#18
WINTER/SPRING
2022
—
3.00 €

The Progressive Post

EU DEFENCE
A TURNING POINT

SPECIAL COVERAGE
War in Ukraine

FOCUS
EU defence: a turning point

DOSSIER
Reshaping the digital decade

DOSSIER
Integration of migrants:
the path towards social cohesion

Francesca Bria
Helena Dalli
Daniel Fiott
Ronja Kempin
Kevin Kühnert
Ottilia Anna Maunganidze
Nicoletta Pirozzi
Cedric Wermuth
...

www.progressivepost.eu

The Progressive Post

The Progressive Post is the political magazine run by the Foundation for European Progressive Studies (FEPS), gathering renowned thinkers, experts and activists from the world of politics, academia and civil society, providing a critical analysis of policies, and clarifying options and opportunities for elected leaders.

Our ambition is to undertake intellectual reflection and debate for the benefit of the progressive movement, and to promote the founding principles of the European Union: freedom, equality, solidarity, democracy, human dignity, as well as respect of human rights, fundamental freedoms and the rule of law.

With a focus on EU politics, our crucial interest is the state and future of Social Democracy. We offer a platform (in print and online) for finding progressive answers to climate change, uneven development and social inequality in a European as well as global context. We invite our readers to explore with us the contradictions of our time and our authors to put forward arguments for peace, sustainability and social justice.

Stay in touch on progressivepost.eu and @ProgPost_FEPS

FEPS
FOUNDATION FOR EUROPEAN PROGRESSIVE STUDIES

European Parliament

N°18 - Winter/Spring 2022

ISSN 2506-7362

Editorial

by Hedwig Giusto

In my still short experience as editor-in-chief, the preparation of this 18th issue of the *Progressive Post* has been the most troubled. Like everyone else, our editorial staff have looked on dumbfounded as the Russian forces attack, shell, and invade their peaceful neighbour. And we remain stunned at the specious pretext that Ukraine is to be 'denazified' and that the alleged extermination of the Russian-speaking population in this eastern European country must be stopped. We feel deeply moved by the thousands of casualties of this senseless war, by the images of the millions of people hastily abandoning their homes and daily lives to escape war, and by the many others who have decided to don uniforms and defend their country. We have been brought up with a hard jolt that our continent, content with its decades of peace, has now once again been hit by conflict. We had been lulled into a false sense of security that, in Europe at least, war was a thing of the past.

As developments in Ukraine unfold, our magazine's structure has been turned upside down trying to keep pace with the events in eastern Europe, and to provide our readers with fresh interpretations of these unexpected turns and of the international community's response to them. As the situation evolves at alarming speed, parts of the analyses offered here will quickly be overtaken by events. That is inevitable.

The war represents the most terrible wake-up call for the EU and its citizens. The international order, which was already in a process of transformation, has been altered. Words such as 'nuclear threat', which seemed to belong to the cold war era, have suddenly returned to centre stage. The multilateral system has only been able to offer formal condemnations of President Vladimir Putin's criminal attack, but these condemnations have little concrete consequence, thus showing the inadequacy of the current multilateral system to function in the 21st century. However, the European Union's response, particularly to the humanitarian crisis, has been solid and united, as never before. Yet the EU must still prove itself as a global actor. We address these topics in our ***Special Coverage*** section **War in Ukraine**.

The Russia-Ukraine conflict inevitably forms the core of our ***Focus*** section **EU defence: a turning point**. While the EU was already giving new impetus to the member states' collaboration on defence, the war in Ukraine has given new meaning to this process and has accelerated developments that were already in the making. The Strategic Compass, adopted on 21 March, is an ambitious document. But it will require political will and substantial investments to be turned into an effective instrument.

In the first of our ***Dossiers***, **Reshaping the digital decade**, we turn our thoughts to the current digital transformation. The European institutions need to be more active in shaping this transition that will affect our lives for years to come. What the European economy will look like and how it will differ from the models of the US and China will depend on decisions and choices being made now – and these choices must reflect European social and democratic values.

Finally, in our second ***Dossier***, **Integration of migrants: the path towards social cohesion**, the *Progressive Post* offers reflections on the European integration policies for migrants, and on the goals and shortcomings of these policies. Our dossier sheds light on the blatant contradictions between, on the one hand, an integration policy that – at least nominally – puts the accent on the positive role that migrants play in their hosting economies and societies, and on the other hand, a migration management that indulges in illegal practices such as push-backs and detention. This is an unethical contradiction that the EU needs to solve. Offering protection to millions of Ukrainian refugees could be an honourable starting point for more people-centred asylum and migration policies.

Hedwig Giusto, Editor-in-chief

The Progressive Post

#18 Contents

CURRENT AFFAIRS

SPECIAL COVERAGE

War in Ukraine

FOCUS

EU defence: a turning point

DOSSIER

Reshaping the digital decade

Integration of migrants: the path to social cohesion

INTERVIEW

LIBRARY

Book reviews

The EU should rise to rescue a European democratic nation from foreign tyranny

by Maria João Rodrigues

With the eyes of the world looking on incredulously, the Russian president Vladimir Putin has deployed a full attack on Ukraine. The attack is in line with his long-contemplated plan to build a Eurasian sphere of influence. In his view, this takes its roots in the experience and the legends of the Russian empire – Ukraine is not a real nation and its regions with a majority of Russian-speakers should become independent or be outrightly annexed by Russia. And Ukraine's desire to move towards the European Union should be crushed.

'De-militarisation' and 'de-nazification' of Ukraine have been announced as Putin's goals in the international media and proclaimed in the United Nations to cover his real ones: to remove Ukraine's democratically elected powers and to replace them with instrumental puppets for his grand chessboard plan. And to deter these puppets' potential allies, Putin went the farthest he could with a widely broadcast choreography instructing his generals for the ultimate argument: nuclear missiles. This is the full face of tyranny in the 21st century. But this can backfire.

The bravery of the Ukrainian response is galvanising solidarity across the world. This nation is asserting itself in full dignity, upholding its values and democratic choices, looking after one another, and defending its sovereignty with its own arms. The dream they are fighting for is very simple but powerful: freedom, democracy, prosperity – and joining the European Union.

All this shows the appeal of the European project, and European citizens should be proud of this. For some days, the EU institutions were divided and hesitant on the level and scope of the response to be deployed. But now they have started raising the level of response: organising channels to receive large flows of refugees in all member states and providing weapons to Ukrainian troops; diversifying the financial sanctions not only to hit some key Russian actors, but also to block operations by the Russian banking system and to reduce Russia's financial reserves; decreasing dramatically the EU's dependence on oil, gas and other raw materials from Russia, and disabling Russian access to advanced technologies. Swift and decisive action is indeed necessary to exert strong pressure on the Russian financial and economic system, which might trigger a greater wake-up reaction from the Russian population against this disastrous war. This should also create another balance of power to define the terms of a negotiated way out, when this comes.

This is a tribulation from which the European Union is emerging as a more geopolitical actor in defence of its own values and way of life, and in support of its neighbours. **Now is the time – in the upcoming European Council and European Parliament meetings – to draw the consequences of all this and to build up Europe's defence capabilities, including in cybersecurity, a green Energy Union, a European industrial policy, and a coordinated European asylum system.**

The EU should also be prepared to pay the financial and economic costs for its tough measures against Russia. But these costs should be offset by extending a stronger European budgetary capacity as well as the escape clause for the national budgets.

Most of all, the costs should be accepted with the deep conviction that higher goals are enough to justify the unavoidable sacrifices.

The global order is also being reshaped by the Russian invasion of Ukraine. The international isolation of Russia was made crystal clear by the last vote of the UN General Assembly condemning this invasion with the support of 141 countries out of 193, and a standing ovation in the chamber. Russia was only joined in its voting against this resolution by Belarus, North Korea, Eritrea and Syria. And in the UN Security Council, Russia stood alone in voting against the resolution.

© European Union 2022 - Source : EP

China is being put to a test. Will it turn a blind eye to all this and go on nurturing its partnership with Russia or will it be consistent with its alleged position of rejecting foreign military intervention against sovereign nations? Under President Joe Biden's leadership, the US is taking a clear stance against Putin's aggression, and it is careful to involve a large range of allies at every step along the way. But where will this way lead? At the time of writing, nobody knows. A number of strikingly different scenarios are still possible:

- a military defeat of Ukraine with the decapitation and replacement of the current democratic power, and with the country being absorbed into the Russian sphere of influence,

- a fragmentation of Ukraine's territory with the independence of its regions with a Russian-speaking majority or their annexation by Russia,

- after a longer or shorter war, a victory of the Ukrainian resistance, which would then move on to reconstruct the country and adapt its political system to deal with the country's internal diversity and to prepare the negotiation for EU membership.

NATO membership for Ukraine might be more problematic even if any military retaliation against Russia is completely off the radar of Western intentions. This is just another threat imagined in Putin's nightmares.

> *The Ukrainian heroism has created a turning point for the EU. Just witness the standing ovation in the European Parliament when President Volodymyr Zelensky spoke to the MEPs from his bunker in Kyiv.*

The Ukrainian heroism has created a turning point for the EU. Just witness the standing ovation in the European Parliament when President Volodymyr Zelensky spoke to the MEPs from his bunker in Kyiv. The level of EU unity will also be a critical factor in deciding about the aforementioned scenarios. Germany's shift under the progressive leadership of Chancellor Olaf Scholz has been a very important moment.

The EU High Representative for Foreign Affairs and Security Policy Josep Borrell, the EC Vice-President in charge of the Green Deal Frans Timmermans, and the Commissioner in charge of Asylum and Migration policy Ylva Johansson now have better political conditions to move on with plans which were met with hesitation from several member states. The EU can and should re-create itself.

The EU should rise as a political entity and rescue a European democratic nation from foreign tyranny. What is at stake is not only the fate of the Ukrainians, it is also a rules-based global order and the future of the European project.

Maria João Rodrigues, FEPS President

Landmark European Court ruling prompts decisive action

by Thijs Reuten

On 16 February 2022, the European Court of Justice (ECJ) ruled against the position of Hungary and Poland on the Rule of Law Conditionality Regulation. For the first time, the Court live-streamed its ruling. But this was more than just a ruling – the very essence of our Union was being challenged. If we want to preserve our sacred values, we need to defend them. Our credibility is at stake, and the virus of autocratisation is proving to be very contagious.

In December 2020, Hungary and Poland threatened to block the historic €1.8 trillion EU budget package during negotiations as we have never seen before. The reason for this threat? The resistance of these two EU member states to the Rule of Law Conditionality Regulation – a new mechanism that links EU funds to the rule of law, and that was created thanks to the immense and united effort of the European Parliament. The blackmailing tactics of only two member states led to an enormous delay in triggering the conditionality regulation – a delay that was unacceptable and unnecessary, as now confirmed by the landmark ruling of the European Court of Justice. There are thus no excuses left and it is crystal clear that the European Commission must take action. Every day that letters to Warsaw and Budapest remain on Commission desks is a day lost for the rule of law, with procedures remaining at a standstill.

Over the past decade, we have learned that democracy is never a given. We had assumed that there was no way back once a country had become a well-entrenched democracy. During the 2004 enlargement, we were optimistic about the future of these new EU member states. They had successfully gone through an extensive process towards democratisation before joining the EU. Accession is based on conditionality, and a merit-based approach is applied: candidate countries have to adhere to the Copenhagen criteria and go through a range of enlargement chapters and subsequent reforms. But **we did not realise that once a country is an EU member state, its democratically chosen leaders can reverse a positive trend. Only later did we find out that the EU does not have effective tools to intervene once this happens**.

There is, of course, the Article 7 procedure. And the fact that we launched this procedure a few years ago – thanks to the previous Commission (Commissioner Frans Timmermans initiated the procedure against Poland) and the European Parliament (Judith Sargentini MEP initiated the procedure against Hungary) – is an important step. But since then, all consecutive EU presidencies have been afraid of getting their hands burnt in the Article 7 process. If a hearing on the procedures is scheduled at all, we usually learn not much more afterwards than 'it was a good exchange of views'. After all, next time a member state might need the support of Poland or Hungary again, so it is delicate to take on one of your colleagues. It has therefore become increasingly evident that we need more than just the non-functional 'nuclear' option of Article 7. That is why **the creation of the rule of law conditionality mechanism was such an important milestone. After years of European indecisiveness and passivity, we have a ready-to-use instrument. *This* is the way to hit Viktor Orbán and his non-democratic friends where it hurts: their wallet.**

> *The virus of autocratisation has proved to be very contagious. The EU's inability to counter this tendency has undermined our credibility vis-à-vis our own citizens, but also vis-à-vis the wider world.*

© Curia Europa

The huge risks taken by the Polish and Hungarian governments in 2020 demonstrate the effectiveness of this mechanism. But although they ended their hazardous blockade of the EU budget, it was only after former German Chancellor Angela Merkel allowed them to challenge the regulation on the rule of law conditionality mechanism at the European Court of Justice before its application. This was indeed yet another example of enabling autocratic antics and delaying tactics – precisely what the EU should stop doing. Moreover, the court case was an offence to the democratic power of the European Parliament because once laws are passed in accordance with the EU legislative procedure, the Council cannot decide to change the way they work.

The fact that the Commission accepted this so-called compromise of allowing Hungary and Poland to challenge the regulation at the ECJ, and the fact that the Commission actively participated in this delay to the immediate application of the regulation, is disappointing, to put it mildly. If the Commission likes to call itself the 'Guardian of the Treaties', why is it so afraid to take up this role? Contrary to what one would expect, the number of infringement procedures launched by the European Commission to challenge the undermining of the rule of law or fundamental rights has steadily decreased. In the previous legislature, the commissioner responsible for the rule of law, Frans Timmermans, had quite an activist and, at the same time, predictable approach. In cases where the rule of law was infringed or undermined, a member state would promptly receive a letter – and follow-up procedures would be launched if the answer was not satisfactory. He lost precisely zero cases.

The notoriously slow responses by the Commission over the last two years and the reluctance to punish a fellow member state in the Council made autocrats think they could get away with it. I'm convinced that these last five years (yes, that long!) of structural breakdown in the independent judiciary in Poland, and of turning Hungary into a business model for Orbán and his friends instead of the democracy it should be, have served as an inspiration for other potential autocrats. **The *virus of autocratisation* has proved to be very contagious. The EU's inability to counter this tendency has undermined our credibility vis-à-vis our own citizens, but also vis-à-vis the wider world.** That is why the European Parliament has opened a court case against the Commission for its failure to trigger the rule of law mechanism. Not because this is something MEPs like to do – on the contrary. But if we do not take a strong stance in this debate, who will?

On 16 February 2022, those involved in the European rule of law debate watched the long-awaited judgment of the ECJ as it was live-streamed. The verdict was not surprising: the rule of law conditionality mechanism is entirely legal. Has anything since changed? To my astonishment, it was only on 2 March that the Commission published the somewhat superfluous guidelines on how to trigger the rule of law conditionality mechanism. If these guidelines were really necessary, it would surely have been possible to issue them much earlier. It seems that the strategy has from the outset been to buy time and delay the publication of the guidelines. And in the case of Hungary, the French Presidency of the Council of the EU came up with a new argument for not acting. Action against Hungary has to be timed appropriately 'not to interfere with the elections'. Pardon? **Not ensuring democratic elections by all possible means, that, really, is interfering with elections!**

Today, we are all witnessing how fragile democracy and peace are. And we are witnessing this on our continent. The Ukrainian people are not only fighting for their country. They are fighting for the values we need to defend within our Union too. **Applying the conditionality mechanism was long overdue, but with the clear-cut ruling by the ECJ every excuse to remain passive is off the table.** As 'Guardian of the Treaties', the Commission must be uncompromising and determined. It must settle for nothing less than the complete restoration of the rule of law in Poland and Hungary, thus setting an example for aspiring autocrats inside and outside our Union. We have to beat the *virus of autocratisation*.

Thijs Reuten, Member of the European Parliament for the Dutch PvdA in the S&D Group.

To build better post-Covid societies, we must break the high-inequality, high-poverty cycle

by Stewart Lansley

The last 40 years have seen a remarkable – and prolonged – corporate and state-imposed global experiment in inequality. While the post-war years of social reform led to a new drive towards greater equality, that trend was then set in reverse. Today most rich nations are significantly more unequal than in the 1980s.

This reversal has been driven in large part by the failure of the egalitarian movement to recapture the ideological high ground. While egalitarians won the battle of ideas in 1945, the ideological baton was then seized by a group of once marginalised pro-market evangelists. **They claimed that building stronger and more entrepreneurial economies required a stiff dose of inequality.** Few have put it quite as bluntly as the Chicago-based Robert E. Lucas, one of the high priests of the post-1980s market revolution. "Of the tendencies that are harmful to sound economics", he wrote in 2003, "the most poisonous is to focus on questions of distribution". It was a theory that became conventional wisdom, embraced by mainstream economists and applied by many, including some left-of-centre governments.

Today we have the evidence from that experiment. The four-decade pro-inequality strategy has created two destructive, interrelated forces. First, **those countries most wedded to the 1980s' social and economic counter-revolution have succumbed to an embedded high inequality, high poverty cycle**. Second, this cycle has been driven by an extractive model of capitalism in which over-empowered financial elites have leveraged a disproportionate, and unwarranted, share of the gains from growth. The practice of extraction by big business in recent decades has led to a bias to inequality in many nations, with shocks, such as the 2008 crash and Covid-19, leading to a further widening in income and opportunity gaps.

Yet, **the inequality experiment has proved a classic example of what the 17th-century philosopher Francis Bacon called 'wishful science'**. Far from the promised economic pay-off, the experiment has brought weakened economies, a destructive trail of social fragility, and a reversal in life chances for many. Child poverty rates have risen in two-thirds of OECD countries in the last 15 years, while charitable food aid has been rising across Europe. **High income and wealth gaps are also associated with divided and weakened democracies.** The US, the richest country in the world, is facing a new democratic crisis. In the UK, there was a 23 percentage-point gap in the 2010 general election between the turnout of the richest and poorest income groups. **With the world's top one per cent emitting twice the carbon emissions of the poorest half, the yawning wealth and income gap is also fuelling the global climate crisis.**

There is much talk of building a better post-Covid world, and the need for a radical reset of today's pro-inequality model of capitalism. Yet the political response to these calls has been marginal at best. In contrast to rising insecurity for many, the pandemic has proved to be another bonanza for the already rich and affluent. The wealth of the world's 2,189 billionaires rose by over a quarter in the four

Once marginalised pro-market evangelists claimed that building stronger and more entrepreneurial economies required a stiff dose of inequality.

© Gustavomellossa / Shutterstock.com

With the world's top one per cent emitting twice the carbon emissions of the poorest half, the yawning wealth and income gap is fuelling the global climate crisis.

months to July 2020, taking their joint wealth to a new peak. The two corporate groups to do best out of the crisis have been 'big finance' and 'big tech' – both highly extractive sectors.

Despite a number of blueprints for a post-neoliberal political economy, there have been few attempts to make corporate and financial leaders share the burden of retrenchment, and minimal official recognition of just how fragile market economies have become. The instruments of extraction – the diversion of rising corporate profits into higher shareholder and executive returns, a surge in leveraged private equity takeovers, the skimming of returns from financial transactions, and a rolling process of monopolisation – remain in place.

There are some, if limited, signs of change. **Joe Biden's agenda for progressive social change in the US has made some progress**, but it is facing the usual political constraints to radical reform built into the American system. In parts of Europe, **from Germany to Portugal, progressive forces are winning the ideological argument**. It may be that global labour shortages will shift the balance of power, even if slightly, away from capital which has been the overwhelming winner from the upheavals of recent times. Yet little of the growing pressure has been translated into a tangible programme for action, while the world's financial and corporate elite has been unwilling to acquiesce to anything other than a token erosion of its muscle, privileges and wealth. **As George Orwell warned in 1941, "The bankers and the larger businessmen, the landowners and dividend-drawers, the officials with their prehensile bottoms, will obstruct for all they are worth".**

If the extractive mechanisms driving polarisation remain largely intact, income, wealth and power will continue to be highly concentrated. If so, post-Covid societies will end up looking much like their pre-pandemic, inequality-driving models.

Stewart Lansley, author of The Richer, the Poorer, How Britain Enriched the Few and Failed the Poor, a 200-year History, *Bristol University Press. He is a visiting fellow at the University of Bristol and a Council member of the Progressive Economy Forum (UK)*

Minimum wage – the endgame

by László Andor

Four years have passed already since an informal gathering of European leaders in the Swedish city of Gothenburg proclaimed the 'European Pillar of Social Rights'. Some, including leaders of the host country of that 2017 conference, still believe that the EU itself does not need to do much for the pillar's actual implementation.

The notion that everything 'social' is for the member states keeps coming back in EU-related discourse. Adding to the ambivalence is that while the European Commission launched an Action Plan and held a social summit in Porto in spring 2021, Commission President Ursula von der Leyen did not find the European Pillar of Social Rights important enough to mention in her last speech on the State of the Union. The impression was that 'social' is a seasonal matter for Brussels.

It could almost be imagined that the engine of Social Europe is running out of steam again. But **one of the most important initiatives for Europe's social dimension – the directive on adequate minimum wages in the European Union – received an enormous boost from the European Parliament** when it voted in favour of the version previously adopted by its Employment Committee, and signalled its readiness to engage in negotiations with the Council, which is the co-legislative body. A potentially pivotal piece of the EU's social dimension is therefore now entering the legislative endgame.

With a massive majority in favour of the directive (443 votes in favour, 192 against, and 58 abstentions), the European Parliament has strengthened even further what the Commission proposed initially. The European Parliament wants member states with less than 80 per cent of workers covered by collective bargaining agreements to take steps to promote this tool, whereas the Commission had originally proposed 70 per cent. Member states will be obliged to develop a national action plan, with concrete measures and a clear timeline to achieve them. Trade unions will be responsible for collective bargaining and not, as the Commission had very vaguely proposed, "workers' organisations". **Joining a union and bargaining collectively will be confirmed as a fundamental right.**

The importance of the EU minimum wage directive, championed by Commissioner Nicolas Schmit, is highlighted by what has been happening in Germany, and with more immediate effect than that of the EU minimum wage negotiations, which have been going on simultaneously. The German government coalition plans to raise the national minimum wage to €12 per hour. **About 2 million German workers will therefore soon receive a 20 per cent wage rise.** This also puts upward pressure on wages around and below the average, and it will indirectly affect large sections of the German workforce, as well as the labour markets of neighbouring countries. But it took a long, long time for Germany to reach this point.

One of the most important initiatives for Europe's social dimension – the directive on adequate minimum wages in the European Union – received an enormous boost from the European Parliament.

Apparently, the government of Olaf Scholz cannot do everything that is needed to correct the flawed macroeconomic framework of Germany. But **it can turn the page on the**

age of wage stagnation, which the strongest European economy imposed on itself two decades ago – despite an impressive growth in productivity. And the notorious current account surplus generated by excessive wage moderation (in both Germany and the Netherlands) will connect the debate on wages with the effort of reforming the Economic and Monetary Union.

The wind of change from Berlin will hopefully open a window of opportunity in Brussels, progressively leading to a better functioning EU that responds more effectively to the needs of citizens and delivers more solidarity in times of crisis.

The coalition agreement of the three new ruling parties in Germany shows that they are keen to move away from the status quo within the country but also at the EU level – and the minimum wage initiative should be a beneficiary. However, the opposition to the EU's ambition to play a more concrete role in setting the minimum wage and promoting collective bargaining comes from two camps – one with concerns about the impact on economic performance, and the other with fears about the advanced social models that already exist in certain members states, Scandinavia in particular.

As regards the impact on economic performance, those advocating a minimum wage have received support from the recent decision of the Royal Swedish Academy of Sciences to award the Nobel memorial prize in economics to Berkeley professor David Card (alongside two other distinguished academics). Card's research from the 1990s on the minimum wages of fast-food workers deepened the understanding of how labour markets operate, and continues to be relevant today, against the backdrop of a renewed focus on the conditions of low-wage workers.

Most regretfully, the co-author of Card's extremely important book (*Myth and Measurement: The New Economics of the Minimum Wage*), professor Alan Krueger, did not live to share the pride (and perhaps the prize too), having committed suicide in 2019. But Card's Nobel prize comes at a most opportune time when more people need to hear that in addition to the various well-known benefits of a decent wage floor, a minimum wage can also boost rather than reduce overall employment in a country. **The harmful employment effect of the minimum wage is a myth rather than a reality.**

> *The harmful employment effect of the minimum wage is a myth rather than a reality.*

As regards the Scandinavian scepticism towards deeper European integration, this is not restricted to the question of having a statutory minimum wage or not and whether or not to coordinate such trends at EU level. It started 30 years ago when the Maastricht Treaty was almost buried by the Danish referendum in 1992. The scepticism then continued with Sweden's decision not to join the euro area, even though the country was obliged to do so, not having joined the EU before 1995. The method Sweden has used to maintain its national currency is considered by many not to be entirely clean.

But even if we concentrate only on the question of wage setting, there is an inherent contradiction in the Nordic position. These member states insist that wages should not be set by law but by collective bargaining alone. However, in the previous legislative cycle of the EU, they emphasised that the EU law was interfering with the wage-setting method of posted workers (employees sent by their employer to perform temporarily in another country within the single market). **It is a bit disingenuous to consider political wage setting a good tool when one asks for it, but to deem it unacceptable if someone else within the same community would benefit from it.**

Finally, and most importantly, **wage-dynamics, and more specifically wage-convergence, has to be taken seriously by all those concerned with social dumping**. For a decade or longer, the concept of social dumping has been discussed exclusively in the narrow context of posted workers, who are a minority even within the category of the mobile workforce. **In reality, the fact that wages are not growing fast enough in the EU periphery, especially in the East, also represents social dumping in a wider sense**, especially if the problem is examined together with the divergence in other aspects of working conditions. This is part and parcel of the so-called middle-income trap, which drains industrial investment from the core regions of the EU, and instead returns poor migrants who are desperate to leave their 'competitive' home countries in the absence of decent incomes and adequate public services.

Nordics, and other countries with high social standards, should pay more attention to this, and they should be keener to find the complex solutions in which progressive income policies and social investment strategies can play their part. This also means that the coordination of minimum wage schemes in an EU context is just one piece of the bigger picture.

The fact that wages are not growing fast enough in the EU periphery, especially in the East, also represents social dumping in a wider sense.

László Andor,
FEPS Secretary General

Stop gender-based violence

Publication Series

Read, download and share this new series of publications authored by gender equality experts and civil society representatives.

This project by the Foundation for European Progressive Studies (FEPS) and the Fondation Jean Jaurès aims to shed light on specific dimensions of gender-based violence and foster a debate on how to fight it.

Education first – the truth about gender-based violence

by Helena Dalli

One of the obstacles in tackling gender-based violence is that it is still not fully understood as a societal problem, with a significant part of the European population continuing to believe that it is predominantly a domestic issue. This has a knock-on effect on victims who may then choose not to speak up and report the violence, or, when they do, even be blamed for it.

Far too often, victims are questioned for a supposed trigger, either in their behaviour or their clothing, as though perpetrators commit violence for a justifiable reason. This focus on an alleged (co-) responsibility of the victim is not rare. Indeed, 27 per cent of EU citizens believe that non-consensual sex can be justified in certain situations. However, whatever the conditions, non-consensual sex is rape.

There cannot be any justification for gender-based violence or domestic violence. It is a challenge to increase public understanding about this, as such justifications are deeply entrenched in our culture. For instance, certain masterpieces of art and literature can compromise us with the beauty of the execution that stands in sharp contrast to a depicted narrative of attempted rape.

Consider the myth of Daphne and Apollo. In Ovid's telling of the story, the god is shot with Cupid's arrow and is excused because he cannot help but 'fall in love' with the nymph. Ovid's version depicts a frightened Daphne fleeing Apollo as he chases her. While Daphne is saved from the assault on her human form, she is nonetheless forcibly silenced and objectified for the sake of Apollo's desire.

> *Gender-based violence can and does take place anywhere – including at work, at school, in the street or online.*

Changing societies and addressing misconceptions about gender-based violence requires early education, including sex education, and investing in a comprehensive 'zero tolerance to violence' public policy approach. **Social movements, such as #MeToo, have proven to be real forces for change.**

#MeToo has helped millions of women find the courage to stand up and speak out. For its part, the European Commission is working to raise broader awareness through campaigns such as #SayNoStopVAW and the UN-led UNiTE. This increased attention to gender-based violence is long overdue and must be followed up with a broad range of changes.

Men need to be part of this effort in much greater numbers too. We will only change the narrative with everyone's contribution. It is equally important to engage with the perpetrators, not least to prevent them from reoffending. The right approach here is crucial. Perpetrator programmes must provide broader education on gender-based violence and its impact, and not limit intervention to medical treatment for substance abuse or mental health issues.

When it comes to protecting victims, our duty is to prevent secondary victimisation, which is itself a result of a poor understanding of

gender-based violence. Every EU member state must invest more in training professionals, including judges, police services, and social workers, so that they can ask the right questions and identify the right pointers.

> *Men need to be part of this effort in much greater numbers too. We will only change the narrative with everyone's contribution.*

The European Judicial Training Network receives €11 million a year from the EU budget and has run seminars in the past on gender-based and domestic violence, on sexual exploitation in trafficking, and on victims' rights in cases of violence against women and children.

Our understanding of gender-based violence must be kept up to date with new technologies. **According to a 2020 survey, 58 per cent of girls experienced online harassment** and 50 per cent said they experience it more online than in the street. These figures have only risen in recent years. The pandemic and subsequent lockdowns drove many of us online and underscored that our digital realities must also be part of a safe online environment.

Gender-based violence can and does take place anywhere – including at work, at school, in the street or online. It affects a person's health and well-being, and restricts their possibility to thrive in society. It is neither a given, nor is it an inherent part of any culture, and can be prevented. The first step towards fully eliminating gender-based violence is recognising it for what it is. This is what the European Commission will do with its upcoming first legislative proposal on combatting and preventing gender-based violence and domestic violence.

You too can do your part to address gender-based violence. Be vigilant for the problem and raise it in your social circles. Make your stance against gender-based violence known. We need everyone's support to tackle this scourge!

Helena Dalli,
European Commissioner
for Equality

Partnership, not paternalism, is what Africa and Europe need

by Ottilia Anna Maunganidze

The relationship between Africa and Europe is one that cannot be avoided. Joined by geography, history, politics and economy, the only way to ensure a sustainable relationship is by working as partners in identifying areas of engagement for mutual benefit. Agreeing on improved ways of working together is the real win.

The fortunes (and misfortunes) of Africa and Europe are closely interlinked. So close are these connections that a sustainable partnership between the two blocs is not only critical, but inevitable. 22 years ago, African states and the European Union (EU) agreed to develop a mutually beneficial joint strategy. On 17 and 18 February, leaders from the African Union (AU) and the EU met for the sixth time. At this summit, their aim was to discuss a partnership to strengthen economic cooperation, promote sustainable development, and advance peace, security, democracy, prosperity, solidarity and human dignity. The summit, delayed by over a year from October 2020 due to the Covid-19 pandemic, was not the hoped-for panacea for the relations between the two continents. Nevertheless, on a practical day-to-day basis, engagement between Africa (whether as a continental grouping or at regional and individual country level) and Europe (likewise as the EU or bilaterally, at the national level) is regular.

As with any partnership, carving out common ground and understanding is central to maintaining it well. There are issues on which Africa and Europe agree, and there are issues on which they don't. There are also issues on which their perspectives may differ, yet their goals are the same. It is difficult to capture all the nuances of this relationship. However, there are four main areas on which engagement is as necessary today as it was in 2000 when leaders from the two continents met for the first time in Cairo. These four areas can broadly be framed as peace, security and governance; energy and the green transition; trade and economic development; and migration and mobility. All four are connected with the UN sustainable development goals.

On peace, security and governance, recognition by both sides that instability on either continent gravely impacts the other is key. This has never really been a cause of disagreement for the AU and EU. What has caused contention in the past, though, is how each understands the crises in Africa, and how best to balance responsibilities in addressing them. **Africa's resolve on non-interference (while advancing non-indifference and clearer intervention pathways) does not always match Europe's interventionist approach.** With challenges remaining adverse results in the Sahel, the Lake Chad Basin and the Horn, the hope was that consultative collaboration would take centre stage at the EU-AU summit, as such collaboration is about the partnership itself more than about the required action. Indeed, consultative collaboration is a recognition that whatever decisions on peace, security and governance are reached, these should be made mutually and not prescribed by one or the other. However, while the two continents agreed to continue to cooperate with each other to advance peace and security in Africa, no solid agreement was reached at the summit as to how Europe would support African initiatives for an improved relationship between the two continental blocs.

© European Union

The AU had hoped to successfully negotiate an oversight role in the new European Peace Facility (EPF) that will help finance military peace support operations in Africa, among other regions. This, they hoped, would ensure that the AU retains ownership of conflict prevention, mediation and management in Africa. This ownership is central and would apply equally to other areas of collaboration as well – for example, to energy and the green transition.

While both the AU and the EU each have their own plans for the green transformation, their approaches and perspectives differ. To begin with, **the EU (made up of developed nations) and Africa (mostly developing nations) still do not agree on the continued use of fossil fuels for industrialisation and development. The EU is often accused of double standards as it pushes green transformation but with fossil fuels nevertheless continuing to make up the biggest share of Africa's exports to Europe**. This complicates the ability to find common ground on energy and the green transition. However, the EU-AU summit did go a long way in bridging this gap. The final declaration recognises that any transition should appreciate Africa's development needs. To this end, the two agreed on an approach that would assist Africa to foster just and sustainable pathways towards climate neutrality. This stance, which would still see Africa relying on fossil fuels, would gradually see their phase-out and a shift towards more sustainable natural resources.

> *Africa's resolve on non-interference does not always match Europe's interventionist approach.*

Also at the summit, Africa obtained some much-needed political buy-in from Europe on implementation of the Agreement on the African Continental Free Trade Area (AfCFTA). The task, now, is to convert this buy-in into action. **Europe is a major trading partner for Africa, and enhanced support for intra-African trade would be a game-changer.** This would build on the likes of the Boosting Intra-Africa Trade initiative (BIAT). In the long term, it would stand to benefit Europe just as much as it would Africa. It goes without saying that both continents benefit if both are developed, prosperous and stable. If a similar approach could be reached on the related issue of migration and mobility, a regular point of contention between Africa and Europe due to the divergent points of departure and approaches, that would be a big win.

From Africa's point of view, migration is about demographics and development, and several of the AU's policy documents (including Agenda 2063) and positions thus underline the connection between migration, trade, development and regional

integration. It is therefore not surprising that in 2018, the Agreement establishing AfCFTA and the Protocol on the Free Movement of Persons, Right to Residence and Right to Establishment were adopted simultaneously after parallel negotiations.

> *The EU and Africa still do not agree on the continued use of fossil fuels for industrialisation and development. The EU is often accused of double standards as it pushes green transformation but with fossil fuels nevertheless continuing to make up the biggest share of Africa's exports to Europe.*

While discussions on migration at this year's EU-AU summit were eclipsed by those on conflict, climate, and development (and interestingly within the framework of discussions on youth, education and culture), some consensus was nevertheless reached on specific aspects related to migration and mobility. These included legal migration pathways, innovative ways of leveraging remittances, and international protection of asylum seekers and refugees. However, issues such as labour mobility and enhancing the role of the diaspora, and reducing forced displacement through conflict management and peacebuilding were not given much prominence. Instead, much of the discussion focused on irregular migration, including smuggling and human trafficking. While these are important issues, the focus remains skewed given that most migrants follow regular channels. The result is that a solid agreement on migration and mobility remains elusive.

The two continental blocs still need to reach agreements **underpinned by a mutual understanding that partnership, not paternalism, is the best way forward**.

Of course, expectations were high on what would come out of the summit. **For me, the most important outcome was the nature of the partnership, which has often been seen as unequal.** The Joint Vision to 2030 is a step in the right direction, albeit a small step. Constructive collaboration and consultation are key determining factors to finding a better balance. The fine detail of implementation can (and will) still be discussed. For now, steering the relationship towards a mutually beneficial partnership that transcends the specific areas of engagement is imperative. This will require honest, more nuanced, and frank dialogue that does not shy away from the politics that often get in the way. The technical committees thus have their work cut out for them.

Ottilia Anna Maunganidze, Head of Special Projects, Office of the Executive Director, Institute for Security Studies

The future of the EU's cooperation with the African Union

Policy Brief Series

In early March 2020, the EU presented its document 'Towards a comprehensive Strategy with Africa' that should pave the way towards a new partnership with the African continent. However, is this approach fit for a new era, or does it still hang in old paradigms? How do the AU and EU actually practice their relationship, and how could it be brought forward?

This series analyses policy recommendations for AU and EU policy-makers and stakeholders, suggesting the way forward to upgrade cooperation to a balanced and inclusive partnership.

FEPS
FOUNDATION FOR EUROPEAN PROGRESSIVE STUDIES

Fondation Jean Jaurès

IN PARTNERSHIP WITH

Istituto Affari Internazionali

Russia's nuclear gamble

by Giordana Pulcini

What should we make of Putin's nuclear threat? As people in Europe try to become reaccustomed to the fear of nuclear war, this remains an extremely difficult issue to manage. The way that the European and US governments come to answer this threat will have a profound influence on their relationship with Russia and, even more, on the future of Europe's security.

In the context of the Russian invasion of Ukraine, three elements must be considered to understand the extent of Russia's nuclear intimidation: the ongoing modernisation of the Russian atomic arsenal, the nature of Moscow's nuclear doctrine, and the goals of Putin's intimidation.

In the last ten years, Russia has replaced an estimated 89 per cent of old Soviet nuclear weapons systems with modern ones. Today it possesses a stockpile of roughly 5,977 warheads, compared with the 5,428 of the United States. **Despite the arms control treaties that the two countries have concluded since the end of the cold war, they still possess almost 90 per cent of all nuclear weapons in the world.** Thanks to the New Start Treaty signed in 2010, however, only less than one-third of Russian warheads are actually deployed, while the rest are stored away or awaiting dismantlement. Moscow has recently refurbished both its strategic and non-strategic weapons. The former are primarily intended for deterrence against the US nuclear arsenal. Western observers generally agree that Russia's refurbishment has only replaced old or outdated systems but has not altered the strategic balance with the United States. The latter could be used in a limited war scenario, and as such are the ones that mostly concern Europe.

There is no agreement among experts regarding the role of the new non-strategic weapon systems introduced by Russia in the last years. **Some believe that Moscow is merely updating the Soviet arsenal with fewer, more modern weapons. Others warn against the possibility that the Kremlin is aiming to achieve some level of nuclear superiority in the European context.**

A pessimistic option has also been considered: that the reinforcement of Moscow's non-strategic nuclear arsenal indicates that the Kremlin has assumed an 'escalate to de-escalate' doctrine.

One of the most problematic modernisations has been the deployment of the ground-launched cruise missiles, the SSC-8, which was perceived by NATO and the United States as a violation of the 1987 Intermediate-Range Nuclear Forces (INF) Treaty and prompted its end. For 32 years, this agreement had prohibited the deployment of Russian and US intermediate-range nuclear forces and its demise could evolve into a significant alteration of Europe's security landscape. It is not clear, however, which role – if any – these new weapons might play in a conventional war scenario like the one unfolding in Ukraine.

The interpretation of Russia's nuclear doctrine and weapon employment strategy is highly contested among Western observers. Many refer to the Russian military doctrine, which indicates that Moscow would consider the use of nuclear weapons only in a situation of 'existential threat' to the nation. Based on this, it would seem that the ultimate goal of the Russian nuclear arsenal is deterrence. Others argue that the recent modernisation of Russia's non-strategic nuclear capabilities is aimed at offsetting NATO's conventional superiority. **A more pessimistic option has also been considered: that the reinforcement of Moscow's non-strategic nuclear arsenal indicates that the Kremlin has assumed an 'escalate to de-escalate' doctrine.** According to this interpretation, Russia would be ready to use a limited nuclear strike in a conflict to get its adversaries to surrender or back down.

© lassedesignen / Shutterstock.com

If Putin decided to act against the judgement of his advisers, he would not be able to supersede the entire command and control structure of the Russian nuclear arsenal.

With the invasion of Ukraine, this debate, previously confined to scholars and experts, has broadened to the general public. Yet, the nature of Russia's nuclear doctrine remains elusive. Has Putin's nuclear rhetoric helped clarify Russian intentions? Not really. On 27 February, he scared the world by announcing that he had put his country's nuclear weapons on 'high combat alert'. Experts were uncertain about the meaning of this statement. The Biden administration has not officially reacted to Putin's words, nor has the United States raised the alert of its own nuclear forces. **The US government and its allies have since clarified that no significant change in Russian nuclear posture has been detected, and most observers have agreed that no practical action has followed Putin's announcement.**

Should we dismiss Russia's nuclear threat as a bluff? The 'high alert' inconsequential statement might indicate that the Kremlin is airing nuclear intimidation to deter Western involvement in the war in Ukraine and avoid further escalation, especially since Russian troops are not achieving a quick victory. Russia's handling of the Ukrainian nuclear power plants adds some important pieces to this scenario. Russia's seemingly careless behaviour toward the safety of Ukraine's nuclear facilities has sparked the attention of the international community and has given the European public another reason for worry. Moscow might be cultivating a ruthless appearance of high tolerance towards nuclear catastrophes that might scare its adversaries into submission without actually involving atomic weapons.

In this context, Vladimir Putin's rationality comes into question. Some commentators argue that the Russian president is becoming progressively more aggressive and isolated, and, therefore, unpredictable – so much so that he might be tempted to push the nuclear button. While his state of mind might actually be deteriorating, no 'nuclear button' actually exists, and the decision to use the bomb does not depend solely on him. **If Putin decided to act against the judgement of his advisers, he would not be able to supersede the entire command and control structure of the Russian nuclear arsenal.**

The consistency of Russian nuclear intimidation might also depend on the Kremlin's understanding of 'existential threat' to the nation. Most experts agree that this might be when Russia's territory is facing a severe conventional or nuclear attack. As the war continues, some observers wonder if a lack of victory in Ukraine or a continuation and expansion of economic sanctions might fall in the category of 'existential threat' and trigger a nuclear attack.

But **Russia cannot be sure that even a limited attack won't start an all-out war with the United States and its allies. The opacity of the Kremlin's nuclear doctrine is, in fact, mirrored by NATO's nuclear ambiguity**. This significantly raises the nuclear threshold for Russian leadership.

Should we stop worrying about Putin's nuclear threat? Not exactly. A Russian nuclear attack is an extremely remote scenario but cannot be completely excluded. Furthermore, Moscow's atomic gamble might not, in the end, actually be about dropping the bomb. If the Kremlin's nuclear intimidation eventually works in facilitating its goals in Ukraine, then Russia – or other countries – might be tempted to replicate the same scenario elsewhere.

Giordana Pulcini, Global Fellow with the Wilson Center's Nuclear Proliferation International History Project, teaches an MA course on the History of Transatlantic Relations at the University of Roma Tre

Silence the guns in Ukraine – what international diplomacy can (and can't) do

by Nicoletta Pirozzi

It is not easy to trust the international system and multilateral organisations in the face of a military aggression and the death of thousands of innocent civilians right before our eyes. And yet international diplomacy still matters, and the rules of international law are still the paradigm against which unlawful acts can be judged and punished. Wars do not prove the failure of this system but are a reminder of its importance for a peaceful coexistence among nations.

It might be difficult to prove the worth of international diplomacy and law at this particular juncture, given the stalemate of the United Nations in taking action against the Russian invasion of Ukraine and in being an honest broker of peace and stability. Its inaction is exemplified by one of the latest emergency meetings of the UN Security Council, where Russia was chairing the discussion on a resolution that demanded Moscow to immediately stop its attack on Ukraine and withdraw all troops. The resolution was finally vetoed by Russia itself, one of the five permanent members of the Security Council, while another permanent member, China, abstained alongside India and the United Arab Emirates. Eleven members of the Security Council voted in favour.

Once again, the supreme body in charge of maintaining international peace and security has failed to do its job due to the opposition of members directly involved in the controversy and equipped with a veto power. Endless negotiations for the reform of an obsolete institution that mirrors the post-World War II power system and works according to outdated decision-making rules have not succeeded in achieving any concrete results. And **at each major crisis, we are reminded of the impotence of a system that is not democratic and does not adequately represent the current multipolar world**. It is on the basis of a similar outdated mentality that Vladimir Putin has attacked Ukraine, assuming the right of Russia to intervene in a country that it considers 'its own backyard' and to negate the path democratically chosen by its population and enshrined in its constitution to establish closer relationships with the West, in particular NATO and the European Union.

But we are no more in a post-WWII scenario. The Soviet Union has disintegrated, and Ukraine is a full member of the UN backed by the overwhelming majority of the international community. And in fact, the UN Security Council set up an emergency UN General Assembly session on the Ukraine crisis where 141 countries out of 193 voted in favour of a resolution, which reaffirms Ukrainian sovereignty, independence and territorial integrity. It also asked Russia to "immediately, completely and unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognised borders". Only five countries – Belarus, North Korea, Eritrea, Syria and Russia itself – voted against. The international community spoke clearly in defence of the values and principles contained in the UN Charter and against a diplomatically isolated Russia.

> *At each major crisis, we are reminded of the impotence of a system that is not democratic and does not adequately represent the current multipolar world.*

The international community spoke clearly in defence of the values and principles contained in the UN Charter and against a diplomatically isolated Russia.

© United Nations

It is easy to argue that this has not stopped Putin and people in Ukraine are still suffering under Russian bombs. But diplomatic isolation cannot be underestimated, and other actions are underway. A UN crisis coordinator has been nominated in the person of Amin Awad, who is now on the ground with the task of coordinating all UN efforts, including its humanitarian response, on both sides of the contact line. His presence and action might be especially crucial in guaranteeing safe corridors and adequate assistance for those escaping Ukraine to bordering EU countries.

The UN Human Rights Council in Geneva has agreed to establish a commission to investigate violations committed during Russia's military attack on Ukraine. At the same time, after receiving referrals from 39 member countries, the International Criminal Court (ICJ) has declared it will "immediately proceed" with an investigation into potential war crimes during Russia's invasion of Ukraine. And on 16 March, the International Court of Justice (ICJ) has ordered Russia to halt its invasion of Ukraine, arguing that it is "not in possession of evidence substantiating" the Russian allegations of genocide against Russian-speakers on Ukrainian territory.

The EU is also considering the suspension of the 'most-favoured nation' treatment for Russia at the WTO, which means that the bloc would be able to impose tariffs or quotas on Russian imports, and to limit Russian access to finance at the International Monetary Fund. This would come on top of the already heavy sanctions decided by the US, EU, and UK, joined by many other partners.

And yet if all these initiatives can impose a heavy toll on Putin's Russia in the medium term, they are not the right instrument to reach an immediate cessation of hostilities and stop the human suffering of the Ukrainian people. Neither the UN Security Council nor other UN institutions seem able to lead a powerful peace initiative that could bring Putin to the negotiating table with Ukraine. Moscow, the Belarusian border, and Antalya have offered the setting for diplomatic efforts, not Geneva.

The United Nations is the greatest achievement in global governance of the 20th century. If we want to restore the credibility of the multilateral system and give international diplomacy a chance, we need to be serious about reforming collective institutions and realise a global architecture that is fit for the 21st century.

The United Nations is the greatest achievement in global governance of the 20th century. If we want to restore the credibility of the multilateral system and give international diplomacy a chance, we need to be serious about reforming collective institutions and realise a global architecture that is fit for the 21st century.

Nicoletta Pirozzi, Institutional relations manager and Head of the EU, Politics and Institutions Programme at the Istituto Affari Internazionali (IAI)

Solidarity without borders?

by Hedwig Giusto

The tragic images of the Russian airstrikes against Ukrainian cities, and the Ukrainian people fleeing their country under pressure from the invasion, have shattered the European Union's decades-long illusion of uninterrupted peace. The European people seem finally to have woken up to the EU's rightful geopolitical role and responsibilities. They have already welcomed with solidarity more than 3 million Ukrainian refugees seeking shelter within the EU's borders. Is this a turning point for the EU's asylum regime?

The European condemnation of Vladimir Putin's attack has been unanimous. The response of the EU to the war and humanitarian crisis has been robust and united, as never before. The response of indignant European people has been generous and emotional.

The moment is cathartic. On 3 March, the special Justice and Home Affairs (JHA) decision to activate the EU's Temporary Protection Directive was historic. Directive 55 dates back to 2001, when it was introduced because of the Balkan wars, as an instrument to respond quickly to a 'mass influx' of asylum seekers. But it was never used. Thanks to this decision, Ukrainians – who already are exempted from visa requirements to enter the EU – do not need to apply for asylum in Europe as they flee the war. **They enjoy protection 'just' because they are escaping war. They won't need to justify their presence and individually defend their right to be granted protection.** They won't need to spend months, sometimes years in camps, going through a lengthy and exhausting procedure, waiting for their reasons to be heard and judged. They won't have to fear being returned to their home country because they have lost their documents while precipitously escaping war. And rightfully so. The Temporary Protection Directive is indeed a powerful instrument.

There is thus reason to hope that the EU will finally develop a fair and humane refugee protection regime. The European Union may well be at a turning point. **Perhaps these two years of the Covid pandemic have taught us something: notably that global challenges must be faced together, and that solid European leadership is indeed possible.** And yet, one should not indulge in self-satisfaction for at least two orders of reasons.

> *Ukrainians enjoy protection 'just' because they are escaping war. They won't need to justify their presence and individually defend their right to be granted protection.*

First, the war in Ukraine could be long and draining. Given the uncertainty around Putin's actual goals, and the risks connected with an escalating conflict, its duration is difficult to estimate. The number of Ukrainian refugees arriving in the EU, which with unprecedented speed has already topped any previous European record since the second world war, could reach 4 million, or more. Against this background, the risk of the member states giving in to divisive temptations is always just around the corner, particularly if the sanctions against Russia hit back at European economies. At the same time, the path towards a robust European asylum system founded on solidarity (to the asylum seekers) and responsibility-sharing (with the other member states) is still steep. The declaration by the European Council summoned in Versailles on 10-11 March endorses the Commission's proposal for Cohesion's Action for Refugees in Europe (CARE), but it says nothing about further measures to effectively meet the needs of the millions of refugees escaping Ukraine in the short, medium and long term.

Recent history has taught us that such big-hearted manifestations of solidarity may not last long. Only a few years have passed since German and Austrian people welcomed Syrian refugees at the train stations in Munich and Vienna, and

© Bumble Dee / Shutterstock.com

The suspicion that the difference between today's humanitarian crisis and those of the past lies mainly in the colour of the skin, and the god to whom the refugees pray, is indeed very strong.

Angela Merkel pronounced the fateful words "Wir schaffen das!" ("We can do it!") Those words are now indelibly linked in our memories to one of the deepest political crises the European Union has faced since its establishment, which, in a perverted narrative twist, we keep inappropriately calling a 'refugee crisis', conferring an external connotation to a purely internal crisis that was triggered by divisions among European member states. As the Syrian civil war continued, the European people's solidarity quickly faded, leaving room for intolerance and xenophobia. In the long term, similar dynamics could again unfold this time.

Moreover, nobody has overlooked the fact that the EU countries which, for geographical reasons, are now at the forefront in the reception of refugees from Ukraine – Poland, Hungary, Slovakia and the Czech Republic – are the same that, until yesterday, i) were immovable when it came to relocating refugees, ii) have repeatedly adopted policies, such as border push-backs against migrants and refugees and detention measures, which are inhumane and against international law, and iii) have consistently indulged in an arrogant anti-migrant and racist rhetoric.

With this in mind, let's not forget that migration may be easily turned into a powerful destabilising tool in the European Union. Putin may well be counting on this effect of the war to weaken the EU's response and exploit divisions among the EU member states. Besides, let's not forget the miserable show offered by the European Union only last year at the time of the EU-Belarus border crisis.

The second order of reasons not to indulge too much in self-satisfaction concerns the blatant double standards of the EU's reception of refugees. One might well ask why the Temporary Protection Directive has been activated only now? Was the situation not serious enough in 2015-16? What about last summer's crisis in Afghanistan? The answer to these questions is manifold. The directive needs a qualified majority (not even unanimity) to be activated. But as the political willingness was lacking, and the very definition of 'mass influx' was ambiguous, the European Commission never activated the directive before. **War on the European continent has triggered more fears and emotions than a relatively more distant conflict may have done. And yet the suspicion that the difference between today's humanitarian crisis and those of the past lies mainly in the colour of the skin, and the god to whom the refugees pray, is indeed very strong.**

As well as Ukrainians, many other third-country nationals are currently escaping the war in Ukraine. Africans, Indians, Bangladeshi, and Ecuadorians all face the same dangers and run the same risks as the Ukrainian people. Yet often they do not receive the same treatment at the EU borders as the Ukrainians are receiving right now.

Against this backdrop, can there be reason to hope that the European Union will finally change course regarding asylum and migration policies? Such changes do not happen overnight but take years, if not decades, to unfold. Yet the current humanitarian crisis could actually bring about this long-needed U-turn. The momentum should not be wasted. If the EU manages to deploy a functioning asylum regime for the current humanitarian crisis, the (moral and practical) lessons learned – by the Union, the member states, and the European citizens – could represent the political basis on which finally to build the long-awaited and much-needed reform of the asylum system.

Hedwig Giusto, editor-in-chief of the Progressive Post and FEPS Senior Research Fellow

A path to 2030: how can the 'Strategic Compass' help protect Europe?

by Daniel Fiott

With the EU's 'Strategic Compass' for security and defence, the 27 member states have for the first time formulated their security interests in a joint concept. The document lays out how, over the next three years, the bloc aims to become stronger and more independent. The Strategic Compass has been almost two years in the making, but the war in Ukraine and the threat environment around Europe have added serious questions to the debate. If the Compass is now to move from just another EU document to credible action, EU member states need to step up their investment in and commitment to European security and defence.

The tragic events unfolding in Ukraine appear other-worldly compared to the seemingly bureaucratic exercise behind the EU's Strategic Compass. One might well ask the usefulness of another EU strategy document in the face of Putin's tanks. Perhaps, in this case, the pen might actually not be mightier than the sword. We do not know how the war will unfold or end and it is possible the situation may deteriorate for Ukraine and Europe in the coming days. What we do know, however, is that **the EU, along with NATO and its partners, has worked at breakneck speed to support the Ukrainians in their hour of need while shoring up its own defences**.

Indeed, the massive sanctions on Russia are designed, in the words of European Commission President Ursula Von der Leyen, to "cripple Putin's ability to finance his war machine". The EU has also taken measures to block its airspace to Russian aircrafts, supply arms to Ukraine's army, close Russian propaganda outlets, and lower Europe's energy dependence on Russia. Even Germany has seemingly taken an about-turn on defence spending and arms exports, and other European countries too will spend more on defence in the coming years.

Back in June 2020, when work first started on the document, the justification for an EU Strategic Compass was to provide greater clarity on how the bloc should undertake crisis management and capacity building, as well as to ensure the protection of Europe. Since then, however, Europe has witnessed the haphazard withdrawal from Afghanistan – which has highlighted both the distance Europeans have to go to be capable of undertaking evacuation missions alone, and the fact that European governments were caught unprepared for the US desire to abandon 'forever wars' and jettison the state-building concept alongside this. Although the Sahel cannot entirely be compared to Afghanistan, events in Mali and elsewhere continue to test the basic assumptions of EU security and defence policy as they were defined at the turn of the millennium.

> *As far as the Union's strategy for security and defence is concerned, it clearly shows that a return to war in Europe, Russian military aggression, and a world of strategic competition are the main threats towards which EU efforts should be geared.*

© Seneline / Shutterstock.com

The seeming lurch away from the crisis management paradigm has become more apparent following the events in Belarus and the instrumentalisation of irregular migration. The 'AUKUS' affair can also be interpreted as a not-so-subtle political message from Washington that Europeans should focus mainly on security in Europe rather than in the Indo-Pacific. And **Russia's war on Ukraine has only emphasised the need for the EU to work together with NATO to enhance European security, defence and deterrence**. In this respect, the Compass should be seen as a crucial contribution to the framing of the deteriorating security environment in Europe, and the response to it.

ENTER THE STRATEGIC COMPASS

In among all the turmoil on Europe's borders, EU foreign and defence ministers adopted the Strategic Compass on 21 March 2022. Although some had argued, with varying motives, for the document to be delayed or scrapped, it is right that European leaders seize the opportunity today to spell out how they see the EU as a security and defence actor. With NATO's Strategic Concept on the horizon, this is the moment to keep up the ambition on EU security and defence while also strengthening the EU-NATO partnership.

The Compass is part strategy, part action plan. **As far as the Union's strategy for security and defence is concerned, it clearly shows that a return to war in Europe, Russian military aggression, and a world of strategic competition are the main threats towards which EU efforts should be geared.** To this end, for the first time, the Compass stresses the need for the Union to be active in strategic domains such as outer space, the air, the seas and oceans, and cyber. Furthermore, the Compass underlines the importance of unity, and it clarifies the degree to which the EU member states hold the Union's Mutual Assistance and Solidarity clauses.

Yet strategy is only one element of the Compass. **The over 50 deliverables embedded in the document are its most important aspect, and the majority of them – with the exception of military capabilities – should be delivered already by 2025. This puts the member states under much pressure to deliver.** And a number of the projects are ambitious – for example, the EU aims to develop a cyber defence policy, a hybrid toolbox, intelligence capacities, and its naval and space presence.

What is more, the Compass stresses the growing importance of military action and capabilities. It spells out how the EU can address past financing, planning, and command and control obstacles – thus leading to the deployment of willing and able forces of up to 5,000 troops. Added to this is an investment in regular live exercises and the aspiration to deepen certain bilateral partnerships. Military capabilities and defence innovation are important too, with an emphasis placed on developing European next-generation capabilities in the naval, air, space, and land domains.

WHERE TO NOW?

Russia's brutal war on Ukraine means that most observers will judge whether or not the Compass is a success based on Europe's response to the war. Obviously, nuclear and conventional deterrence remains the remit of NATO, but the Compass outlines a number of areas where EU efforts can be relevant. Greater use of the European Peace Facility can certainly be made, which has already dedicated €500 million to Ukraine's war effort. Clearly, the Union's intelligence capacities and services (like EU SatCen, the bloc's Satellite Centre) can also aid Ukraine by providing geo-spatial intelligence. A more meaningful Common Security and Defence Policy (CSDP) presence in the Western Balkans may also dissuade Russia from opening another front in that region. All of these specific efforts come on top of the EU's other methods of support – sanctions, financial aid and refuge for people fleeing wars.

Russia's brutal war on Ukraine means that most observers will judge whether or not the Compass is a success based on Europe's response to the war.

However, **the Strategic Compass also looks closer to home, and to the resilience of EU member states. This is undoubtedly necessary, given President Vladimir Putin's threats towards eastern EU member states**. Here, the Compass emphasises the essential need to develop tools designed to counter hybrid threats and to improve Europe's cyber defence. On top of this, the Compass provides for greater EU efforts in developing means to protect space-based assets and to ensure that seas and oceans remain secure and open. Underlining a need to improve potential EU responses to armed attacks on any member state is also a vital element of the work moving forward.

Additionally, the Compass makes clear that the EU cannot neglect its wider neighbourhood to the South – the Middle East and Africa – where Russia is also present. The more the war in Ukraine drags on, the more likely ripple effects will be felt. This includes food insecurity in the Middle East because of grain and wheat shortages from Ukraine and Russia, and high oil prices. The Kremlin-sponsored Wagner Group may also intensify its actions in the Sahel as a response to the war. The Compass provides a response to these and other security challenges.

Obviously, the focus must now be on the delivery of the specific projects outlined in the Compass. **Without the development of capabilities or new tools, the Strategic Compass will remain a document.** While most military capabilities will require longer development times, the bulk of the deliverables should be ready by 2025. **The easy part is done: a document has been delivered.** Yet, if the words on the text are to be lifted up and marched into action to defend Europe, then a great deal of financial and political investment is still required.

Daniel Fiott, Security and Defence Editor, EU Institute for Security Studies

STRATEGIC AUTONOMY

pathways to progressive action

Discover the new flagship research project investigating the concept of ***'European strategic autonomy'*** *(ESA).*

For a concept that is at the heart of discussions for the future of the EU, it's time for progressive thinkers to provide in-depth analysis and set a concrete but ambitious policy agenda.

High-level policy experts will provide actionable recommendations from three perspectives: Security and Defence, Economics and Trade, and Digital and Technology.

FRIEDRICH EBERT STIFTUNG

FEPS
FOUNDATION FOR EUROPEAN PROGRESSIVE STUDIES

Fondation Jean Jaurès

A more autonomous EU defence path

by Sven Mikser

Europe's quest for greater autonomy in the area of defence and security has two closely interlinked but nevertheless distinct dimensions: one is the autonomous capacity to launch and sustain military operations, the other is defence-related technological and industrial sovereignty.

Through the second half of the 20th century, the existential threat posed by the Soviet Union effectively precluded any discussions in Western Europe about the need for a defence identity separate from that of its North American allies. It was well over a decade after the implosion of the Soviet empire that the US invasion of Iraq made many Europeans ask for the very first time whether they could always rely on the Americans to do the right thing on the global scene. With Barack Obama's 'pivot to Asia', and even more acutely after Donald Trump's NATO-sceptical statements, Europe started to realise that it may indeed be confronted with a crisis at its doorstep if the Americans happen to be disinterested or occupied elsewhere.

While many European countries had sizeable and quite capable military forces, it was nonetheless apparent that there were critical collective shortfalls regarding certain key high-end capabilities needed to successfully run and sustain complex out-of-area operations in the 21st century.

Having to rely on external partners for key enablers was rightly perceived as a limitation on Europe's ability to act autonomously.

> *Observers have been lamenting that Europe is nowhere to be seen or heard and that our continent is punching way below its actual weight in the international security arena.*

Capability gaps can be addressed in different ways. A short-term answer is to look for the missing technologies or pieces of equipment on the global market. However, this solution does not address a potential long-term problem of unhealthy dependencies on third countries regarding strategic technologies.

Over the past years, the European Union has been remarkably successful in launching initiatives to consolidate its previously fragmented defence industrial landscape and link the business interests of producers more closely with the capability requirements of the member states' militaries. But **besides serving the capability needs of the member states, European defence industries also need to stay competitive in the global arena, which requires sufficient and sustained investment in R&D as well as fair market access vis-à-vis, for example, the US**.

Reliance on the US regarding critical enablers is by no means the only factor that has inhibited Europe's ability for autonomous military action. From the Syrian civil war to the conflict in Nagorno-Karabakh to the messy extraction of international forces from Afghanistan, **observers have been lamenting that Europe is nowhere to be seen or heard and that our continent is punching way below its actual weight in the international security arena**. The answer promoted by many is the creation of a European rapid reaction capability or even something that might one day be called a European army.

The question is if the EU is prevented from responding more decisively to unfolding crises by the lack of a common European rapid reaction capability, or if the absence of such a capability reflects Europeans' innate reluctance to get entangled in external military adventures in the first place.

© Mircea Moira / Shutterstock.com

However, before getting overly excited about the idea, there is a need for honest answers to a few questions that go beyond the size, shape and organisational setup of the force, or even the legal framework under which it would operate.

A critical question is this: **is the EU prevented from responding more decisively to unfolding crises by the lack of a common European rapid reaction capability, or does the absence of such a capability reflect Europeans' innate reluctance to get entangled in external military adventures in the first place?**

It is worth bearing in mind that putting together a multinational response force that would allow the EU to respond swiftly and decisively to flare-ups in faraway corners of the globe is a costly enterprise. It only makes sense to make such a significant investment if there is sufficient political will and readiness to use it, and if adequately quick decision-making procedures are also in place.

There are additional limits to the lofty ideas about a 'European Army'. All of the EU member states' militaries today operate on the principle of a single set of forces. **The decision to deploy a country's servicemen and women to fight – and potentially die – is a critical attribute of national sovereignty. It is hard to see how any member state would agree to hand this right over to an EU institution.** It is not by accident that even in NATO, where the decision to deploy forces is taken by consensus, the force generation process happens by voluntary national contributions.

The emergence of a more autonomous Europe in the area of defence and security is not going to happen overnight or by a single political decision, and it must follow an evolutionary rather than revolutionary path. The need for the EU's technological sovereignty is today felt acutely in all member states as well as in the EU institutions. And it goes far beyond the realm of defence and security. The perceived urgency of the issue is compounded by the fast-growing threat that non-democratic global powers, such as China, may achieve hegemony in strategic areas of technological development.

What the EU needs to do to emerge as a more capable and more autonomous player on the global security scene is, first of all, substantially increase its investment in defence. This means larger defence budgets in the member states and more money for the European Defence Fund and projects such as the military mobility initiative.

The shock caused by Putin's invasion of Ukraine has made many EU capitals fundamentally reassess their previous stance on defence and security. If the toughening of posture proves sustainable, it will undoubtedly lead to a stronger, more visible and more assertive European Union, even without creating a European Army or introducing qualified majority decision making to the bloc's security policy.

Inevitably, European strategic autonomy will never be without limits. Its scope must be clearly defined by a commonly agreed level of ambition which, in its turn, will have to be derived from a common – or at least harmonised – threat assessment. Over time, such a shared threat assessment can lead to a common strategic culture. But in a world where autocrats like Vladimir Putin continue to pose a threat not just to individual European countries' territorial integrity but to liberal democracy and to the rules-based order globally, the maxim 'on our own when we must, but with allies whenever we can' remains as relevant as ever.

Sven Mikser,
Member of the European Parliament, S&D Group, Estonia

Learning the language of power – to regain the language of peace?

The new German government and progress on the EU defence front

by Ronja Kempin

Defence was not at the centre of the new German government's progressive agenda. Yet, with the onset of the NATO-Russia crisis, Berlin has learned that capabilities matter. By evaluating and democratically controlling the Common Security and Defence Policy (CSDP) operations and making feminism its leitmotiv, the 'traffic light coalition' can change EU defence policy for the better.

"Daring to make more progress", the slogan of the new German government, speaks of extraordinary ambition – the ambition to lead the country, for at least a decade, towards profound changes in all areas necessary to meet the multiple challenges of this century. The 'traffic light coalition' partners have also set high goals for the EU. The Union should be more democratically stable, more capable of acting, and strategically more sovereign; it should better protect its values and the rule of law internally and externally, and stand up for them with determination. The European integration process should lead to a European federal state that is decentralised and organised according to the principles of subsidiarity and proportionality. One can hardly aim higher.

Defence policy, however, was not among the priorities of the new government's agenda for change. The coalition partners did not include the target of allocating two per cent of Germany's gross domestic product to NATO in the coalition agreement. Instead, **the three parties favoured 'a networked and inclusive approach' to international politics. They agreed to spend a total of three per cent of the GDP on diplomacy, development policy and the commitments made in NATO**. This subordinate role of defence policy may explain – though not excuse – Berlin's initially cautious response to Russia's military encirclement of Ukraine. Its late concession not to put the Nord Stream 2 gas pipeline into operation in the event of an armed attack by Russia on Ukraine, and its refusal to supply lethal weapons to Ukraine, once again put the question of Germany's reliability at the centre of the debate. It also threatened to weaken the EU's security and defence policy.

However, the learning curve for the new government has been steep. Firstly, Berlin has understood how far away the coalition treaty goal is of a 'sovereign EU as a strong actor in a world characterised by insecurity, and systemic competition'. Even if the EU member states – especially Germany and France – had succeeded in asserting, in the wake of the January 2022 Geneva talks between the USA and Russia, that there is no decision on security in Europe without Europe, their path to Kyiv and Moscow has always led via Washington.

However, it took the Russian war against Ukraine for the German government to initiate a 'turn of the times'. On 27 February 2022, Chancellor Olaf Scholz profoundly revised Germany's security and defence policy. He formulated five 'mandates for action' for his government. Among other things, Germany

© Deutscher Bundestag / Florian Gaertner / Photothek

would supply Ukraine with 'weapons to defend the country' and exclude important Russian banks from the SWIFT banking communications network. In addition, Germany would make 'significantly more investments' in domestic security. A special debt fund of 100 billion euros is announced for investments in the Bundeswehr, the German army. The defence budget will be increased continuously over the next years, which, according to Scholz, "should be achievable for a country of our size and our importance in Europe". Finally, Berlin will exceed the NATO spending target of two per cent of the gross domestic product for the Bundeswehr in the future. The Russian invasion of Ukraine seems to have two decisive consequences. First, as the Green Foreign Minister Annalena Baerbock put it, it could help "Germany [...] to leave behind a form of special and unique restraint in foreign and security policy". Secondly, **the government in Berlin seems to have understood that Germany's national interests can no longer take precedence over those of the EU**. Due to the country's energy dependence, the German government had long delayed Russia's exclusion from the SWIFT system. Now, however, the government seems willing to abide by its coalition agreement, in which the traffic light partners promised to assume Germany's special responsibility for the EU as a whole in a spirit of service.

If the new government sticks to this turn of the times, it will be able to influence EU defence decisively, beyond the current processes to improve capabilities and strategic orientation. Germany wants to subject its missions abroad to a continuous review. Such a process is also overdue in the EU, at least if operational engagement is to be given new impetus.

> *The government in Berlin seems to have understood that Germany's national interests can no longer take precedence over those of the EU.*

Against the backdrop of the end of the French mission in Mali – which also marks the end of Task Force Takuba, in which numerous EU member states participated – regular assessment is needed on whether the military objectives of a foreign mission are being achieved. For whom and what are the EU and its member states militarily engaged? Does an EU operation support those who respect human rights and strive for democracy? The quest to improve the EU's operational capability must not lose sight of the fact that the EU's foreign policy engagement is committed to peace, international human rights, and conflict prevention. The democratic control of EU security and defence policy that is called for by Germany's new government could also make an important contribution to this.

The new priorities that Berlin wants to set, especially in foreign policy, could also serve as a leitmotiv for the EU's security and defence policy. **Like Sweden, France, Luxembourg and Spain before it, the traffic light government is committed to a 'feminist foreign policy'. This concept is based on the understanding that 'business as usual' has failed to foster just and effective solutions to the most urgent global crises of our time, such as the climate crisis, human rights attacks or (nuclear) armament. Instead, it perpetuates existing injustices.** Like the EU's security and defence policy, a feminist foreign policy aims to create sustainable peace and a world where no one is left behind. It seeks new approaches, perspectives and rebalanced power dynamics where cooperation trumps domination over others. This view of international relations could not only give a new direction to EU operations, whose focus could be directed towards preventing or ending militarised power conflicts, but it could also return the EU to its role as a pioneer of disarmament policy and arms control. Germany could give its partners an incentive to invest in peace by pursuing a foreign climate policy – for example, if third countries are supported in expanding their trade and economic policies to include climate-friendly projects and technologies and reduce their dependence on the export of certain (raw) materials.

The German government's contribution to EU defence policy could thus, in the short term, be to help the EU learn the language of power – to give it back the language of peace.

Ronja Kempin,
Senior Fellow EU/Europe,
German Institute for
International and Security
Affairs (SWP), Berlin

Digitalisation: Big Democracy to overcome Big Tech and Big State

by Francesca Bria

Today, when we talk about digital sovereignty, we also mean political and economic sovereignty and the threats coming with the hyper-technological 21st century. For Europe, being a 'regulatory superpower' is not enough anymore. The EU needs to remain relevant as a global economic power through its own technological innovation. However, for Europe, competing on innovation means also putting forward our strengths, principles, and values to ensure that digitisation will be really sustainable and democratic.

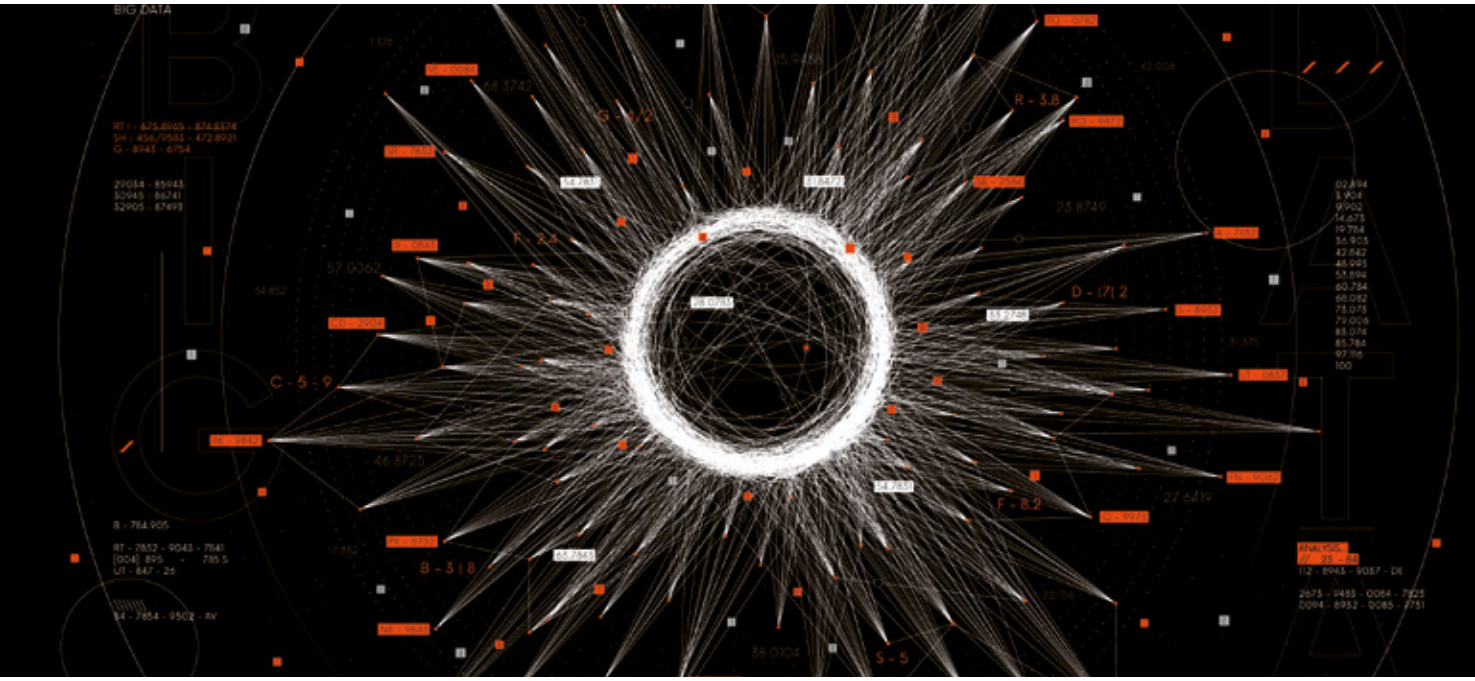
In the current digital transformation of our societies, we must be aware of the long-term political and social challenges that it entails: from monopoly power to the need for a new tax for digital platforms, the need for trade regulations, increasing unemployment and precarisation of labour due to automation, and also questions around civil liberties and democracy.

Issues related to citizens' and workers' rights, digital privacy, and data governance must stand central. We should be able to break the binary logic that always and only presents us with two digital future scenarios: 'Big State', the Chinese and Orwellian model, or 'Big Tech', the Silicon Valley surveillance capitalism. Big State straps people of their individual liberties, while Big Tech creates data monopolies that will eventually run critical infrastructures such as healthcare or education. Neither is an option for a democratic world.

Europe should go beyond the US Big Tech model and China's Big State and lead the way to a Big Democracy: a new kind of digital humanism, combining innovation and dynamism with an uncompromised defence of autonomy, democracy, and sustainability. To achieve this goal, we need ambitious regulations, a digital industrial strategy, and a pragmatic political programme on how to direct the digital revolution to achieve social and environmental sustainability.

The EU tech regulation is moving in the right direction, and an international consensus is emerging on the necessity to regulate Big Tech companies. Last autumn, we saw the strong testimony of the Facebook whistle-blower, Frances Haugen, to EU, US and UK lawmakers, and the EU General Court's confirmation of the €2.42 billion antitrust decision against Google, reaffirming that the company has abused its dominant position by favouring its own services. Together, this stirs global momentum to regulate digital platforms. Clearly, Big Tech alone cannot handle all the power it has amassed.

The EU Digital Markets Act (DMA) and the Data Governance Act (DGA) are a good step forward to curb the market dominance of Big Tech by strengthening policies related to competition and antitrust. Market dominance today is a real concern. For Big Tech, the pandemic has been a shock, but unlike for all of us, for them, it has been a positive shock. The major digital players, the US GAFAM (Google, Amazon, Facebook, Apple, and Microsoft) and their Chinese counterparts, the 'BAT' companies (Baidu, Alibaba, and Tencent) have achieved a combined stock market value of $9-10 trillion (€8-9tr). US technology shares are worth more than the entire European stock market. All this has led to an industrial concentration



unheard of in recent history. **If five companies own the digital economy, can it really work for all of us?**

We must ensure that the development of digital capitalism does not result in irreversible forms of economic concentration. To ensure this does not happen, we need to act more quickly and be more ambitious. After 20 years of Big Tech dominance, there is an emergency: competition has been killed. The giant digital platforms move very fast, creating big and new problems for the economy, for the environment and for society, which we struggle to address.

The DMA, as conceived today, is too narrow, since it is based on what we learned from past antitrust cases, but we do not know what will happen in new markets such as digital health, digital insurance, and digital payments. Furthermore, the DMA needs to integrate merger control to deal with killer acquisitions, since we can observe dominance and market power that results from acquisitions. Over the past 20 years, the GAFAM have acquired around a thousand companies, and no mergers have been blocked by any competition authority globally.

Regulators have the power to act, but they sometimes seem too slow, playing catch-up and often being intimidated by the lobbying power of the digital giants that spend around €97 million annually on this activity in the EU. We should monitor how they influence regulators, and make sure independent views are taken into account.

> *Europe should go beyond the US Big Tech model and China's Big State and lead the way to a Big Democracy: a new kind of digital humanism, combining innovation and dynamism with an uncompromised defence of autonomy, democracy, and sustainability.*

To achieve real change, we need to avoid getting distracted by other narratives, such as content moderation at scale, which only tackle symptoms and risks and which thus shift attention from the root causes of Big Tech's dominance. These root causes need to be addressed by remedying an anticompetitive business model that harms users' and citizens' digital rights. Enforcing competition law is important, but we need to go further with a proper digital industrial strategy with large-scale investments (public and private) to regain Europe's technological sovereignty.

Europe needs its own digital champions that can compete in platform-based digitisation, and that can take control over their technological stack and develop future critical services and applications in energy, mobility, deep tech, and climate change. Europe needs to build alternatives to Chinese technology manufacturing monopolies and US-based intellectual property, digital and payment monopolies. This means scaling up deep tech start-ups, connecting research centres, universities, start-ups, and corporations via effective tech transfer.

What is still missing is access to capital, and larger EU-wide markets in risk-taking equity. And also a fully functioning single market and pan-European regulatory regimes to boost demand for native tech products designed to plug into local tax, labour, and licensing rules.

This might also involve the development of democratic data governance models such as data trusts, where the data, once anonymised, can be shared in the name of greater public good, and tested experimentally in cities to tackle challenges such as climate change, pollution, and sustainable mobility. Today's default solution – where such data feed into the unsustainable, privacy-violating business models of technology platforms, is no longer sustainable.

> *Regulators have the power to act, but they sometimes seem too slow, playing catch-up and often being intimidated by the lobbying power of the digital giants that spend around €97 million annually on this activity in the EU.*

Either we manufacture the critical technologies we need ourselves in Europe or we must be able to ensure long-term access to them from a range of different sources. The European Union has also put forward an ambitious €2 trillion plan to recover from the economic decline of Covid-19, and it will pour at least 20 per cent of the €672.5 billion Covid Recovery and Resilience Facility into critical technologies and infrastructures, into ultra-broadband networks, 5G, cloud computing, AI, microprocessors, and cybersecurity.

With the European Chips Act, the EU wants to set the goal of producing at least 20 per cent of the world's semiconductors in Europe by 2030. This will strengthen its sovereign manufacturing production, and more state aid is going to be allowed to fund new chipmakers and green projects.

The future of green energy in Europe also depends on these developments, together with the switch to renewable energy sources. **This is a matter of sovereignty for Europe. The EU must strengthen its strategic autonomy as a bloc – from our defence, technological and scientific capabilities, to the role of the euro in the new digital scenario** – to act as a smart power.

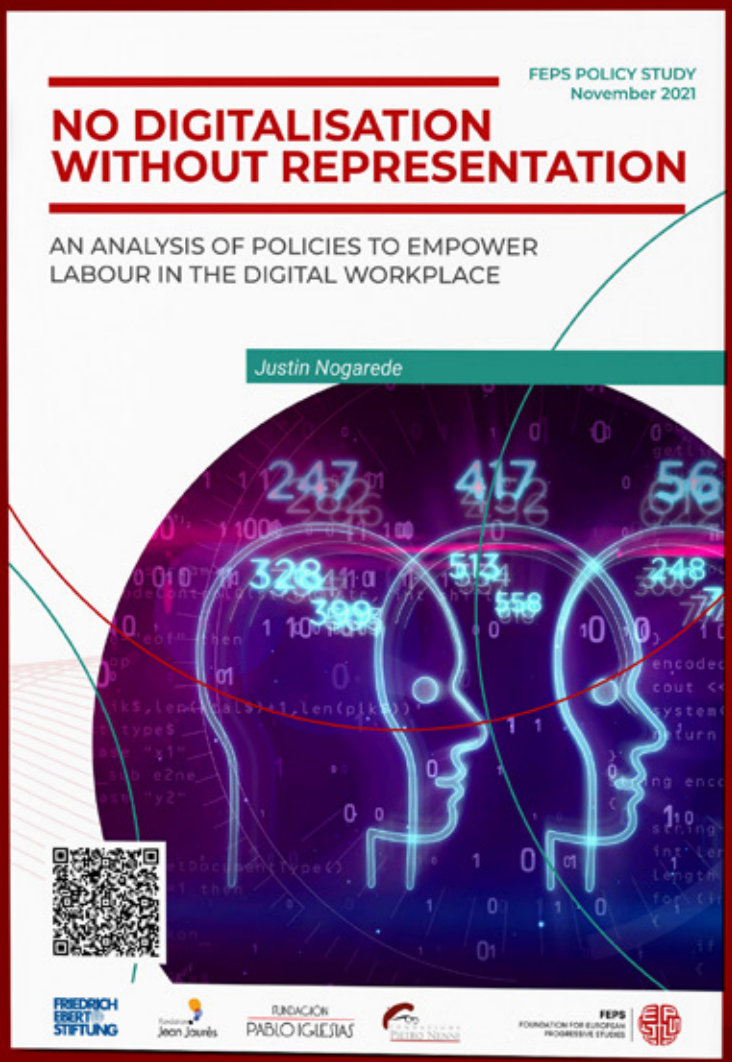
Europe and like-minded democratic partners have a chance to chart a progressive global path for a digital society, acting at the international level – including binding international regulations on antitrust, taxation, digital privacy, democratic data and AI governance, cybersecurity, and sustainability.

We should make sure we can strategically direct the massive investment coming from the NextGenerationEU fund towards building our own technological, scientific, and entrepreneurial capabilities, with a specific European innovation model that will shape our digital future. **The European digital model should focus on protecting citizens, workers, and the environment. It should be based on open-source technology, data portability and sharing, privacy-preserving standards and protocols, reconciling antitrust and privacy, algorithmic transparency, and accountability.**

This battle for Europe should be about democratic autonomy, making digitisation really sustainable and inclusive, defending innovation for the public interest, citizens' data sovereignty, autonomy, and constitutionally guaranteed rights.

Francesca Bria,
President of the Italian
National Innovation Fund

POLICY STUDY



Power at work is increasingly embedded in the way data is collected and used via algorithm systems. While this could support the quality of work, at present it seems to mainly facilitate expanding surveillance and control of the workforce.

This study offers a set of recommendations on how to fully implement and make better use of the General Data Protection Regulation (GDPR) at the workplace. It also pays attention to workers' collective rights across the EU, and the potential of upcoming EU legislation on data governance and algorithmic systems(AI).

Available in English, French, German, Spanish and Italian.

Regulate, but build too: for a European digital sphere

by Alek Tarkowski and Paul Keller

Europe faces a foundational moment, as it debates how to put the digital transition onto a path that is in the interest of citizens and society. Regulatory efforts focus on reigning in Big Tech, reducing potential harms, and increasing market competition. This is a necessary step. But if Europe wants to develop its own, sovereign vision of the digital space, it needs to do more than just attempt to fix the commercial platforms. It needs to build this space actively, basing it on public interest digital infrastructure. We need a digital public space with democratically governed key services, including social networks and sharing economy platforms, as well as public education, culture and health infrastructures.

The shape of this digital space will largely depend on how data flow through it, and how access and use is ensured in an equitable way. A key policy debate on data governance is now underway, as the European Data Strategy is implemented through two pieces of legislation: the Data Governance Act and the Data Act. Depending on the outcome of this debate, Europe will either develop models for sharing data as a public good, or strengthen a market approach to data that are owned privately and traded as a commodity.

> *Platforms have strong incentives not to provide all the data they own, and to complicate the portability procedure by design.*

OPENING WALLED GARDENS: PORTABILITY AND INTEROPERABILITY

With the adoption of the General Data Protection Regulation (GDPR) in 2016, the European Union (EU) laid the foundation for a new regime of personal data and privacy protection built around the idea of strong rights for citizens.

Everyone knows the GDPR's consent mechanisms, but fewer people know the rules on data portability that are included in this regulation. **Data portability allows users to take their personal data with them when switching services** (eg, you can move all your photos and associated data from Instagram to an alternative photo-based social network). This is an overlooked measure meant to prevent lock-in – not by minimising data use, but by giving users control over how their data are shared.

Unfortunately, users still cannot easily leave services that do not meet their expectations or that they consider harmful. This is partly because of lack of enforcement of data portability. Platforms have strong incentives not to provide all the data they own, and to complicate the portability procedure by design. Facebook will let you download your posts and photographs, but not your contact list or comments. And it will not share the data that it has accumulated about you over time. This makes it hard to use exported data, and even harder to shift to another service, without a sense of having lost some value.

But this is also because of lack of choice. **There are simply too few readily available alternatives to the dominant platforms**, and there is especially a lack of services that differ fundamentally in how they treat user data, moderate content or generate revenue.

The challenges of the data economy require more than individual choice: they warrant collective responses. An initial step towards this – which is currently included in all major EU legislative proposals – would be to strengthen interoperability rules. Interoperability is a stronger version of portability, a requirement to make data available and allow other services to use them. This sounds technical, but it is a simple principle that can facilitate the development of alternative services using data held by the platform giants. Today, there are new portability and interoperability proposals not just in the competition measures of the Digital Markets Act, but also in the recently proposed Data Act. These cover fields as the Internet of Things, virtual assistants and cloud services. If introduced, they may lead the data economy to be fundamentally interoperable, and thus less prone to monopolisation.

> *The challenges of the data economy require more than individual choice: they warrant collective responses.*

Yet to achieve this, legislation to reduce the harm of monopolistic platforms and increase competition, for instance via interoperability, will not be enough. Alongside this legislation, **Europe also needs to develop a digital environment that is more than a simple marketplace, and that serves society as a whole**. Metaphorically, it is not enough to open the walled gardens of commercial platforms – we also need to talk about how the fields around them look. And this space will hopefully be managed as a commons: a resource that is owned and managed collectively, with public interest in mind.

NURTURING A NEW ECOSYSTEM: PUBLIC INFRASTRUCTURES

In 2020, the EU announced its new data strategy. This is an opportunity that must be seized. As we try to curb the power of commercial platforms, it is through data governance rules that we can support new services and shape a public space. **Through legal acts like the Data Governance Act and the Data Act, we can ensure that data are not treated as private property, but as a common good.**

In the case of personal data, this requires attention to protecting privacy and other basic rights. But the GDPR shows that protection of personal data can go hand in hand with measures increasing the use of data. And then there are vast pools of non-personal, industry data that can be used to benefit our societies.

A key part of such an ambition must be the willingness to invest in public infrastructures. First, we must consider where **there are spaces in our 'datafied' societies that are not yet controlled by commercial platforms extracting societal data for commercial benefit. It is in these spaces that Europe needs to build new data regimes.** Education is one such space, with the Covid-19 pandemic causing a sudden digital transformation. Or health, where again the pandemic has quickened the development of new platforms for managing our health data, and where there is now a clear vision for sharing medical data in the public interest. These infrastructures should be decentralised and dependent on data sharing between peer services of different sizes, which together form a given 'data space'. And these spaces should allow for a mix of public, commercial, and civic services.

The recent proposal for the Data Act has a key provision that mandates interoperability of these data spaces. Furthermore, funding from the Digital Europe programme should be used to support initiatives that will strengthen the civic and public side of the new data spaces. For example, provisions on data cooperatives will remain only on paper if Europe does not invest in scaling the cooperative sector, the way it supports the growth of European startups.

Unfortunately, the European Data Strategy, as well as the proposed Data Act, still read mainly as an industrial strategy. The answer to the problems with foreign platforms is thus simply to nurture European commercial champions and hope they will behave differently. Europe should go further and build strong public institutions that can steward the process of data sharing, and then its reuse in the public interest.

We also need to avoid the danger of framing all data as a commodity, through a property right in data. Fortunately, the policymakers avoided the pitfall of building the Data Act around the idea of property rights in data. Hopefully, even more focus will be placed on ensuring the availability of data – including commercial data – for public interest purposes. The pandemic has shown the value of data-driven health research, and the costs associated with lack of access.

SOCIETY-CENTRIC DATA GOVERNANCE

Proper data governance will give us, as societies, means for shaping the digital sphere in the public interest. It will also determine whether new rules for commercial platforms lead to a more varied, competitive, and just digital environment.

This requires the European Data Strategy to centre on principles that are not about market growth but a sustainable and healthy society: supporting the commons, strengthening public institutions, ensuring the sovereignty of individuals and communities, and keeping technological growth and power in hand through decentralisation. We proposed these four principles in our 'Vision for a Shared Digital Europe', which was created by European experts and activists and led by Open Future and the Commons Network.

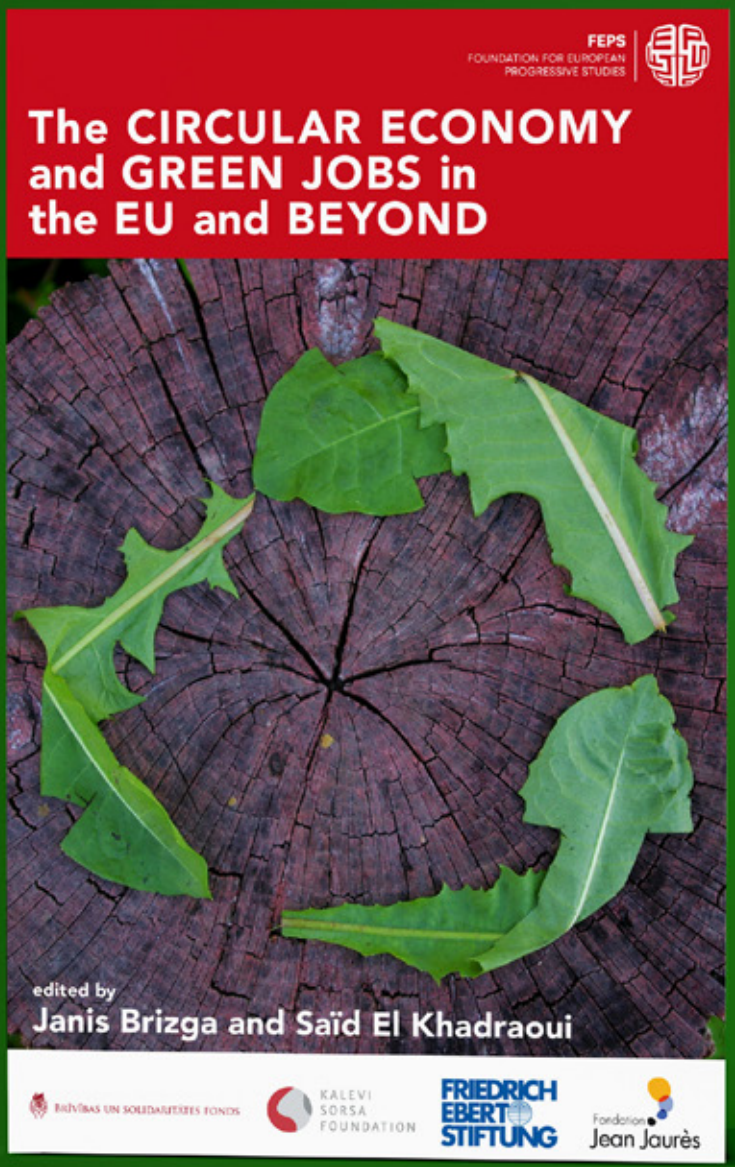
If we pay attention to these principles, data flows can contribute to an infrastructure that ensures value creation not just in the market, but in a digital public sphere. And hopefully successful platform regulation will also open the Big Tech platforms and ensure that they contribute to a shared data space.

To achieve this, the overall vision of a digital public space, fuelled by data flows, is more important than specific data governance laws. **Ultimately, we want an internet governed more as a commons, with a greater range of services for the public interest.** The different policy reform streams should be connected by a mission of creating a shared ecosystem that is based on strong public infrastructures instead of private control. These will in turn enable the exchange of data and services between public institutions, commons-based projects, individual users and existing (commercial) platforms, on a mutual and non-extractive basis. Such a system would then become an engine for European digital innovation: enabling next generations of services and platforms to emerge, and contributing to a genuinely European technological capacity.

Alek Tarkowski, Strategy Director at Open Future

Paul Keller, Policy Director at Open Future

BOOK



Ahead of the upcoming EC legislative proposals on the circular economy, this book examines what the circular economy means, why the transition from a linear economy to a circular one is important, and how we can achieve it.

Edited by Janis Brizga and Saïd El Khadraoui and with a foreword by Frans Timmermans, Vice-President of the European Commission.

The European Digital Agenda: can there be trust when workers are ignored?

by Aída Ponce Del Castillo

To address the global challenges that have been exacerbated by the Covid-19 crisis, the EU needs a digital transformation that will achieve more than a single market. The European Commission says what is needed is an ecosystem based on trust, but this can be achieved only if all stakeholders are involved, including workers. Worker participation, social dialogue and collective bargaining must be the key ingredients of a fair, sustainable and forward-looking digital Europe.

THE EU'S DIGITAL AGENDA: AMBITIOUS PLANS...

When she took office in 2019, European Commission President Ursula von der Leyen stated that she wanted the EU to lead the transition to a healthy planet and a new digital world. In her recent State of the Union address, she insisted on the need to realise "Europe's digital decade", citing how the coronavirus pandemic has not only "proved the essential benefits of digitalisation" but has shown "the need to further accelerate the digital transformation of Europe".

The Commission has tabled five main regulations to drive this transformation: the Data Governance Act (DGA), the Data Act, the Digital Services Act (DSA), the Digital Markets Act (DMA) and the Artificial Intelligence Act (AI Act). All have data in common, with data being seen as the "lifeblood of economic development".

The DGA focuses on making public data available for re-use and sharing data among businesses. It also introduces 'data altruism' – which encourages individuals to donate personal data for the general interest with the help of a 'data intermediary'. The Data Act regulates the actors who can access data and generate value from it. It focuses on increasing the quantity of data available for re-using and sharing, interoperability of industrial data, and the agency of individuals over their data. The Data Act aims to re-balance the data economy by creating economic data rights for both citizens and businesses.

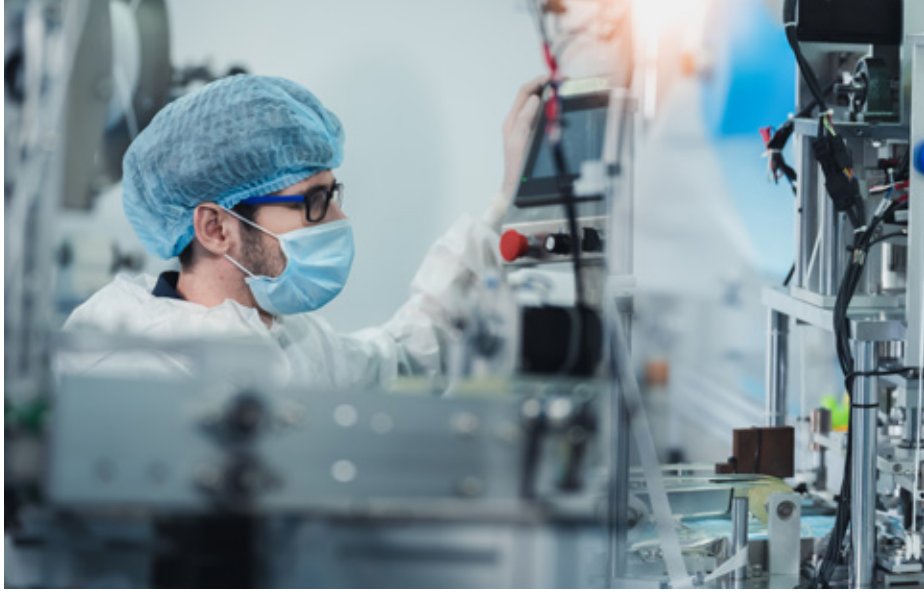
The DSA for its part updates outdated obligations for online intermediaries like social media and online marketplaces. The goal of the DSA is to keep users safe, remove illegal content, and protect users' fundamental rights online. The DMA then adds a layer to this by targeting the 'gatekeepers', which are essentially platforms that have a strong, durable and entrenched intermediation position (eg, Amazon marketplace, Facebook messenger, and the Google and Apple app stores).

The AI Act meanwhile prohibits some unacceptable uses of AI and regulates high-risk AI systems – given that the uptake of AI will radically change the way we live, work and interact within society. Here, however, 'regulating' very much means 'deregulating' and promoting the uptake of AI within society.

The DSA, DMA and AI Act all share an extra-territorial dimension – a clear sign of the EU's intention to influence the rest of the world, but also to remain in charge and in control of Europe's digital environment. With the Covid-19 pandemic and the rapid shift to a more digital life, which has in turn increased the power gained by big tech, a major priority for the European Commission is now to ensure the EU's digital sovereignty.

... BUT WHERE ARE THE WORKERS?

Building a strong digital Europe that is able to use the power of new and emerging technologies to deliver growth, and that is able to exchange knowledge and tackle environmental challenges, is both welcome and necessary. Unfortunately, **the legislative digital train put in motion by the European Commission has been coloured by an obsession to create a data-centred digital market, as opposed to a digital ecosystem centred around people and that involves people in its governance**.



© Party people studio / Shutterstock.com

Can the Commission's approach work? Will people trust and embrace a market-oriented digital Europe? Several plans and strategies – such as the European Democracy Action Plan, the Reinforced Skills Agenda and the Action Plan on G5 and G6 – are in the pipeline that target citizens and consumers in an attempt to gain social acceptance – but a key player has been overlooked: workers. The subordination relationship between employers and workers de facto places workers in a world of their own. Yet **the five EU regulations include no specific provision on workers**, or on the role they can expect to play in this brave new digital world, or on the impact of digitalisation on labour.

If workers are left out in a digital grey zone – where they do not have sufficient protection, and where they are deprived of privacy, and at risk of falling through the cracks of the digital world of work – trust will never be achieved. Platform work is the epitome of this. Therefore, in December 2021, and after consulting European social partners, the Commission has proposed a directive to improve the working conditions for people working through digital labour platforms. Although this is a much-needed initiative, alone it cannot address the fundamental challenges the digital transition poses for workers, which should be taken up in the AI and the Data Acts.

Looking closely at the legislative proposals, all share an internal market legal basis (Article 114 TFEU) except for the Directive on Platform Work. New digital services and AI applications appear every day. Workers, as active users and passive subjects of these applications, should therefore be able to shape the laws on how these services and applications are implemented in the workplace. Algorithmic management, which automates certain components of management, is not adequately limited and regulated by existing legal provisions. Yet algorithmic management is the driving force behind the platform business model. The use of this model consequently needs to be discussed, and possibly discouraged, given the social harm it provokes and its lack of sustainability.

Furthermore, **none of the proposals mention the involvement of social partners – in particular, worker representatives – in the governing bodies that the proposals establish**, nor do they mention the contribution that social partners can make to the future evolution of legislation. The governance frameworks established by the DSA and the AI Act rely on 'expert groups', whose members usually originate from industrial stakeholders rather than civil society. If the goal of the European Commission is, as stated, to build a fair, open and safe digital environment, workers should be involved as empowered actors, rather than remaining as passive onlookers. **Safeguards are needed to help workers be in control of technology and co-implement it.** When algorithms make mistakes – and they do – it needs to be possible to contest their recommendation. This is not yet the case. There is thus a need for redress mechanisms. In the case of the AI Act, these mechanisms do not exist.

What is more, the regulatory approach chosen by the European Commission is heavily based on self-assessment by industrial actors. The AI Act, again, relies on conformity assessments through internal checks and standardisation – with no requirements to entrust these to independent third parties. The DSA meanwhile allows Very Large Online Platforms (VLOPs) both to identify systemic risks and to put in place necessary mitigation measures. Here again, the circle needs to be opened up to involve citizens, workers and external actors.

For the digital transformation to be a success, more focus is needed on democracy at work and workers' agency. By giving workers a genuine say in the deployment of technology in the workplace and the ability to exercise their rights, the disruptive impact of new and emerging technologies can be brought under some form of collective shared control. Trust then becomes a realistic option – which is what society, and the digital market, need to be able to thrive.

Aída Ponce Del Castillo, Senior Researcher, European Trade Union Institute (ETUI)

The Digital Compass 2030: a capital mistake?

by Sabine Pfeiffer

The European Commission's digital strategy, called the Digital Compass 2030, focuses on technology-oriented goals and refers to cloud, chips and 'unicorns' (start-ups valued at over $1 billion). Although cloud computing and chips have been major innovations and are still innovated incrementally, they both are much more than that: cloud is crucial infrastructure, and chips are an enabler of more and more products. It is therefore in the interest of both businesses and citizens that cloud computing and chips be widely available.

But what about unicorns? These are not a phenomenon of technological innovation, nor even of digital capitalism in a mere technological sense, but a phenomenon of 'good old' capitalism gone wild. Indeed, there are currently over 900 unicorns worldwide! That means over 900 companies, each burning at least $1 billion (€0.89bn) in venture capital. What is more, unicorns are history, as there are already decacorns valued at over $10 billion (€8.9bn) and even hectocorns valued at more than $100 billion (€89bn). In total, we are talking about about nearly $3,000 billion (€2762bn) in these over 900 companies.

Yet **not even 10 per cent of these companies are based in the EU. The crucial question is nevertheless not how we can have more of them in Europe, but why we have allowed a few people to accumulate so much money that they can invest such astonishingly high sums in something that is very often technically not innovative at its core, but 'just another business model'**. Overwhelmingly, the business models of these unicorns focus on what I call distributive forces: ensuring that value is realised in markets. The innovation of unicorns lies not in providing new products or services that meet important social needs or that address pressing problems, like climate change, but it instead lies in these companies' focus on perfecting sales technique and controlling distribution by achieving significant scale. And all this means helping accumulate even larger amounts of money in even fewer hands. A large amount of artificial intelligence is used, for instance, to nudge consumers into ever more consumption on different online platforms and apps. This simply cannot be in the interest of European citizens.

WILL THE EU RECOVERY FUNDS – 20 PER CENT OF WHICH IS DESTINED FOR THE DIGITAL SECTOR – LEAD TO MEANINGFUL AUTONOMY?

Over the coming years, the EU will disburse hundreds of billions of euros to be spent on the transformation of the European economy in the wake of the Covid-19 crisis. These funds will be spent at national level, and while the priorities of different national policies may be somewhat varying, ultimately the overall digital strategies at national level are the same everywhere – which is no coincidence because the whisperers from the lobbying organisations and the market-dominating corporations all sit at the crucial transnational political levels. Indeed, Big Tech has actually driven EU lobby spending to an all-time high of €100 million!

To see how this plays out, one only has to look at how the topic of internet-based production (known in Germany as Industry 4.0 at that time) was preconceived at the World Economic Forum (WEF) and then orchestrated as a process by management consultancies into national policy strategies. This behaviour does not resemble that of a democracy acting autonomously in the interest of society. Policy does not therefore reflect the common good either nationally or internationally, but rather the interest of influential economic actors. This is not a conspiracy theory. **It is a conspiracy of**

economic interests 'in the open', together with a Stockholm syndrome of the political caste – in other words, politicians who are primarily concerned with the interests of big economic players, not with those of society or, for that matter, with those of local merchants or medium-sized businesses which form the backbone of European economies.

If a national political strategy were seriously to pursue other avenues, it would encounter strong resistance, first verbally, but soon also economically. Imagine the pushback a member state would receive if it explicitly decided not to roll out 5G because it preferred to invest in the construction of social housing, for example, or in better working conditions for care workers, or in the renaturation of monoculture forests.

THE IMPORTANCE OF CONTROL OVER INFRASTRUCTURE

The key for the economy, and even more so for society, is infrastructure. It always has been. Those who sell off infrastructure endanger their country's sovereignty and its strategic ability to act. Indeed, anyone who sells off infrastructure totally undermines democracy. This has been abundantly clear since the onset of Covid-19, but it has actually been happening at the political level for decades – not accidentally, or as an unintended side effect, but as the default policy.

Politicians can now clearly be seen selling off the commons, delivering them into the hands of the market, and thus giving up the levers that ensure the ability to shape the future. This is a decades-long process that will probably only end when all the commons have been sold off. Its absurdity is particularly evident when, for example, there are discussions about separating rail infrastructure from operations, and about transferring them from public ownership to the market. If we then want to create political strategies for sustainable mobility, we find we cannot, because we have given away an essential lever of design.

Even what we now call the internet was once in state hands. However, the dismantling of telecommunications began as early as the 1950s when policymakers around the world started to abandon the politics of public service and to refrain from embedding this critical infrastructure and its democratic control in a way that was oriented towards the common good. These infrastructures must now be painstakingly and belatedly reclaimed.

None of this is a consequence of digital capitalism; in fact, it has made digital capitalism possible. In addition, **the platform economy itself acts on the one hand as a parasite of the existing commons, but on the other hand it is racing towards a future in which no social or economic exchange – from logistics to job placement, from mobility to health – will be possible without the use of digital infrastructure.** And this infrastructure will be exclusively in private hands, and mostly owned by companies that are headquartered in other national jurisdictions, thus making it impossible for this infrastructure to be reached via regulation at the national or even European level. If we do not stop this process now, we may never be able to regain control.

Belatedly, there are now several policies being formulated that aim to regulate certain tech firms from Silicon Valley (more in California than in Europe). In some ways this is a good thing, although the effort is being made quite late and is too limited. We do not need to regulate a few black sheep – we need to tame the worst sides of today's capitalism and at the same time develop a policy that dares to think about an economy without growth. A post-growth society is basically incompatible with today's digital capitalism. **The EU talks about sustainability, but digital capitalism is about endless scaling and ubiquitous consumption. The first step to improvement is to acknowledge that we live in a hijacked democracy and that we need to take back control.**

Sabine Pfeiffer, sociologist with a focus on technology, work and society at the University of Erlangen-Nuremberg

Can the integration plan lead to greater coherence in EU migration policy?

by Andrea Stocchiero

In recent years, particularly since the 2015 pick of asylum seekers' arrival in Europe, European political, media and public debate has focused on the migration issue at the borders of the European Union. Political divisions among EU member states, and the exploitation of the debate for the purpose of consensus for power, have increased social polarisation and pushed towards a securitarian drift – to the detriment of the founding values of the Union.

In September 2020 the European Commission presented the New Pact on Migration and Asylum, which is being carried forward 'in pieces'. While some parts of it find more consensus among governments, other parts such as that on the reform of the Dublin Regulation, remain stalled. It should be remembered that the Union's competence on migration governance is limited and that EU migration policy is thus very dependent on agreement between member states. Among the pieces being carried forward is the Action Plan on Integration and Inclusion 2021-2027, which was presented in November 2020. This plan follows the 2011 and 2016 plans on the integration of third-country nationals. It is the result of an extensive consultation with various stakeholders – local and regional authorities, social and economic partners, employers, civil society organisations, foundations, international organisations, migrants, and refugees – as well as with the governments of the member states.

Looking at this latest action plan, some important positive political elements can be noted. However, there are a number of issues that still need to be addressed in order to overcome the current contradictions and inconsistencies.

The plan makes a clear reference to the founding principles of the Union, highlighting 'social cohesion' several times, as well as the positive contribution of migrants, and the democratic participation of both newcomers and people with a migrant background. On the need to support a process of mutual integration between natives and migrants, a 'two-way' process to counteract polarisation is proposed. The European plan against racism can also be mentioned in this respect. Social cohesion is nourished by mutual knowledge and interactions in spaces of daily life, and it must also be achieved through participation in decision-making processes.

Following on from the previous plans, the new plan proposes an integrated, medium- to long-term vision of integration, not an emergency and short-lived one. A staged approach is envisaged, with investment throughout the integration process in order to promote universal access to public services and to avoid separating migrants from other vulnerable social groups.

Equally important is the multi-level governance, territorial, and multi-stakeholder approach. The plan recognises the fundamental role of the local level. Integration takes place concretely in neighbourhoods, cities, and rural areas. Local authorities and local communities, civil society organisations, trade unions, and entrepreneurs are the real actors in the integration of migrants. The Commission and national governments are therefore called upon to create partnerships with these actors for the best implementation of political measures for social inclusion.

© Shyri / Shutterstock.com

The plan indicates a number of concrete actions to be implemented in certain priority areas of integration, clarifying the role of the Commission in relation to that of national governments and different actors, in the fields of education, employment, health, and housing. It also points to the various funding opportunities at EU level, including specialised funding instruments to support national integration policies: the Asylum, Migration and Integration Fund (AMIF) and the European Social Fund (ESF+).

Among the elements of innovation for social cohesion, attention is paid to the role of new digital technologies. While these technologies can promote social cohesion, they can also create new inequalities in access to basic public services, as well as exploitation and precariousness in the labour market. Migrants, along with other social groups, therefore need important digital literacy measures alongside the improvement of their language skills. In addition, the plan provides for evidence-based monitoring, leading to a mid-term review that is to be conducted in 2024.

Despite these positive political elements, there are nevertheless a number of issues that still need to be addressed.

> *The new migration and asylum plan is contradictory with regard to EU principles: it promotes them with the integration plan supporting the positive contribution of migrants, but it repudiates them with border control and containment of migrants in neighbouring and distant countries, feeding the narrative of threat and invasion.*

The most relevant political issue is the skewed, asymmetrical, and disordered relationship of the integration plan with the current political debate on the management of migration flows at the borders of the Union. The plan supports the founding principles of the Union while the screening and reception measures at the borders create situations of disrespect for human rights and asylum. **The new migration and asylum plan is contradictory to EU principles: on the one hand it promotes them, with the integration plan supporting the positive contribution of migrants; and on the other hand it repudiates them, with border control and the containment of migrants in neighbouring and distant countries feeding the narrative of threat and invasion.** There is thus a lack of policy coherence.

The pieces of the new plan on migration and asylum do not fit together and are not integrated. In fact, the only linking element of the integration plan with the governance of

migration is when it refers to pre-departure measures in countries of origin to prepare migrants for inclusion in European societies and economies, and when it refers to resettlement and community sponsorship that allow the entry of refugees. But **there is nothing on the relationship between reception and integration**.

> *While on the one hand the plan acknowledges that migrants' integration difficulties are due to an intersection of inequalities, discrimination, and segregation, which involves many social categories, it does not go into the economic, social and political structures that determine them.*

There are also some more technical issues, the non-resolution of which can undermine integration policy. The actions in the plan indicate the results to be achieved – but in a general and generic way. A truly evidence-based approach with specific targets to be achieved would be useful (as, for example, with the 2030 Agenda for Sustainable Development). Another technical issue is the problem of integration between the different funds because the procedures and timescales are different. The plan calls for greater coordination between managing authorities, but in fact a better alignment between funds is needed by harmonising regulations.

Finally, **another relevant political issue is that while the plan acknowledges that migrants' integration difficulties are due to an intersection of inequalities, discrimination, and segregation, which involves many social categories, it nevertheless does not go into the economic, social, and political structures that determine these problems**. The empowerment of actors is fundamental if they are to be able to change unequal and exclusionary models, and structural barriers – and for this reason the active participation of actors in decision-making processes is very important. Furthermore, the political debate and the Commission's proposals need to have a greater impact on the regulation of market structures. For example, there could be reference to the introduction of social conditionality in the common agricultural policy. This would then counter the phenomenon of 'caporalato' *[editor's note: an illegal form of workforce recruitment, used particularly in agriculture and based on the 'services' of intermediaries hiring people on a daily basis and using the payment of bribes]*, which exploits many immigrants in the countryside, but also in personal services.

In conclusion, **the integration plan is a positive tool, in which to invest political attention and from which to draw new narratives of positive social inclusion**. However, there is a need to deepen and improve the coherence of policies – both with regard to the overall framework of the new pact on migration and asylum, and with regard to the structural conditions of inequalities and discrimination.

Andrea Stocchiero, economist and research coordinator on migration and development at the Centre for International Policy (CeSPI) and policy officer at the Federation of Christian Organisations for International Voluntary Service

POLICY STUDY

Migration has become one of Europe's most politically divisive issues. This Policy Study concentrates on two critical sectors – agriculture and care – that depend on migrant labour to function, and it demonstrates that migrant workers are often invisible in society, routinely subjected to exploitative working conditions, denied the basic social rights and protections afforded to local workers.

Exploited and marginalised: obstacles to integration and inclusion for migrant workers in care and agriculture

by Gerry Mitchell and Liran Morav

The pandemic has reminded the public that the EU relies on migrants to fill so-called 'low-skilled' but essential jobs and services in healthcare, food production, childcare, elderly care, and critical utilities. Migrants make up, on average, 13 per cent of the EU's key workers. This share is almost zero in Romania, Bulgaria and Poland, but reaches over 20 per cent in Germany and 26 per cent in Ireland.

This was why, in March 2020, as countries were shutting their borders to slow the spread of Covid-19, the European Commission called on member states to ensure that migrants in 'critical occupations' be allowed to move between countries so that essential services could be maintained.

Critical jobs are physically demanding, strenuous and low-paid, which largely explains the disproportionate share of third-country nationals doing them. Third-country nationals outnumber EU migrants by 2 to 1, making up 8 per cent of all key workers across the bloc. In 2020, non-EU citizens were over four times more likely than EU citizens to work as agricultural and fisheries workers, 3.5 times more likely to work as cleaners, and almost twice as likely to work as personal care workers. And this is almost certainly an underestimate, due to the dominance of undeclared work.

MIGRATION HAS BECOME ONE OF THE MOST DIVISIVE POLITICAL ISSUES IN EUROPE

According to the most recent Eurobarometer survey (2017), 30 per cent of EU citizens consider the impact of immigration on their country to be negative. Meanwhile 40 per cent do not believe that immigrants have a positive impact on the economy. Economic austerity policies implemented in response to the global financial crisis of 2008, combined with the subsequent arrival of record numbers of asylum seekers from North Africa and the Middle East, have helped galvanise strong popular opposition to migration across the continent. Set against a backdrop of growing rifts in society and resurgent right-wing populism, **xenophobic depictions of migration as an economic and cultural threat have resonated with broader economic and social anxieties felt by millions of citizens**.

Resentment and fear of migrants is often driven by media framings of migration issues rather than by first-hand contact experiences with migrants. Despite decades of immigration into Europe, over 37 per cent of EU citizens say they interact with non-EU migrants less than once a week. Exposure is particularly low

in places where the contribution of non-EU migrants to host societies is most evident, such as workplaces and public services.

In Europe, the migrants who experience the lowest number of contact opportunities with local populations are often those who have low-status jobs and low educational attainment. These characteristics apply to many migrant key workers in the EU, including the majority of non-EU migrant workers. **Ironically, we rely most on those migrants with whom we interact the least.**

CONTACT WITH LOCAL PEOPLE IS CRITICAL FOR SOCIAL COHESION

Social cohesion captures the degree to which collective values such as trust, fairness, inclusion, and commitment to the common good are upheld by society and its institutions. Societies that are more socially cohesive are more tolerant and less prone to polarisation and social strife. A socially cohesive approach to migrant integration policy facilitates positive relationships between migrants and locals, while ensuring that migrants enjoy equal access to social rights and economic opportunities.

The four-country study *Migrant key workers and social cohesion in Europe* carried out by FEPS and TASC documents how the segregated living and working conditions of migrant workers across Europe undermine social cohesion and prevent these workers from engaging with local host communities. The study specifically focuses on migrant key workers employed in the agricultural and care sectors, many of whom are employed informally. These sectors tend to operate in a grey zone of labour enforcement and regulation, with little done to ensure that basic social rights and labour protections apply. Migrant workers commonly work and live in isolated conditions, such as remote rural settings (farms, food processing plants) or isolated private households. Despite the critical importance of agriculture and care, governments generally ignore the widespread breaches of labour standards in both sectors. Exclusion from rights and protections marginalises and exposes migrant workers to exploitation.

> *Migrant workers often have no access to sources of support and information on labour standards and social rights.*

In Spain, for example, thousands of agricultural migrant workers live in informal settlements that the UN Special Rapporteur on extreme poverty and human rights described as having "far worse conditions than a refugee camp, without running water, electricity or sanitation, where migrant workers live for years without any improvement in their situation". Similarly, in Ireland, migrant care workers suffer some of the harshest working conditions in a sector where "low pay, lack of maternity payments, lack of savings to meet unexpected expenses, and difficulty in affording a decent standard of living have all led to a situation where over half of [workers] are currently looking for another job and the majority do not envisage themselves remaining in the sector within five years".

Migrant workers, such as those described above, have no access to sources of support and information on labour standards and social rights. They are hard to reach for public labour inspectors, trade unions and NGOs. Their employers capitalise on this to engage in various exploitative practices: poverty wages, wage theft, unpaid overwork, and unpaid social security are extremely common. Although performing essential roles, migrants in the agricultural and care sectors are among the most socially excluded and economically exploited. Given these conditions, it is not surprising that they struggle to build supportive

social networks and participate in local civic life. The absence of protections and exploitative treatment by employers are an obstacle to social cohesion in European host countries.

Demographic projections suggest that Europe's population will grow older and more educated in decades to come. European countries' reliance on migrants to perform low-status essential jobs will only grow. **Policymakers will have to formulate effective measures to promote social cohesion in increasingly diverse societies where migrants play an ever more critical role.** Regular collaborative interaction with migrants in volunteering activities, civil society organisations and recreational groups reduces prejudice and encourages more tolerant and positive attitudes towards migration. Facilitation of regular and positive engagement between migrant workers and local populations must therefore be central to policymaking on integration.

> *Migrants who are actively engaged in civil society organisations are better able to mobilise local networks of support and solidarity that enable them to improve their working and living conditions.*

Migrants who are actively engaged in civil society organisations, such as NGOs and trade unions, are better able to mobilise local networks of support and solidarity that enable them to improve their working and living conditions and enjoy better integration outcomes. The FEPS/TASC report highlights multiple recent examples of such collaborations. For example, in April 2021, Germany's Free Workers' Union (FAU) worked closely with 200 Romanian agricultural workers near Bonn to force local farmers to compensate migrant workers for months of unpaid wages and benefits. In Ireland, the Services Industrial Professional and Technical Union (SIPTU) played an instrumental role in advocating for improvements to migrants' working rights in both the care and the agricultural sectors. Its involvement (along with several other large unions) in parliamentary debates following the Covid-19 outbreaks in Ireland's meat packing plants gave political voice to the concerns of migrant workers.

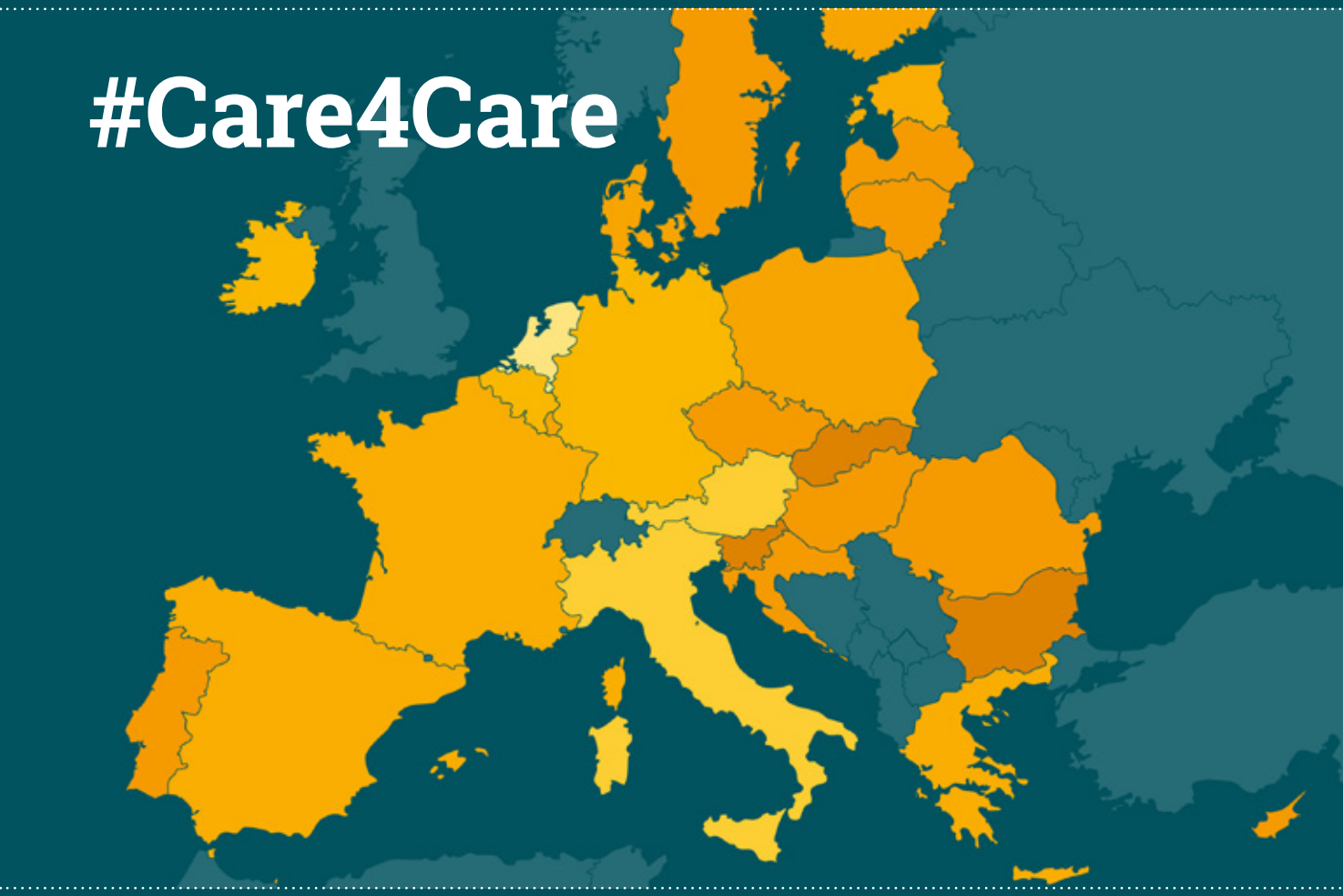
Positive relationships between migrants and locals encourage migrants to develop stronger cultural familiarity and identification with their host societies over time. These positive relationships also promote improved employment and educational outcomes, as well as greater political participation. **Migrant participation in NGOs and trade unions must be a central goal of integration policymaking because these organisations offer migrants an effective platform to interact with local workers, improve their working conditions and engage with the wider community.** In other words, NGOs and trade unions are key partners in efforts to promote a socially cohesive approach to migrant integration.

Gerry Mitchell, freelance social policy researcher with a focus on inequality

Liran Morav, doctoral candidate at the Department of Sociology of the University of Cambridge

EU CARE ATLAS

A new interactive data map showing how care deficits affect the gender earnings gap in the EU



Browse through the EU Care Atlas, a new interactive data map to help uncover what the statistics are often hiding: how care deficits directly feed into the gender earnings gap.

While attention is often focused on the gender pay gap (13%), the EU Care Atlas brings to light the more worrisome and complex picture of women's economic inequalities. The pay gap is just one of three main elements that explain the overall earnings gap, which is estimated at 36.7%. The EU Care Atlas illustrates the urgent need to look beyond the pay gap and understand the interplay between the overall earnings gap and care imbalances.

The EU Care Atlas is part of the #Care4Care project, by FEPS and Friedrich-Ebert-Stiftung, which over the last two years has developed a care framework supporting the EU gender equality strategy.

FEPS
FOUNDATION FOR EUROPEAN PROGRESSIVE STUDIES

FRIEDRICH EBERT STIFTUNG

Covid-19: exposing the missing link – the migrant health-integration nexus

by Jasmijn Slootjes

Migrants have been disproportionately impacted by Covid-19, both in terms of health and socio-economic fallout. Yet the pandemic also shines a light on the often-overlooked relationship between migrant health and migrant integration. The Covid-19 pandemic offers an opportunity to reconsider how health and integration policies interact and can mutually reinforce one another.

The physical and mental health of all populations is key to inclusive immigration societies, as good health is essential for being able to participate in education, employment, and social life. However, European debates on immigrant integration have long overlooked migrant health and migrant access to healthcare as requirements for successful integration. Furthermore, policymakers have not been sufficiently aware of how often health inequalities are the root cause of poor integration outcomes. The Covid-19 pandemic has begun to change this and offers an opportunity to reconsider how health and integration policies can mutually reinforce each other.

The pandemic shines a spotlight on persistent health inequalities, as evidenced by the higher infection and mortality rates among migrant communities. In doing so, it draws attention to the often-overlooked structural inequalities that underlie these health gaps, not only for Covid-19, but also for other health conditions. Low socio-economic status and low educational attainment, job characteristics such as working in frontline and close-proximity professions, and crowded and poor housing conditions have all been found to explain higher Covid-19 infection rates among migrant groups and to threaten physical and mental health more generally.

> *Covid-19 has increased unemployment rates across the board but especially for migrants and has also triggered a spike in hate speech and violent crimes against migrants.*

The pandemic aggravates these root causes, and it will likely deepen migrant health disparities. **Approximately 50 per cent of migrants and refugees, especially the most vulnerable groups with temporary or no legal status, report that their daily living conditions – specifically their financial means, work, and housing – have deteriorated significantly due to the pandemic.** Moreover, Covid-19 has increased unemployment rates across the board, but especially for migrants. It has also triggered a spike in hate speech and violent crimes against migrants – and these are known causes of health problems. If stakeholders do not take proper action, the disproportionate fallout from the pandemic will likely deepen existing health disparities.

Without timely action, these increased inequalities will undermine migrant integration. Health problems create obstacles to labour market integration, education, and active participation in society. Yet policy debates often ignore the migrant with integration-migration health nexus. Most European countries take a so-called 'downstream' approach, which focuses on treating existing health problems instead of also focusing on disease prevention and health promotion. The increased awareness fuelled by the Covid-19 pandemic

provides an excellent opportunity to shift to a 'Health in All Policies' (HiAP) framework, and to actively use integration policies as an avenue to promote migrant health through tackling the root causes of health problems. **Through this approach, health promotion and disease prevention could reduce migrant health problems and result in more long-term, cost-effective strategies that reflect the reasoning of prevention being better than cure.** Promoting health will, in turn, enable migrants to successfully participate in the labour market and in society, potentially reducing their dependence on social welfare and increasing tax revenues.

© Studio Romantic / Shutterstock.com

▶ *Promoting health will enable migrants to successfully participate in the labour market and in society, potentially reducing their dependence on social welfare and increasing tax revenues.*

Interviews I conducted for the Migration Policy Institute Europe with migrant integration policymakers across Europe and North America during the autumn of 2021 already show a promising increase in cross-sectoral collaboration between migrant integration and health policymakers. This collaboration has been sparked by the pandemic. It is now key for policymakers to capitalise on this momentum and to invest in structural cross-sectoral collaboration. Integration policies can address the challenge of poor migrant health in manifold ways. On an immediate level, they can improve the access of migrants and refugees to the healthcare system – for example, by providing multilingual information and building intercultural capacity in institutions. Beyond this, the goal of boosting migrants' participation in education and employment can itself promote mental and physical well-being. Health is both a necessary ingredient for, and an outcome of, sound integration policy.

Covid-19 has stretched European healthcare systems to their limits, and it will likely lead to a long-term reassessment of public health strategies and investment. **If there is any silver lining to this disease, it is that it has provided an opportunity to better reflect on the complex needs of diverse populations, and to connect health promotion with other dimensions of inclusion and participation.** In doing this, governments may be able to draw lessons from the rapid and innovative responses they adopted during the pandemic – such as partnering with new stakeholders and testing different (often digitally based) service-delivery and outreach methods.

▶ *The goal of boosting migrants' participation in education and employment can itself promote mental and physical well-being.*

Jasmijn Slootjes, Senior Policy Analyst at the Migration Policy Institute Europe

"The SPD has shown that Social Democracy is alive in Europe"

Interview with Kevin Kühnert and Cédric Wermuth, by Dominique Eigenmann and Philipp Loser

The party seemed to be trapped in constant decline. But then the German SPD surprised everyone – and today provides the chancellor of the country. SPD General Secretary Kevin Kühnert and the co-head of the Swiss Social Democratic Party (SP), Cédric Wermuth, give an account of how that happened – and how it looks from the Swiss perspective.

Kevin Kühnert, you have been General Secretary of the SPD, the chancellor's party, since December. How does power feel?

Kevin Kühnert: That is the nice thing about a democracy – it feels pretty unspectacular, and that's exactly how it should be. In a democracy, power is temporary, so it shouldn't be used too tightly. Incidentally, 'the chancellor's party' is a term that we don't like to hear in Berlin, because it could give the impression that we are chancellor first, and party only second. It is the other way around. We are and will remain a party. How long we will be able to enjoy the privilege of providing the chancellor depends on many factors.

"If you think where we have come from...," you say about yourself in the last episode of a widely acclaimed television documentary in Germany. At the beginning of the election campaign, the SPD was 'also running'. Today it provides the chancellor. Do you wonder how this could have happened?

KK: No, because I was there! We were certainly portrayed as more dead than ever before during this campaign. Admittedly the situation was very serious. But we had a plan and did not panic. That was the basis for the fact that reliability and seriousness are now associated with the SPD again.

Cédric Wermuth, you were in Berlin after the election and brought pocketknives as gifts. Do you feel a bit small as Co-President of the Swiss Social Democratic Party?

Cédric Wermuth: No. When Saskia Esken and Norbert Walter-Borjans were elected to head the SPD, we were in close contact right from the start, which made us very happy. In a personal conversation, we joked with Mattea Mayer, the other co-president of the Swiss SP, that we would bring Social Democratic development aid from Switzerland to Germany because our poll numbers were so much better. Today it's the other way around!

> *"Developments in recent years have made it clear to many people that the sweeping talk that the state is too fat and regulates too much has proven to be wrong. The idea of those who promoted the 'third way' was that one should deregulate as much as possible and let the market take care of everything. But that is outdated".*
>
> *Kevin Kühnert*

Are you jealous of that?

CW: On the contrary. The election victory of the SPD triggered a feeling of strength in us too. When Mattea and I took over the helm a year and a half ago, we had to answer the same question everywhere: is Social Democracy dead in Europe? The SPD has now proven that it is not dead at all – a result that gives us momentum too.

The SPD placed the social question at the centre of the election campaign, with concrete demands such as a minimum hourly wage of €12 or building 400,000 new apartments per year. Can you only win elections if you promise people concrete things?

KK: Concrete projects are needed. In the election year of 2017, we started with a surplus of hope. We experienced the Martin Schulz hype. But when, after the 25th iteration of his call for social justice, people were still asking, 'yes, but what exactly?', our tanks were running on empty. That was a lesson for us.

Both of you understand left-wing politics as politics with a movement character. How do you remain a government party?

KK: Two years ago, after a hard fight, we made a strict separation between the party leadership and the government. This has become established and will hopefully remain so for a long time. When party and government are in the same hands, there is no authority to call a stop. The party can finally be a party again today. It can be corrective and a think tank at the same time – not just an advertising agency for the current government.

CW: It's crucial that you don't shy away from the controversial issues. Later this year we will spend an entire party conference talking about our divided relationship with Europe. Just a few years ago, people preferred to avoid these conflicts because they were interpreted as a sign of weakness. We believe that it is particularly important for parties to fight for positions.

If you ask yourself why Social Democrats have recently been successful not only in Scandinavia and on the Iberian peninsula, but also in Germany, it is noticeable that the role of the state is being reassessed in many places. What conclusions do you draw from this?

KK: Developments in recent years have made it clear to many people that the sweeping talk that the state is too fat and regulates too much has proven to be wrong. The idea of those who promoted the 'third way' was that one should deregulate as much as possible and let the market take care of everything. But that is outdated. 25 years later we find that while capitalism has advantages, it also causes crises that it cannot handle itself: real estate bubbles burst, banks collapse, hospitals are supposed to make profits. Of course, people wonder if they really are living better than before with such a policy – or if in fact it is only some people who made good money at the expense of the rest. In this situation, many today recognise more strongly the need for a state that is capable of acting, taking precautions and, if necessary, also regulating.

CW: The pandemic has shown how unequal people's conditions are in facing the risks of life. That started a thought process. Personal responsibility only makes sense if the individual scope for action really exists. If it does not, as in the fight against a pandemic, the state must democratically ensure the appropriate framework. We on the left must now ask fundamental questions anew: how do we cover people's basic needs? It's not just about health, but also about living and working. Who actually supports society? As far as the critical infrastructure is concerned, we quickly noticed in Switzerland that the people who make that infrastructure work are all badly paid. That's our topic.

What is more important from a left perspective: identity or class politics?

CW: The contrast is artificial. All discrimination restricts freedom. Whether you are marginalised as a gay person or as a person who does not get enough money for your work is equally unacceptable from a left-wing perspective. The Left can only be successful today if it tackles the climate issue, the gender issue and the class issue head-on and on an equal footing, as the core of its politics.

With Sahra Wagenknecht there is a popular left-wing politician in Germany who claims that the left-wing parties are going under because they consider the identitarian luxury problems of urban hipsters be more important than the real poverty of the workers.

KK: Sahra Wagenknecht has simply got lost in this world of thought, which is increasingly a caricature. This very intelligent woman deliberately plays below her level. I do not understand her spasmodic narrative about the supposed contradiction between identity and distribution politics. It has been proven that injustice rarely comes alone. Wage injustice is paired with the gender issue. Women earn less than men, black people experience the same thing. Certain surnames lead to lower school grades. Injustices thus promote new injustices.

Wagenknecht thinks that focusing on the urban 'lifestyle left' harms left-wing politics.

CW: I have never understood the accusation of the 'lifestyle left': nothing better can happen to us than 'being left' becoming a lifestyle. That means that the middle of society wants to be on the left. You see, I come from the countryside and have always lived there or in agglomerations. It is true that in the past years, we have made faster political progress in the cities. On average, people in the city now have better options, from day-care centres to transport. But something has been forgotten in recent years – namely that we, as leftists, must also ensure a functioning public service in rural areas.

KK: The urban sociologist Henri Lefebvre spoke of the 'right to the city' 50 years ago. He didn't mean that everyone should live in the city. Rather, he described cities as centres of the social avant-garde. For him, 'right to the city' meant that everyone should be able to benefit from these advances – even if they don't live in the city. Make investments and create access! That's what we mean by equal living conditions.

Why do many Social Democrats leave the issue of climate protection almost entirely to the Greens?

CW: I'm a big admirer of the young climate movement. But we have to be careful: politics cannot function primarily through apocalyptic scenarios. Olaf Scholz rightly said that we must combine the ecological change with the hope of improving everyone's life. I have respect for anyone who tries to live in as climate-friendly a way as possible. As a society, however, we can only create change if we change the economic and political structures. The state plays a crucial role in this.

What makes you jealous when you look at the Swiss SP, Mr Kühnert? And what about the other way around, Mr Wermuth?

KK: The party leadership in Switzerland is so permeated by former Jusos, Young Social Democrats, that I, as a former chair of the German Young Socialists, look at it with envy. This is one of the reasons why the SP is so closely networked with social movements outside the party. You are way ahead of us there.

CW: You can't say envious, but we're impressed by what the SPD has achieved in the last two years. It has renewed itself with a precision that is exemplary and has shown that Social Democratic politics can still win a majority. This task still lies ahead of us in Switzerland.

This interview is re-published with the kind permission of the Swiss daily Tages-Anzeiger.

> *"I have never understood the accusation of the 'lifestyle left': nothing better can happen to us than 'being left' becoming a lifestyle. That means that the middle of society wants to be on the left".*
>
> Cédric Wermuth

Kevin Kühnert, General Secretary of the Social Democratic Party of Germany (SPD)

© Maximilian Neubert

Cédric Wermuth, Co-President of the Social Democratic Party of Switzerland (SP)

© Cédric Wermuth

POLICY STUDIES BY FEPS YAN SCHOLARS

Check the latest publications drafted by promising pre-PhD and post-Doc progressive scholars from all across Europe, who were part of the 7th cycle of the FEPS Young Academics Network (FEPS YAN).

The topics covered by this series are EU Green Deal, Remote Work, EU Basic Income, European Investment Bank, Trade Unions, Social Europe and the Conference on the Future of Europe.

And discover the new FEPS YAN website, where you can find all the details about this training programme.

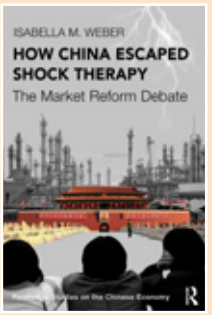
FEPS YOUNG ACADEMICS NETWORK

RennerInstitut

FEPS
FOUNDATION FOR EUROPEAN PROGRESSIVE STUDIES

Armchair economics defeated: how China escaped shock therapy

by Gábor Scheiring



Isabella M. Weber

How China Escaped Shock Therapy: The Market Reform Debate

Routledge, London 2021

How did post-socialist China become the world's industrial powerhouse while post-socialist Russia deindustrialised? Isabella Weber's award-winning book, *How China Escaped Shock Therapy: The Market Reform Debate*, explores the economic policy debates behind China's successful post-socialist transformation.

THE RUSSIAN CONTRAST

To contextualise China's economic success, Weber starts by contrasting China with Russia and eastern Europe. Like their Chinese counterparts, Russian leaders also globalised their economy after the collapse of state socialism. However, in contrast to Chinese gradualism, Russia's political elite subscribed to the blueprint of shock therapy. They liberalised and privatised as quickly as possible. The result was total economic chaos and "suffering of epic proportions", as Kristen Ghodsee and Mitchell Orenstein show in their recent book, *Taking Stock of Shock* (Oxford University Press, 2021). As post-socialist countries rapidly liberalised their economies, the former socialist industry disintegrated and vanished.

Some countries, such as those in central and eastern Europe, managed to partially re-industrialise through foreign investment but lost control over the commanding heights of their economies by transferring state assets to transnational corporations. These purported central European success stories are also facing developmental bottlenecks that challenge the stability of liberal democracy in the region.

Russia deindustrialised and relied on its oil and gas reserves. Its share of world GDP almost halved – from 3.7 per cent in 1990 to about 2 per cent in 2017 – while China's share increased close to sixfold. The hardest-hit post-socialist countries had not recovered their levels of economic development of the late socialist period by the end of the 2010s. In 2016, the real GDP per capita (in 2011 US dollars) of Georgia, Moldova, Montenegro, Serbia, Tajikistan and Ukraine was still below the 1989 level.

In parallel to this economic collapse, an unprecedented mortality crisis hit eastern Europe. The number of excess deaths may have been around seven million in the region between 1991 and 1999, with five million in Russia alone. In contrast, China enjoyed population growth rates of about 10 per cent throughout the 1980s and 1990s, and life expectancy has been improving without interruption.

Isabella Weber's meticulously researched monograph tells the story of China's fortunate break with the neoliberal economic policy mainstream, which allowed the country to escape Russia's dismal fate. In Weber's narrative, ideas are central. As she asserts, "China's deviation from the neoliberal ideal primarily lies not in the size of the Chinese state but in the nature of its economic governance" (p. 3).

THE CHINESE REFORM DEBATE

When Hua Guofeng, Mao's heir, started a gradual opening after the Cultural Revolution, the country's intellectual and political elites realised how much China had fallen behind. Deep poverty and global economic insignificance were

not compatible with their definition of socialism, so they started to look for ways to reform the economy. When Deng took over from Hua in 1978, he accelerated reforms.

A group of young social scientists and economists previously sent to the countryside for 're-education' during the Cultural Revolution played a vital role in these reforms (such as Chen Yizi, Xiaoqiang Wang, and Nanfeng Bai). They conducted surveys about the economic and social impact of household contracting, which played a crucial role in legitimising gradual market reform in agricultural production in the early 1980s. The first steps of the reform focused on extending household production and liberalising agriculture. The state maintained its role as buyer of last resort and owner of the land and heavy agricultural machinery, but households gradually became responsible for organising agrarian production. This reform brought enormous gains in rural living standards.

Fuelled by this success, reform economists started to turn to the industrial core. The critical tool of these reforms was the dual-track price system that regulated production through state participation in the market. The reform economists argued that the state should continue playing a crucial role in stabilising prices and protecting consumers and producers from violent cycles as gradual liberalisation progressed. **They saw shock therapy as a threat to the socialist industrial base that they wanted to modernise and transform into a competitive business sector gradually.** For gradualists, the mounting inflationary pressure was not a sign of excess aggregate demand but a result of mismatches in different sub-spheres of the economy. The Coastal Development Strategy that internationalised the dual-track price system in China's coastal regions was a central building block of this gradualist strategy.

However, by the end of the 1980s, Deng started to see radical reforms as the only way ahead because of growing corruption and inflationary pressures. Shock therapists argued that the only way ahead was to destroy the old industrial base and let the invisible hand of the market work its magic, which would create a new, much more efficient economy. For shock therapists, gradual tinkering with the socialist industrial base only prolonged the economic crisis and contributed to inflationary pressure. This resonated with the people's fury at the corruption brought about by the dual-track system as well as with the rising, yet unsatiated, demand for political reform.

> *Isabella Weber's meticulously researched monograph tells the story of China's fortunate break with the neoliberal economic policy mainstream, which allowed the country to escape Russia's dismal fate.*

1988 was supposed to be the year of rapid mass liberalisation measures. However, inflation shot up partly because people knew about the state's intention to terminate the dual-track system. They therefore started panic buying, so the (intention of) shock therapy brought about its own demise. **As panic buying ensued and unrest grew, Deng had to put on the brake. Although the 1990s brought a renewed wave of liberalisation, China never implemented anything even remotely resembling post-soviet shock therapy.**

KEY INSIGHTS

Ironically, the political leaders and reform economists who engineered China's gradual opening lost their voice and influence, ending up on the margins of history. The advocates of gradualism had expressed their sympathies for the fledgling democratic movement in the 1980s. However, the political leadership eventually saw a threat in the movement, and repressed it, culminating in the 1989 Tiananmen Square protests and massacre. This also ended the career of the gradualist generation of reform economists. In contrast, shock therapists such as Wu Jinglian were better at the tactical game. They did not support the democratic movement and enjoyed stellar careers in the 1990s.

Despite the monograph's breathtaking scope, as with all books, there remain some untold stories. Weber's decision to foreground the price reform means she had to relegate privatisation and industrial policy debates to the margins. Teasing out the industrial policy lessons of China's transformation would thus be an important addition – along the lines of the recent Financial Times essay that she co-authored with Daniela Gabor about the perils of 'carbon shock therapy' and the need for green industrial policy. We can only hope that the next book or article(s) will explore these topics in more detail. **It is also essential to see that China's success is massive but still relative. China's development model trumps eastern Europe's based on economic indicators but it has also kicked off a rapid growth of inequality and precarity, intensified ecological problems, and failed to facilitate democratisation so far.** In fact, it has allowed for the emergence of a repressive surveillance state. Whether China can combine gradual economic liberalisation with political democratisation remains to be seen.

Nevertheless, these unresolved issues do not diminish the extraordinary contributions of Isabella Weber's book. The combination of historical depth with theoretical insight that also speaks to contemporary debates makes *How China Escaped Shock Therapy* a benchmark monograph in the literature on the political economy of China and shock therapy.

Gabor Scheiring, political economist, sociologist and Marie Curie Fellow, Bocconi University, Milan

Why reality should matter for the Left

by Eszter Kováts

Kathleen Stock

Material Girls – Why Reality Matters for Feminism

Fleet/Little Brown, London 2021

British analytical philosopher Kathleen Stock published her book *Material Girls – Why Reality Matters for Feminism* in May 2021 and it stirred up quite a controversy.

At the University of Sussex where she worked, she was exposed to such a level of harassment and bullying, that it led her to resign from her professorship in October. Not only was it radical students who called her 'hateful' and 'transphobic' but even scholars, often without having read the book, but simply for the reason that **Stock opposes certain orthodoxies that are prevalent in gender activism**. Yet those who have read the book know that it certainly does not spread hate and is far from any phobia. In fact, it is full of empathy and compassion towards trans people, and it challenges radical feminists too – unless we inflate these concepts to such an extent that even tempered arguments count as trans-exclusionary or right-wing. What Stock's book sets out to challenge is gender identity theory, and its religion-like character.

> **"I DIDN'T BECOME A PROFESSIONAL PHILOSOPHER TO GO TO CHURCH!" (P. 9)**

The UK LGBT charity Stonewall defines transphobia as "the fear or dislike of someone based on the fact they are trans, including denying their gender identity or refusing to accept it" (p. 30). **No matter what the grounds, if you don't accept someone's self-interpretation, that counts as transphobia.** Kathleen Stock gives a refreshing account – because it is argumentative, not moralising – of the rapid changes we have seen in recent years in the LGBT movement: the re-definition of the concepts man/woman from "adult human male/female" to "adult human with male/female gender identity". That is, being a woman or man would be independent of your biological sex (that they think is not detected but arbitrarily assigned), and solely defined by this mysterious feeling of 'gender identity'. And, as a political consequence, that biological sex would no longer deserve any legal protection (something for which feminists have fought for decades).

Stock gives a plethora of worrying examples of the fact that this view is not limited to activist subcultures, but has also conquered mainstream media, politics and even healthcare and education in Britain in a very short time (from 2014 onwards). And, I would add, in many other countries too. In Germany for instance, the current progressive coalition plans to implement the gender self-ID ('Selbstbestimmungsgesetz') – that is, everyone will be able to change his or her legal sex by a declaration at the registry office, without psychological and psychiatric attestations (in the EU this is already the law in Belgium, Denmark, Ireland, Malta, and Portugal). And as I described in a recently published study with Elena Zacharenko, the European polity has in recent years seen the use of varying and contradicting approaches to the concept of 'gender'.

> *No matter what the grounds, if you don't accept someone's self-interpretation, that counts as transphobia.*

One of them is understanding gender as a deeply felt identity (and not, as social sciences tend to use it, as a system of societal expectations towards males and females). This polysemy, and indeed, problematic shift of meanings, we argued, provides fertile ground for right-wing antagonisation.

But not being trans, how does Stock dare to speak on this topic? She explains: "**It is plausible to say [...] that [...] only trans people can really understand what it's like to live as a trans person in a mostly cis world. But it's a wild leap from there to saying that only trans people can legitimately comment on the philosophical nature and practical consequences – for everybody – of gender identity.** As a lesbian and as a sex-nonconforming woman I too have skin in this game – not to mention as an academic who cares about ideas, and as a feminist who cares about other women. In any case, trans people reasonably disagree among themselves about gender identity" (p. 42).

While it is often said that only trans-identifying people can speak in this debate, their arguments (and practice) concern other people too. And in academia – despite the huge influence of standpoint epistemology – the spaces should be preserved (recreated) to speak of other than (only) positioned knowledge.

GENDER IDENTITY AS IDENTIFICATION

Every sex-nonconforming person (ie, who doesn't fulfil the societal expectations towards men and women), including sexual and gender minorities, deserves the same right to a life without discrimination and without fear from violence. However, the current political goals of trans and queer activism go way beyond that legitimate claim to the extent that the concepts of discrimination, violence and hatred are inflated – treating counterarguments to any activist claims or social science research on the formation of identities or proliferation of non-binary gender identities also as such. This phenomenon deserves scholarly attention.

In the approach of gender identity theory, what makes you a man or a woman is your deeply felt identity, something only the individual can know. This is a radical, ontological claim, which denies basic facts of biology (or treats biological facts as social constructions). In her book, Stock reconstructs the intellectual origins of this theory, examines several factors that might explain their rapid political success, and considers its consequences not only for women's rights but also for our common, shared realities. She goes through a range of arguments used by gender activists (and activist scholars) and debunks them one by one ("even biological sex is not binary", "the sexes are socially constructed", "using the word woman for adult human females reduces women to their biology", "trans people exhibit higher suicide rates" etc).

> *"It is plausible to say that only trans people can really understand what it's like to live as a trans person in a mostly cis world. But it's a wild leap from there to saying that only trans people can legitimately comment on the philosophical nature and practical consequences – for everybody – of gender identity".*

Her main issue are the three models in use for gender identity theory. First, that gender identity would be something innate, a persistent stable part of the self. Second, that it would be a medical condition (as in gender dysphoria): pathologising it, but also insisting that the individual has no access and responsibility; and third, the queer theory model, which treats identities as fluid and fundamentally social, without material, pre-discursive anchors. Stock shows the contradictions between these three accounts – all three in use to argue for trans rights – but also their fallacies. And she proposes a fourth: that gender identity is an interpretation of our reality, an identification. While identifications are not completely conscious – on the contrary, they start subconsciously – a role is allowed for personal meaning-making (p. 132). Indeed, this model provides a better-founded, less individualistic and more societal approach for gender identity than the three others. Her goal is not to 'erase' trans people out of existence (of which she is often accused) but to provide a more convincing account of gender identity.

IN DEFENCE OF CATEGORIES

Stock is a philosopher. For her, concepts and categories are extremely important. **Following Judith Butler and queer theory in the activism of the postmodern Left, categories are not treated as vehicles to articulate social injustices but seen as (co-)responsible for those injustices – as if the prevailing inequalities between women and men would disappear if we queer, blur or destabilise the categories themselves.** In this scholarly inspired activism, the differentiation (the presumable selection of people into male and female) counts as a violent and arbitrary act (hence the formulation 'sex assigned at birth'). But forming concepts is not an exclusionary, hierarchical act, but a necessary cognitive activity for humans. Stock writes, "an important assumption of hers [Butler] is that any binary theory of the sexes must inevitably be 'normative' and therefore 'exclusionary' in a way that it props up power imbalances between groups. [...] In fact, no such norms are built into any of the three models of the sexes described above. It is not an exclusionary norm to insist that males, as such, possess a Y chromosome or be on a small-gamete-producing pathway.

Rather, it is a way of conceptually differentiating between two kinds of entity, assumed to be naturally found in the world. Simply noting that some people fulfil such facts and others don't is not a value judgement about superiority or inferiority" (p. 61).

Even if we start to use the concepts 'man' and 'woman' to talk about man-/woman-identifying people (of whichever biological sex), we will still need concepts for adult human males as females – as the underlying realities make it necessary to have words for that.

"YOU SOUND LIKE THE RIGHT WING!"

The right-wing surge all over Europe and their anti-LGBT propaganda indeed poses a serious challenge to discussing these questions. We can observe the growing stigmatisation of minorities (including sexual and gender minorities) declared to be outside the national community in many countries, including my own, Hungary. This development flattens the discourse on the progressive side and simplifies everything to "good versus bad" (p. 219). But this – argues Stock – shouldn't lead to tabooing necessary discussions and to not seeing the complexities and consequences of presumably emancipatory political claims.

Stock is not a social scientist, and indeed much research is still needed to understand 'how we got here' – that is, to this "ideologically driven policy-capture" (p. 215). Part of this is surely what she describes: the contribution of academic theories to this kind of activism. Another part seems also plausible, namely that the long oppression of homosexual people makes progressives wary of committing the same mistake – hence treating the equality of same-sex attraction on the same level as trans and genderqueer claims.

The currently fashionable approach of intersectionality is also used to the service of these claims: "People used to think black women weren't women [...] So trans women must be women". But just because "a particular group has been wrongly excluded from a given category in the past", doesn't mean that "where a completely different group is presently being excluded from that same category, this exclusion must be wrong too [...] People used to think whales weren't mammals; this doesn't mean mackerel are mammals now". This focus on an inclusion/exclusion into the category of woman goes back again to the Butlerian view that any categorisation and differentiation is an act of dominance and hierarchy. But it is not, it is just a cognitive distinction.

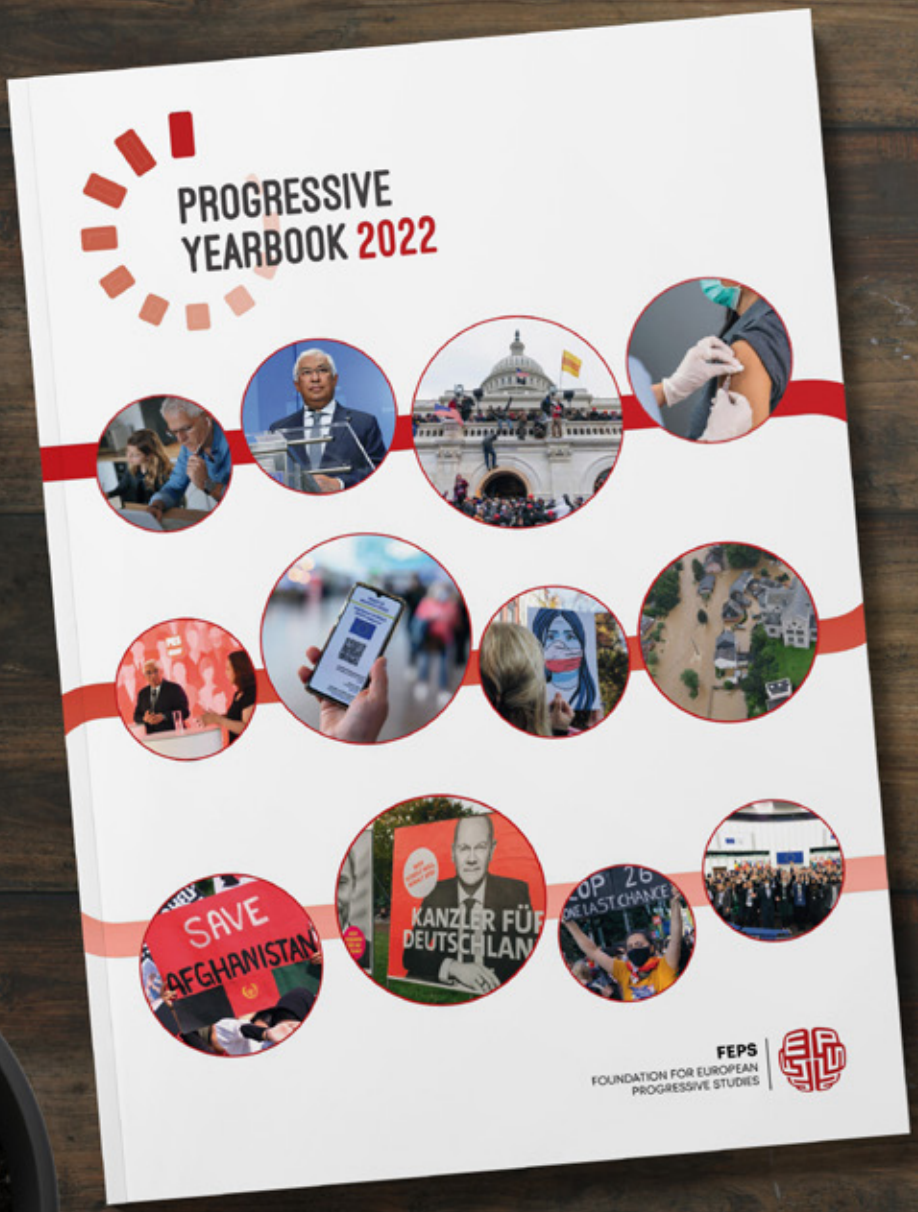
> *Following Judith Butler and queer theory in the activism of the postmodern Left, categories are not treated as vehicles to articulate social injustices but seen as (co-)responsible for those injustices – as if the prevailing inequalities between women and men would disappear if we queer, blur or destabilise the categories themselves.*

The concepts of woman and man (meaning adult human female or male) indeed are based on cognitive distinctions, but, as Stock argues, without meaning a normative hierarchisation or a biological determinism. However (and these are the political stakes), if this differentiation is framed as exclusion in a normative sense, as hate, and sometimes even compared to fascism (as by Judith Butler herself), then every instrument is justified to stop it. Then everyone who feels oppressed by this view can feel legitimised to use any available means – bullying, deplatforming, trying to get someone fired – because it is then just self-defence, a fight against an unjust system.

Many on the Left argue that 'cancel culture' is a concept that has been made up by the Right. What is clear is that freedom of speech doesn't mean that your view cannot be criticised. However, precisely how Stock has been treated in past years, and particularly since the publication of her book, indicates that this phenomenon exists on the Left, and needs to be taken seriously. The situation is indeed delicate as no one on the Left wants to be labelled 'right-wing', and even less to be a useful idiot to the Right. But **we should carve out a space where we can carry out these badly needed debates, before all space is monopolised by the Right**. Stock's book is a calm and sensible invitation precisely to this aim. It shows that it is possible to be empathetic towards minorities while debunking unfounded arguments and harmful practices.

Eszter Kováts holds a PhD in political science from University ELTE, Budapest. From 2009 to 2019 she worked in the Budapest Office of the Friedrich-Ebert-Stiftung

Discover the FEPS PROGRESSIVE YEARBOOK 2022



Discover our latest issues: progressivepost.eu

FEPS
FOUNDATION FOR EUROPEAN PROGRESSIVE STUDIES

Avenue des Arts, 46
1000 Brussels - Belgium
+32 (0)2 234 69 00
info@feps-europe.eu
www.feps-europe.eu

ISSN 2506-7362
3.00 €