the same since the beginning for decades. The EARDF will not be included in ESIF, which may result in demarcation issues and decreased coherence with other structural funds. The reform on category of regions brings a new financial allocation mechanism and may decrease the significance of regions (and strengthen the role of Member States) for the new period.

The new regulation decreases the manoeuvrability of the Member States in terms of deciding what strategy is needed to address challenges, however, it is not replaced by a single union strategy. There is no single and coherent strategy for Cohesion policy at EU level as the policy objectives are decided by the different directorates of the Commission and not by the DG Region itself, that actually provides the financial resources for the developments.

2. Hungarian Interests

The economic and social effects of the EU Cohesion Policy on Hungary (and other CEE Member States) are considerable, in some cases, perhaps they even create certain level of dependency of the national economy. This is why, among other (political, social and development) factors, the changes of the Cohesion Policy's rules and budget have a great importance for Hungary.

The allocation of the Commission's proposal (with some adjustments) could be acceptable for the Hungarian government, because a 10 percent cut for the Cohesion Policy instruments (due to Brexit) could be explained for the public without much difficulties. However, it is highly recommended that the Policy goes on with financing all regions, without excluding any part of Member States. That could be a red line for a lot of national governments and regional lobby groups. The eligibility criteria of the policy and the setting up of new funds (such as Asylum and Migration Fund) could be a part of the negotiation between the parties.

Hungary will mostly focus on the allocation to the national envelop, the level of co-financing and maintaining the national sovereignty of the institutional system handling with the EU-funds in Hungary. Increasing the national co-financing from one year to another from 15 percent to 40 percent would be nearly unmanageable for some Member States, causing the violation of the budgetary prescriptions of the European semester or severe cuts in government spending that cause social unrest. The ongoing conditionality to the European semester is acceptable, however, the rule of law mechanism would be very hard to hammer through all the Member States' government, not because the values, on which it is based, could be violated, but because such measure does not belong to a budgetary proposal, but to the Treaty on the Functioning of the European Union.

It is suggested to the European decision makers to reconsider the inclusion of the "rule of law mechanism" into the MFF, the gradual increase (phasing-in) of a higher level national co-financing and the continuation of the Cohesion Policy for all European regions focusing on the least developed ones under strict regulation, which should include the mandatory compliance with the rulings and recommendations of the European Public Prosecutor's Office and the OLAF.

At the same time, it is recommended for the national governments (including the Hungarian one) to join the European Public Prosecutor's Office, to fight for maintaining the previous level of EU-funding for the less developed regions, and to accept harder macroeconomic and (result-oriented) ex-ante condition in exchange of "freer" (less bureaucratic) allocation of the Funds inside the Member State, which includes that the Member States have to endeavor to form national responsibility of the funding mechanisms and the pursuit of improper use of funds.

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