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GRASPE

Groupe de Réflexion sur l'avenir du Service Public Européen
Reflection Group on the Future of the European Civil Service



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R	Editorial: Europe and its institutions facing their challenges	3
	Large Scale Review : a questionnaire	10
	US Customs Duties: What can Europe do? with G. Duval	11
A	Can Europe's vassalisation be avoided? with G. Duval	26
	Fake news: how to protect ourselves? with H. Krivine	47
	Ensuring Europe's leadership in fusion energy	60
S	International contracted personnel of European Union civilian missions (CSDP) and recruitment constraints	64
	Cyprus: Where are we going? with JF Drevet	73
	The enlargement of the European Union, with JF Drevet	97
P	Competitiveness for a Strong EU in a Geopolitical World (conference UEF avec M. Ferber)	116

*Changing the state of things is easy;
improving it is very difficult.*
ERASME

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Editorial

Europe and its institutions facing their challenges

13 proposals for debate

The European Union is going through a critical moment. This also primarily concerns its civil service, which is currently under pressure.

First, we observe a rise in political, economic, and military tensions between the main geopolitical blocs. Such a configuration threatens us all within the framework of the globalized economy.

To this is added the multiplication of armed conflicts, open or otherwise, to the east of Europe but also in the Near East, the South China Sea, Southeast Asia, and Central Africa. These conflicts, an expression of rivalry between blocs, are reviving the arms race and, in the current budgetary context, relegating the financing of social needs or those related to the fight against climate change and the transition to a green economy to the background. These tensions fall outside the previously established multilateral institutional framework for regulating the different dimensions of globalization, leaving room for a brutalization of international relations. This evolution is contrary to the paradigm that underpinned the European Union, based on multilateralism and respect for law and universal values.

The rise of obscurantist forces, far-right often with theocratic connotations, and anti-European, does not spare the European Union, even if for the moment it is preserved from its most extreme forms.

Public debate itself is becoming blocked, with different positions feeding on alternative truths, asserted certainties, and fake news. The propagation of alternative truths and fake news reflects and illustrates the rise of authoritarian forms of power.

This is therefore no longer just the work of marginal political forces. A part of the established elites, supported by powerful economic forces, are also increasingly coming to challenge the rules of public debate.

It is in this context that the debates regarding the future funding plan for the European Union are taking place today. The Commission has contributed to the drafting of reports, such as the Draghi report, which indicate an ambitious but also realistic and thoughtful path that could be followed. However, it did not feel it had the required political power and the minimum support from European political parties to fully integrate them into its budgetary proposals.

As we know, the Commission has proposed a budget of 2,000 billion euros, actually 1,750 billion in volume, which corresponds to the amount of the current period, if we add the budget allocation of the recovery plan to the amount of the Union's current budget.

To put it simply, these 2,000 billion euros have the appearance of an increase but they actually reflect a budgetary stagnation confined to 1% of European GDP, validated by the Council and the European Parliament. How then to finance, for example, the defense effort, or start to repay the sums borrowed for the previous recovery plan, which will amount to 24 billion euros from 2028? How also to maintain or even increase the actions undertaken against climate change, while the European Green Deal is being unraveled by means of a package of so-called 'Omnibus' simplification measures which was voted by the EPP group in the European Parliament, allied on this occasion with the far-right? Furthermore, it is to be feared that this budget will suffer cuts from the Member States, as the first reactions have not been very encouraging.

This budget, in the absence of the Union's own resources, will therefore not allow us to meet the new needs of the European Union. This weakness can only feed the criticisms that discredit the European project and give the false conviction that the EU is powerless and that, therefore, it is not the right framework to react to the internal and external threats that threaten us.

For the time being, the reform of the Staff Regulations is not on the agenda, but the budgetary constraints that could be imposed on us risk eventually leading us there one way or another.

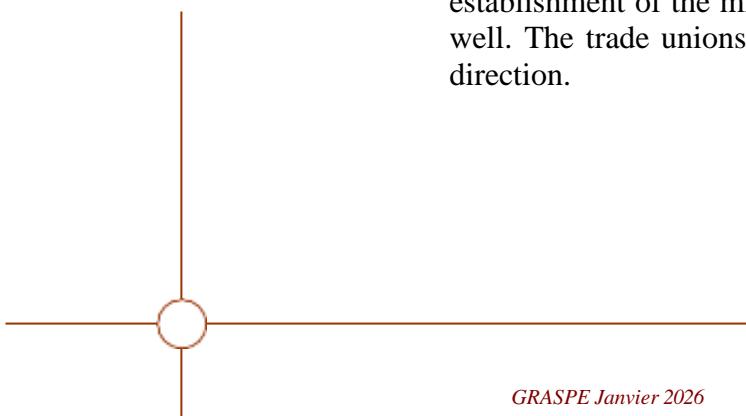
Not to mention that, with constant Staff Regulations, many regressive measures for staff could already be imposed. While the staff is struggling to be heard on this subject, we want to clearly reaffirm that the high-level group which is to reflect on the evolution of the functioning of the European civil service must first identify the real challenges and develop a clear and complete understanding of the civil service's missions.

Of course, the group must address the issue of careers and their management, recruitment, personnel management, the implementation of flexible and "agile" ways of working, a "fluid" management of resources, the use of AI, etc. This also translates into an effort to increase productivity. All this must be a means, within a limited budgetary framework, to take charge of the new missions of the Institutions and to make the EU a relevant actor to protect citizens and their model of society based on solidarity, both inside and outside the borders of the Union.

In truth, the European Union today represents the most effective response that can be proposed in the face of the world's drift. Our institution also risks being attacked, or even called into question. Proposals are appearing to increase the intergovernmental dimension of European governance, which would certainly weaken it. Despite the public's current attachment to the European Union, the risk exists that it will be called into question if difficulties increase without adequate responses being provided.

We must therefore value our assets, mobilize our strengths, in close liaison with our 'friendly' partners to ensure our mission in the long term and defend our fundamental values in a hostile world. We can only count on our own strengths to ensure our mission of public service in the service of European construction. To do this, the institution can essentially only count on its staff, its skills, its commitment, and its adherence to the European project, whatever it takes.

The high-level group seems to want to lead this reflection without really organizing the contribution of its staff and their representation, except in the form of simple information sessions. This is a mistake. The involvement of the staff in this reflection is essential to bring their expertise to it. This involvement should have taken place before the establishment of the missions of this exercise. But it is not too late to do well. The trade unions and the staff committee are campaigning in this direction.



To do this, however, this must be accompanied by the highlighting of a series of proposals. We have preliminary grouped our proposals into 13 themes, to debate them with the staff, within the inter-union framework and within the high-level group. Our ideas can be applied without delay because they are not situated in a perspective of modification of the European civil service Staff Regulations, to which we are resolutely opposed in the current political and budgetary context.

- 1. The European institutions operate with a disparate set of types of employment contracts.** Officials, temporary agents, and contract agents currently perform identical or similar tasks with the same level of responsibility. The emergence of these many types of employment contracts is the result of reform processes over the years. Reflection could be conducted to determine whether it would be useful to link, to a certain extent, a type of post to a specific type of employment relationship. For example, decision-makers, law enforcement agents, investigators, border guards, and diplomats should be officials, recruited for a lifelong post, etc. Experts who help the EU respond to temporary needs could have an employment contract or be seconded by the national administration. The choice of the type of employment relationship for a given function must not depend on the budgetary situation of a specific administration, but be decided centrally and in the same way for all institutions and agencies. However, bridges should be put in place to ensure the integration of a portion of contract and temporary staff.
- 2. This also leads to the second challenge, which concerns the improvement and diversification of the recruitment process.** Our efforts to accelerate and modernize the recruitment process via general competitions must continue. But we cannot recruit solely via external competitions. This bias must be fully acknowledged. At the same time, depending on the skills and positions available, we must diversify and update recruitment and make it more attractive. Furthermore, the institution does not pay enough attention to the expectations of the people recruited, whose needs are not sufficiently taken into account. Thus, a part of the available human workforce, often the most qualified, is not attracted by the way recruitment is offered by the institution. Similarly, the value of work in the European civil service, its meaning, its richness, and careers are not sufficiently valued prior to recruitment.

3. The third challenge concerns the welcome within the services once the staff is recruited. A simple and minimalist provision is not enough. It is crucial to provide in-depth training for the latter—especially if we want them to be mobile and agile—during the first two years, including in the culture of the institution whose European and democratic values must be shared. Professional circuits, for example, in two or three different services, must better reflect who we are and how we work. The institution has consolidated experience at this level through the recruitment process for young talents.

4. Priority must be given to working in "horizontal" mode. It is necessary to be able to collaborate between services (inter-service) before decision-making, and not at the end of the process. For issues to be considered in their multi-dimensional complexity, it is essential to possess the skills required to handle them. We must be able to move towards administrative structures that are less vertical from a thematic point of view. We must move from an inter-service consultation methodology to strategic work in "clusters." This strategic unification of planning and implementation must also reflect the way the work of the College is organized.

5. We believe it is necessary to reflect on reducing the multiplication of hierarchical levels. Motivation at work must be based on the interest of the work to be accomplished. The full use of skills must constitute the basis of motivation at work and not the pursuit of hierarchical positions, as is the case today. Furthermore, a Harvard Business Review study revealed that managers with between 7 and 9 direct reports often manage to find the best balance between being accessible to their team and having sufficient room for maneuver to assume their strategic responsibilities.

6. The sixth challenge lies in the management of precarious staff, which is essential for the proper functioning of services, including for economic reasons. Precariousness must be controlled. Insofar as it persists, it must be better managed. Internal competitions must be consistent with the policy regarding types of posts. However, professional developments must be provided for. Thus, contracts must be possible over longer periods, for example 12 years, by succeeding contracts for contract agents and temporary agents. The regular holding of internal competitions for tenure must be ensured, as the permanent civil service must always constitute the horizon of the European civil service. If we cannot ensure the full integration of contract and temporary staff, at least at the end of the 12 years, we can guarantee the benefit of the Community pension to the greatest number.

7. **The integration of AI should be further discussed** as a tool intended first of all to replace standard execution tasks, such as requests for reimbursement of medical expenses, or the calculation of mission expenses. But also to serve as support for staff to improve their skills and the efficiency of their work. Its introduction must be subject to a monitoring and evaluation process along the way. Similarly, it must be accompanied by training and mobility measures intended for the staff concerned by its use. An appropriate debate should take place before considering the introduction of AI.

8. Finally, the rise of teleworking and artificial intelligence highlights the **importance of collaborative and team work**, which must be maintained, as collective intelligence represents the strength of the institution.

9. **Functioning based on trust** must be further encouraged, the objective being to better define and achieve the goals of the institution.

10. Mobility must **respect the skills** of people recruited for their technical expertise. Not everyone flourishes in pure management. The richness of the institution is also made up of the specialized expertise of certain experts who must be able to evolve, but also within their field of competence. Mobilities must be planned, prepared, and accompanied, or even preceded by the necessary training for their successful completion.

11. In-depth reflection must concern the staff of **executive and decentralized agencies**. Common services must be put in place managed by the Commission, such as mediation, the fight against harassment, and the conduct of disciplinary procedures. Mobilities must be organized not only between agencies but also with the institutions. A portion of the deployed staff must consist of officials. Internal procedures must organize career developments. Trade union presence and social dialogue must be organized in a more complete and professional manner. Reflection must also concern the governance and legal form of executive agencies but also of certain decentralized agencies. Is the status of "Office" not more suitable for taking charge of their functioning? This status could, on the one hand, strengthen governance by the Commission, which is simultaneously the guarantor of the application of the Staff Regulations, proper budgetary execution, and respect for the Treaties. On the other hand, it would be more advantageous for the staff than working within agencies.

12. It is necessary to create a much more developed European Inter-institutional Training Institute than the current European School of Administration, which today depends on EPSO. This school would take charge of all training intended for staff, whether it concerns onboarding (see above), diplomacy, languages—where it would be necessary to develop a pedagogy specific to the needs of the institutions—the preparation for mobility (see above), professional development, the transition between categories, etc.

13. Generally speaking, **personnel policies aimed at allowing career and expertise progression must constitute the rule**. Bridges must be put in place to allow staff to progress in their careers and skills. We cannot operate services composed of "immobile" people.

The above proposals should allow us to begin an informed dialogue. This dialogue must aim to make our administration more effective in the face of the global challenges we currently face. We must give our European administration the power to express itself with the seriousness and expertise that correspond to the economic and moral weight that the EU and Team Europe represent on the world stage. Budgetary considerations constitute only a part, albeit an important one, of this future debate.

Large Scale Review

Dear colleagues,

Graspe is a reflection group and journal created 25 years ago by European officials at the time of the 2004 reform, with the aim of promoting reflection on the European civil service and on the context in which its work takes place.

It is only natural that the journal proposes to get involved in the "Large Scale Review", starting with the questionnaire below.

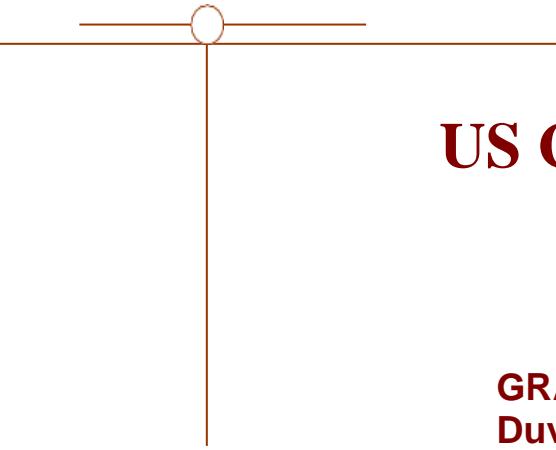
The results of this questionnaire and the analysis that will follow will be communicated to the trade unions of the EU, which have set up working groups on the same topic, as well as to the team in charge of the review in DG HR and to the high-level group led by Catherine Day.

Furthermore, Graspe will publish in its next issue, to be released early this year, a first analysis accompanied by proposals.

If you want to help us, please fill in the following questionnaire

<https://ec.europa.eu/eusurvey/runner/graspe-lsr>





US Customs Duties. What can Europe do?

GRASPE Conference April 2025 – Guillaume Duval

Georges Vlandas : Thank you for being present at this conference organized by the journal GRASPE, which has just celebrated its 25th anniversary. We have published a special issue for this occasion, in which you will also find an article by Guillaume Duval, our speaker today. In it, he already analyzed the consequences that Trump's election in the United States could have.

Guillaume Duval is a former colleague. He was a speechwriter for Commissioner Borrell. He is a member of the editorial board of the journal GRASPE and also, if I may say so, a very well-known economic journalist.

Today, we are going to talk about a current topic, namely the decision taken by Donald Trump on April 2nd to significantly increase customs duties, somewhat across the board, on all—let's say—countries in the world. Changes have taken place recently, which Guillaume is going to tell us about. Guillaume, the floor is yours, and thank you for coming, once again, on quite short notice.

Guillaume Duval Hello, and first of all, thank you, Georges, for the invitation. It is always with pleasure and interest that I participate in this type of exercise on European affairs, especially in the current period.

The invitation had been sent, and the text written, before Donald Trump stepped back—the day before yesterday—on the customs duties he wanted to impose. But the question remains, and it calls for answers from a European perspective. For now, a three-month period is opening. And, in any case, there are already customs duties that have been imposed on steel, aluminum, cars, etc.

What I wanted to tell you to begin with is that one might think Trump is not very rational, a bit crazy, etc. But this crisis does not come from nowhere. It marks the culmination, or at least the end, of a forty-year period that began at the end of the 1970s, with Ronald Reagan and Margaret Thatcher in particular—a period of liberalization of trade flows, and especially capital flows, which has created deep imbalances. Ultimately, these imbalances were unsustainable anyway.

The main winners of this period of liberalization of capital and goods flows were not the populations. It is mainly multinational companies that have benefited, managing to develop thanks to the possibility of playing more easily than before on social dumping, tax dumping, and environmental dumping on a global scale. The real winners are therefore the owners of these companies, as well as their managers—but not really the populations.

The countries that have done well in this context are primarily those that did not play the game. Initially, it was Japan, then Korea, and then China. These are countries that benefited from trade openness while continuing to protect their domestic markets very strongly and to actively support their companies.

Conversely, the other countries of the South—mainly the countries of Latin America, or even those of Africa—did not really benefit from this period. They did not succeed, thanks to it, in triggering a self-sustained dynamic of economic development. Today, they find themselves in a difficult situation, and the inequalities with the developed world have not really been reduced during this period.

In the Northern countries, the developed countries, what has happened during all this time is a very strong movement of deindustrialization, on the one hand, and a widening of inequalities, on the other: between a minority of the population, linked to the winning multinationals, and the rest of the population, more challenged than before by low-cost countries with low environmental constraints, etc.

In the case of the United States in particular, this has led to a stagnation of purchasing power—or even a decrease, in the recent period marked by inflation—for the majority of the population. We observe an absolutely considerable development of inequalities there, accompanied by a very strong degradation of infrastructure.

The clearest sign that the United States is doing very poorly is the life expectancy of Americans. It is one of the countries in the world where the most is spent on health, but also, among developed countries, the one where people live the shortest lives

All this has led, in the case of the United States, to a considerable double deficit: a trade deficit, on the one hand—which Donald Trump talks about a lot—and a very large public deficit, on the other. This deficit is notably linked to the fact that the United States maintains an altogether exceptional military effort on an international scale. They seek to remain present and militarily dominant throughout the world, and notably also to ensure the defense of Europe.

This military pressure exerted by the United States is becoming increasingly difficult for the American public to sustain. But the most extreme form these imbalances take for the United States remains the public debt, which is exploding.

For a very long time—until almost the 2000s—the level of American public debt and that of public debt in Europe were roughly equivalent, if expressed in billions of euros. Today, the American public debt is more than twice as high as that of the European Union. The United States, as such, is now more indebted than France—one of the most indebted European countries—and they are almost approaching debt levels comparable to those of Greece as a proportion of GDP.

We can therefore say that a cycle has come to an end. It was becoming necessary, in any case, for the United States to undertake a fairly strong, fairly brutal change in economic orientation. One can think, and must think, that the way Donald Trump is going about it is obviously not optimal—I will return to this from the perspective of American interests. But it was quite clear that something major had to happen to try to reduce both the trade deficit and the public deficit of the United States.

During this entire period, Americans benefited from a world that functioned, in a way, upside down: the savings of the countries of the South—which should have financed their own development—actually served to finance American deficits and imbalances. To a lesser extent, this was also the case for our own savings in Europe.

In this context, it is therefore not surprising that an adjustment finally occurred on the US side. That said, Trump's announcements of April 2nd—which were mentioned earlier—are a real nonsense, even from a protectionist point of view.

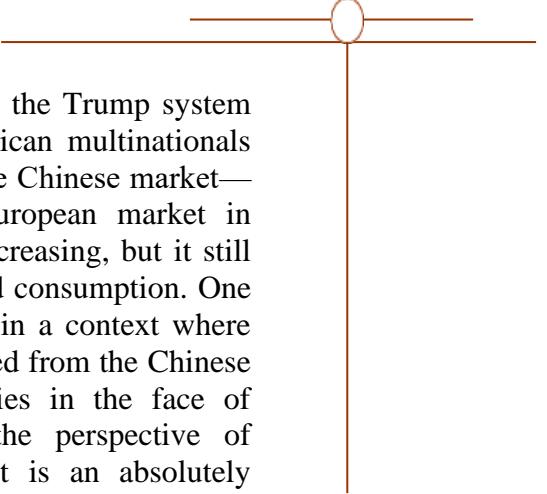
The method employed was completely absurd. We saw that the customs duty rates decided upon depended solely on the level of the external deficit with each country. This is totally irrational: even if one wishes to conduct a protectionist policy, this is not the way to proceed.

A policy of customs duties should be built sector by sector, activity by activity. We must try to limit taxes on imports for which we have no substitutes—because we are, in any case, forced to import them—and which are useful inputs for the American economy. Conversely, we should strengthen customs duties on products in sectors that we truly want to develop within the country.

Basing a trade policy solely on bilateral trade deficits with each country, and applying customs rates to them based on these deficits, is totally counterproductive—even from the point of view of a coherent protectionism.

It is, including from a technical point of view, including from the point of view of someone who is a protectionist, stupid. Had it held, it would also have had major geopolitical impacts, because the countries that were most taxed were all the Asian countries except China—China too, of course. But if you tax Taiwan, Korea, Japan, Vietnam, and all the Southeast Asian countries, Pakistan, etc., very heavily, you can only do one thing: throw them into the arms of China, which is presumably not what the Americans wanted. And that is indeed what had started to happen, as there was a meeting a few weeks ago where Japan, Korea, and China agreed to respond together to the announced American customs duties. So, it was stupid. It led to a sharp drop in American and world stock markets. As you know, the stock markets in the United States are something much more important than in Europe, particularly through the role they play in relation to pensions. But I think the most important thing, from Trump's point of view, and what decided him most to change his tune, was the rise in long-term interest rates on the American public debt. Not only is the American public debt very large—much larger than the European debt—but in addition, a significant part of this debt must be refinanced in the coming months. Currently, American interest rates are around 4.5% per year. If they were to stay at that level, it would be largely unbearable for the United States. They increased by almost a point following Trump's announcement of the customs duties. So, I think that is, above all, what made him back down.

Now, there are discussions in the public debate as to whether it was just market manipulation. I think by backing down, he did perform market manipulation. And he certainly gave some information to his friends, etc., before doing so, to allow them to make some money. But I don't believe much in the hypothesis of a pre-written scenario where he would have said: "I'm going to put all these customs duties in place and then I'll withdraw them three days later to negotiate." I think he was really forced to step back for the reasons I mentioned. The other very strong reason is that there is, after all, a major contradiction between the interests of American multinational companies and the protectionist lobby. I think you have all seen or heard the insults exchanged between Elon Musk and Mr. Navarro, who is Trump's trade official—Musk called him a total idiot, a complete moron, etc., etc.



So, there is indeed a major contradiction within the Trump system around these issues, due to the fact that American multinationals absolutely need—for Musk, it's in addition to the Chinese market—but they need the world market, and the European market in particular. So, Europe's share in the world is decreasing, but it still represents 18% of world GDP and 18% of world consumption. One fifth. It is still a very heavy weight, especially in a context where American multinationals are increasingly excluded from the Chinese market and are retreating in Southern countries in the face of Chinese multinationals precisely. So, from the perspective of American multinationals, the European market is an absolutely essential market. This is particularly true for digital multinationals. What makes the value of digital companies is the number of people they are able to cover, it's the network effect they are able to have, it's the amount of data they are able to gather and monetize. So, having the European market, for American multinationals in particular, is something very important, especially in this field.

To go further, more precisely on Europe: we have a trade in goods with the United States of around 1,000 billion euros per year. Regarding our exports, it's mainly cars, machines, and pharmaceutical products, with a trade surplus of around 200 billion euros. But we also have, with the United States, trade in services of around 750 or 800 billion euros—so almost at the same level as the trade in goods—with, there, a deficit towards the United States exceeding 100 billion euros. I just have the figures for 2023: for services, it was 109 billion euros. On a bilateral trade that is 1,600 billion euros, we have a European trade surplus of around 100 billion euros. That's not much in itself; it's 6 or 7% of trade. So, what can we do? What should Europeans do, since a period of negotiation is now opening?

Well, several attitudes are possible, and they have been presented in the public debate.

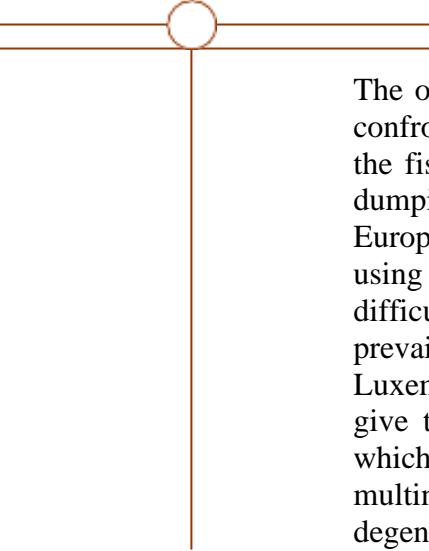
The first attitude consists of doing nothing. Telling ourselves: the Americans, by doing this, are shooting themselves in the foot; they are going to increase prices at home, they are going to find themselves in a recession. We just have to let them do it. This was the attitude, in particular, of Olivier Blanchard, the former chief economist of the IMF. It's not necessarily as stupid an attitude as it might seem. It's true that if we react on the trade level by applying a dollar for every dollar of additional customs duties to American products, it means that we also import into our own country the kind of negative effects that American policy has at home: a little more inflation, a little less activity, etc.



But the problem is also that we are dealing with someone who only respects power dynamics, who only respects people who stand up to him. So, it's a bit difficult on that level to do nothing, because it can only encourage Trump to want to go further.

So, the second option—I've already mentioned it—consists of responding on the trade field, with the disadvantages I've already mentioned: importing more inflation, limiting activity, plus the risk, obviously, if we respond blow for blow, of having an escalation on Trump's side, of the type he did with China. Well, for the moment, we are not there yet, since there is this three-month period opening. But it's not easy to predict how it will end, and what will have to be done at that time.

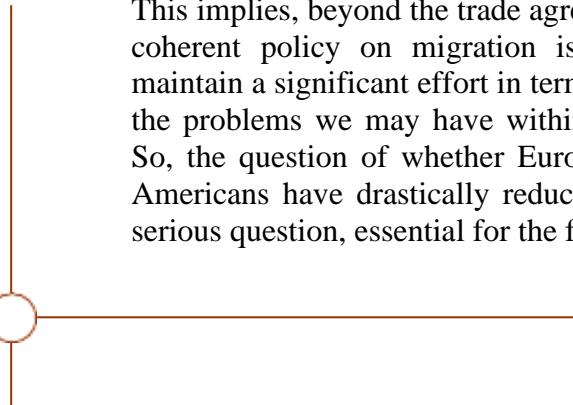
The last option that had been considered was the use of the anti-coercion tool created in 2023. This is a tool that allows Europe to respond to attacks on the trade level through a much wider range of measures. In particular, I mentioned earlier the imbalances in the trade of services with the United States. This eventually allowed us not to settle for acting on the field of goods, but to act on the field of services, to punish the multinationals in one way or another, especially digital ones. In any case, this question of digital is undoubtedly absolutely central in the exchanges that can take place with the United States. We might eventually be able to buy a little extra gas, but for one thing, the United States doesn't have that much more to sell for now. And on the other hand, that really doesn't go in the direction of history or what we want to do in Europe, even if it would be good if we indeed got rid of Russian LNG in particular, which we continue to buy in significant amounts, especially in France. It would be a great pity to commit to buying more American weapons. We are, after all, in a phase where we are trying to rebuild a European arms industry, on the one hand. And on the other hand, we have seen to what extent it was a security risk to buy American weapons, insofar as the United States government wants to keep control over their use. So, we don't have, there isn't much to negotiate, I think, on the strictly trade side, which the Americans are likely to insist on a lot, but it would be really serious if we gave in there—it is indeed on digital regulation. That's what matters for the likes of Musk, Amazon, Facebook, etc. Going back on the DSA, going back on the DMA. So, on that, I hope and advise in any case to hold firm in this negotiation and not to give in on that. And that is likely to be one of the central elements that the Americans will ask for in the negotiation on customs duties.



The other thing, and I think that if we were to head towards a confrontation with the Americans, we must also indeed act on the fiscal field, succeed in taxing, in putting an end to the tax dumping practiced by a certain number of tax havens internal to Europe. The European Commission has started to deal with it by using the powers it has in competition matters. We know it's difficult with tax havens, because on the fiscal field, unanimity prevails. But the Commission has started to attack Ireland and Luxembourg on competition grounds, saying: with the gifts you give to multinationals, you are distorting the internal market, which is true. So, we have means of acting on American multinationals, notably on the fiscal level, if things are to degenerate with them.

The other thing we can and must do, and which the Commission has started to do, is to bypass the United States. Trade with the United States represents 13% of world trade. It is the leading export market and the second largest importer in Europe, behind China, and one of the ways to bypass the protectionist will of the United States is indeed to turn more towards the rest of the world, which is not necessarily a bad idea. So, there is CETA which is being implemented with Canada. There is a rapprochement that is possible with the free-trade efforts being put in place between America and Asia outside the United States. There is the question of Mercosur. The French are very opposed to this agreement for mainly agricultural reasons, but in the current context, it seems to make rather more sense to conclude this kind of agreement and try to develop our economic ties with this zone and other zones of the world.

There, I believe that's what I wanted to say by way of introduction. In the United States, a brutal, irrational evolution but one that nevertheless reflects the end of a cycle that had resulted in major imbalances. In Europe, we were right to keep our cool. We must nevertheless be ready to lead the battle in the future, notably if the Americans want to attack digital regulation in Europe, and we must indeed develop our ties with the rest of the world.



This implies, beyond the trade agreements I mentioned, having a coherent policy on migration issues, and also accepting to maintain a significant effort in terms of development aid, despite the problems we may have within Europe in budgetary terms. So, the question of whether Europe replaces aid now that the Americans have drastically reduced their international aid is a serious question, essential for the future.

It is certainly a budgetary expense, but I think that in the context we are in, where it is indispensable to develop our economic but also political ties with the rest of the world to face both Trump and Putin, it is a very important question, even if it is very underestimated in the public debate in Europe today.

Georges Vlandas: Thank you, Guillaume. The floor is open to the audience.

Christian: Hello, thank you for this quite complete presentation. I am among those who think that overall, this action by the United States will be quite beneficial for Europe in the medium, or even long term.

Firstly, because I find that we were much too committed to the United States—I was going to say American policies, but not just since Trump, for many years. So, this will allow us to distance ourselves; perhaps it will also allow us to assert ourselves. Personally, when I see that the first reaction to tariffs is to try to negotiate with Trump, I cannot imagine a worse strategy. Because in fact, what is happening? He sets tariffs, the rest of the world gets on its knees, and we negotiate with him. That is to say, even without winning anything, he already wins.

Europe is a very large market, a great power. And I think it is comparable overall to the level of the Americans. Also, Europe can—when Trump tells us "listen, remove your inclusions, your diversities"—we can tell him: "If you don't have inclusivity and diversity, we will no longer do business with you." Canada is much more dependent on the Americans. That doesn't stop the Canadians from retaliating vigorously; they are also much more vigilant and virulent. Despite that, I think all countries are going to diversify away from the United States, and that will probably make the world economy much healthier. I'll also take this opportunity to say that when Trump tells us "you increase your military spending," we don't emphasize enough the fact that most world imbalances were created by the Americans, and it's not the Americans who are going to create world imbalance and the rest of the world that's going to pay. You create the imbalances in the world, you pay. And also, we must remember that most balances have always been made in the interest of the United States and we ourselves have never benefited as much as they have. So, they benefit, they create the problems, and they pay. It's normal; it's not up to us to pay for their policy which, besides, disturbs us most of the time.

But I think if Europe feels a little bit helpless, it's because I have the impression that in Europe, we have always positioned ourselves in relation to America. We have never positioned ourselves in relation to ourselves, and I think it's very important that we position ourselves in relation to ourselves, so as to define our norms, our things, and stick to them, and then also put the United States back in its place.

And when they tell us they want to reindustrialize Europe by increasing the cost of all inputs, that's going to harm their reindustrialization. So, in any case, even their policy is counterproductive in relation to their objectives. And since the United States is going to decline anyway with these policies, it will be all for the better and will allow us to assert ourselves even more.

Giorgio: Two points. Firstly, I myself had withdrawn from politics to focus on my role as a civil servant. And in 2016, Brexit was what made me return to politics. I am not the only one. There were many movements launched in Europe, and this attack from the United States, this war—it is a trade war that is to be compared with the military war that Putin launched two years ago against Europe; it is, in my opinion, launching a similar wave with many young people coming to see me saying "we want to do something." I don't know if you feel it too, certainly near me, there is a desire to react following the Canadian example that Christian mentioned, and it is really fantastic.

I don't know any people more peaceful than the Canadians, but now everyone is in the spirit of saying "no deal with the United States, we don't buy American products," and the poor American tourists are afraid to go to Canada—wrongly, because the Canadians welcome them well when they come to their country. But what I saw online is that the Canadians have worked well on their image to the point that there are many Californians who are now applauding the Canadians. It really is an example to follow.

It's a passive resistance, a resistance with the instruments they have, which has strengthened Canada in its identity, as much as that existed. If I were a Canadian Conservative, I would be furious; they were going to regain the government, it was going to fall into their hands, and now they are not going to manage it because Trump is "helping" them.

Let's come to the European mission and what needs to be done. All of Trump's friends are really in a bad way right now because everyone is saying to them "but look what he did. Are you going to do the same thing?", it's a point we can see from a positive angle.

A question for Guillaume: Trump said to Zelensky: "You don't have the cards in hand," I learned the following week that Trump had yelled at the Danish Prime Minister about Greenland; the American Secretary of Agriculture had shown up in Copenhagen asking them to sell them eggs because Trump had made an election pledge on the price of eggs, which has doubled since he was elected. There, it's we who have the card in hand. Couldn't we do something very, very targeted on eggs? For example, send eggs to the United States and on each egg write "EU." It's aid coming from Europe, it has a price, and this price of the eggs that we are going to sell to the Americans will be double the current price. Do very targeted things like that, publicity stunts. That's what Juncker did, I think, five years ago when he targeted Harley Davidson, and Trump backed down. I imagine there must be other examples, but I would like to know Guillaume's idea on this.

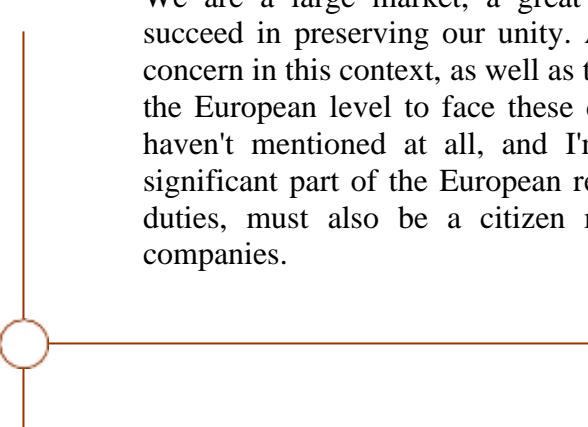
Guillaume Duval: Yes, thank you for these two relevant interventions. So, will the action of the United States be beneficial for Europe? It's a very broad question and, at this stage, it doesn't seem obvious to me. I hope that what has just been said about the fact that the European far-right will be hindered by what is happening with Trump will serve as a deterrent to the European population. For the moment, what I observe, both at the French and European levels, is that it doesn't seem to be working very well. For the moment, in the polls, the far-right still remains at the top in France. They risk, moreover, taking power if there are general or presidential elections in France. On the other hand, I hoped it would also cool down the traditional right a bit, who would say "Whoa, this is all very serious, we really need to put up the barriers against the far-right." That's somewhat what happened in Germany, and it's very important in Merz's attitude in recent weeks, which wasn't necessarily his attitude a few months ago. But what I observe in France, as at the level of the European Parliament, is that this doesn't seem to be the case for the moment. For the entire traditional right, they don't seem to have concluded for now that they really need to cut ties and raise the drawbridges against the far-right in response to what is happening in the United States.

Furthermore, I draw your attention nevertheless to a very decisive element, I think: the upcoming presidential elections in Romania. The Romanian president doesn't have all the powers; he's not the French president. But if the far-right wins in Romania, then we are really in trouble. That is to say, after Romania, Moldova will inevitably fall, and Bulgaria shouldn't be very far behind. It means we have an eastern flank beyond Hungary and Slovakia that becomes extremely sensitive to both Putin and Trump. So, there is this common idea that I share; we all hope that this shock will be beneficial for Europe and will mobilize Europeans. We still have to be careful.



They are very convinced Atlantists who are leading the battle on behalf of Europeans against the Americans, whether it be Kaja Kallas or Ursula von der Leyen; they are people who were very Atlantist to begin with. And in a way, I think that's a good thing because it's easier for them to be anti-American than for people on the left. If it were people on the left who had to oppose Trump, they would have been suspected of being anti-American; the right would have pounced on them. Here, no one is going to jump down Von der Leyen's throat if she shows firmness towards the United States, because they really cannot be suspected of being anti-American. Contrary to what I said just before, it's actually a good sign. Afterwards, the decisive question on the economic level is money. It's already an important shock on interest rates for European debts. It's going to be a non-negligible economic shock that will probably reduce activity and increase unemployment. It's a shock that requires, in any case, a very significant investment effort, both in the field of defense but also in the field of technology. To face all these cumulative shocks and come out well, you have to put money on the table. The problem there is that the only solution to do it well would be to borrow in common on a European scale.

The problem is that we are not heading in that direction at all; nothing is being attempted to go in that direction. Von der Leyen couldn't do anything to go in that direction. And what just happened in Germany, in particular—the fact that the German coalition decided to borrow heavily on a national scale—rather goes against that, as it risks making Germany very opposed to additional European debt. What happens will have very negative effects, particularly on Italy and France. Interest rates for Italy and France are already very high, and these are countries that can no longer borrow or invest. In addition, we risk having an increasing divergence within Europe, which would aggravate political problems because of the economic problems this situation will cause.



We are a large market, a great power, but on condition that we succeed in preserving our unity. And it's that, today, which poses a concern in this context, as well as the weakness of the means we put at the European level to face these difficulties. There is one element I haven't mentioned at all, and I'm wrong not to have done so: a significant part of the European response to Trump, besides customs duties, must also be a citizen mobilization to boycott American companies.

We often say that boycotting is not effective. This is totally false. A company, when it makes a lot of money, about 5% of its turnover is its profit. If its turnover decreases by 2%, which seems completely negligible, its profits actually decrease by at least 1%, because most of its costs are fixed and do not vary according to sales volume. If its profits decrease by 1%, when they were 5%, it means they decrease by a fifth, or 20%.

This means the stock price collapses by 20%. This means the CEOs' stock options collapse by 20%. And that means there's an effect that's very sensitive, even if initially the drop in turnover remains limited. So, yes, I think we must indeed succeed in developing Canadian-style actions on a citizen basis in Europe. It can hardly be the European institutions or even national governments that launch this kind of slogan, but in the context, it can be very effective, especially towards the American multinationals that support Donald Trump and that he must listen to. On the eggs, it's interesting; it would be a beautiful symbolic idea.

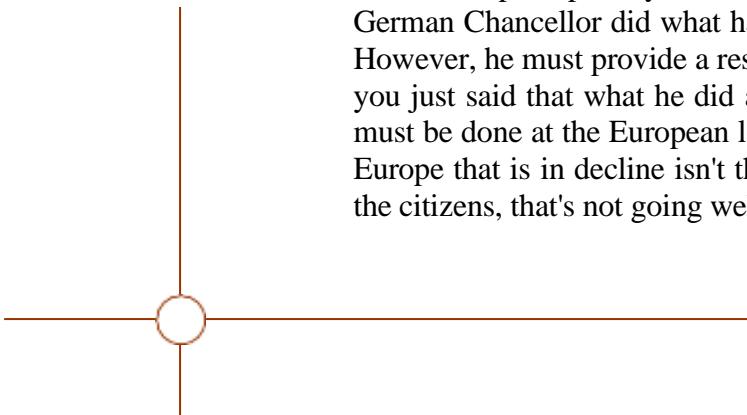
Georges Vlandas: One gets the impression, Guillaume, that there is a kind of shifting of the world. There was a paradigm that functioned until the fall of the Berlin Wall. This paradigm was that the United States ensured the defense of the global capitalist market. They were the only policeman that existed. They indeed financed weapons spending. It's not just a negative role, since the arms industry had technological spin-offs that were then re-imported from an innovation standpoint, and it served as a powerful engine. Thanks to that, they had the reference currency and could, especially after the 2008 crisis, consume more than they were entitled to through international exchanges. So, they lived, in a way, on credit, and China, with its monetary surpluses, bought treasury bonds.

So we've reached a turning point. After the fall of the Berlin Wall, there was an extension, an extensive growth of the economy, an accumulation of capital. We expanded across the entire surface of the Earth. Now, we are facing a new situation that deeply threatens the world order and the hierarchy of nations resulting from the First and Second World Wars. And one can wonder if Trump isn't creating chaos to remodel the power dynamics to his advantage. He doesn't have time to wait for Europe, with its decision-making process, to grasp the measure of the threat. But he creates contradictions among us, openly supporting all anti-European political currents, including far-right currents.



For China, now is the time for him to strike. Because today, China is the world's leading producer. It also has influence networks. For example, you cited the meeting that took place in Asia between South Korea, China, and Japan. But I think I read today that the Chinese president was going to Malaysia, Cambodia, and I don't remember where else.

Perhaps we should frame the debate not in terms of simple trade negotiations where we ask for a 15% increase and, in the end, we are relieved if we only end up with 10%. The important thing is not to see whether we negotiate or not, but to understand that the issue is remodeling the world architecture in terms of power. The United States now has this position, and they can do it. We will see how things evolve. But we see that on the one hand, Europe is inoffensive. We give speeches, we meet, we embrace, we touch each other, because it's become the new fashion among leaders. Every time a leader meets another leader, there really has to be this contact. There are scenes between Macron and Trump that are surreal. But in the end, we don't really take many concrete decisions, and internal contradictions increase. You talked about Romania, indeed, and Bulgaria tomorrow. And so, we are in a situation of extreme tension. One can wonder what the goal of all this is. It's not just a game of trade negotiations. Why, all of a sudden, should we take at face value what he says and not say that finally it's just a convenient discourse for him, to justify what he does here. If we have to hit, it's now, it's not in 15 years, because in 15 years we'll be more weakened. And so, that's why I think what is at stake here is something other than what appears on the surface. And that the stakes are much more serious than what is perceived. We are witnessing at the same time a regime crisis, because there isn't simply an economic crisis and international tensions, but a crisis of the capacity of our elites to cope. You said it at the last conference: the fact that they are Atlantists—the Germans—perhaps they are the ones best suited to fight. But the German Chancellor did what had to be done at the German level. However, he must provide a response at the European level... And you just said that what he did at the German level prevents what must be done at the European level, and just saving Germany in a Europe that is in decline isn't the right solution either. And as for the citizens, that's not going well either.



Guillaume Duval: Trump's vision of the world, I believe, is quite clear. It's a 19th-century vision: the clash of empires, the return to classical imperialism backed by protectionism. Basically, the United States developed and became a great power in an extremely protectionist manner. They became free-traders from the moment they were dominant. So his vision of the world is that. It's blowing up all multilateral frameworks—the WTO, all that, who cares. What counts are the power dynamics. It's a power dynamic within a classic imperial logic. I think it can't work. There is an international economic infrastructure that has been put in place from which you cannot go back. You cannot return to the logic of the 19th century. No one in today's context is going to come and invest in the United States to reindustrialize the United States, especially in a logic where the United States becomes a dictatorship where no one is sure of property rights or there is no longer a rule of law. No foreign investor is going to rush to build factories in the United States. And even if Trump backed down on these customs duties because he saw that the markets were collapsing and that interest rates on American debt were rising, he backed down. But the interest rates on American debt haven't gone back down. They remain as high as they were at the moment he decreed these customs duties, when they jumped by a point because he broke the trust of international investors and no one, at least not as many as before, is going to buy American debt securities. They are going to look for other outlets. So I think that's his logic, but it can't work.

Georges Vlandas: Do you agree with Olivier Blanchard? Do you think the system will regulate itself in a certain way?

Guillaume Duval: I think things risk cracking everywhere, including on the military level, but in any case, the way he (Trump) sees things and a possible success, that will not happen. Now, I don't know how far it will go with the Chinese. I don't know what will happen in Iran. If Israel attacks Iran, I don't know where that will lead. I don't know either where we're going in Ukraine, I don't know where we're going in Israel; there are many reasons to think it's going to go badly on many levels. I simply think that the way Trump sees things and a possible success, that will not happen.

As for Germany, yes, I said earlier that I thought it was quite negative, at least in terms of European mobilization. On the other hand, I think the Germans have understood one thing, and perhaps that can allow things to move forward nonetheless: it's that their mercantilism, which consisted of betting on exports outside of Europe, has limits.

So, they will certainly—German industry certainly thinks—that the future of German industry lies much, much more than they've thought over the last 20 or 30 years in the rest of Europe and in boosting consumption in the rest of Europe. On that, it could eventually play a positive role in the future. But it's true that right now, when we should be borrowing together in Europe in a significant way, I think it's going to be more difficult because the Germans have decided to do it at a national level.

Yves Caelen: I could eventually bring up a question, which is obviously that all these situations in the relationship with the United States will also have an impact on the redeployment, let's say, of global trade as a whole. How do you see the impact of this new situation on new risks, but perhaps also new opportunities regarding our trade relations with other countries? We think of Asian countries in particular, perhaps also South America, but also Canada, for example. Will things reconfigure, and what are the most likely developments? Thank you.

Guillaume Duval: The most likely, I don't know, but the most desirable is indeed to succeed in isolating Trump in a way and avoid a contagion of this type of protectionism, and to succeed in developing economic, but also political, but also technological relations with other parts of the world—so, on the one hand, the G6, the developed countries minus the United States, so Canada, Australia, Japan... And on the other hand, indeed, the countries of the South, the countries of Latin America, the Asian countries excluding China, African countries, but that also supposes a fairly profound change in the attitude of Europeans who had a very marked tendency—and this is reinforced by the rise of the far-right—to withdraw into themselves and consider that the rest of the world no longer interested them much, and to have an extremely cautious attitude, notably on the question of migrations. So, if we want to succeed in this, it means we have to change our state of mind quite profoundly and change policies, including in terms of money. I mentioned it earlier for development aid, but it's the same for the fight against climate change. If we want to save the Paris Agreement despite Trump's withdrawal, it's absolutely indispensable; we will have to accept putting more money on the table to help the energy transition, the green transition in Southern countries to compensate for the absence of the Americans. So yes, that's what should be done; that's what would be desirable. I don't know if Europeans are capable of it today; I hope so, but I'm not sure.

Georges Vlandas: There is a question in the chat: "what would be the solution, apart from protectionism for the United States and European countries with a high trade deficit, to reduce the latter, taking into account the fact that the rest of the world is developing more and more?"

Guillaume Duval: In any case, the United States had to succeed in reducing its trade deficit. There is only one solution, and it is very painful politically: decreasing consumption in the United States. But the alternatives would be to increase taxes to reduce the deficit and reduce debt at the same time. But it's true that it's politically very difficult to sell. The protectionist illusion is more sellable than saying we're going to reduce consumption.

Georges Vlandas: Yes, he's already starting to say, I believe, that at first, it might be worse, but that it will improve in a second stage and that already thanks to customs duties, billions of dollars are coming in. In any case, the terrain we are facing is extremely shifting. There's another remark in the chat saying: "speaking of the role of the citizen, one should note the trend in Europe towards increasingly violent repression."

Guillaume Duval: What is certain is that the protectionist temptation clearly exists in Europe too, and the question of whether it will be strengthened by what's happening in the United States or rather weakened is not yet settled at this stage. The question, indeed, of public liberties, the capacity to protest, the defense of rights in this field is a central question and one that will be decisive. We've witnessed a setback in recent years. We'll see if we can succeed in reversing the trend. But it's what you were saying earlier, Georges: we have to be Gramscian in these things—"both pessimism of the intelligence and optimism of the will."

Georges Vlandas: Yes, well, that can be a mode of partial conclusion. You can be sure, Guillaume, that we will come back to you during the second school term to take stock in light of events. We have a political context that is changing, but in which our freedom of action as citizens also increases despite repressive tendencies. It's becoming evident that we must play a role and that finally, the delegation of this role is no longer enough. Thank you very much for coming. If you have no other closing word, we can end on this quote from Gramsci.

Guillaume Duval: Thank you very much!

Can we avoid the vassalisation of Europe?

GRASPE Conference, 23 September 2025 – with Guillaume Duval

Georges Vlandas: The journal GRASPE, which has existed for 25 years, is today organising this conference on a highly topical subject: ‘Can we avoid the vassalisation of Europe?’. This question seems particularly pertinent to us, notably due to political changes in the United States, but not only because of that. We are holding this conference with someone you know, as it is not his first time here. He is the former speechwriter for Commissioner Borrell and is currently an advisor at the Jacques Delors Institute. He was an editorialist for the excellent journal Alternatives Économiques, one of the best publications to emerge in France at the turn of the 21st century, which continues to this day—a testament to its ongoing relevance. We can begin; Guillaume, the floor is yours.

Guillaume Duval: Thank you very much, Georges, for the invitation. It is indeed always a pleasure and of great interest to return here to discuss the future of Europe, particularly in this setting.

So, we are indeed going to ask ourselves a question: how can we avoid being vassalised by the United States? This is a subject likely to occupy Europeans for quite some time over the coming months and years. I will begin with immediate current events, specifically the trade agreement signed at the end of July in Turnberry, Scotland, before widening the lens a bit to see, beyond this immediate news, what we could and should do to avoid being vassalised by the United States.

Before being highly critical of the Turnberry agreement, I would like to say that I know well—having been on the other side of the fence at certain times—how easy criticism is, while art is difficult. I fully appreciate how complicated Europe’s situation is in its relations with Trump’s United States, due in particular to the situation in Ukraine.

However, what still makes me very critical of the Turnberry agreement is that, in terms of its content, it does not address at all the reasons put forward to defend and justify it.

The first reason put forward—and it is obviously a very serious one—is that we cannot fall out with the Americans because there is a war in Ukraine and we need continued American military support. And this is very serious, particularly in areas such as intelligence. We saw what happened last March in Kursk, when Trump cut off the flow of intelligence to the Ukrainians for a week: they were crushed immediately.

There are areas, specifically this one, where Europeans cannot replace the Americans if the Americans withdraw. And it is obviously a major issue for us to prevent the Ukrainians from being defeated in this war.

But the problem is that we gave in on the issues of customs duties during this agreement in Turnberry, even though customs duties and trade are theoretically one of the strong points—the strong point—of the European Union. The European Union still represents 20% of world consumption. It is an absolutely essential market, particularly for American multinationals that are losing their footing in the rest of the world—in China or in the countries of the Global South.

It is an exclusive competence of the Union. It is one of the main areas where the Union does not need unanimity to take decisions that have a significant impact on foreign policy. We have plenty of tools to defend our market. We significantly reinforced these tools during the previous mandate: by strengthening the screening of foreign investments and by strengthening the control of dual-use exports.

So, we have plenty of tools and significant power in this area. And the Union, the European Commission, gave in without truly negotiating, without seeking to build a position of strength against Trump on this.

This has had, I believe, a very negative consequence for the Ukrainian issue itself. That is to say, seeing the Union cave in so easily on a subject where it is potentially powerful and strong, he inevitably concluded that he had no need to take the European Union's opinion into account on any matter.

In any case, whatever he decided to do, we would end up swallowing it, accepting it, as we had retreated so easily on that matter. This was particularly true for the Ukrainian dossier, as he demonstrated immediately with the meeting in Alaska, where he was clearly prepared to reach an agreement with Putin without the Europeans or the Ukrainians being present—recognising the conquered territories as Russian, preventing Ukraine from joining NATO, and potentially demilitarising it or limiting its weaponry.

Because he was convinced that, no matter what he did—and disengaging from this conflict has long been a priority for him—the Europeans would eventually accept it.

This did not happen afterwards, partly because Putin himself has no real interest in ending this war, notably because it would destabilise his own power within Russia. It would result in hundreds of thousands of demobilised people, most of whom are currently alcoholics or drug addicts, many carrying untreated transmissible diseases—tuberculosis, HIV—returning to Russia. This would obviously be far harder to manage than what had already significantly destabilised the United States when Vietnam veterans returned from the war.

So, this would have a very strong destabilising effect. It would also reveal, within Russia, the extent to which the non-military economy is in a poor state and how little has been invested in infrastructure for a very long time. It would, therefore, risk destabilising his rule.

The other factor is that Russia has become very dependent on China today, both for its critical supplies—notably military, but not exclusively—and for selling its gas and oil. Xi Jinping has no interest, no desire, to see a lasting rapprochement between Russia and the United States. Furthermore, he has no interest or desire for Trump to win a Nobel Prize or appear as someone highly effective in international relations, capable of making peace even in complicated situations such as this one. Finally, Xi Jinping undoubtedly wishes to maintain a focal point of conflict (abcès de fixation) in Europe to prevent the West from consolidating all their forces to limit Chinese expansion in Asia.

Therefore, for all these reasons, I believe that Putin did not respond as much as Trump thought or hoped to his offers, despite them being very generous towards Russia. On the other hand, there was the movement you saw the following Monday at the White House: Trump had summoned Zelenskyy to once again twist his arm and impose terms on him, but he [Zelenskyy] arrived with the main European leaders, which has, for the time being, blocked the process.

Nevertheless, I do not think Trump has fundamentally changed his mind on this. Consequently, the problem is that by giving in so easily on the question of customs duties, we have not strengthened the Americans' commitment at all. The Commission claims that we have ensured the Americans' engagement by our side in Ukraine. It is quite the opposite. We have instead reinforced Trump's conviction that we can be marginalised very easily, even on that specific dossier. The second dossier being put forward is the claim that we must absolutely seek stability and predictability for European industries in their relations with the Americans. Here too, this carries significant weight when facing someone as unpredictable as Trump.

It is true that one might reasonably think that accepting 15% immediately is better than fighting him for six months or a year, only to end up with 30% at the end. So, it is not idiotic reasoning. I would go even further: it is not necessarily idiotic to accept an agreement as asymmetrical as this one. The Americans impose 15%, and we—not only do we add nothing more, but we even remove existing customs duties—which are very low, but still.

Why is this not idiotic? Because the 15% that Trump imposes on imports is, after all, first and foremost a tax on the Americans themselves. And it is very likely that this will weigh more heavily—or at least as heavily—in penalising American industry and the American economy as it will in penalising its partners.

I do not believe at all that Trump will succeed, through this, in reviving American industry, because I do not believe at all that people will rush to invest in the United States, insofar as the US is now becoming something as uncertain as Russia or China—nations that have moved outside the realm of the rule of law, where there are no longer any guarantees regarding corporate ownership.

Consequently, this will undoubtedly penalise the Americans more than the rest of the world, and there is no reason for us to inflict the same kind of punishment on ourselves. That is to say, if we were to practice reciprocity—if we were to do the same as the Americans—we would have more inflation in Europe and a greater loss of purchasing power.

So, why not? But the issue remains the same: by folding so quickly and so easily before Trump, we do not have, in the end, any stability or predictability at all.

We have instead reinforced once again the idea, in Trump's mind, that one can go very far with the Europeans, and that they will not push back anyway. And so he concluded, and has started to implement it, that he could go further, including in the commercial sphere.

This is what he has started to do by attacking, in particular, European digital standards—which is a huge stake. If we also give in on that, then we will truly be on the path to very advanced vassalisation.

He has also continued to do so, and I think he will do so soon, on the issue of sanitary standards for agricultural and food products, to make us eat chlorinated chicken or hormone-treated beef.

So there, we have also shot ourselves in the foot, in a way. And he has also continued now by wanting to impose on us—to urge China—to no longer buy Russian gas and oil.

This is rather a good thing, and it is true that today there is a certain hypocrisy among Europeans on this: we import—well, 14% of the gas we import is Russian gas, in fact, essentially liquefied gas now, through France, Belgium, and Spain, for the most part.

So the fact that he is asking us to stop this is not necessarily a bad thing. But above all, he is now asking us to impose very significant customs duties on China as long as China continues to buy—and India too—Russian oil.

It is important to understand why he is doing this. He is doing it today because the price of oil is very low. You know that we had set a price cap, a maximum on the sale of Russian oil, which was 60 dollars per barrel. However, today, market oil prices are around 60 dollars per barrel.

We have been discussing for a long time, in Europe in particular, whether we could lower this threshold to 45 dollars, but it has never been done. The problem is that with oil at 60 dollars on world markets, those who are not coping are first and foremost the Americans.

Because the oil they have, the gas they have, is shale oil and gas. And shale oil is very expensive to extract compared to Saudi Arabian oil, where you just have to bend over to pick it up. So, at 60 dollars, American oil is no longer profitable.

And already today, there are very few new wells being put into operation in the United States, because it is no longer profitable. So what Trump wants to do is to raise the price of oil on the world market by further prohibiting the Russians from exporting their oil.

But the other thing he is seeking is obviously also to strengthen our vassalisation, precisely by forcing us to fall out with the Chinese. It is true that the question of relations between Europe and China is a very complicated one, insofar as China is obviously a major supporter of Russia against Ukraine, and for us, this is a very significant problem. But at the same time, if we simply align ourselves with the United States against China, we are lost. That is to say, we enter into a logic where we lose contact with the entire South, the whole *Global South*, and where we are truly aligned, stuck with the Americans. Therefore, this is something that we must absolutely succeed in avoiding.

So, what I simply wanted to say is that our attitude, which was not at all combative and not at all serious in the negotiations themselves regarding the issue of customs duties, has instead reinforced Trump's idea that he could twist our arm on every possible and imaginable dossier. And so, it was rather a bad thing in that respect.

Simply to return to trade, you know that this story of European trade surpluses with the United States is not so clear-cut. That is to say, there are trade surpluses in goods of around 200 billion euros per year, but on the other side, there is a deficit in services of 150 billion euros per year. This means the balance is small. In fact, 50 billion euros is a lot to me, but compared to the size of the American or European economies, it is very little. And above all, what you perhaps know less is that, in fact, one third of Europe's trade surplus in goods comes from a single country. Do you know which one?

Hugo Arcangeli:
Germany?

Guillaume Duval: No, it is Ireland. So, one third of the European trade surplus is generated by Ireland, and in fact, this means it is just nonsense (pipeau). It is the result of the actions of American multinationals that arrange to house their profits in Ireland because they are not taxed. Specifically to avoid American taxes in particular. So, simply to say that we had a case, fundamentally, solid enough to refuse, to stand our ground, and to have a discourse that did not recognise the reality of the phenomenon and the fact that we had to yield, but we did not play it.

So, what else could we do to avoid this very vassalisation, now, by being a little more effective than we have been in this matter so far?

I think we can, and must, do two things. The first is to play the G6 game; that is to say, to truly draw closer to other developed countries—Canada, Australia, Japan, South Korea—to coordinate our responses much more closely than we have done over the last six months, particularly towards the Trump administration and the misfortunes it attempts to inflict on each of us by taking us on separately.

So, this has happened a little, but not really in a very proactive way on Europe's part. It has been people like Mark Carney, in Canada, who have played this game and tried to play it. But so far, Ursula von der Leyen and European leaders have not really been very proactive on this front.

And the other point is to turn towards the Global South. Behind this, there is a debate that remains unsettled at this stage: whether what is happening in the United States is an episode or if it is durable. For my part, I unfortunately think it is durable. Indeed, I am not at all sure that there will be *midterms* next year. I think Trump has gained extraordinary ground in six months in destroying the American rule of law, taking control of a whole host of things that people thought—that I thought, but I believe most people thought—was not possible. We believed that the United States was a country with many counter-powers, that the president could not do whatever he wanted. He has shown that this was not the case.

So, I think we have a durable rupture here and that we must truly consider and position Europe as having an enemy to the east, which is Putin's Russia allied with China, and an enemy to the west, which is Trump's United States, with the risk that this lasts, that it takes root. In this context, we must on the one hand strengthen our ties with other developed countries, and I think the essential, most decisive thing to do is to turn towards the countries of the South. Turning towards the countries of the South on the economic level. I am French and, normally, as a Frenchman, I should not say this, but I am quite in favour of us signing the treaty with Mercosur. I know it is a project born in the 1990s, something a bit old-fashioned, poorly constructed, but I think we greatly overestimate the negative impact it could have, notably on the agricultural front.

The quotas are still quite limited on these issues. There are theoretically safeguards and controls. Since they are there theoretically, we must also be able to implement them practically. But I think it is essential—we obviously must invest at home—but we cannot manage without being linked to countries with lower costs than ours for all our value chains, all our production chains.

Furthermore, Latin America also possesses significant reserves of lithium. I am not saying at all that we should go and snatch their reserves instead of the Chinese who are snatching them today, but I think we can establish partnerships with these countries to build factories on-site, to manufacture batteries with the lithium they have locally. And in any case, in the context of the relations we have with the United States and Russia on the other hand, it is a major stake to develop our economic and political ties with areas of the Global South. And it is true that, on this front, Latin America is undoubtedly the easiest terrain today. It is true that there is also a colonial history with Latin America, but, on the one hand, it is a colonial history that ended much longer ago than others, and, on the other hand, it ended in a quite different way from others, insofar as it was the Spanish settlers who drove out the Spanish. Which means that—it is also the result of having worked with Spaniards for five years—I think they are right on this point to push in this direction today.

But we should also turn towards Africa. Here, of course, this poses other problems. It immediately raises the question of migration policy. It is true that today, this has a very negative impact on our relations with Africa as a whole. Not only the fact that we allow irregular migrants to die in the Mediterranean, but also what we are doing regarding legal migration. What is happening in French embassies and consulates in Africa is an absolute scandal. When you are an African artist who wants to come and perform in Europe, it is an uphill battle.

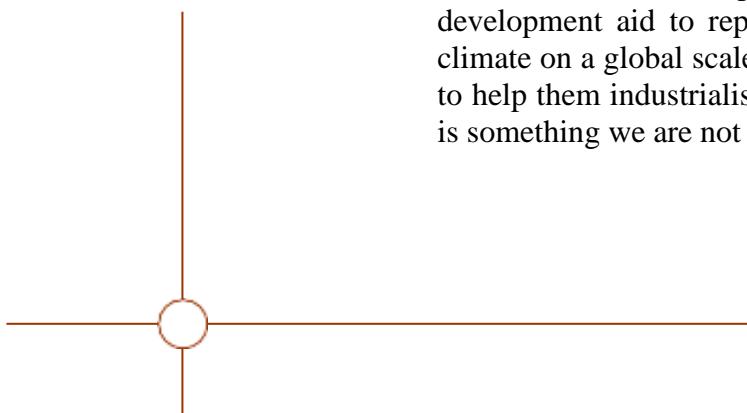
Giorgia Bisia: I think it would be more appropriate to speak of irregular migration rather than illegal migration.

Guillaume Duval: Irregular indeed. What we are doing to people who want to come and see their families, to artists, to professors, is absolutely scandalous. And it is not surprising that this sets the people of Africa as a whole against us, as we have seen particularly in the Sahel in recent years, to the point where they end up preferring a reactionary imperialist like Putin over continuing to deal with Europeans. So there, yes, there is a massive issue

The problem is that behind this subject, there are also questions of cash. The Chinese have made a lot of progress in the countries of the South over recent decades because they have put a lot of money on the table through the New Silk Roads. So they have paid for infrastructure everywhere, in all the countries of the South, in Africa, in Latin America, which allows them today to develop both political and economic relations. Now, yes, I know, this also leads to a certain over-indebtedness of African countries which, today, are beginning to complain about it. But in any case, it has allowed the Chinese to be very present in all these countries.

We responded with the thing called the Global Gateway. A number of you may be familiar with these things. But the Global Gateway is a total joke: we have renamed projects that were already in the pipeline under the Global Gateway. In fact, no additional money has been put into it. So if we want to turn towards the South, then on the question of climate, there is obviously the same thing. Now that the United States has also scrapped its development aid, they have scrapped it and they have left the Paris Agreement. If we want to save the Paris Agreement and continue to have action on climate change, we must on the one hand reach an understanding with China and India—this is obviously central to the landscape—but we must also put much more money on the table to help the countries of the South make their transition without going through oil, to help the countries of the South adapt to climate change, because they emit very little but are often very impacted by climate change starting from today.

All this means that Europe can only avoid being vassalised by the United States if it turns towards the South and puts the means behind it. That is to say, compared to the Draghi report—I will talk about it later—which says we must invest a lot at home, yes, we must invest a lot at home, we have fallen far behind technologically. But in the international context we are in, we must also accept investing outside, spending more on development aid to replace the Americans, spending more on climate on a global scale, and investing in countries of the South to help them industrialise in a certain number of sectors. So this is something we are not very capable of doing today.



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Many people will fairly easily agree on what should be done to avoid being vassalised by the United States: investing at home to develop European defence, investing at home to catch up on our technological delay, and investing abroad to develop our economic and political ties with the countries of the South.

Perhaps just a word on something I forgot regarding the trade agreements with Trump. One of the elements that prevents them from working and ensures they will provide no stability or predictability for the future is not only what was done regarding customs duties, but also the fact that Ursula von der Leyen promised to invest 600 billion dollars in the United States instead of investing them here—to buy gas, to buy weapons. The problem is that not only is this contrary to the policies we are supposed to have to strengthen our strategic autonomy, as they say, but furthermore, insofar as these are promises that the European Commission cannot keep—because it depends primarily on Member States on one hand and private actors on the other—these are promises that open the way to all kinds of outbidding from Donald Trump. He has already started doing so, saying: "If you are not capable of investing 600 billion dollars with us, I'll add another dollop of customs duties." So this is also one of the reasons why we will have no stability.

But therefore, regarding what we should be doing in the world: we must turn towards the countries of the Global South and invest at home—as the Draghi report says. The question is obviously: are we capable of doing this as 27?

I believe this will necessarily require a major institutional leap. We must move away from the unanimity rule on foreign policy and defence issues. We must take on common debt again, and at much more significant levels than what we have done until now.

So, are we capable of doing this as 27 and evolving as 27 in this way? For the moment, it doesn't look obvious at all, but one is never safe from a pleasant surprise. It is true that when you hear Friedrich Merz, a German Christian Democrat leader who was previously the most Atlantist, repeating every three weeks that we must absolutely ensure Europe becomes independent of the United States, it carries a certain weight, a certain credibility. Despite everything, it remains complicated; as soon as it comes to building a fighter jet with the French, it's war—but it is a very important change in the situation at the heart of Europe. It is possible that we may have to go through what is already being done for Ukraine, such as the "Coalition of the Willing," meaning intergovernmental agreements among a smaller number of countries.

I would just like to conclude by saying that I am quite confident that Trump can serve as a vaccine in Europe against the movement towards the far-right and euroscepticism. I think what might happen regarding the United States is the reverse of what happened in the 1930s. The fascists were very strong in Europe but also in the United States. Take the example of Henry Ford, who was a major financial supporter of Hitler and a notorious anti-Semite who nearly ran for president. Later, there was also Lindbergh, the aviator who crossed the Atlantic, who was also a Nazi and also had presidential ambitions. There was an American Nazi party that held demonstrations throughout the United States and achieved high scores. But faced with what the Nazis were doing in Europe, the Americans eventually became afraid, voted for Roosevelt, and committed to the Second World War. For now, Trump appears more as a supporter of the far-right in Europe, but this also puts them in an uncomfortable position where they find it difficult to play the role of sovereignists while supporting Trump. Moreover, even if his customs duties have not yet had a massive effect on the American economy, that should come. His failures and difficulties should help Europe cut itself off from the United States and curb the far-right, even if it doesn't quite look like that right now. (.....)

Guillaume Duval: I was thinking of two things. First, on von der Leyen and the Commission: she has shown a great deal of dynamism and drive, but essentially revolving around one subject – concentrating power and appearing as the President of Europe, even in areas where, theoretically, she has nothing to say, namely defence and foreign policy.

However, what I would fault her for is that she has not done enough on key issues regarding the difficulties we face today: for example, the budget. We have known since 2020 and Next Generation EU that Merkel had managed to get the others to accept, on the one hand, that Next Generation EU would have to be repaid, and on the other, that this common debt would have to be institutionalised and made permanent for defence, for Ukraine, and for industry. And she [von der Leyen] never fought for that.

For five years, she has made no progress on the issue of the Union's new own resources. And now, on the eve of the new MFF [Multiannual Financial Framework], we find ourselves left high and dry, as no new own resources have yet been adopted and we are going to end up with a budget that will in fact be lower than the previous one, in the final analysis, at the end of the negotiations. This is, after all, her responsibility.

Georges Vlandas: But it is primarily the Member States.

Guillaume Duval: And the other thing is that she has done nothing on institutional reforms. I know institutional reforms are complicated, but she has done nothing to move away from unanimity on defence and foreign policy issues. Nor has she done anything to use even the room for manoeuvre that exists within the framework of current treaties.

We do not know, for example, that in fact, for sanctions to be taken against States, we do not need unanimity in the Council. There are rules provided for in the treaty which state that once the European Council – the heads of State – has decided that it will impose sanctions, the Council of Foreign Ministers can decide on sanctions by qualified majority.

Georges Vlandas: Did the Council of Ministers take this decision? No; why then should it be the fault of the President of the Commission?

Guillaume Duval :

Let's say she could have pushed for it. Afterwards, regarding the forces that could serve as a reminder: I think the fact that Draghi is stepping up on two aspects that are somewhat contradictory.

On one hand, deregulation: the entire European right is ready to buy into that. And I think it is rather dangerous. There are certainly processes to simplify, rules to simplify, but deregulation cannot be a driver of innovation.

In fact, it is rather the rules that force one to innovate. Having stricter environmental rules is what leads us to invent new things. Deregulating, if we only do that, will lead us nowhere.

But I think the fact that someone like Draghi, who is not a revolutionary, is stepping up in this way is significant of one thing: European big business is beginning to understand – large European companies are beginning to understand – that they need to strengthen the European market for its own sake.

For a long time, European multinationals fought against any protection of the European market, against any European industrial policy, because they were investing heavily in China on one hand, and in the United States on the other. That is where they saw their future market, their profits, and their growth.

They particularly did not want their development in the United States or China to be hindered by protectionist or industrial measures in Europe.

Today, the Germans, above all, are realising that this is not how it works: an industrial policy is needed to exist on a global scale. And in the current context, the Chinese market – you can forget it. The American market is also in the process of becoming impossible.

So, if we do not develop the European market and if we do not turn economically towards the countries of the South, we will be finished. But it is not only the workers who will be finished: it is also European big business.

I think there is today – even if it is not yet expressed very strongly politically – a possibility for an alliance of social forces, not necessarily obvious at first glance, to better protect the European market, to have more proactive industrial policies, to borrow in common, and so on.

Then again, it remains complicated on the political level.

Georges Vlandas: Because there is no political offer capable of forming this alliance, for the moment.

Guillaume Duval: Yes. But I think the fact that Draghi is taking such a role in the European public debate is nevertheless significant of something important.

Georges Vlandas: Now, there is a colleague from the European External Action Service who writes to us in the ‘chat’:

‘Does the European Union today possess the necessary levers to strengthen its strategic autonomy, particularly vis-à-vis the United States? Recent initiatives – Strategic Compass, European Defence Fund, PESCO – strengthen the European capacity to act without systematically depending on Washington. But dependency on the American umbrella via NATO and internal divisions between Member States limit the coherence of a common foreign and security policy. The economic points, for their part, are weakened by energy and technological dependency, notably vis-à-vis the GAFAM and American defence technologies.’

What would be your reaction?

Guillaume Duval: My reaction is that, particularly regarding the GAFAM [Big Tech], yes, we depend on them, but the GAFAM depend enormously on us. They are currently being thrown out of Russia; they are being thrown out of China; and they are being overtaken in the markets of the Southern countries by Chinese multinationals in the sector. In fact, apart from the United States – which remains a very large market for them – the only market in which they have solid positions, and which are currently not threatened, is the European market. So yes, we depend a lot on them. We are not capable of replacing them overnight. But if we truly fall out with them, they will also be in a great deal of pain. We therefore have a much better balance of power than is generally thought. However, there is a weakness in the institutional construction of Europe on the question, in particular, of competition and sanctions for breaches of competition rules. The European Commission is simultaneously the political decision-maker – it is the one that puts forward the laws – the police – it is the one that investigates and prosecutes – and the judge – it is the one that takes the sanctions and implements them. The problem is that this construction does not at all conform to the rule of law as we usually know it, with the separation of powers. And in fact, this makes it a factor of political fragility. That is to say, Trump can hit the Commission without the Commission being able to say: "I have nothing to do with it, it was the judiciary that decided." It is cornered. So that is a fragility in the construction of Europe, a heavy one particularly in this field. But this can be corrected. The Commission wanted to do this to have a lot of power in the field of competition. But it is a trap.

Yves Caelen: One element that was missing from the presentation – rich as it was – is the question of currency, and specifically the role of the dollar. With Trump's new policies, do we have any prospect of seeing the role of the dollar in the global economy change?

Guillaume Duval: Trump's policy on the dollar is twofold. He first wanted – and obtained – a significant depreciation of the dollar. Not only is the European economy suffering from customs duties of 15% and more on its exports to the United States, but we have also suffered a depreciation of the dollar of almost 15% since the beginning of the year. This accumulates and amounts to a great deal. From this angle, he is succeeding in what he wants: making the American economy more "competitive" by driving down the dollar. In the long term, this should have negative effects on the purchasing power of Americans – this was what had caused a great deal of trouble for Biden – and it could end up backfiring on Trump if prices rise too much, since they import quite a lot.

Guillaume Duval: The other aspect is the use of the dollar as a political weapon to force others to align – this did not start with him. This weapon is eroding: I saw the other day that half of China's foreign trade is now conducted in yuan, which was not the case ten years ago. We are moving towards a de-dollarisation, even if the role of the dollar remains very important. American extraterritorial sanctions are pushing everyone in this direction. It is a powerful and irreversible movement.

This raises the question of European action towards the South once again. The attempts by the BRICS to build alternatives to the IMF, to the dollar as a currency, and to Western payment systems risk succeeding in the end. It is a formidable challenge for Europeans: not to remain stuck with the Americans in a shrinking space, while other things are being built alongside and against it. Multilateralism is central to us. The Americans have never really been multilateral: it was not with Trump that they began hitting the UN and UNESCO, blocking the WTO, staying out of the ICC or the ICJ, or blocking the Kyoto Agreement. The only ones who have a vital need for multilateralism are us. If we want to save it despite Trump, we must reach an understanding with China, Brazil, and South Africa. And 'we' means the European Union.

Georges Vlandas: This is somewhat the problem that explains the wait-and-see attitude (attentisme) of social forces: the stakes are immense, or even beyond us. Previously, we used to say: we take power in France, in Greece, and things change here or there. Now, it is a multi-player game: 'we could do this', but then the Germans, the Austrians... and we are faced with the absence of European parties. The low political autonomy of the European Parliament is also explained by the fact that MEPs are not nominated by truly European parties with a European agenda: they depend on the Member States. Remember Jean-Pierre Cot, a professor who dealt with development in the Parliament, who had a progressive vision, and was then ousted by the PS [Socialist Party].

What autonomy is there for deputies who depend on national nominations? The same applies to the Commissioners: we audition them, but on behalf of what policy? We are facing multiple deadlocks and the main question is, where to start? I would say: with politics, with social issues, with a European programme. But who carries it? Perhaps you know more – you are more intelligent, more cultivated, and younger than me...

Guillaume Duval:

Where to start? With the budget. We will only be able to handle social issues, industrial matters, foreign policy, and development aid if we have more cash at the European level.

Georges Vlandas:

But Member States will say: "We are giving to Europe when we have no money ourselves." Are you advocating 600 billion in annual debt – as Draghi suggests?

Guillaume Duval:

Draghi says: invest an extra 800 billion per year. It is not exclusively public: both public and private. To invest an additional 800 billion, at least 200 billion more in public money is needed as leverage. We borrowed 750 billion together in 2020...

Georges Vlandas:

Do we have an assessment of the recovery plan?

Guillaume Duval:

I have not seen a clear assessment. It is very difficult to produce. Without this plan, the situation would likely have been more difficult; but quantifying the impact precisely is complicated.

Georges Vlandas:

I believe the grants component was more sought after than the loans component.

Guillaume Duval:

That is the problem – including for SAFE, the new defence loan (150 billion euros). It is solely money borrowed by the Union to be lent to the States. That is not of much use: the interest for a State is merely the rate spread between what the Commission borrows and what it would borrow itself. Low leverage – here on the defence industry, just as with Next Generation EU before. The half-grants / half-loans split: loans are not worth much, except for France or Italy with their higher rates. For most, there is limited interest. The real question is: can we truly put additional money on the table at significant levels?

Going to ask the States for ‘more cash’ will not work. There must be two levers:

1. **Own resources:** real taxes decided and collected at the European level. The candidates: greenhouse gas emissions (carbon taxes, ETS) and the digital sector.

Taxing the digital sector to fuel the European budget puts us in confrontation with the United States, but the Member States do not already have their own taxes there, so it is feasible and a priority. We need growing own resources.

2. **Borrowing on a European scale.** European debt is almost non-existent: it costs no one anything, and we can act. We must accept moving away from the dogma of a European budget that is always balanced and the prohibition on borrowing. As long as we stay at 1% of the wealth spent at the European level, we will do nothing significant – neither innovation, nor industrial policy, nor defence, nor development aid, nor foreign policy.

Georges Vlandas: And how can this battle be led politically within the Member States?

Guillaume Duval: In foreign policy, things are possible. We are already the world’s leading provider of development aid – but via national policies and national agencies. We continue to scrap everywhere in Africa to each plant our own little flag. This is an area where we could, without necessarily inflating European budgets, mutualise. (...)

Yves Caelein: Perhaps to return to the global economy: with this proposal to open up to markets that could, in a way, take over from the United States, moving towards the G6 and then the Global South... Is there not a fundamental problem? The economy is increasingly taking on the appearance of a ‘war of all against all’: access to necessarily limited resources. Among Trump’s actions, there are not only customs duties; there are also, for example, agreements imposed on Ukraine regarding access to these resources. And there is the competition in Africa, in Latin America, and elsewhere, between multiple powers for access to resources. With the rise of batteries, it would be quite easy to penalise Europe – in the event of sanctions, say against China – perhaps more than the countries we would wish to sanction. Are we not witnessing a total reconfiguration of the global economy towards an economy of scarcity, with a violence inherent in the economic game??

Guillaume Duval: What is certain is that if we truly have a fragmentation of markets and economies, it will cost everyone dearly. Globalisation has major drawbacks; it creates significant imbalances, but the fact that, for a firm, the market is global – 7 billion potential customers – allows for the amortisation of investments that are far more substantial than if one only produces for 300 million Europeans or 300 million Americans.

We therefore have a vital interest in maintaining economic relations and not descending into autarky. This ties back to what I was saying: developing economic and political links with the countries of the South to maintain a broad market dimension. Yes, there is a scramble for access to raw materials. But we can present a political advantage: we are less scary – because we are less powerful – than the Chinese or the Americans. We can offer deals that are less predatory, less imperialist, which will be perceived as such and will meet with more approval.

The major difficulty, especially regarding Africa: the countries that know Africa best because they were the colonisers – France and Belgium – are the worst placed to act, due to history and persistent acrimony. Those who should be the driving forces – the Germans, the Poles, the Eastern European countries – take little interest; it is a cultural problem.

I believe it is Kaja Kallas who succeeded Josep Borrell as High Representative: one of her problems over the last six months is that, outside of Russia and Ukraine, she knew little about the other dossiers (Africa, the Middle East, etc.). These countries need to be more proactive in turning towards Africa; but this is difficult for France or Belgium.

Georges Vlandas :

Today, it is a race against time: what we do not do and what we postpone, we can no longer catch up on. The forces involved are moving and proposing their own solutions. If we had been much tougher in 2014 over Crimea, perhaps we would not have this endless war or this dependency. We needed to analyse and prepare. Instead, we wait two or three years after the start of the war. We are told that at the military level, our shell production exceeds that of the United States, but we are incapable of building a plane together, or anything else.

Xi, as soon as the conflict with the United States began, toured Southeast Asia – Laos, Vietnam, Malaysia, if my memory serves me correctly. He has already moved and created a market there. He has managed to move past conflicts, with India for example, or with Russia in Asia. And we, in front of us, have an irresponsible American leader conducting a selfish, unprincipled policy that destroys our identity. If everything is reduced to knowing who is the biggest rogue, in the name of what are we fighting? The Rule of Law?

The rule of law is putting up a poor fight in the United States: elected magistrates are resigning, the media is resisting – the New York Times, Wall Street Journal – but still... It is a race against time that produces its own logic and its own challenges: if we do not act quickly, tomorrow we will be faced with other, even weightier questions.

I am pleased that Draghi is proposing something lucid. Incidentally, Draghi worked with the Commission's services, it seems: the experts for the Draghi report are those of the Commission. It is a bit like the Penelope project – Prodi's alternative for the European Constitution – far better, yet without any political resonance. This contradiction is distressing. The course of history is accelerating: in three months, the situation will be different – probably worse.

Guillaume Duval: We shall see. I would not be surprised if, in three months, Putin were in a more difficult situation than he is today. I do not think the war is turning in his favour. I do not know where we will be, but I would not be surprised to have some rather good surprises on that front.

Georges Vlandas: Thank you for staying so long on such a demanding subject. We will produce the transcript – this time recorded by two or three different means.



Fake news: how to protect ourselves?

U4U Conference, 17 October 2025

Guest: Hubert Krivine for his book “On nous aurait menti ? De la rumeur aux fake news” (Have we been lied to? From rumour to fake news), published by De Boeck Supérieur in October 2022.



Georges Vlandas:

Good morning, colleagues. Thank you for coming to this conference: “Fake news: can we protect ourselves?”. False news, alternative truths—are there more than before, or is there simply an acceleration in their propagation? Is this a new phenomenon? Clearly not, as for example in the Book of Isaiah, over 2,000 years old, it is written: “Woe to those who call evil good and good evil, who put darkness for light and light for darkness, who put bitter for sweet and sweet for bitter.” This is something that has existed for a long time, yet it is becoming increasingly frequent. Current events provide numerous examples, from the ‘denazification’ of Ukraine to the anti-vaccine theories of the US Secretary of State, not forgetting Professor Raoult’s theories. To discuss and debate this with us, we have Hubert Krivine here for the second time. He is a scientist and senior lecturer at Pierre and Marie Curie University, where he taught statistical physics. He is the author of numerous works dedicated to the construction of scientific thought. we have already held a conference on one of his books: “ChatGPT: intelligence without thought?” I will immediately give the floor to Mr Krivine for an introduction, after which we will have the opportunity to debate.

Hubert Krivine:

Good morning, thank you for the invitation. It is amusing because when I arrived in Brussels, Georges gave me a book by Myriam Revault d’Allonnes entitled The Weakness of Truth (La faiblesse du vrai); it is a very good title. I think I am going to talk to you about the strength of falsehood, because it is the mirror image of the weakness of truth. The definition of fake news is easy: it is a lie on a large scale.

From this point of view, it is nothing new. Examples are infinite, from the Protocols of the Elders of Zion to the weapons of mass destruction in Iraq—you remember in 2003 when Colin Powell, before the United Nations, held up a vial to demonstrate that there were weapons of mass destruction. In wartime, we used to call these bobards—it comes from bober, which meant ‘to deceive’ in Old French. So why a new word? Because of the gigantic scale made possible by modern means of communication. It is worth tracing the progress of diffusion: from writing on parchment, then on paper thanks to the Chinese 2,000 years ago (later spread by the Arabs in the Middle East, then in Europe in the 15th century). This was essential for the propagation of the most widespread book in the world, which has sold a few billion copies: I mean, the Bible. Then came radio, television, and so on. The novelty, therefore, is not so much the size of the audience as the instantaneity of the propagation. I will give you two quotes that I find very good and which perfectly illustrate what I am going to say.

Paul Valéry said: “The mixture of true and false is enormously more toxic than pure falsehood,” and Victor Serge, a revolutionary of Belgian origin, said regarding Stalinism: “In their lies, there are truths.”

One example of ‘false fake news’ is that of Alan Sokal. He was an American physicist who wrote *Transgressing the Boundaries: Towards a Transformative Hermeneutics of Quantum Gravity*. It sold quite well, yet it was a provocation by Sokal, who is a very good physicist; he knows exactly what he is talking about, and specifically, he knows that quantum gravity [as described in the paper] does not exist. So the entire title is nonsense (baratin), and the editors of the journal published it with enthusiasm. It caused an uproar once everyone realised what had happened. A ‘true fake news’ example: Pascal’s Wager. God is, or he is not—but which way shall we lean? Reason can determine nothing here; let us weigh the gain and the loss by ‘taking the cross’ (tossing a coin) that God is. If you win, you win everything; if you lose, you lose nothing. Therefore, win without hesitation. So, performing acts of piety costs little and can pay off enormously, even if it is not probable. Who would hesitate before such a choice? There are other examples. Homeopathy, for instance, has been practised in Europe, and especially in France, for a very long time. It is a sham treatment, yet tens of thousands of doctors have approved it and hundreds of thousands of patients have consumed it. This is because it did provide some relief, yet there is not a single active molecule in it. It gives the idea that it can be useful. It reminds me of those masks people wore in Italy at the end of the Middle Ages during plague epidemics—large masks with a long bird’s beak in which they burned aromatic herbs to protect themselves from the disease

Thousands of people did this, and the effectiveness of the process was nil. People did it because, faced with such horror, one could not do nothing. So, they did anything, but they did it. During Covid, Professor Raoult from Marseille claimed to have found a cheap treatment to immunise people against Covid. It is nonsense (pipeau), even though he was already well-recognised. What is interesting is that here we witnessed the birth of a new religion. On a very small scale, but it is a new religion. There was the prophet, Professor Raoult, and a huge list of political disciples and even a few scientists.

So how can we protect ourselves? Well, in fact, we cannot; the answer is quite clear. Some suggest common sense, but it is not a good indicator at all; it will tell you that bodies fall faster the heavier they are, whereas this is not true. The notion of ‘obviousness’ (évidence) is misleading; ‘obviousness’ means ‘that which is seen’, but what is seen is not necessarily true, and conversely, what is true is not necessarily visible. And common sense is not sufficient to oppose fake news because fake news is often itself based on common sense.

We can, of course, analyse the sources. For example, the bacteriological war in Korea; it was said at the time that the Americans had dropped germ bombs on the Koreans. But it was not true, and yet it seemed to be. Especially for those of us on the Left, we did not like the Americans and we felt it was entirely possible. Another example of source analysis that can be misleading: the Moscow trials. When Stalin did that, the accusations were implausible, and yet a significant part of the Left, and particularly the Communist Parties, completely supported these trials because the source seemed reliable to them.

There is also the case of Mme Teissier. A clairvoyant followed notably by Mitterrand, and a doctor of sociology—which is one of the scandals. She wanted to prove the utility of astrology by saying she was right eight times out of ten. This is indeed beyond chance. It is faulty reasoning, but it worked. It also worked when I tested it before my students. It did not occur to them that it means nothing. If you take a plane, for example, it may crash or it may not, but there is not a 50% chance of it crashing, is there? So, just because we do not know the outcome of a phenomenon does not mean there is a 50% chance of it happening; that is absurd.

There is also the amusing example of Prof Blondlot, an Alsatian who discovered N-rays. And he had a good part of the French scientific community behind him, which was proud to show that we were doing things in France.

These were rays that penetrated matter and, like X-rays, made it possible to see what was happening inside a human body. Well, that too was nonsense (pipeau). But he was not a fabricator. He was a fairly well-known physiologist, and he believed in it until his death. There is also Koch's bacillus, which was supposed to cure tuberculosis with tuberculin. One could go on and on with examples like that.

So, why does fake news work? There is, obviously, people's credulity; a key factor is confirmation bias. No one truly escapes it; even scientists look more favourably upon an experiment that aligns with their views. If you define fake news as the large-scale propagation of false ideas, then what about religion? It concerns billions of people. Religions are a bit like myths; that is to say, an overwhelming thing that soothes suffering. It's like homeopathy; it has no objective virtue. A good priest can be just as effective at comforting people, but that doesn't mean what he says is true.

Georges Vlandas: Thank you. So, it is said that there is fake news, and it is propagated due to new communication techniques. The Orléans rumour, analysed by Edgar Morin, was one such instance. Today, there is an immediacy of information. Beyond fake news, there are also "alternative truths" as described by George Orwell—imposed ones—as well as others that are less systematic, less ideological, but which nevertheless spread.

Revault d'Allonnes' book cites a Guardian article mentioning the lie about Donald Trump's inauguration ceremony, where there were supposedly not only more people than at Obama's, but furthermore, it supposedly stopped raining. Those who pointed out that it rained all afternoon were told in response: "we can disagree with the facts." So, it is openly owned. For Brexit, there were promises such as the investment of £350 million into the health system, and then the same people said that it wasn't true and didn't do it.

The question we might ask is that the massification of alternative facts leads to something fundamental, it seems to me: the fact that we can no longer talk to each other. Democratic debate can be affected by this. If we are each in a parallel world, it is complicated. I am well aware that in social sciences, factual judgements are imbued with value judgements, but in hard science today, less so. We can discuss unemployment, but we cannot say that it does not exist.

Georges Vlandas: This is what concerns me above all. The Oxford Dictionary states that “post-truth has rendered truth inessential or irrelevant.” How can we, under these conditions, come together, be a society, or debate? It is a staggering question. And all of this is exacerbated by algorithms that only reinforce existing beliefs. In a magazine, Paris Match (I know, I know!), there is an interview with Thomas Huchon where he wondered if it was useful to tell someone that a conspiracy theory is just that. His response was that it had no effect on those who already believe, but it helps reduce the influence of the phenomenon and prevents others from falling into it.

Yves Caelen: So the question was this relationship between fake news and the possibility of having a debate. Is a public debate still possible in a world that is so invaded by manipulations of the truth?

Hubert Krivine: The Raoult affair was fascinating; we saw him on TV and he was rarely contradicted. It is indeed very difficult.

Georges Vlandas: In the chat, there is a question: “What needs further exploration is why, despite Trump lying, people vote for him. Is it a lack of culture, a fascination with the extraordinary, or trust in a messiah?”

Hubert Krivine: We believe people who lie to us because they tell us exactly what we want to hear; it seems obvious.

Georges Vlandas: Certainly, but is all this not also related to a political crisis, a crisis of public deliberation, and the loss of trust in the political world where the opposite of what was said during campaigns is often done?

Hubert Krivine: Yes, there is a lack of trust, and also towards the scientific world, which seems to me at least as serious. Einstein is not responsible for the atomic bomb. Knowledge is never a bad thing; it is always progress, but what we do with it is different.

Yves Caelen: And what if it were a crisis of authority? Because fundamentally, what characterises our relationship with knowledge and what we call truth is a trust in authorities. We are not talking about politicians, but about scientists.

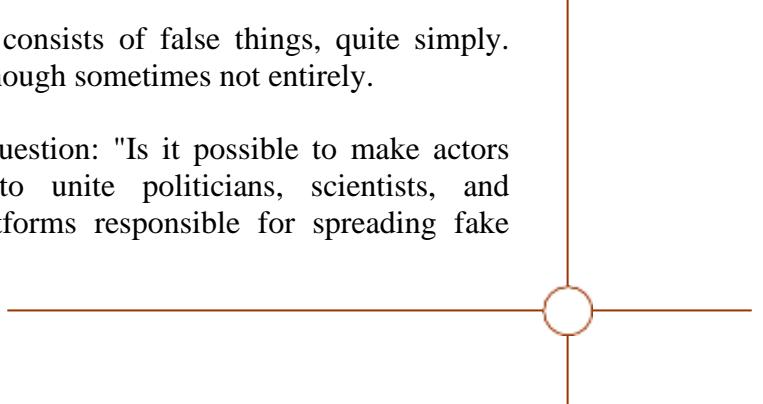
Yves Caelen: For instance, during the Second World War, there was a scientific hierarchy of human races published in scientific works. Political authority relayed this through the colonial project. After the Second World War, we realised that this did not conform to reality, but we also realised that authority had driven us into a wall. Believing in that sort of thing led us into a dead end. Consequently, years later, we arrived at a questioning of this idea that there is an authority which holds the monopoly on knowledge, and as a result, the guarantors of knowledge seem to be dissolving. We arrive at May '68, the student revolt against professors, "it is forbidden to forbid," and thus we reach a liberalisation of the search for knowledge. Might what we call "fake news" not be a kind of ultra-liberalisation of knowledge?

Georges Vlandas: This raises an ancient debate, namely the space specific to codes—the producer of truth—which exists thanks to peers so long as they are not refuted by other truths. One can only question what we know at a given moment according to precise rules. Otherwise, one is "doing a Raoult." That is a specific field. This links back to a question raised during Mr Krivine's first conference, which discussed the data from the Grand Débat National (Great National Debate) held in France and processing it via AI to obtain a result. And Yves, you were saying that in the clash of politics, what reduces risks is deliberation between citizens, which allows a problem to be approached in its multiple dimensions—scientific or otherwise—and according to one's perception based on one's condition. This field of deliberation is positive, but the problem is that it is in crisis, and in this context of fake news crises, we can no longer discuss, or at least it is much more difficult. It is a challenge.

I see a question in the chat: "How can we protect ourselves from fake news spread by the authorities themselves—the Timisoara mass graves, the 40 babies beheaded by Hamas—what is the difference between propaganda and fake news?"

Hubert Krivine: Fake news consists of false things, quite simply. Propaganda can be false too, though sometimes not entirely.

Georges Vlandas: Another question: "Is it possible to make actors accountable; for example, to unite politicians, scientists, and journalists, or the social platforms responsible for spreading fake news?"



Regulatory mechanisms (fact-checkers) are being established. For example, regarding hate speech, etc. However, in the United States, this mechanism was withdrawn in the name of freedom of speech.

Hubert Krivine: We must understand the political limits of this, because if we start punishing every politician who tells tall tales (racontent des salades), we would never hear the end of it...

Audience: Why? It would filter them out.

Georges Vlandas: Yes, but the problem is knowing who controls the filter. We have another remark: "Cross-referencing information using AI is a real debate today; people may, rightly or wrongly, consider AI to be impartial."

Hubert Krivine: It is not, because AI relies essentially on billions of data points available on the web. But those data points are not the world. Returning to the Raoult affair, the overwhelming majority of internet sources on the subject were in favour of Professor Raoult's treatment, and it was false.

Audience: But one could imagine an AI disconnected from the internet, which would only "consume" what it is given. An AI not connected to the internet, such as the one from HuDex. They are the ones proposing to collect the data from the Grand Débat National that took place in France. As their AI code is open source, everyone can check for potential biases in the code. In this way, we could see trends emerge in opinions, and obtain an objective substance of the values, claims, and visions people put forward. I don't know if it's possible, but in theory, it is already interesting.

Hubert Krivine: That would be very good; I am in favour of this kind of "fed" AI, but its effectiveness would be very low since it depends above all on the volume of data with which it has been trained.

Yves Caelen: That means the AI would only be capable of producing things corresponding to the state of the Grand Débat National. It is not impossible that in a few months or years, the nation we are talking about might shift sharply to the right, which means that what feeds the debate would correspond to the state of opinion at that time.

What lies behind this is the myth of objectivity in accessing knowledge. However, it does not exist. When we talk about truth, it raises questions for me. Scientific truth, I see what that is—a consensus—but in politics or morality, I see none; or perhaps the truth of the Church or the Party, but that is not objective. That is where the interest of the debate lies, and viewpoints are necessarily multiple. For medical treatment, it's different; it is studied and objectifiable. So, this idea that an AI could allow us to access "truth" in the Platonic sense is problematic.

Audience: I don't think that is the point. The French President organised what he called the Grand Débat National (Great National Debate). The premise was to say, "we are going to listen to everyone's opinion"; he held many debates himself, and we could spend a lot of time questioning all that, but the fact remains that it resulted in a vast quantity of data. So-called "cahiers de doléances" (grievance books), sometimes dozens of pages per person. This amount of data is impossible to process. This is what the June 2025 article from the Fondation Jean Jaurès on AI and democracy discusses. Hugo Micheron and Antoine Jardin founded Arlequin AI with the objective of providing social sciences with sovereign, transparent, and powerful technological tools capable of analysing social dynamics from massive qualitative data.

So, I don't know if an impartial AI is possible, but in theory, this kind of process seems interesting to me. Afterwards, following the result of what the AI produces is a political choice; it is not a question of truth. When we ask people to vote, there is no guarantee that they are enlightened either, but we still live with the leaders that this vote designates.

Georges Vlandas: Last time, Hubert, you were saying that AI cannot carry out the work of making choices because it cannot think, and therefore it cannot produce a coherent synthesis which requires thought.

Audience: To return to fake news, is there a lack of critical thinking education today? We are submerged by a quantity of information incomparable to that which our parents faced. We should educate for critical thinking to apply a method for examining AI results, political speeches, etc. How can we ourselves move further in that direction?

Hubert Krivine :

There is no training explicitly provided for critical thinking. Teachers can deconstruct events from the past through a lens that allows for the awakening of a critical mind. The history of science is the history of errors, and we have progressed by moving from Copernicus to Galileo, then Newton, and Einstein... one could say the same of quantum mechanics. So, this is not a story of fake news here, but rather of science.

Audience: But even verifying sources is not always a reflex. Including for ourselves, sometimes.

Georges Vlandas: A question from the chat: "And what about our values in all this?". I believe precisely that our values come into play in public debate—what we are debating in the name of, and to what end. There are facts and material needs, but there are also principles, values, and political projects that must be considered. We, for example, stand for staff unity rather than a categorical approach; we believe that defending everyone from a collective perspective is the only way to ensure the social body remains strong. These do not always go hand in hand, as we sometimes speak separately of ASTs, ADs, or contract staff, but doing it that way does not allow for a common destiny. We start with a political principle to approach reality.

Are there any other remarks?

Online Audience: There are more and more initiatives across European countries to educate young people in critical thinking, especially regarding content consumed online.

Audience: Earlier, we spoke about propaganda, and in your book, you take the stance that the effect on the public takes precedence over the intention of the person spreading the fake news. That is understandable, but in the process of fighting disinformation, is it not a problem to downplay the intentionality of those spreading it? Specifically: propaganda campaigns. This is fake news of a particular nature, and in your view, does minimising intentionality not mean missing an important element?

Hubert Krivine :

If we define fake news as a false idea, then propaganda is a false idea. A distinction must indeed be made: one could have a discussion with Blondlot or Koch, but at a certain point, it became impossible to discuss anything with Raoult's supporters.

Audience: Exactly. Earlier you said, "faced with such horror, one could not do nothing." Perhaps that explains why, during the Covid episode when everyone was afraid and we didn't really know how to treat ourselves—the vaccine wasn't ready, there was no protocol—followers lined up behind someone who told them what they wanted to hear. Is it not true that the case of N-rays does less harm than the case of Raoult, or those who bring blatant lies to the fore that undermine the trust we have in governments and science? N-rays don't really call much into question; in the end, we just say the scientist was mistaken.

Hubert Krivine: It reminds me of hand washing—for Covid, it was useless. But it is a way of providing an answer to people who are hungry for answers. You have to give an instruction. Doctors (toubib) know very well that they must give a prescription, a bit of paracetamol (Doliprane), if only as a placebo.

Georges Vlandas: There is still "error" and "error": the one made out of megalomania, and the one made by those who know they are lying. For example, regarding the weapons of mass destruction in Iraq, the Secretary of State knew. The next stage is Trump's advisor saying that "alternative facts" exist. The difficulty is: "how do we talk to people in a context where there is a crisis of authority and a crisis of curiosity?"

Hubert Krivine: It is very difficult. Regarding the Bible, for example, Galileo said: "It does not teach us how the heavens go, but how to go to heaven." There are many very inaccurate things in the Bible. From a simple, immediate materialist point of view, religion is complicated—it is a fake news. Yet it is the most printed book in the world.

Yves Caelen: I return to what we were saying earlier. Fundamentally, what matters in my view is intention, and I share the viewpoint of the person who questioned that.

However, facts are more important than intention. Errors can happen, but their effects must be corrected quickly. Take the classification of races in the 1930s, for example. Or another example: you may have heard of Dr Geerd Hamer and his "New Germanic Medicine"; essentially, the idea is that you can cure cancer through psychotherapy. I am convinced he is sincere and believes in what he is selling; however, the effect is deleterious. As for religion, whether you read the Bible or the Quran, you will find accounts of stoning. The question is not whether it is true or not, but whether the people reading it will practice stoning or not. There are countries where it is practiced and others where it is not. We should focus on the question of the effect above all.

Hubert Krivine :

That is true, but a literal reading of holy texts can foster a credulity that will undoubtedly affect other fields. It is still not a good thing.

Yves Caelen: Few people take these texts literally. Perhaps a few in the United States, but I haven't met many in Europe. Evangelicals, perhaps.

Audience: Returning to the book, something surprised me a little: you seem to downplay the impact of certain fake news, specifically the fake news regarding the Apollo 11 mission. This is a fake news with a devastating effect because many people today, in the world and in Europe, believe we never went to the moon. It challenges the entire interpretation of and trust in space and science; some believe NASA is a fictitious agency or some sort of conspiracy. There is intentionality and a very significant impact, yet you describe it as a "small fake news"—why this classification?

Hubert Krivine: It depends on how you define fake news. The fact that people think we never walked on the moon—what does that imply? A terrible mistrust of science, which is indeed troublesome, but it won't necessarily have any practical implications.

Yves Caelen: A fundamental difference is that the N-ray was an error, whereas the idea that Apollo 11 was an invention is an April Fools' joke that spiralled out of control.

Georges Vlandas :

We have more questions than answers, but that is normal and, ultimately, positive. For me, the key question is the creation of a deliberative civic space where a plurality of viewpoints can lead to exchanges, drawing on expertise when necessary. It reminds me of the "science shop" practice used to facilitate citizen debates, where analyses are produced to serve the discussion; it is through the confrontation of ideas that we must move forward.

A final consideration concerns the raison d'être of fake news and alternative truths. Even if they have always existed, their amplified spread is due to new communication technologies and the rise of social media.

But we must not forget that they serve oppressive and unequal political and economic systems that seek to obscure reality or even distort it. Orwell noted this in his time. These systems are hostile to democracy and to the necessary confrontation of ideas based on facts. Democracy and cohesive societies founded on humanist values need truths; oppressive systems never do.

Audience: I have one final question. Given your activist background, when I opened the book, I would have expected more political examples. Currently in France, some monumental fake news has circulated recently, and I would have liked your perspective on these instances, which allow those in power to utter absurdities on TV sets without being challenged.

In my view, there is a question regarding the medium (vecteur), which is different; while social media allows us to lie autonomously, so to speak, in the press or on television, there is supposed to be a filter. Yet, when Ms Borne, former Prime Minister and Minister of Education, says that if the budget is not passed, Cartes Vitales [health insurance cards] will no longer work, etc., everyone knows that is false. At the very least, on set, it is the journalists' job to know this and respond, yet no one says a word.

When Mr Macron goes to Martinique regarding the chlordécone issue, he says: "one must not say chlordécone is carcinogenic because that is not true and it frightens people." Hardly back in Paris, he is called out by scientists who point out that, yes, it is carcinogenic. Then comes a statement from the Élysée in the newspaper Le Monde: "The President never said chlordécone was not carcinogenic." So there is a question of the medium which seems important to me, and also: why avoid these questions? It would have been interesting to read Hubert Krivine on these matters.

Hubert Krivine :

It is true; it is more of a scientific book and I wrote it some time ago, so I did not have all of this information.

Georges Vlandas: Well, thank you to everyone. Thank you to Hubert Krivine for joining us to discuss this vast and interesting subject that is fake news, all supported, of course, by his book *On nous aurait menti ?*, published by De Boeck Supérieur.

Hubert Krivine: Thank you again for the invitation.

Fusion: Ensuring Europe's Leadership in Fusion Energy

Fusion: An energy of the future, complementary to renewables

By Hari Seldon

Faced with the challenges of climate change and the necessity of guaranteeing Europe's energy security, the search for innovative solutions is intensifying. Among these, fusion energy stands out as a promising technology, capable of providing clean, safe, and practically unlimited energy. A major asset of fusion is its capacity to produce so-called "baseload" energy—that is, electricity available continuously, regardless of weather conditions or the time of day. This characteristic makes fusion an ideal complement to renewable energies, such as solar or wind, which are intermittent by nature. Together, fusion and renewables can constitute a robust energy mix, making it possible to meet society's growing needs while reducing dependency on fossil fuels and limiting greenhouse gas emissions.

Europe at a Crossroads: Preserving Leadership in Fusion

Europe has long been at the forefront of fusion research, thanks to world-class infrastructure, recognised talent, and a solid industrial capacity. The Draghi report identifies fusion as a key technology for European productivity, growth, and autonomy. However, this leadership is now threatened by increased international competition, notably from the United States, the United Kingdom, China, and Japan, where public and private investment is surging.

The fragmentation of European governance, R&D agendas that are sometimes obsolete, and the rapid rise of private fusion startups risk relegating Europe to the background if decisive measures are not taken quickly. Furthermore, Europe imports nearly 80% of the energy it consumes, exposing it to geopolitical risks and market volatility. Fusion offers a strategic solution: abundant fuels, zero greenhouse gas emissions, and reliable baseload electricity that complements renewables.

European Assets and the Central Role of the European Agency *Fusion for Energy* (F4E)

Des décennies d'investissements de l'UE dans la fusion, et le rôle de leader dans le projet ITER, placent l'Europe à l'avant-garde de l'innovation. Fusion for Energy (F4E) livre des composants complexes et construit une chaîne d'approvisionnement industrielle compétitive impliquant plus de 2 700 entreprises et 75 organisations de R&D. Cependant, ITER ne doit pas être une fin en soi. La stratégie européenne doit soutenir des projets parallèles et des installations de test pour maintenir active la chaîne d'approvisionnement, combler les lacunes technologiques et assurer la continuité de l'expertise.

F4E is not only the EU's sole public legal entity dedicated to fusion but also a unique hub of technical expertise, industrial know-how, and talent. F4E staff bring together decades of experience in managing complex industrial contracts, procurement processes, and the delivery of cutting-edge fusion technologies. Their expertise has been essential to the successful European contribution to ITER, particularly in the design, manufacture, and delivery of advanced components such as superconducting magnets and vacuum vessel sectors.

F4E's personnel consists of highly qualified engineers, scientists, project managers, procurement specialists, and legal experts, many of whom have developed their careers through direct involvement in flagship fusion projects such as JET, ITER, JT-60SA, and Broader Approach activities. This talent pool has allowed F4E to bridge the gap between research and industry, fostering innovation, technology transfer, and the development of a competitive European supply chain. The staff's accumulated knowledge in industrial engagement, contract management, and technical problem-solving constitutes a strategic asset for Europe, ensuring the EU remains at the cutting edge of fusion technology and is ready for commercial scaling.

Furthermore, F4E's commitment to developing new talent through education, training, and collaboration with universities and research centres ensures the sustainability of expertise for the future. The organisation's proactive approach to knowledge management and its role in supporting public-private partnerships further strengthen Europe's position in the global fusion race.

Finally, F4E should play a major role in coordinating European research during the operation of ITER, which will further strengthen its knowledge capital and experience as a European hub of expertise.

Strong leadership and effective coordination within the Commission are essential. The current fragmentation between the Commissioners for Energy and Research, and their respective services, must be overcome, with a lead Commissioner in charge and a streamlined governance structure to guarantee effective implementation. Coordination between EU and Member State fusion activities, as well as with private start-ups, is crucial to avoid duplication and maximise impact. De plus, l'engagement de F4E dans le développement de nouveaux talents par l'éducation, la formation et la collaboration avec les universités et les centres de recherche assure une pérennité de l'expertise pour l'avenir. L'approche proactive de l'organisation en matière de gestion des connaissances et son rôle dans le soutien aux partenariats public-privé renforcent encore la position de l'Europe dans la course mondiale à la fusion.

Towards an Ambitious European Industrial Strategy

- It is now urgent to move towards a comprehensive industrial strategy focused on commercialisation, in order to:
- Make commercial implementation the central objective by enabling the creation of private-sector-led demonstration plants.
- Adopt a roadmap based on Key Enabling Technologies (KET), aligning public funding with industry-relevant projects.
- Rationalise EU governance by expanding F4E's role as the single public body coordinating research, industrial engagement, and commercialisation efforts at the European level.

The EU must act to strengthen private initiatives, attract investment, and create a unified framework supporting both public and private actors. Public-private partnerships, clear intellectual property frameworks, and targeted financial instruments are necessary to unlock the potential of European fusion start-ups..

Conclusion: An Opportunity to Be Seized

Europe is at a crossroads. Through decisive action, it can transform its expertise in fusion into a commercial industry capable of restarting the European growth engine, ensuring energy security, and leading the world in clean technologies. It is essential that the European Commission develops an effective, timely, and forward-looking strategy, with F4E at its heart, and provides the strong political commitment and targeted policies necessary to realise the potential of fusion.

International contracted personnel of European Union civilian missions (CSDP) and recruitment constraints

12 European Union civilian missions are active today¹. The demand for new missions continues to be confirmed, as recalled in the "Compact"², adopted on 22 May 2023 by the Council to strengthen the European Union's capacity to respond to crises, and whose application is periodically reviewed (most recently on 7/11/2025). Currently, more than 2,000 staff members work within civilian missions. The European Union launched two new missions in 2023, in Armenia and Moldova, as well as a new support initiative for the Gulf of Guinea countries, and has just relaunched EUBAM Rafah.

The missions offer an interesting case study, not so much from the perspective of discussing their effectiveness³, but as an illustration of how the availability of resources constrains ambitions: Member States require the European Union to pool resources and undertake activities that they themselves are not always ready to fund to the level of their expressed expectations, through a reactive decision-making system, sometimes outside a more global and longer-term context. This raises questions regarding the concept of a European civil service.

Civilian missions are an integral part of the Common Security and Defence Policy (CSDP) as defined in Articles 42 to 46 of the Treaty on European Union and crisis management,

¹ https://www.eeas.europa.eu/eeas/missions-and-operations_en

² <https://www.sipri.org/publications/2023/research-reports/new-compact-renewed-imetus-enhancing-eus-ability-act-through-its-civilian-csdp-0>

³ Rapports spéciaux de la Cour des comptes (ECA): 7/2015 sur EUPOL Afghanistan, 15/2018 EUCAP Sahel Niger et EUCAP Sahel Mali ;

introduced at the Feira Council in 2000⁴, then articulated into civilian "Headline Goals" in 2004, 2008 and 2010. Like military missions, they are key tools of the European Union's foreign policy⁵, even if the contours of the "toolbox" have never stopped evolving; the progressive formulation of the integrated approach and the Global Strategy in 2016 created other challenges concerning the coherence of different instruments and their effectiveness. The importance of missions was further reaffirmed during the adoption of the "Strategic Compass"⁶ with the objective of strengthening the European Union's capacity "to act quickly and decisively whenever a crisis erupts" and its international credibility as a security actor. The war in Ukraine has also influenced the concept. In this view, on 22 May 2023, the Council adopted a new "Compact"⁷ intended to more specifically strengthen the European Union's capacity to respond to crises, defining 14 general guidelines and including 20 commitments⁸, specifying and reiterating the importance of civilian missions. On 16 November 2023, representatives of the Member States held their first annual review conference on the implementation of this new Compact⁹, an opportunity to revisit the challenges and constraints.

EU civilian missions distinguish themselves from other actors, whether military alliances like NATO or the United Nations with more diversified members and a civil-military vocation in peacekeeping, for example. 18 out of 25 missions launched since 2000 were either purely civilian or at least had a strong civilian component. The areas of action for civilian missions range from policing to strengthening the rule of law and administration, civil protection, security sector reform and good governance in crisis zones, for example EULEX Kosovo and EUPOL Afghanistan, always with the objective of defending and

⁴ <https://www.robert-schuman.eu/questions-d-europe/0022-l-union-europeenne-et-la-gestion-des-crises>

⁵ https://www.fiai.fi/wp-content/uploads/2021/10/analysis11_the-eus-strategic-approach-to-csdp-interventions_tyyne-karjalainen-ville-savoranta-2.pdf

⁶ <https://data.consilium.europa.eu/doc/document/ST-7371-2022-COR-1/fr/pdf>, p.3 et 14-15;

⁷ Council of the European Union, Conclusions of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on the establishment of a Civilian CSDP Compact, 9588/23, 22 May 2023.

⁸ <https://www.sipri.org/publications/2023/research-reports/new-compact-renewed-impetus-enhancing-eus-ability-act-through-its-civilian-csdp-0>

⁹ https://www.eeas.europa.eu/eeas/civilian-csdp-compact-eu-holds-annual-review-conference-its-civilian-response-crises-and-conflicts_en

promoting the values of the European Union. These missions also contribute to addressing security challenges through non-military means, concerning irregular migration (EUCAP Sahel Niger, closed at the request of the authorities), hybrid attacks, terrorism, organised crime, or even violent extremism and border management (EUCAP Sahel Mali). Thus, we can establish the following typology for civilian missions currently underway, knowing that a mission can have several objectives and that, by definition, the international situation being particularly fluid, we are in an evolving field in intervention zones (Balkans, Palestine, Sahel, Ukraine) which calls for permanent adjustments to mission mandates, which are revised at least every two years:

Strategic advice for the reform of the internal security system:

- EU Advisory Mission in Iraq (EUAM Iraq, 2017): The mission supports the authorities in establishing the conditions for lasting peace following the defeat of Daesh, notably through strategic advice for the security sector. The mission's activities complement other security support measures for the Iraqi authorities;
- EU Advisory Mission in the Central African Republic (EUAM RCA, 2020): The mission provides strategic advice to the Ministry of the Interior and internal security forces to enable them to assume their functions under national authority.

Border management:

- EU Border Assistance Mission at the Rafah Crossing Point (EUBAM Rafah, 2007): The mission supports the Palestinian Administration for borders and crossing points through strategic advice activities, training, and the provision of equipment. It was suspended during the conflict but is due to resume its activities;
- EU Border Assistance Mission in Libya (EUBAM Libya, 2013): The mission supports the authorities in strengthening control of land, sea, and air borders and developing a longer-term strategy for integrated border management. The mission intervenes as a complement to United Nations activities in the same field.

Capacity building and the fight against terrorism:

- EU Capacity Building Mission in Mali (EUCAP Sahel Mali, 2015): The mission is dedicated to the reform of the internal security sector by providing strategic advice and participating in the training of police forces, the gendarmerie, and the national guard. The mission focuses on crisis management, border control, counter-terrorism, human resource and logistics management, respect for the rule of law, and the fight against impunity;
- EU Capacity Building Mission in Somalia (EUCAP Somalia, 2016): The mission is engaged in capacity building in the field of respect for maritime law and the redesign of the "maritime security architecture". The mission works in coordination with military missions (EU NAVFOR, Operation Atalanta and EUTM Somalia) to secure commercial maritime routes;
- EU Security and Defence Initiative in the Gulf of Guinea (EUSDI Gulf of Guinea, 2023): The mission is to enable the four concerned Gulf of Guinea countries (Benin, Côte d'Ivoire, Togo, and Ghana) to strengthen the deployment of their security forces in the north to more effectively fight against Islamist groups developing terrorist activities there. The mission provides training, advice to local security forces, and technical support to local forces.

Stabilisation, strengthening the rule of law:

- EU Police and Rule of Law Mission for the Palestinian Territories (EUPOL COPPS, 2006): The mission assists the Palestinian Authority in strengthening its institutions through police and justice reform, including the strengthening of the criminal justice system;
- EU Rule of Law Mission in Kosovo (EULEX Kosovo, 2008): The mission intervenes in the capacity building of institutions for the establishment of a rule of law respecting multi-ethnicity, public accountability, and the refusal of political interference, in accordance with internationally accepted standards

regarding respect for human rights and in line with European best practices. EULEX provides support to the Specialist Chambers and the Specialist Prosecutor's Office. The mission was established in line with the implementation of United Nations Security Council Resolution 1244;

- EU Monitoring Mission in Georgia (EUMM Georgia, 2008): The mission was established to monitor the implementation of the agreement of 8/09/2008. Mission members monitor areas close to the border of South Ossetia and Abkhazia to notify any incident and contribute through its presence to maintaining the security situation;
- EU Advisory Mission in Ukraine (EUAM Ukraine, 2014): The mission assists security bodies in the fields of police, judiciary, prosecution, the fight against corruption, and the defence of human rights. Since 2022, the mission has also provided support to law enforcement agencies to manage refugee flows between Ukraine and neighbouring European Union countries, as well as to facilitate the entry of humanitarian aid. The mission also supports authorities in investigations and criminal proceedings relating to international crimes;
- EU Mission in Armenia (EUMA, 2023): The mission is to observe the situation on the ground to prevent the resurgence of violence in conflict zones and participate in strengthening the confidence of the Armenian and Azerbaijani populations;
- EU Partnership Mission in Moldova (EUPM Moldova, 2023): The mission is to contribute to the consolidation of the country's resilience by providing strategic advice and operational support to the internal security forces. The mission also has a mandate in the field of fighting hybrid threats, cyber security, and the fight against foreign interference.

One should not focus solely on the primary stated objectives to evaluate the effectiveness of any given mission, forgetting the broader context and the use of the "comprehensive approach" which dictates that all instruments at the European Union's disposal should be used in a convergent manner.

Thus, based in particular on the experiences of Kosovo and Afghanistan¹⁰, missions are increasingly designed as one element among others of the crisis response¹¹, which implicitly imposes more targeted and time-limited terms of reference. Thus, the work in silos deplored during the analysis of the results of older missions¹² between classic cooperation and humanitarian aid tends to fade.

With the abandonment of the objective of stabilising states over the long term, new missions focus instead, for example, on border management and capacity building rather than "hot" conflict management. From this point of view, with the creation of the EEAS¹³, the institutional context has considerably thickened to result in a decision-making system in the field of crisis management, which allows for a more strategic and coordinated framework for the use of the various tools at the Union's disposal, involving the Member States and the various Institutions¹⁴.

In terms of process, when Member States and the EEAS take up a crisis, a Political Framework for Crisis Approach (PFCA) is prepared by the relevant geographical services in cooperation with the Commission for adoption by the Council working group responsible for the region concerned. The document presents an analysis of the political context, the elements underlying the crisis, the reasons why the European Union might intervene, and identifies the instruments to be mobilised. On this basis, the EEAS develops and submits for adoption to the Political and Security Committee (PSC), a "Crisis Management Concept" (CMC) which details and analyses intervention options falling within the domain of the Common Security and Defence Policy (CSDP)¹⁵. Following the adoption of the CMC, a process begins leading to the development of planning documents within the "crisis management procedures" based on guidelines given by the Council. When the latter gives its agreement for the launch of a mission, the "Crisis Management and Planning Directorate" (CMPD) of the EEAS develops the response concept which defines the mandate.

¹⁰ FIIA op. cit. : p.6-7 ;

¹¹ Léonard Colomba-Petteng - Décenter l'analyse de la politique de sécurité et de défense commune de

l'Union européenne – Thèse IEP de Paris – 2023, pp. : 85-88 ;fii

¹² ECA op. cit. ;

¹³ Revue de l'union européenne 02/2024, n°675 (Dalloz- Paris), Andreone et Soret, pp. 10-16

¹⁴ Rapport spécial 02/2024 de la Cour des Comptes :
<https://www.eca.europa.eu/fr/publications/SR-2024-02>

¹⁵ Moyens notamment prévus par l'Article 43 TUE

The Civilian Planning and Conduct Capability (CPCC) of the EEAS then presents, on this basis, the "concept of operations" (CONOPS) which defines the mandate of a mission and translates political intentions into guidelines, as well as "the operation plan" (OPLAN) containing the objectives and tasks of the mission. An "implementation plan" (MIP) then operationalises the activities to be implemented.

Most civilian missions require qualified experts in very specific fields, particularly related to internal security issues (police, gendarmerie, criminal justice). Not all Member States are able to provide them, and only a few do. Furthermore, these calls for contributions during the creation of a mission compete with the rise of new agencies with similar fields of intervention, such as FRONTEX. Thus, most missions do not reach their initial recruitment targets; the provision of seconded personnel does not match the ambitions expressed by Member States during the decision for their creation: "Member states decide, Member states provide"¹⁶.

Overall, the efforts of Member States are not up to the task—one of the findings of the Compact—and the use of international contractors to compensate for this, at least partially, which was meant to constitute a backup force, has become the norm. The repeated objective would be to manage to reverse the current proportions and have more than 70% of personnel provided by Member States through secondments and 100% in all management functions. The Compact also sets the objective of reviewing the employment conditions of external international contracted personnel and limiting the duration of their deployment.

Employment conditions have consequently become a relevant subject of analysis, notably because they are loosely regulated at the legal level. As missions are created on an ad-hoc basis, their staffing follows different mechanisms from those prevailing for European Union Institutions, governed in particular by the Staff Regulations which govern the European civil service. A distinction must be made between the status of Heads of Mission and Special Envoys and that of other members. Similarly, Member States (MS) were supposed to contribute to the creation of missions by seconding national personnel according to modalities close to what we know for Seconded National Experts (SNEs) who are widely present within the Institutions and particularly the EEAS.

¹⁶ https://www.sipri.org/sites/default/files/2023-11/rpp_2023_04_eu_csdp_compact_1.pdf

It should also be noted that until very recently, contractors could have their contracts renewed without limit, which created situations not conducive to healthy personnel management; by staying too long, some could develop pathological syndromes in countries where living conditions are generally particularly taxing. This should no longer be the case.

Conclusion: Member States within the Council are the primary decision-makers for the creation and closure of civilian missions; they define their mandate, objectives, and work plans. The European Parliament is involved in the definition of their budget.

Certainly, the evolution of the geopolitical situation and the perception of the relevance of initiatives have resulted in an evolution of the mandates and size of European Union civilian missions. The initial preference for large-scale missions with broad stabilisation mandates (Aceh Monitoring Mission in Indonesia, in Afghanistan, etc.) has progressively given way to deployment closer to the European Union's borders with priority given to the consolidation of neighbouring countries (the recent missions in Armenia or Moldova), with more limited but more immediate results, consequently using less personnel and with the ambition of countering Russian influence.

But one cannot help but think that resource opportunities have also had a predominant influence. The difficulties in filling posts and mobilising the forces necessary to operate these missions, noted in the two "Compacts", are very real and could only dampen ambitions. The proportion of external international personnel has continued to grow contrary to the various commitments made, notably during the adoption of the first Compact in 2018. Despite this, a substantial number of posts still remain unfilled. This has an impact on the ambitions for the results sought and remains a recurring problem for most missions despite the will displayed by Member States during their creation.

In the absence of additional efforts from Member States, who are not always able to provide the number of experts in the required fields in sufficient numbers, the Union has had to compensate for the lack of personnel by resorting to ad hoc contracts, reflecting the precariousness of mobilisable resources

which are therefore not in line with expectations, creating factual situations that are uncomfortable and potentially legally contestable. The question of the evolution of the legal framework for contracted personnel remains topical.

Cyprus: Where do we stand?

GRASPE Conference with Jean-François Drevet

Georges Vlandas

Good morning dear colleagues, we will begin in a few minutes. Today, we have a conference with the journal GRASPE, which has now existed long enough that it needs no introduction.

The subject is Cyprus: small in dimension (9,000 km²), split in two. Half of the island is occupied by Turkey, following the coup d'état organised by the Greek Colonels' junta, which gave Turkey the pretext to occupy part of the island. Even after the return to normality, Cyprus has remained divided, contrary to all declarations based on international law and United Nations resolutions. It is the concrete counter-example of a situation that persists, where a Union State is occupied by a foreign power which, moreover, was a candidate to join the European Union.

To discuss this, we have our colleague and friend Jean-François Drevet, a member of the editorial committee of our journal GRASPE. Jean-François occupies a very particular niche in the study of this country, which he has been covering for 25 years. He is therefore someone who knows the island and has visited it.

I now give the floor to Jean-François Drevet.

Jean-François Drevet

Thank you for your attention. Good morning everyone, thank you to Georges for the invitation and thank you for the opportunity to speak about Cyprus, a place for which I obviously have a particular affection.

The timing is perhaps quite well-chosen, as we will enter, from 1 January, a Cypriot presidency of the European Union. This is the second time, I believe, since its accession. Cyprus will preside over the Union during the first half of next year. As you know, the presidency of the first semester is often longer than that of the second,

despite appearances, since work effectively takes place from the beginning of January to the end of June, whereas the second-semester presidency is somewhat reduced by the summer holidays and Christmas preparations. This presidency is quite important. Given the internal and external political context, holding the presidency of the Union represents a major task. I am sure the Cypriot government has already made the necessary preparations for it to be a success. For us here, the presentation I am going to give you has two objectives.

An objective of explanation, because in this Cyprus affair, which is a small corner on the periphery of the Union, people are not always well-informed about what happened. The situation is not always well understood, because it is quite unique. In fact, there is no other Member State, except Germany before its unification, that suffers a situation where part of the territory is not under the authority of the internationally recognised government. It is obviously not an advantage for Cyprus to have 35% of its territory occupied by a foreign power that is not a member of the Union. This is the first element and the first concern.

The second is the hypothesis of reunification, sought by many Cypriots on both sides of the demarcation line, and which is consistent with international law. With the exception of Turkey, no one recognises "Northern Cyprus". For international law, the Cypriot government represents the entire island, even if its authority is not exercised over the northern part. The interest in reunification is long overdue, as the occupation (dating back to 1974) has lasted for over 50 years. The European Union's hypothesis remains reunification. This is how I will approach my subject.

I will not go very far back into history, as we are European civil servants here. For us, the Cyprus affair entered the Union on 1 May 2004, at the time of accession. A lot happened before, but I will try not to go into too much detail, even if many of us are not well acquainted with this history. I will place myself from 2004 onwards, in the situation of having to manage a Member State that does not control the totality of its territory, and analyse the parameters within which the island might finally experience reunification. I will therefore limit my subject; besides, I would not have the time to go back to the Crusades or the era when all the data of this problem came together.

I also think our Greek friends know this history well, but perhaps non-Greeks have not had many opportunities to learn it. You can ask any questions you like, in French or English, if you need clarification. Do not hesitate to interrupt me.

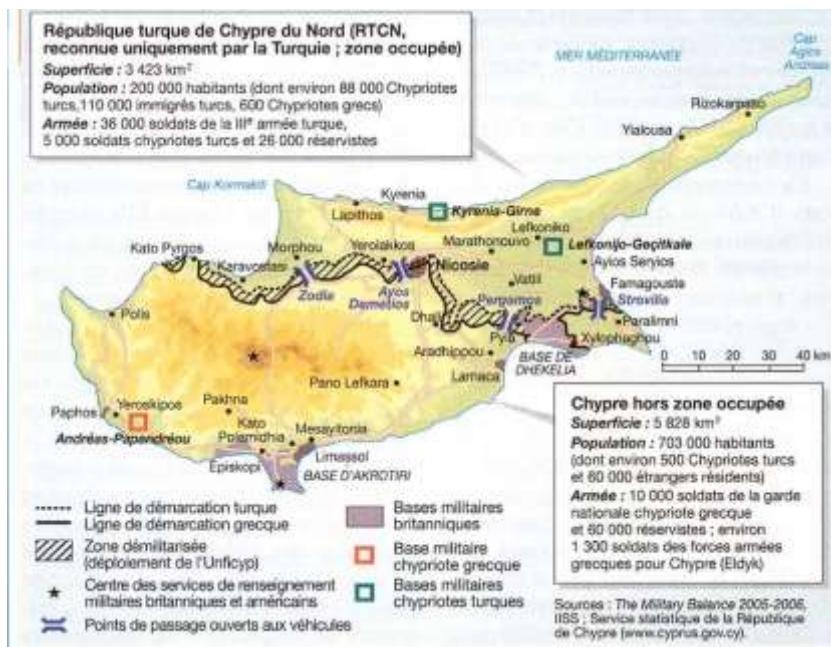
The only point known to most visitors to Cyprus (including those in the water on this slide) is that Cyprus, "the island of Aphrodite", is the birthplace of the goddess. I mention this just as an introduction. It is a magnificent place that I invite you to visit if you have the chance. Aphrodite is supposed to have emerged from the sea at that spot and come to look after Cyprus. Perhaps she is still somewhere...

Georgia Bisia

To be more precise, the word Aphrodite comes from the Greek: "aphro" means "foam". She was born from the foam.

Jean-François Drevet

I must describe the situation with a map, because that is where one understands how things are unfolding at the moment.



You have an island of 9,500 km², as Georges indicated, crossed from East to West by a demarcation line. It was completely closed between 1974 and 2003, meaning for almost thirty years of the 50 years of Turkish occupation.

During these 30 years, the two parts of the island (the North where Turkish Cypriots are grouped, and the South where Greek Cypriots remained, including refugees from the North) were completely separated and could not communicate. There was just one crossing point in Nicosia for diplomats, the United Nations, and a few personalities. Now, you have a line that has a certain thickness (you see it in the hatching). This line is patrolled by the United Nations. In principle, Cypriots do not go there, but there are now eight crossing points (I believe they are almost all marked here). When one has identity papers recognised by international law, one can cross and go to Northern Cyprus when in the South, which is the most frequent case, or even go from the North to the South.

The best-known point is in Nicosia, where one can cross on foot in the old city. Nicosia is a special case: since the opening of the Berlin Wall, it is the last divided capital in Europe. Venice had built circular fortifications there in the 14th and 15th centuries. These fortifications are, moreover, in very good condition (thanks to the intervention of European funds). This almost perfect circle is crossed by an East-West line patrolled by the UN, with two crossing points open to tourists.



Sources: OpenStreetMap, GoogleEarth, and CNES Astrium

THE WASHINGTON POST

In this circular part, on one side you have the North (you have here a photo of what is found on the TRNC side, Turkish Republic of Northern Cyprus, the occupied part). And on the other side, the traces of separation. Here is Hermes Street, which was the main shopping street: it was closed in 1964. You see the shops; the iron shutters were lowered in 1964 and it has never functioned since.



I took the photo through barbed wire, as unfortunately there is still barbed wire on this part of the totally impassable demarcation line. You can see the old café which is neither Greek nor Turkish, as it too has been closed since 1964.



All of this is patrolled. The town of Varosha, next to Famagusta, was closed; it is now partly open (I will explain why later). And you have United Nations checkpoints all along the line, where peacekeepers are stationed, whose lives are relatively peaceful.



Georges Vlandas

Which you failed to respect, because he said that taking photos is forbidden!

Jean-François Drevet

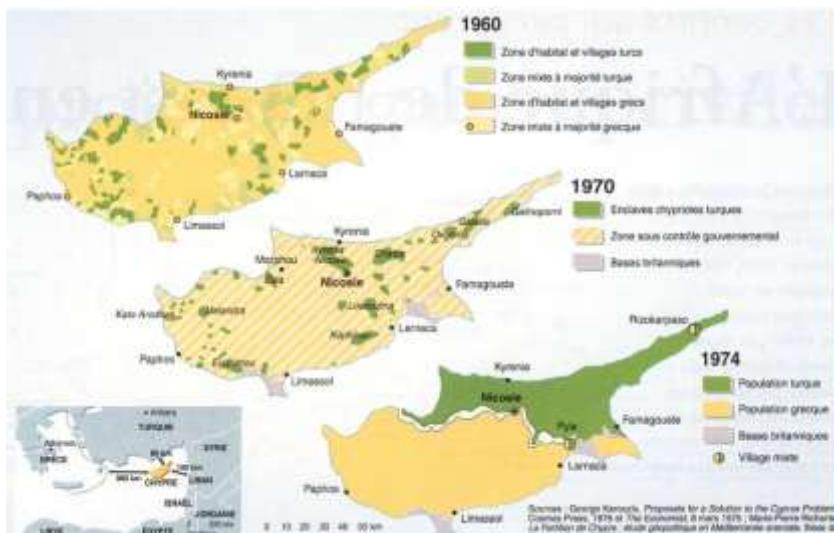
Yes, it is forbidden to take photographs. From time to time, we are given recommendations: "You shouldn't have taken photos, it's marked...". Indeed, it is written in every language. Some of the United Nations personnel or Greek and Turkish police are there to prevent tourists from taking photos. But well, one manages anyway, as you can see... and it doesn't do much harm either.

So, that is the view of the demarcation line. It is not very cheerful. Let's go back to the map, because I must explain how it happened.

Here is the Turkish intervention, which they called "Operation Peace" (Peace Operation). It dates back to 1974 and stems from a coup d'état attempt by the Greek Colonels to overthrow Makarios. They failed completely: not only did they fail to overthrow Makarios, but they attracted the Turks, who had been waiting for ten years for a favourable occasion to intervene in Cyprus, serving them the opportunity on a silver platter... So here is what is called a "peace operation" (you see how it is presented on this Turkish poster). Subsequently, we arrived at the creation of two zones:

- A zone in the North, with about 300,000 inhabitants (who are not all Cypriots: roughly half of the population is not of Cypriot origin).
- The government zone in the South.
- The demarcation zone representing 2.7% of the territory.
- And a point I wanted to highlight: the existence of British bases over 255 km², held in full sovereignty by the British.

This is an important point, because these bases partly explain the tragedy that unfolded in Cyprus and is still unfolding, since the occupation has not ended.



All of this led to what is called today ethnic cleansing (by reference to Yugoslavia). There were at least 80% Greek Cypriots scattered throughout the island, and 18% Turkish Cypriots, also dispersed (with over-representation in the small green zones you saw on the first map in 1960). In 1963, there was a breakdown of the government: Turkish Cypriots took refuge in enclaves (between 1964 and 1974). Then, following the Turkish invasion of 1974, Turkish Cypriots were grouped in the North and Greek Cypriots in the South. Roughly half of the population was destabilised and driven from their homes. Half of the Turkish Cypriots who lived in the South were sent to the North (meaning 50,000 refugees out of 100,000). In the South, we had 150,000 refugees (even a bit more, as the demarcation zone was mainly populated by Greeks) out of a population of 400,000 to 500,000.

You thus have more than a third of the population composed of people who were, at one time or another, refugees and driven from villages where some had lived for millennia. This ethnic cleansing operation created two relatively homogeneous entities in terms of population. This is at the root of Turkey's desire to create two separate States: a Turkish Cypriot State (recognised by no one other than themselves) and the Greek Cypriot government (the legal government of the entire island for international law, much like Adenauer's government was the government of all Germany even if the East was controlled by another power).

Jean-François Drevet The peculiarity of the British bases is that, with the exception of the strictly military zones, movement is free. One can cross the bases freely; there is no control. One simply sees a sign: "You are entering the British Sovereign Base Area".

The Cypriot residents who live there are recognised as full Cypriot citizens: they vote, are subject to European rights, and receive CAP funding if they are farmers. For them, there is no real difference.

Only the military installations are closed (Limassol airfield, installations near Larnaca, and the "big ears" in the Troodos mountains). The British who are there are not in a classic colony: they are stationed military personnel. They do not vote in Cyprus (they vote in England) and are not considered like the residents of Gibraltar who enjoy autonomy. On the other hand, the currency on the military base is the euro, because it is the Cypriot currency. It is the only "British" place where the currency is the euro. Continuing with the situation, which is legally complicated: for example, the original Turkish Cypriots (not the Anatolian immigrants who came later) are European citizens. If they go to the government territory with the necessary papers (if they were born in Cyprus or are of Turkish Cypriot descent), they can obtain a Cypriot passport. This gives them all European rights: they can settle anywhere in the Union, and potentially in London (where a large Cypriot community is established). They are full Cypriots.

On the other hand, the Turkish immigrants (now perhaps more numerous than the Turkish Cypriots in the North) are citizens originally from Turkey. They have Turkish nationality. They also have a "Turkish Cypriot" passport, but as it is not internationally recognised, it is useless (except to go to Turkey). According to the Cypriot government, they are illegal immigrants. This puts them in a complex situation: at the European level, they are treated like any third-country national (they need a visa). So you have two categories of residents in Northern Cyprus: those who are European citizens and those who are not. It is not the same status at all.

To achieve reunification, five elements must be resolved:

1. The independence and security of the island, since it is occupied.
2. The Constitution of a reunited country. That of 1960 was deemed unworkable; another must be made.
3. The question of "bizonality". Two autonomous regions must be managed and their boundaries defined. The current demarcation line (the 1974 ceasefire line) is considered by no one, including the Turks, as a

future administrative border. There will be returns of territory; it is complicated.

4. Property rights. It is a headache. In the event of reunification, more than half of the population of Northern Cyprus would have to regularise their situation, as they occupy properties belonging to refugees (mostly Greek Cypriots). In the South, the problem also exists (properties abandoned by Turkish Cypriots), but it is less significant (50,000 people concerned versus a macroeconomic scale in the North). The majority of the dispossessed are in the South and the majority of the problems are in the North: this implies a complex agreement.
5. The income gap. The South is roughly twice as wealthy as the North. Northern Cyprus is in an intermediate situation: twice as wealthy as Turkey, but twice as poor as the South. This poses a problem because Turkey finds that Northern Cyprus is expensive for it (it is said a Turkish Cypriot teacher is paid twice as much as a Turkish teacher). Reunification implies an economic catch-up process (as during German unification), which will have to be financed.

Initially, the vision of history is very divergent between Greeks and Turks. Reconciling these two visions is not easy.

The problems to be solved are therefore numerous. Cyprus must be ensured the status of a Member State like any other. However, for the moment, there are what are called "unequal treaties" (or illegal according to the Chinese) which have reduced Cyprus's sovereignty. Notably because of the Treaty of Guarantee which authorises three States (Greece, Turkey, United Kingdom) to intervene in the island's affairs. A federal State must also be built. In Belgium, we know that a federal State with two main communities is not always simple to make function (perhaps more difficult than in the United States with 50 States!).

These 1960 treaties were imposed on Cyprus (then a Crown colony). They were told: "You will have independence if you agree to sign the treaties prepared by the others". So they were given this Treaty of Guarantee.

It is a strange situation, because there is no guarantee at all in this treaty, and it has been violated by the three guarantor powers. These three powers were supposed to work towards the consolidation of the balanced political regime created in 1960 (a Greek Cypriot community, a Turkish Cypriot community, and a central

government). This was to be preserved, and the guarantor powers were there for that.

They had been given a right of intervention. They used it well, but not at all to ensure the maintenance of the 1960 balance:

1. The first violation was made by the Greek Colonels, since they manufactured a coup d'état to overthrow Makarios.
2. The second violation was the intervention of the Turks: they were supposed to guarantee the return to the 1960 treaty and they committed ethnic cleansing. This is a total violation of all rules and international law.
3. The English also violated the treaty: they were there to guarantee the treaty and did nothing at all.

According to the Cypriot government's interpretation, since the Treaty of Guarantee was violated by the three powers, it should be abolished. Considered to be in contradiction with the United Nations Charter, it should disappear (whether it is considered lapsed, annulled or suppressed, opinions differ on the form, but the substance remains the same).

Turkey and the United Kingdom are in favour of its maintenance. In the negotiations (notably within the framework of the Annan plan), the British and the Turks clung to the treaty. The Turks because it allowed them to have a vague legal basis to remain in Cyprus. The British somewhat for the same reason: they thought they needed it to keep their military bases. This is not actually the case: they can reach an agreement with the Cypriot government (and they have done so), but initially, British diplomacy wanted to keep this treaty at all costs. It is still there, but its abolition should be the first step to allow Cyprus to be a Member State like any other.

Regarding the British bases, they are indeed sovereign bases. In theory, it is British territory that escapes Cyprus's sovereignty. In reality, it is not exactly that. As I said, the Cypriots who live there are considered Cypriots and there is no barrier: you enter and leave as you wish, there is no control. People are simply prevented from going into the strictly military spaces (which are much smaller than what you see in black on the map).

Cypriot law applies to the population (including the Common Agricultural Policy). Several agreements have been concluded

for example, there is no Exclusive Economic Zone (EEZ) corresponding to the coast of these bases; the British have waived it.

The basic idea of Cyprus for a long time, given the history, was to obtain the demilitarisation of the island: the total departure of the Turks, the Greeks, and the British, to create a neutral country. But time passes, the Cold War is over, and above all, Cyprus is in a rather turbulent zone, close to the Middle East. Some Cypriots remain hostile to the bases, but they have also understood that in such a dangerous zone, having British bases could be, in some respects, a protection. This is a shift in vision. Since independence, polls showed 80% of Cypriots were in favour of evacuating the bases (they considered militarisation responsible for their misfortunes). Now, things are seen differently. Similarly, Cyprus is no longer as hostile to NATO as it was a few years ago, because they realise that membership could be a protection. This is theoretical for the moment, because it would require the agreement of all NATO members (including Turkey), so membership is not on the agenda. But it is a point to consider: is there a possibility for cooperation between NATO and European defence policy in Cyprus?

The second element is the Constitution. That of 1960 was deemed unworkable. It was put in place in the summer of 1960 and collapsed at Christmas 1963: it functioned for barely three years. We have not managed to set up a new constitution.

The problem lies in managing federalism with two constituent States (a Turkish Cypriot State and a Greek Cypriot State). The distribution of powers between the federal and regional levels is complicated and contradictory:

- The Turkish Cypriots want a lot of autonomy.
- But as they are poorer, they also want resources and aid from the central government.
- However, the central government will only be able to help them if it has power.

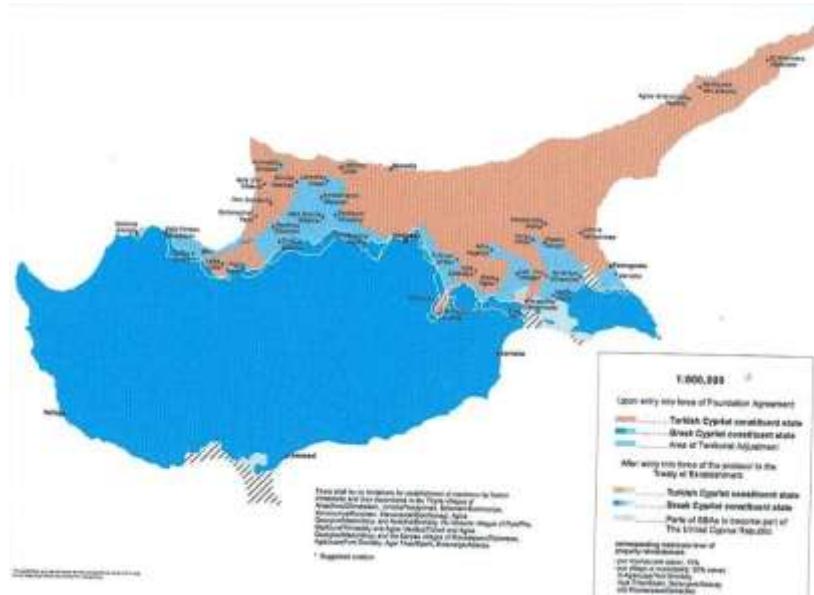
There is a contradiction: they want to have their cake and eat it. They want advantages in terms of power, whereas being the poorest, they would benefit from a strong federal government to ensure the transfer of resources. On the Greek Cypriot side, they say: "Fine, we are willing to finance the North, but we need

a strong federal government to ensure the correct implementation of Community legislation on both sides".

This contradiction has not been overcome. The Turkish Cypriots must be convinced that if they want money, they will have to share power at the federal level. The idea of strict equality (where the minority would have as much power as the majority) is not really workable. They form less than 25% of the population and have a standard of living half as high: it is difficult to claim half the power. So far, the United Nations has proposed complicated systems, reproducing the flaws of 1960 but worse (giving disproportionate powers on paper without the means to exercise them). For example, if they want to manage education independently (as they claim), they only have to finance it themselves... which they cannot do. This dilemma between Cypriots is a sensitive point, independently of the Turkish presence. However, the question is perhaps less difficult to resolve than one imagines, thanks to the European Union. A Member State has already transferred a certain number of competencies to Brussels.

- The currency: The Turkish Cypriots wanted to keep a separate currency (the Turkish lira). Given its catastrophic management and inflation, they no longer claim this. The decision has been made: the currency will be the euro. This simplifies everything.
- The single market: A reunited Cyprus will be part of it. The rules will apply. This avoids disputes: the regulation is there, it just needs to be flipped over to the North (the Official Journal is already translated into Turkish). There are even certain European directives that have been adopted by the North for practical reasons.

A transition period is granted, as during German unification, and European legislation is applied. This is probably what will happen in the event of reunification.



Then, the territorial question. Turkey's occupation gave a Turkish Cypriot population (which represented less than 20% of the population) 37% of the territory. Everyone recognises that part of the occupied territory will be returned to the Greek Cypriots. The Annan Plan had provided for these restitutions (I do not know to what extent this map is still current). There was a debate about the Karpas (the "finger" in the North-East), the only place where Greek Cypriots remain. The advantage of these restitutions, notably for Varosha (the beach town of Famagusta), is that it diminishes the problem of property rights: everything that is returned to the Greeks settles the question of property in those zones.

There will be debates, because in these light blue zones, there are now Turkish Cypriots or Anatolian immigrants (40 to 50,000 people who will have to be rehoused). Cypriots are fairly unanimous: population transfers having been massive in the 70s, they would prefer to allow people to stay where they are. This is an opinion shared on both sides. Except for the Anatolian immigrants (who came from Turkey), who do not have the right to stay. There will be a debate: some have been there for 50 years. Initially, perhaps 20,000 were settled (that was already a lot), others arrived later. The original idea was to bring in immigrants capable of taking over abandoned agricultural properties (olive trees, orange trees). Today, many are in the towns. Negotiations around the 2000s said that the Greeks would allow 50,000 Turkish immigrants to stay (out of a population of 200,000 inhabitants at the time).

In 2000... The last inter-communal negotiations took place between 2005 and 2010 (I don't remember the exact date). There had been talk of 50,000, but it wasn't an official figure, it was a negotiation figure. At the time, there were already 100,000 immigrants. This means that a quarter could stay and three quarters (theoretically) had to return to Turkey. I don't know to what extent that could have been implemented... There was a whole debate on changes in ownership. As these are dispossessed properties, Turkish Cypriots or Anatolian immigrants who had acquired them resold them... to British retirees who wanted to live out the end of their lives in Northern Cyprus. This posed a problem when the demarcation line was opened. Greek Cypriots came to see what had become of their property.

There was the case of an architect named Apostolides, near Kyrenia. He returns to see his property in 2004 or 2005 and discovers that a British retired couple has built a house and dug a swimming pool. Apostolides goes to the Court of Justice in Nicosia (Greek side). He obtains a ruling stating that the property belongs to him and that the British must leave. Obviously, the judgment is not enforceable in Northern Cyprus (the Turks do not accept this kind of ruling).

But since they were British retirees, the procedure continues: the British justice system is asked, in the name of mutual recognition of national Court judgments, to enforce the Nicosia ruling. These retirees found themselves with a threat of deductions from their British pension! (At the time, the UK was still an EU member). Consequently, these poor British people preferred to abandon their property. This caused the entire Northern Cyprus property market to plummet: everyone realised that buying there meant risking losing their pension or being evicted. As 20 or 30,000 British people were already settled in the North, there was panic. The problem no longer exists now (the UK is no longer in the EU, so Nicosia judgments are no longer enforceable), but at the time, it worried quite a few people.

Last point, which concerns us even more: the question of gas.

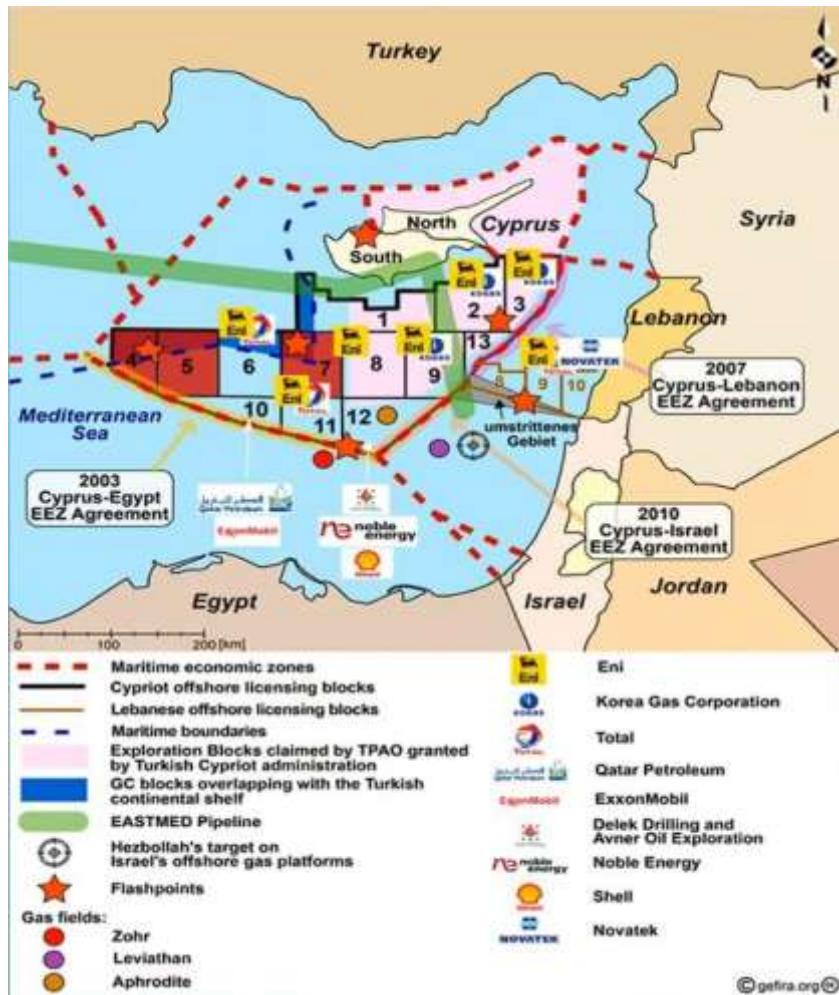
Until recent years, it was thought impossible to exploit gas and oil in the Eastern Mediterranean because it was too deep. But techniques have evolved (deep drilling in more than 1,500 metres of water). The US Geological Survey appraised

the area around Cyprus and concluded that very significant deposits could be exploited. Work began in Israel (that's where the most interesting sites were found): gas has been exploited for about ten years, allowing Israel to be self-sufficient and even to export. Egypt has also discovered significant deposits.

The essential part has been the distribution of Exclusive Economic Zones (EEZ). These are lines drawn on the sea that allow oil companies to drill and pay their taxes to the country concerned. You see on this map (it's a bit hard to see, I'll show you a clearer one. (...)

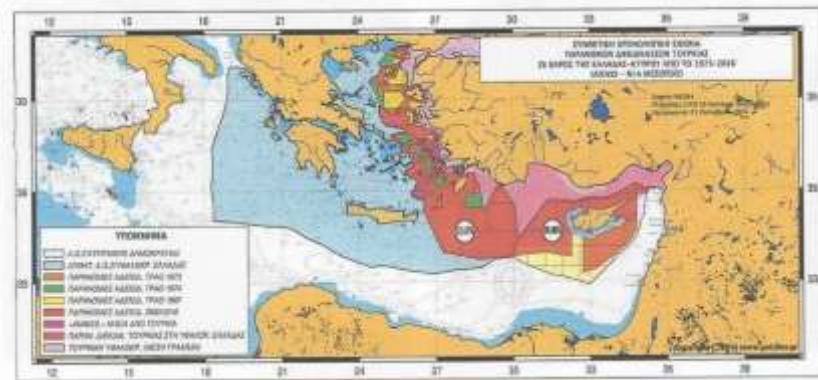


Here is Cyprus: you have a significant Cypriot perimeter, allocated in small squares to international companies.



Cyprus has signed agreements with neighbouring countries: Syria, Lebanon, Israel, and above all Egypt. Everything would have been done peacefully, as in the North Sea, if it weren't for Turkey. Turkey decided that international law did not interest it and that it had to impose its own conception of the law. There is a major conflict. Turkey claims a zone (in pink on the previous map) which is in contradiction with the Montego Bay Convention (Law of the Sea of 1982), which defines the method for delimiting EEZs. Turkey is virtually the only country in the world to have refused to sign this convention.

Turkey considers that islands should not be taken into account for the calculation of EEZs (a position it already held in the Aegean Sea against Greece).



What is in red on the map is what Turkey can legally claim. What is in pink is what it claims additionally, in total illegality. The Turkish Cypriots, having no choice, signed a delimitation compliant with Turkish requirements. But Southern Cyprus (the legal government) began to grant research permits to companies from all over the world: ENI (Italy), Total (France), American companies...

Georges Vlandas

Are there agreements, for example, between Cyprus, Israel and Syria to exploit together?

Jean-François Drevet

There is no agreement to exploit together, but there is mutual recognition of delimitation. There is proximity between the deposits. Currently, part of the Israeli gas is exported to Egypt to be liquefied. There is an agreement between Cyprus and Egypt to do the same. A gas pipeline to Europe had been considered, but the depth of the Mediterranean poses a technical problem. So Cypriot gas will be liquefied in Egypt and then sold elsewhere. Furthermore, gas will allow Cyprus to be energy self-sufficient and lower the price of electricity (currently the most expensive in the EU because it is produced from oil), for both the South and the North.

The creation of the gas pipeline was delayed, or even abandoned (the Americans found it too difficult). And the situation was worsened by Turkey's attitude, which began to contest everything. It even signed an agreement with Libya (well, with those who were in power at the time) to draw a sort of maritime corridor between their two EEZs, which is totally illegal, but could block the installation of infrastructure (gas pipeline, power cable) between Cyprus and Greece.

Georges Vlandas

Is it this dispute that explains why at one point, French, Italian, and Israeli ships were confronted?

Jean-François Drevet

There were aggressions, outright. The Turkish navy attacked Italian and French ships (for France, it was regarding Libya, a different issue). It almost came to blows in 2020. Unfortunately, the European Council did not take a very energetic stance. Greece and Cyprus requested sanctions, but the EU arms sellers (Spain, Italy, Germany at the time) refused to take firm measures, although Turkey was in violation of international law. That was the Merkel era, and she didn't want to move. The Italians and Spanish continued to sell weapons, saying: "Turkey is a member of NATO". Today, thinking has shifted a bit... If we don't want an arms race in this dangerous region (Libya, Gaza, Israel...), a firm policy is needed. Turkey is arming itself doubly (local production and purchases). Those who sell it the most weapons are EU countries. If we let Turkey gift itself nuclear power plants (built by Russia right opposite Cyprus, at Anamur) without knowing where the waste will go... All of this requires a disciplined European policy, rather than selling weapons in anarchy.

The divisions between Member States (preceding those on Russia) did not allow the problem to be solved. As the EU did nothing, things worsened: Erdogan threatened Europe. Turkey also began prospecting in the North (in the Cypriot part). They found nothing in the Mediterranean (the deposits are in the South), whereas they found gas in the Black Sea (where they respect international law and bother no one).

I come to the conclusion. The problem is in Turkey's hands. Since 1974, the Turks have decided that their solution (ethnic cleansing) was the right one. They say: "The problem was solved in 1974, but the Greeks haven't noticed". It is the policy of the fait accompli. They justify this by the security of the Turkish Cypriots. It's as if France or the Netherlands were allowed to intervene in Belgium under the pretext of linguistic problems!

Turkey recognises neither the independence nor the legal government of Cyprus. During the Cypriot presidency, the Turks will refrain from coming to Brussels. As long as Turkey does not move,

and it is not clear who could constrain it, things do not advance.

Yet, at the level of the Cypriots themselves, there is hope. Elections in Northern Cyprus brought to the presidency a supporter of reunification (before the recent hardening). The majority of Turkish Cypriots (the "real" ones, not necessarily the Anatolian immigrants) are in favour of reunification because they want to be part of the EU. If the Cypriots were left to sort it out themselves, it is not certain they would find a solution, but the basic principle is there. The main obstacle is Turkey. There were favourable opportunities (early 2000s), but the UN was allowed to release the Annan Plan, which was an unworkable plan for the Greek Cypriots. An opportunity was lost. With a bit more energy, reunification could have been achieved. The Greek Cypriots refused, but what was proposed to them was not acceptable (including for Europe, as the plan contained violations of Community law).

Georges Vlandas At the time, the Greek Cypriots had been criticised, somewhat unjustly.

Jean-François Drevet That is what was said, but it wasn't true. I was involved at the time. I received the Annan Plan after the Greeks' refusal; initially, I was like everyone else: I thought we were going to find a solution, so I was rather in favour of the plan.

But when I saw it, and I read it, on the one hand, I understood why the Greeks had refused it. On the other hand, I understood as a European civil servant that there were violations of Community law in it. Now, I thank the Greek Cypriots for having refused it, because there were commitments imposed on the Greek Cypriots and the future Cypriot State that involved limitations of sovereignty and violations of Community law. I think they were right to refuse.

I had not read it before (and the Greek Cypriots refused it without having read it all either), but when I read it... There is the former Cypriot Permanent Representative here, Andreas Mavroyiannis, who wrote an article explaining why it was fortunate that this plan was not adopted. It would have become primary law of the European Union: it could not have been modified and the problem could not have been managed thereafter. Our friends at the United Nations, who are good negotiators, confused the signing of an

agreement with the result. The agreement was unworkable for various reasons.

For those who wish to read more: the basis of everything, notably on the problems of the 60s and 70s, is the testimony of Glafcos Clerides. It is an excellent document in four volumes, remarkably written, with citations of basic sources. Clerides was an excellent lawyer and he did very serious work. You also have the former British Attorney General of the Cypriot government, Claire Palley, who wrote the history of the Annan plan. The title speaks for itself: "An International Relations Debacle". She was completely opposed to the Annan plan for the legal reasons I indicated. The quality of these analyses must be recognised. And then there are the two books I wrote, but I will move on quickly. Thank you for your attention.

Georges Vlandas The time has come for questions and answers. I give the floor.

K. B. Good morning. I wanted to listen to this conference because I work on Eastern enlargement, and particularly on Bosnia and Herzegovina, where we are tearing our hair out over a State that is not centralised. We don't really know who to talk to. I wondered if the example of Cyprus could be useful? I tell myself no, not at all, it would be even worse than what we have now! On the other hand, I thought conversely that many things we have done in Bosnia and Herzegovina, notably on the management of property returns after the war and the return of displaced persons, could be an example for Cyprus.

I also wanted to listen because we have two divided countries at the gates of accession: Moldova (with Transnistria) and Ukraine (with the Donbas and Crimea). How will we be able, in the years to come, to integrate these countries with zones over which we have no control? I wondered if the speaker had ideas for best practices or, conversely, things certainly not to do.

G. B. Thank you very much for the presentation, it was very interesting. I have a slightly more practical question regarding what you said about the real estate market in the North. I don't know if you are aware of the current situation. You mentioned the British as clients, but are there other clients from other countries? Is there an approach to stop selling houses to citizens of other countries?

Jean-François Drevet

I can react to the question of property rights and then on Cyprus's exemplarity regarding the current enlargement (since on 4 November, we had the "enlargement package").

Regarding property rights, it is very complicated. Assets taken by Turkish Cypriots represent 10 times the value of assets taken by Greek Cypriots. A classic property exchange ("quid pro quo"), as was done for agricultural consolidation in France, is not possible because funding would have to be found. Several solutions have been imagined. Initially (this was the idea of the Annan plan), the property remained in the hands of the legal owners, but the occupants became tenants (required to pay rent). If the owners wanted to sell, they were free to do so. We also tried to reduce the value of dispossessed properties, for example by making part of the coastline non-buildable. If these properties were calculated at the real estate prices of the South coast, we would reach enormous sums. So, in the name of the environment, it would be decided that one cannot build, which would reduce the value to the agricultural price (hardly anything). It seems that most Greek Cypriots who lost their properties do not wish to return to settle in the North. Arrangements could be found with the de facto owners and the Greeks compensated. But the compensation value remains to be calculated. And who is going to pay? The Greek Cypriots say: "We have already lost our properties; if it's from our budget that we have to compensate ourselves, we are going to pay twice". It is extremely complicated, as often in the Mediterranean regarding land.

For the analogy with Bosnia and other countries, there is the question of resorbing secession. What is envisaged in Moldova is a reunification that would obtain the agreement of the Transnistrians. Russia opposes it, but it is far away and occupies the zone with a reduced army. Some think Moldova could find a stable compromise by reunifying Transnistria with a regime of autonomy. For Georgia, it is more difficult (especially as it has "recovered a dictator"). In Ukraine, over 200,000 km²... I don't know what solution can be found. This is under discussion; I won't go into details. But it is a terrible obstacle that we did not have during previous enlargements.

Fortunately for us, during the great enlargement, we had defined borders. We forced the Romanians and Hungarians to reconcile over Transylvania; we forced Lithuania and Poland to deal with their border disputes. We didn't

have this problem, except in Cyprus. And we saw that we didn't solve it. Many people think that the European Union is not very well equipped to solve this kind of problem.

Y. V. I find that analogies are not always relevant. Transnistria is part of Moldova (it is a semi-autonomous region, but it is "in"). Ukraine is an ongoing process: an attacked country asking to recover its sovereignty. Asking the question today is beside the point. Regarding Cyprus, one of the problems is that the Greeks did not see the interest of a solution where a minority (and an "occupying" one at that) would have its say, not only in the zone it controls but at the central level. There were Greeks who lived in large numbers in Asia Minor, for example in Smyrna (Izmir). But now, things have changed. Time has done its work. "The Great Catastrophe", as it was called in Greece, was in 1922. Currently, no one claims that Smyrna should be returned to Greece. 50 years have passed since 1974.

Today, there is no way to impose on Turkey what was imposed on Iraq for Kuwait. There is no will, because Turkey has a special place. We did not declare war on it over Cyprus. I remind you that Slovenia and Croatia experienced tensions while both were in the EU and Schengen! Perhaps the solution would be not to impose unification on two communities that do not want it, but to make a compromise: in exchange for recognition of this Northern Republic, it cedes a certain number of territories. A mechanism for reciprocal compensation for properties could also be considered. And thereafter, one could enter into a process of cooperation or even more.

Jean-François Drevet Just to respond to the remark about the "one-sided" aspect (partiality). As a former European civil servant, I defend international law. I do not take sides with one side or the other, but the violation of international law is found on only one side. One is obliged to recognise that Turkey is responsible, even if the intervention was initially provoked by the Greek Colonels. Ethnic cleansing, non-respect of the convention on the law of the sea... our job is to obtain respect for the law.

We don't really have a choice. As has just been said, a compromise should be negotiated. It seems that if the Cypriots were left to sort it out themselves, they would probably reach an agreement. They

desire reunification on both sides (polls and elections in Northern Cyprus have shown this).

The possibility must be ensured for Cypriots (Turks and Greeks, not others) to define a future, provided that no foreign power intervenes. Which is not the case.

The Enlargement of the European Union

Conference with Jean-François Drevet

Georges Vlandas

Thank you for coming to this conference. The subject at hand is the enlargement of the Union. What is being envisaged is an enlargement to ten countries, even if it will not happen simultaneously. This is the same number of countries as those integrated before 2004, although this time the process is not synchronised. Beyond the significance of the number, the question is how far we can expand. What are the difficulties? Where do we stand?

These are questions we will address for GRASPE, which will be the subject of a publication. We are discussing these topics with Jean-François Drevet, whom you all know.

Jean-François Drevet

Thank you, Georges. Good morning everyone; hello to those I know. I see a few names among the attendees—friends or people I am acquainted with—and I am happy to meet them through this medium.

The Commission has released its "2025 package". We have new elements that can help us better understand what is going to happen or what is being planned on this subject for the future, as we are essentially talking about what we will do next. This is where many problems and difficulties lie.

We will try to clarify this as simply and conveniently as possible, as it involves ten countries. The Commission's communication covers ten countries. It has produced a 60-page summary: I advise those preparing for competitions to read this summary above all. It serves as a sort of overall assessment of the operation itself.

Then, for each of the countries, you have a "country report" of about a hundred pages. This covers the most important details: each country is the subject of 100 pages across each of the 35 enlargement chapters. Since there are ten countries, this represents 1,000 pages.

I must admit that, as of today, I have not yet managed to read everything, even if that is my intention.

These reports have been produced every year for at least twenty years (with countries like Turkey, a longer-standing candidate, the reports are infinitely more numerous). This gives us a picture of the state of readiness of these countries. A comparison with previous reports allows us to see to what extent they have moved closer to, or sometimes further from, the objective of accession.

On a technical level, we have a very interesting basic document. It describes in extreme detail all the elements: either the Community legislation is already in place, or they are preparing it, or they do not agree to put it in place. Therefore, in the negotiations—which have not started for everyone—there will be a number of debates. This is a decision that is taken unanimously, chapter by chapter and country by country. This represents a considerable capacity for blocking.

If the countries join at the same time... although I doubt this somewhat for the ten we have today, and I will explain why... there will be an accession treaty. This is what we did in 2004 with ten countries out of twelve. At the time, we went from 15 to 25 Member States. Then, as Romania and Bulgaria were "in the pipeline," we had an accession from 2007: we were 28 for a while, then with Brexit, we went down to 27. This represents a very significant leap for the European Union. What is being proposed here is a little different.

A comparison with 2004 should certainly be made, as we will see the analogies and differences. The method is the same: the Commission makes its evaluation, but it does not necessarily draw conclusions. It provides a state of play. It explains quite well why these countries are not yet able to apply Community legislation. It also notes disagreements. But you will not find alternatives: it will not say "since they do not agree on such a thing, the consequences must be drawn".

There is a non-explicit part in these documents. It is noted with precision, but in diplomatic language—meaning we are not mean, we are quite moderate in expression—that things are not going well. But it does not say what must be done next. That is for the Council to decide. The Commission performs a fairly objective technical job.

Technically, several dozen colleagues worked on this. A 100-page report per country makes 1,000 pages: you can imagine the number of colleagues mobilised. Perhaps some are listening to us today, and I pay tribute to them, as I myself participated in this exercise in the past. I know to what extent it was an example of coordination and the smooth functioning of European institutions.

Once that is said, the classic approach is based on Article 49 of the Treaty (I will not insult you by reminding you of it). Any European State has the possibility of entering the Union, according to a defined procedure. But something is missing.

First, the definition of a "European State". We do not know exactly; we haven't been able to say. We told the Moroccans they were not a European State in 1987, but we have not specified if the limit of the Union lies on the Ural Mountains, the Caucasus, or the Aegean Sea. In fact, we don't know. This is the first uncertainty.

The second, quite important, is to know how many more countries we will add. Should future Member States have all attached rights? Can we imagine for others, who are not destined for accession or do not want it (like Norway or Switzerland), a system of association allowing for cooperation without necessarily being part of the Union?

We have fundamental questions that, at this stage, are not addressed. They are talked about a lot in the press and among academics, but they are not really well-established at the institutional level. Our Member States sometimes have completely divergent opinions. Clarification is necessary.

For today, where we have limited time, I would say that we have three problems to solve, because these ten countries belong to three categories:

The Western Balkans: six countries, the most numerous, with a state of evolution that we will specify.

The Eastern Partnership: countries from the former Soviet Union. Some are candidates, others are not; some have different relations with Russia. We saw Georgia become a candidate, then we are told it no longer is; Armenia is following behind; Belarus will perhaps change if it loses its dictator... There is a specific problem with these countries, three of which are currently candidates.

Turkey: it poses a problem in itself. I would say, even if it may be shocking, that Turkey presents itself

currently as an "eternal candidate". Since 1987, we have told them yes, no, maybe, and they themselves have taken steps not necessarily in agreement with us.

In the short term, it is clear that the current Turkish government is not acceptable: it is in complete opposition to the values and foreign policy of the Union. The rate of harmonisation is 4% (compared to 6% two years ago). Turkey is not currently a "respectable" country.

But one can imagine a long-term vision: once the current team has gone, could negotiations resume? And towards what objective? Associated country? Neighbourhood policy? Future Member State? This deserves to be explored in depth. Positions are taken in a more or less demagogic manner by certain countries that do not want to offend Turkey, but still do not want it, hiding behind others.

Clarification is necessary, perhaps even more so for Turkey than for the others. For the Eastern Partnership countries, the question arises vis-à-vis Russia. For the Balkans, a procedure is underway. It is a matter of time, but they are starting to get impatient: since Prodi made them "potential candidates" in 2000, they have been struggling.

These countries have nevertheless made progress. The Commission itself says that by 2028, two Balkan candidates could join (probably Montenegro and Albania). But what about the others? There are therefore three dossiers to deal with, which will simplify everyone's life.

There are the Western Balkans, the Eastern Partnership, and Turkey.

Regarding the Western Balkans, I have already started to touch upon the question. The logic that reconciled France and Germany, which allowed conflict to no longer leave the European Council meeting room and which we have practiced for 70 years now... we thought this logic would apply to the Balkan countries. We thought that the successful reconciliation in Western Europe could apply following the Yugoslav wars of succession that ravaged part of the territory in the 90s.

The European reasoning was to say: we will spiritualise borders, we will allow these countries to enter a much more favourable economic universe, and with time, all this will fade. It was a gamble. Unfortunately, we are in

a period where populism has developed almost everywhere. It was inevitable that it would also develop in the Balkans, notably in Serbia which, for various reasons, is a country more reluctant than others to reconcile. Thus, things are not moving as fast as expected.

If we look back to the early 90s, one had the impression that if Yugoslavia had survived, it would have been one of the most advanced countries. At the time, they were more advanced than Poland or Hungary. They had an association agreement with the European Union and one could have imagined that as a bloc, finally, the Yugoslavs would have been members of the Union for perhaps twenty years. They could have joined in 2004, for example.

Unfortunately, it did not happen that way. We are forced to work country by country, to create a sort of competition between them. But this competition has not necessarily yielded results; it has not stimulated them much. It has even rather led to a trend of slowing down preparation. And then elections, changes of majority, economic and technical problems meant that, ultimately, things did not move forward.

But we are nonetheless starting to see the light at the end of the tunnel. If it happens, the accession of Montenegro and Albania represents a considerable step forward. Remember what Albania was like in the early 90s: that represents a significant performance. All those who knew these countries when we started visiting them—very few people had gone there before as it was almost impossible—know this. For me, when I think of Albania, I tell myself they have made a lot of effort. These are things that must be recognised.

We can therefore expect to continue the process at the cost of some acceleration.

We will, however, have a problem. The problem, in my view, is unanimity. That is to say, giving all these countries Member State status while they are in a situation of internal political fragility, border management, etc. Can we give these future Member States the possibility of blocking everyone in case they have any dissatisfaction whatsoever? Or if they had a government decided, through external influences, by logic or for various reasons, to use its right to vote for an objective that has nothing to do with European integration?

This is an opinion I give in a personal capacity: I think that if these countries are to join in 2028, as the Commission envisages, it means we must get rid of unanimity before 2028. We must move to another regime. There are many hypotheses; that is not the subject for today. We do not have to abolish unanimity permanently for everything, but transition periods are needed.

Allowing Montenegro, which has 800,000 inhabitants, to block 450 million inhabitants—we cannot function with that. I recall, as the Poles are sensitive to it, that in the 18th century, there was a rule in Poland called the liberum veto which allowed a single member of the Diet to block everyone. Well, a few years later, there was the partition of Poland and the country disappeared from the map for a century and a half. This is perhaps not an example to follow.

Yet, currently, we see it with the attitude of the Hungarian President Mr Orban: we are in a situation where a country of 10 million inhabitants can block the system. We cannot function in the face of pressure from Russia or another aggressive country if we are not able to make certain decisions. This is a point, even if it is outside the strict question of enlargement.

But there is indeed the Balkan evolution. The Commission reports say that almost everyone is making progress—slower than expected, but real. We are approaching a moment where it can tilt in the right direction: once 80% of the effort has been made, 20% remains and there, we can give a little push. We saw this with the march towards accession for 2004. I remember we were still quite far off at the end of the 90s, then in the last two years of the negotiation, they hit the turbo. They managed to make efforts they hadn't made before. When we arrived in 2004, we had referendums where 80% of the population voted in favour of accession and, to my knowledge, we have not gone back on that.

For the Eastern Partnership countries, the question arises differently because we have countries some of which are quite large. Ukraine, within its legal borders, is larger than France. It is a country that had 40 million inhabitants before the war; it no longer has them now but could find them again. It is a quite important country on the economic level. Ukraine is no small thing.

Currently, we consider three countries as candidates:

Ukraine, of course. What we wanted to give Ukraine during its period of war was an accession perspective. Perhaps an invaded country needs something else, but that was what was on the market. So we proposed accession, and politically, it is a very important commitment.

Moldova, because it is between Ukraine and Romania. Its inhabitants have already more or less obtained European citizenship (because Moldova was previously part of Romania, so many have European passports). They have made progress and have elected people who are supporters of accession. We can think that Moldova could join in a few years.

Georgia, which is the opposite. We believed it was going to launch itself because 80% of Georgians were reportedly in favour of accession. And then there were problems, changes of majority, manipulations. As a result, Georgia itself, in its current political configuration, has asked for a standstill, meaning a halt. They are candidates "in name only". We have already seen that with Iceland or Norway. This is the problem of the Caucasus. Perhaps it is Armenia that will take over; we don't really know.

But globally, what is the heart of the problem? These countries are, like part of Central and Eastern Europe, the product of the disappearance of empires. The Austro-Hungarian Empire disappeared, the German Empire disappeared, the Ottoman Empire disappeared. And then, I would say, Russia.

Russia is an empire. And the empire has not completely disappeared: Russian pressure on these countries always remains quite strong. Russia possesses indirect means of pressure, such as energy blackmail. The Soviet community has not completely disappeared; habits have been formed. Russia has favoured, against the Eastern Partnership countries, minorities or small States where it has played as it did in the Soviet Union era. It played against Georgia with Abkhazia; it played against Moldova with Transnistria and it played, of course, against Ukraine with the supporters of Eastern Ukraine who would be more pro-Russian than the others.

We can estimate that it will be difficult to carry out an enlargement against the explicit will of Russia. It will do everything it can to oppose it. So, different scenarios are being discussed. The basic idea is that at a certain moment, there could be a ceasefire based on the limits of the current front. That is to say, we would probably have two Ukraines.

We would have a Western Ukraine, more or less attached to the European Union, a candidate for accession (but not necessarily for NATO). This is a situation that would remain quite ambiguous. And on the other side, a pro-Russian Ukraine. A bit like we had two Germanys for about forty years within the European Union itself: West Germany was a Member State and East Germany was not. We can very well imagine this, because we are not going to continue killing each other like this for much longer.

On 16 May 2026, the war in Ukraine will have lasted as long as the First World War, with the results you know: a sort of stabilisation of the front which could last much longer. We can therefore very well imagine that there will indeed be a pro-European Ukraine and another that would not be. Perhaps Moldova will join, but Georgia will not, and the European Union will be led to lose interest in the Caucasus (because Russia will not want it meddling in its affairs). And there is not only Georgia: there is Armenia and Azerbaijan.

For the Eastern Partnership, this risks being a sort of partition... a partition somewhat like when Napoleon and Alexander shared Eastern Europe, or a relationship where some tilt towards the West and others remain in the East. It is difficult to think at this stage that Europe will have the necessary weight to push Russia back. In the current context, this seems difficult, and one cannot really wish for the war to continue. It is an extremely deadly war.

The figures given to us regarding human losses are unverifiable, but it is almost certain that we have already lost several hundred thousand people on a front that looks a bit like that of 1914—meaning where losses are extremely high. If there is a ceasefire, we will not be able to say we have restored legality. Perhaps everyone will be happy that the war stops, and if it stops, we don't know if it will be definitive.

It is therefore not very easy to imagine the development of this accession procedure, except by envisaging a "division of Germany" type situation for Ukraine. Moldova can tilt, but perhaps not the Caucasus: it is sad for the Georgians and Armenians who are 80% for accession, but perhaps we will not manage to look after them.

Finally, the last country, but not the easiest: Turkey. There are two ways of looking at things.

In the short term, Turkey has an Islamo-nationalist project clearly incompatible with European values and policy (and also with NATO for that matter, but we don't say it so as not to discourage Turkey from staying there). It is an expansionist policy. The Commission report says it: we have 4% compatibility with Turkish foreign policy.

From that side, one cannot imagine doing anything in the short term. If negotiations were resumed, it would be "for the pleasure of negotiating," without results. Over about twenty years, we realise that Turkey has always refused passage to Cypriot planes and boats, even though it had committed to doing so in 2005. For 20 years, it has not fulfilled its promise. The invasion of Cyprus is a violation of international law and one can wonder why it was tolerated and why it is still tolerated, since it is a violation of European territory. Cyprus is a Member State.

But we are not going to address the question of Cyprus today. There is a violation: they have drawn limits for exclusive economic zones in the Mediterranean which are in opposition to United Nations regulations (UNCLOS). All of this is recorded in the Commission report. If we were consistent, the first thing to do would be to stop the negotiation. But unanimity is needed, and then people say we will "offend them," etc. As a result, we don't do it, although we should have done it long ago.

As long as Erdogan is there, do you want to see Erdogan at the European Council? I believe that does not interest everyone; one cannot imagine that a country committing so many violations is a valid candidate. They are not going to move; they haven't moved for 25 years. Perhaps Mr Trump has his own idea on that... I am waiting to see if he obtains what he asked for (it seems): the evacuation of Cyprus by the Turkish army. That would be something substantial and interesting. I don't know what could be given in exchange, but it is a major blocking point.

If we managed—and it is very possible in the medium or long term—to have a country like Turkey that respects the Copenhagen criteria (after all, that's what we ask of them), things could change. A different government could do it, because it is a matter of political will. Part of Turkish opinion desires it. Turkey can renounce its expansionist dreams and establish correct neighbourly relations. One can very well imagine an alternative, and there, a choice will have to be made.

We will have to study how to integrate a country that would then have about 85 million inhabitants, the most populated country in Europe, the best represented in the European Parliament... but a peripheral, Eurasian country. It would perhaps be a bit uncomfortable in a Europe where the centre of gravity lies elsewhere. As my colleagues said to me: we didn't manage to integrate the United Kingdom, can we imagine integrating Turkey? The British experience showed that they geographically chose the open sea in preference to stronger integration. Does Turkey have another future than to preferentially attach itself to the Union? Would another regime of association, of neighbourhood, an ad hoc regime not be more suitable? Pretending to have Turkey join since 1987, we clearly see that it hasn't worked. Perhaps we need a little imagination.

This leads us to go beyond the enlargement dossier to see it in the context of the neighbourhood. Europe is destined to have preferential relations with the countries around it for different reasons: the migration dossier, energy, transport, the environment in the Mediterranean (we cannot improve it without looking after the people living on the other side of the sea). All these questions imply very strong cooperation, and these countries are often demanding it. It is not illusory.

The institutional question is therefore: are all these countries destined to join? Or should a solution like that of Norway or Switzerland not be found: association regimes that allow for cooperation on certain subjects without necessarily joining and "slogging through the 95,000 pages of the Official Journal of the European Union"? Because even on their side, certain policies do not suit them (like fishing for the Norwegians or Greenlanders).

In the Mediterranean, there is something to be done to see to what extent we can draw closer to countries that are not necessarily "European States" (that's what we told Morocco). But the proximity of Morocco means that... when walking in Algeciras, one can count the sheep on the other side. We have a much closer neighbourly relationship than with some more distant Member States. All of this must be integrated into a perception of the neighbourhood, with or without accession.

Today, we have dealt with accession. We could have a second session on the theme: "If there is no accession, what do we do?" to analyse the situation of these different countries.

Georges Vlandas

I have a number of questions and remarks, firstly on the definition of what a "European State" is. I find that this is a question that doesn't make much sense, because it is a political question, not a geographical one. The Byzantine Empire, the Roman Empire, the Ottoman Empire did not bother with geography. The Ottomans wanted to go as far as Vienna. The Roman and Byzantine Empires were on both sides. The constellation of Greek States too: Alexander went as far as Afghanistan! Perhaps all that would be Greek if he hadn't died too soon...

It is a matter of a political project. Do the human communities living there, in this world as it is developing, have something to do with us? Are they animated by the same principles and values? Do they have a common project?

This also poses the question of unanimity. If the project is common and if we are in agreement to decide in the name of certain principles, then, if these principles are not respected, one should be able to make appeals, a bit like the French do with the Constitutional Council. One could say: we function by majority in the name of and within certain values and principles, and if they are not respected, minorities can appeal to a jurisdiction. But majorities can too.

It is clear that today, with unanimity, it can work neither for Europe at 27, nor at 20, nor at 15. The question of whether the French can have a course of action dictated to them by a constellation of minority States (Cyprus, Luxembourg, Malta, Albania for example), even in the name of a common vision, is primarily political. What do we want to do together? It is the act of foundation, or refoundation. This is perhaps what is missing today.

The debate between enlargement and deepening is a false debate. When we enlarge, we can impose conditions on everyone, including in terms of principles and values.

Among the accession criteria, are we going to do as we did with England or other countries? Is it "all or nothing"? For example, is having the common currency mandatory?

In this context, making Moldova join makes sense if that is the wish of the Moldovans. As for Ukraine, the question of its integration into the Union is essential, including to guarantee its security. I do not think we should be "realistic" to the point of accepting its partition. This is a question that arises.

There are formulas in history, Jean-François, where two countries know how to wage war without making peace (for example North Korea and South Korea). With the two Germanys, there was no peace treaty, I believe, but they were able to stop the war, make an armistice, without making peace.

We cannot, in the name of Realpolitik, say to the Ukrainians: "You join, but you abandon territory that is yours". Because if that is the case, in whose name would we oppose Erdogan on Cyprus? And after all, if we accept the argument of "Russian-speaking regions," the Romanians can also say that for example Bukovina was Romanian.

The question is not geographical. It is political, including at the level of territories. Europe cannot constitute itself as a power bearing universal values if it accepts being beaten. The problem is perhaps that it does not give itself enough means to win. But in any case, one cannot accept this in the name of a "realistic" principle.

As for Georgia and Armenia, of course there is a political reality that must be taken into account. But from a formal point of view, the right of peoples to self-determination is sacred and does not oppose accession. We can have a territory much wider than certain geographical limits. With the ten countries coming, we have plenty to do.

The question for me—I see there are reactions from the floor—is to know what ambitions we give ourselves, as Europeans, to be attractive at the budgetary level, at the level of internal coherence, etc. For example, Hungary: the question of its inclusion in the Union could pose a problem at some point. What was positive with the United Kingdom was that we were not in the Warsaw Pact: there are people who can leave, make their own policy, their own experience, and so much the better. For Hungary, at a certain moment, the question can also arise, when one is a minority, to say to oneself "do we stay or do we leave?". This is not desirable but the question can arise.

M. B.

I just wanted to ask two questions. I am going to look in a slightly different direction, because we talk a lot about what is happening in the East, but my questions concern other places. Firstly, I wanted perhaps for you to comment a little more on this question of fishing. What was the state of discussions between what was then DG MARE and DG Enlargement? Fishing is a huge stumbling block with Iceland (the main one even),

Norway, Greenland (that is the reason why they left) and the United Kingdom, even if fishing represents a very small part of the economy.

My second question—I am perhaps going to throw a cat among the pigeons and cover myself in ridicule—but what was the position of the European Union regarding Cape Verde? This is a country that was wealthier than some candidates, and which still is I think. It is geographically in Africa, certainly, but Cyprus is geographically in Asia. Above all, it is the only part of Macaronesia that is not part of the European Union (all the other Macaronesian islands are part of it: Canaries, Azores, Madeira). Moreover, many politicians in Portugal and Spain at one time supported the accession of Cape Verde. Did the people who dealt with enlargement look in that direction, even if today we have many more priority candidates? Thank you very much.

Jean-François Drevet Thank you, I will respond. I am very happy to hear about Cape Verde because I precisely went there for the development of the "special partnership" which is today the framework for relations between the Union and Cape Verde.

Cape Verde is in a quite unique situation, as you have correctly pointed out. Of the four archipelagos of Macaronesia, you have the Canaries, Madeira, and the Azores which are in the Union as "outermost regions". And then Cape Verde, which became independent (it was linked to ex-Portuguese Guinea-Bissau during the dictatorship). It became independent with half of its population having emigrated to the European Union. The question of the special partnership arose. We developed it in 2005-2006: we established, sector by sector, to what extent we could ensure Cape Verde a privileged partnership. Notably the possibility of free movement for the Cape Verdean population, since half of them live in Luxembourg, Belgium, Portugal, or France. It was logical that they have this freedom.

Since then, I have the impression it works: as we don't hear about it, it means it works more or less well. Cape Verde is a sort of member of the "neighbourhood policy" without officially being part of it. It participates in operations to control illegal migration, etc. (since we had problems with Mauritania and Senegal on these questions).

On fishing, the question is old. The objective, as it was constituted in the 70s (I think it dates back to British accession), was to pool the resource.

That is to say, allow the European Union to conduct a common fisheries policy. For those for whom it is the main resource—this is the case for Iceland, Greenland, and to a certain point Norway—this pooling was not accepted. It was also not accepted by the Faroe Islands, or even by Saint-Pierre-et-Miquelon at the time when it was an overseas collectivity.

This means that in the North Atlantic, fishing has been one of the main obstacles to accession due to resource sharing. When referendums are examined, for example that of Norway in 1994, we realise that the further north one goes, the more fishing occupies an important place and the more people voted "no" to accession (to the point of becoming the majority beyond the 55th parallel North or something like that). Thus, in fact, the common fisheries policy was, for countries that were not part of the Union, one of the major reasons for their non-accession.

H. A.

I wanted to take advantage of having you to take a bit of a step back on the whole question of enlargement and ask together: what interest, and for whom? Would integrating Turkey, the Balkans and eventually countries in the East have an interest primarily for the European Union? For those countries? Which ones? Is it a common interest? What limits can we have to this enlargement, beyond the question of unanimity?

Jean-François Drevet I would say it is a question that has arisen almost since the origin of the logic of enlargement. As soon as the Treaty of Rome was signed, it had been understood that new Member States would be accepted. It was written into the treaty (it wasn't Article 49; it was another formulation, but it was much the same thing). So the idea of expansion was present from the beginning in the thought of the founding fathers.

When we started to discuss this with the British at the end of the 60s, it was relatively clear because these countries were democratic and had market economies. It was therefore a debate on the taking over of the *acquis communautaire* as it was at the time (essentially economic questions).

Then the thing changed in nature, for a good reason: the arrival of Greece. When Karamanlis replaced the dictators (the Colonels), he said: "I think Greece is democratic, so it has a sort of right of entry into the European Union". This will of Karamanlis was accepted at the time, notably by Giscard d'Estaing and by Helmut Schmidt.

It was established, even if it was implicit at the start, that a democratic country is destined to enter the Union.

After the fall of the Berlin Wall, we see that this matter became generalised. But Greece implicitly brought in Spain, Portugal, Malta, and Cyprus (which was not at all expected). If the question had been asked in 1988, one would not have imagined that the States of Central and Eastern Europe were so close to accession. But the opening of the Wall was the illustration of the position taken by Karamanlis in 1974: a democratic country in Europe is destined to join the Union.

We reason on that basis. When we come to Ukraine, or even, we could imagine it, Belarus or Georgia, it is the extension of this argument to countries which, according to us, are destined to become democratic.

And as Georges said earlier, we have a very difficult limit to draw. I would take up what Dimitri Kitsikis (whom you certainly knew, Georges) said...

Georges Vlandas We were even neighbours in Paris with his parents during the colonels' dictatorship.

Jean-François Drevet ...He said: we have Western Europe and then after that we have an "Intermediate Region". That is to say, it is European, but it is not only European. For him, it started with Greece and went as far as Lebanon or as far as eastern Turkey.

It was a reasoning both political and geographical based on a historical reality: these countries were together for a very long time. It is difficult to draw a limit saying: "Listen, you are on this side of the Bosphorus, that's fine; you are on the other side, we don't know you". We are caught between contradictions that we ourselves carry.

Georges Vlandas Just an addition. In fact, the Union does not happen by chance, nor all at once. It was formed in particular historical contexts.

The first constitutive wave was that of countries which had fought each other for centuries, which were enemies with terrible hatred, and which had decided to turn the page because it was the only way forward. Then, when the three southern countries entered, it was because they had broken with dictatorship (and for Greece, moved beyond the civil war).

The first act of Karamanlis was to allow communists exiled after the civil war to return home. That's how I got my first Greek passport. The Spanish also were coming out of a civil war and did the same thing.

It was a moment of tipping where these new democratic countries arrived in a democratic space that was theirs, based politically on a paradigm dating back to Greek antiquity. There was a sort of unity (the Renaissance in Europe was through a return to antiquity via Byzantium).

The first wave was political. Incidentally, it was also against the Soviet Union (the Americans had an interest in it). The second wave also was political. As for the third wave, that of the Eastern countries, it was too: there was a symbol, the Iron Curtain. Joining had a political meaning. That's why I say it's not geographical, it's political. Central Europe is a Europe of European civilisation (thinkers, schools, art, music...) which had been maintained under dictatorships, under the Stalinist yoke. The move to democracy directed them symbolically towards us.

Today, in the world as it is, what are we witnessing? A move to an extreme right at the North American level. The enlargement of Europe takes on a new political meaning which stems from the same motivation: how, in today's world, facing three or four totalitarian blocs, hegemonic by force, to constitute a democratic space animated by principles and values which allows us to "hold the line," to "cope," to offer humanity a political, economic, social and ecological alternative?

That is what makes us be together. Not because we agree on everything! What is very worrying in today's debates (in France and elsewhere) is that we are no longer within the same paradigm. With Trump, we are changing the paradigm. Before, one was on the right or the left, but one discussed. Enlargement is part of that: if we remain isolated, it will not be enough to defend ourselves. If we want to represent something new and democratic in the world, it is important to group together. But starting from a common paradigm. Unity in clarity does not make strength.

The question that arises is not so much that of enlargement, but always that of: who are we, we the 27? What do we want to do together? The fact that the Draghi report was not adopted and implemented is worrying: the budget is very far below the ambitions and does not allow us to hold our rank. We are in a tipping moment, with rising tensions. No country can get through it alone.

For me, the question of enlargement is political: it is open to all democratic countries animated by principles and values. And that is where the novelty is: one could imagine the abandonment of the unanimity rule in a legal system that allows minorities who feel wronged to appeal to a sort of Constitutional Court. This Court could overrule the majority if the decisions taken do not respect the principles and values.

This is in my opinion the only way out, and I have not heard this proposal anywhere other than in GRASPE.

G. B.

I would like to know your opinion on the integration of Iceland into the European Union.

Jean-François Drevet

What happened was the financial crisis of the 2000s. It's an interesting example of democracy: practically a third of Iceland's GDP had become a "finance business". They made bad deals and the Icelandic government found itself faced with the necessity of reimbursing Dutch and British banks. The government didn't quite know what to do to escape the reimbursement.

Yet, there is in Iceland a President of the Republic who has no power, except one: the possibility of launching a referendum. He therefore asked the Icelanders if they agreed to reimburse financial madness for which they were not responsible. The people's response was not long in coming: they repudiated the debt. Those who wanted to recover it were forced to accept this decision.

But during this period, Iceland said to itself: "Ultimately, what we need is the euro". They arrived in Brussels saying: "Accession, we have never been keen, but this time we should do it". At the limit, they only wanted the euro. They were told: "We can't do that; you have to file a formal request for accession".

They filed this request. It was accepted since they were members of the European Economic Area and already applied European legislation. But when it came to fishing, it blocked. Europe said: "We have a common fisheries policy, common access to resources". And there, they replied: "We live off that and nothing else".

Their export is fish. Their economy relies on fishing. They could not take the risk of handing over this essential activity for Iceland. Their 300,000 inhabitants live directly or indirectly from fishing. It was their independence that was at stake. They preferred to stop the negotiation saying it was not feasible. We parted as good friends, recognising that there was an incompatibility.

Y. V.

But what did we do with the English? We could have said: you join, but for fishing, we have a partial right of access, for example a third of your resources?

Jean-François Drevet

I did not participate directly, so I don't know exactly how that ended in detail, but it was a withdrawal by the Icelanders. All things considered, it was the euro they wanted. As they couldn't have only the euro and had to apply all the directives... Seen from Brussels (as they already applied the single market), one had the impression it wasn't very complicated to manage for 300,000 inhabitants. We said to ourselves: "We can certainly sort it out".

But on this question of fishing, they were quite firm. It's a no-go for all these countries. Norway has many other interests, but it is essentially because of fishing that it did not want to join. Same for the Faroe Islands, Greenland, or even Saint-Pierre-et-Miquelon at the time. They do not want to hand over their main resource to a common policy where they would not have the possibility of deciding.

On the one hand, if we gave them unanimity, we would give them a right of blocking; on the other, if they don't have this right, they say they can't go. Both points of view are understandable. The logical conclusion was: "No, in current conditions, we cannot join". In the meantime, the financial question had been resolved (they had managed to repudiate the debt). The problem being resolved, they realised that accession no longer represented the advantages imagined at the start.

E. M.

What is the difference with Montenegro and Kosovo which use the euro without being members of the EU?

Jean-François Drevet

The question of the euro there is older and simpler. When Montenegro wanted to separate from Serbia, I remember—I was there at the time—the official currency was the Yugoslav dinar. But dinars were only to be found in church collection boxes! Everyone had spontaneously decided to adopt the German mark (it wasn't yet the euro).

I remember taking dinars out of my wallet and being told: "No, we don't want them anymore. Do you have any marks?". Prices were displayed in marks. They did the same in Bosnia-Herzegovina and Kosovo: they decided to take this currency, to have euro banknotes printed in Germany brought in. It's a country that adopted the euro without asking anyone's permission. They are not members of the euro zone; they have no seat or representative at the European Central Bank. We don't even know them.

M. B.

Polls show that Icelanders have always been more favourable to the euro than to the EU (an interesting reversal compared to other countries). He also recalls that the French were long opposed to enlargement. Sara insists on the importance of Ukrainian wheat to stabilise prices and guarantee supply. And Antonio says that Bosnia uses the KM under a competition regime that weighs the KM against the euro.

Jean-François Drevet

It's a local currency; I believe it is assimilated to the euro, like the CFA franc to the French franc. It is not a completely independent currency.

Georges Vlandas

Well, dear colleagues, if you have no other questions, I thank you for your presence.

Competitiveness for a Strong EU in a Geopolitical World

European Federalists Conference April 9th, 2025

Catherine Vieilledent:

Good evening and welcome. We are very pleased to have Markus Ferber as a speaker with us. Mr. Ferber is Vice-President of the Union of European Federalists and a Member of the European Parliament for the EPP group. Today, we are together for a discussion, a debate on a topic that we have been following for a long time but which is even more topical today, namely competitiveness in a geopolitical world. I am the Secretary General of the Europe group of the UEF, and I would like to welcome Domenico Rossetti, Secretary General of the UF Belgium, who will help introduce the debate.

To begin with, competitiveness has been an objective of the EU for a long time, particularly in 2008 with the financial crisis. We then went through two decades of sluggish growth, and this competitiveness gap has widened with regard to the United States, as indicated by the Draghi report, which will be a choice reference for the debate. Thus, the gap between the share of European GDP in global GDP has increased from 15% to 30% in 2023. We are clearly losing ground.

So is competitiveness reflected in a trade surplus, as Mr. Trump seems to think? The paradox is that the EU has a trade surplus, so we should be more competitive, unless competitiveness is about a multidimensional loss of economic capacity to generate added value and prosperity. What do you have to say, Mr. Ferber?

Markus Ferber:

Yes. First of all, I am very happy, as Vice President of the Union of European Federalists, to be here and to have the chance to speak as a member of Parliament from this famous room of the

European Commission. But that said, I think what we are seeing at the moment is really something I thought I would never see in my lifetime. I am from the baby boomer generation. I finished my studies when Germany was reunified, when the Iron Curtain fell, when we started opening Europe to the countries of Central and Eastern Europe, which are now members of the European Union. And I really believed with optimism that we were living in a wonderful world. What a lucky generation I am, or people of my age, to live in this time when we overcame all these threats.

And then there are certain obstacles that make us think that we no longer live in this wonderful time and that we cannot start without discussing the horrible attack of Russia against Ukraine. We think that Ukraine has the right to decide which set it wants to belong to after gaining its independence in 1990. And we thought we could offer something serious, and we had the feeling that the majority of the Ukrainian population would accept, which meant, of course, moving closer to the West and ultimately becoming a member of the European Union. This is now threatened by Russian aggression, and we are seeing these days that even this is being questioned.

Europe was also an economic question, as we were founded as an Economic Community. In this world, trade relations and trade interconnections will continue and will be better than ever, because no one will switch off or cause a short circuit, because that would destroy everything. And that's what we're seeing at the moment. Yes, but what Mr. Trump is doing is destroying a way of organizing the world as it has been set up over the last 50 years, or more particularly over the last 30 years, and Europe has greatly benefited from it.

But we will first address your question, because I think it is a key issue that we need to address. A trade surplus is not a value in itself. And I think that mercantilism, where everyone must have a trade surplus and the world is better, does not work. Because if everyone has a trade surplus, someone must have a trade deficit, otherwise it will not work. This is what a French king had to learn 250 years ago, when mercantilism was the economic model of the time. And it was not a functional model either. And just talking about competitiveness, as Mr. Trump complains about American cars not selling well in Europe. Yes, sorry. Have you ever driven an American car? Do you know how much fuel it consumes per hundred kilometers? We can't afford it. That's not our way of life. That's not how we're used to managing it. It's wonderful to have a car with 4 liters per hundred, because it's very quiet to drive, unlike those found in the United States, but that's not how we drive. That's not how we think. We are responsible for the

environment. Yes, I'm sorry to mention these things. It's not about a crash test, but he introduced it recently, because this crash test is not about whether a car breaks or not, but rather whether the glass does not injure the driver when something happens, like a bowling ball hitting the front of a car, to name just one of the craziness we are hearing at the moment.

But to return to your question, I think on the one hand, we are competitive on the world markets, otherwise we would not have a trade surplus. On the other hand, and this is what Draghi clearly mentioned in his report as well as in one of the introductory analyses, and you compared Europe to California. Twenty-three years ago, GDP per capita in the United States was 15% higher than in the European Union, and now it is 30% higher. So there is a gap in GDP development, and this is something we need to address. Remember, for example, the Barroso strategy or the Lisbon strategy to make the EU the most competitive and science-based region in the world. I think we have not achieved this goal, but many measures have been taken within this Lisbon strategy. On the other hand, what concerns me more is that Draghi does not mention that the United States is a market that already has everything in abundance. We are a market that still has development potential. If you look at the countries of Central and Eastern Europe, if you look at our neighbors in the Western Balkans, to the east, beyond this horrible war, there should be more growth. But even if you look at the potential growth rates, they are low compared to those in the United States. Draghi also mentioned that with an increasingly aging generation, he cites that by 2030, we are losing 2 million people from the labor market, which further reduces the potential growth rate. This means that even if we use everything correctly, how can we grow? Honestly, the Member State I know best, Germany, has a potential growth rate of only 0.5%. This shows that we are lagging behind, and this brings me to the issues we are discussing at the moment.

I think what the Commission has done well now is to reduce bureaucracy. Let's do what is necessary, but let's not clutter things up with too many reporting obligations and bureaucracy. On the other hand, we are very good at innovation. I think this is one of the problems of the Member State I know best. We invent a lot of things, but we are not able to turn these innovative ideas into products on the market. Other markets are better at this. You mentioned China and the four Asian dragons, at the time, South Korea and others. Singapore, which was one of the four Asian dragons, was the challenge of the 80s, and I couldn't agree more. Who put our innovations on the market? The fax machine. Everyone laughs about it today, but at the time, it was a major

innovation. The fax machine was invented in Germany and produced in Japan. A classic. And we had long lists of this problem at the time, and we still do.

On the other hand, we have learned, and I think we Europeans have used all the possibilities of the last 30 years to organize our economy in such a way that other regions become more and more competitive, which is a good thing, because people's living conditions improve there. India, which is a closed market, is less open to us than we are to it. That is why I appreciate that we are currently negotiating a free trade agreement to have better access. You remember that we now have a free trade agreement with Japan, which was also a closed market in the past. And I think this is also necessary to overcome the challenges posed by the United States.

Finally, if you want an assessment of the United States, I have the impression that the president has many advisors who do not advise him. He does not listen to the advice he is given, or they simply applaud everything he says. But if Ursula von der Leyen behaved in the same way, asking someone what they think and saying "I don't like what you say, go away," that would not get us anywhere. But that's what we're seeing at the moment. He thinks he knows everything better than others. Perhaps because it is an economy where 90% of goods are traded within the country, we need to be aware of that. In Europe, we are around 60%, and it was a bit higher before, but COVID brought us down, and we hope to be able to restore that after the economic crisis. They are therefore less dependent on other markets than we are. In some areas, they are very dependent and do not have the resources to overcome this.

For us, the second priority is to strengthen the single market to get rid of non-tariff barriers within the single market and be less dependent on other markets. And the third priority to achieve greater competitiveness is what we call resilience today, i.e., the ability to have more production in the production chain within the European Union, which does not mean in a single country of the European Union, because every place in Europe has its advantages and can use them to create better competitiveness. I think those would be my three main issues to address to overcome this problem: on the one hand, trade surpluses, but also the issue of wealth, which of course is linked to social stability. It is important to be clear about this. But it is not a value in itself as long as it is not balanced. I think this is one of the main problems of the United States. The wealth gap there is wider than in the European Union. This is one of our advantages, and to preserve

it, we must be able to address it. I think some of the key elements we should focus on are the ones I just mentioned.

Catherine Vieilledent:

Thank you. I think we may need to come back to you, as that was a substantial response to my difficult question. I should also mention that you know a bit about competitiveness, as you are the chairman of the Subcommittee on Tax Matters. This is not a minor area of interest, and you are a member of the Committee on Economic and Monetary Affairs in the European Parliament. So I think you have studied this subject more than I have, and I thank you for your responses. Returning to the issue of dependencies before handing back to you, I have, with your agreement, proposed that we return to the audience after each of the three stages.

The question of our dependencies has been raised several times. In the golden age of globalization, we outsourced our energy needs to Russia, our economy to China, and our security to the transatlantic alliance. But in this new geopolitical world, the era of cost minimization, that is, the quest for comparative advantages, may be over. We are now faced with critical dependencies, as you have already mentioned, and weakened economic security. How can we manage a strong transition and not cling to the status quo?

Markus Ferber:

I was joking earlier when I said that Members of the European Parliament have no obligations, so they have free time and are very happy to receive invitations like tonight. I am not straying from my area of expertise, as you mentioned, as I am a member of the Committee on Economic and Monetary Affairs and spokesperson for the EPP Group. So I do have some responsibilities in this area. But we must be aware that our continent has certain advantages, but unfortunately also some disadvantages. If we talk about raw materials, we have certain disadvantages. We are not well-equipped with raw materials, especially those we need for the 21st century and for the transition to carbon neutrality. This is why we depend on other regions of the world to access them.

If you look at what is currently happening between China and the United States, it is really an economic war. China is imposing restrictions on access to rare earths, which are necessary for electric mobility, for example. But this is just one of the problems where rare earths are needed: everything that operates with an electric motor needs them. To describe the context, they are limiting the United States' access to these raw materials, and even

Canada, which also has them, is considering such restrictions. We have some smaller sources in other parts of the world, like Mongolia, which is surrounded by Russia and China, making exports not easy. This will harm the American industry in the short, medium, and long term, and shows how even rich regions are dependent when they do not have sufficient resources. This is why we have already started, during the last period, thanks to a good initiative of the European Commission, with the Raw Materials Act, and this is something that must now be improved with the legislation on the clean industry, so that we make better use of the raw materials we already have within the European Union, which means recycling.

Using what we already have to reuse it, especially in areas where we lack resources, and of course in the area of mining, as we have certain restrictions within the European Union. We have heard about Sweden, which has certain resources in the North. We have heard about Spain, where it might be possible to organize access to these resources. What we have in Europe, we can also manage by ourselves. I think this is the first step, but honestly, it is only one step, because we lack these resources. Recycling is therefore very important, but we must also have access to raw materials from other regions of the world. This is why I come back to the importance of Chile for lithium, for example. The free trade agreement with Mercosur plays a vital role in this area. I know that even the farmers in my constituency are not very happy, so I am not complaining about the farmers in the other Member States. I have the same problem in my constituency, to be honest. My constituency represents 5% of the milk production of the European Union. That said, I know the problems, but I also see the possibilities, and I hope we will adopt a balanced approach. We are now waiting for the translation of the agreement so that we can analyze it in depth and check it. But we must also think about how we can manage access on our side.

On the other hand, we must think about innovation again. I think there are new techniques, and we must innovate them. Perhaps we will need less access to these types of raw materials, which are currently the most in demand. This brings me back to innovation, which is the key to these issues. Yesterday, I attended a presentation by a researcher on how to produce hydrogen differently from what we learned in school with electricity, and I think it is incredible. Let's try it, test it, see if it works not only in the laboratory but also under real conditions. I think these are the tools we must also use. This is why I hope we will not see what we had seven years ago, when we started discussing the financial framework, where the research program was the toolbox for everything. To be honest, I spent 10 years on the budget

committee, so I know how it works, and we need innovation. So I think that cross-border cooperation, which is the added value of the European research program, must be better equipped so that we can really achieve it. But as I said, the lack of innovation in products must also be overcome.

I remember a long time ago, in my first term, we had a program called "Tell Me," a long time ago, it was related to the Euratom Treaty. But it gave us the possibility to create prototypes and finance prototypes. And I think this is something we must do. At the moment, research is pre-competitive and we ensure this because of the WTO and all these things, but maybe the WTO no longer exists in this sense. No, I am not quoting Trump, but maybe we can spend money on this too, to help industry, because in the end, if we can show that it works, scaling up can be financed by private funds, but first, there must be a risk-taker in the public sector. And I think this is something that Europe could also offer, just to mention a few ideas from my side. I think we have a chance and should not be pessimistic looking to the future, even if some are today. We are not as bad as others tell us.

Catherine Vieilledent:

You have already answered my next question about energy competitiveness. I understand that you are enticing us with research, and I don't think it's just to entice us, because there are proposals on the table. Obviously, we need to clean up the industry. We had the Commission's zero-emission industry legislation and this idea of having our own path to competitiveness or better economic prospects: reuse, recycle, decarbonize, and negotiate trade agreements to access raw materials and other rare resources. This is probably the path that the EU must actively pursue now.

Markus Ferber:

Yes. I had the honor of welcoming Ms. Ribera, the commissioner in charge, yesterday to our committee, as we are responsible for competition policies in the European Parliament in the ECON committee. I fully agree, as that was my question. I asked the commissioner, since the merger control regulation is now over 20 years old, whether the question of the relevant market, for example, needs to be rethought in these new circumstances. Is it no longer about Belgium and the Netherlands or Germany and France, but about Europe and China, Europe and India, Europe and the United States? And of course, one can come to other conclusions. Even if you look at the documents of our time, like the Green Deal for Industry, which I really support, it's a good approach. But the competition question is not addressed. The fiscal question is addressed, as are many environmental

questions, but the competition part, which is the role of DG Comp in this area, is not mentioned. And I think if we identify crucial areas where we want to strengthen Europe and where we want to have a truly European approach, to be less dependent on other markets or jurisdictions, DG Comp must play a crucial role in achieving this. And she said, "Oh, that's not in my letter of mission." And I was a bit disappointed, to be honest. But we managed to continue the discussion.

I fully agree with you. We need to rethink our strategy with a broader approach, integrating all the policies that Europe has strengthened, if we want to achieve results. That's why I think DG Comp plays a crucial role, in a good way if it is well-adapted, or in a bad way if we fail to succeed. But to be very clear, and this is my conviction as vice president of the UEF, the main problem is not really DG Comp. The main problem is not the European Parliament. The main problem is the capitals, the national governments. The main problem is the Council in all these areas, which is not ready to move because each one has its national problems, its specificities to safeguard. If the 50 states of the United States behaved like that, we would not have these competitiveness problems.

We know what needs to be done, and I hope some Member States will take the initiative. I grew up in the time of Helmut Kohl, and Helmut Kohl once told me, when I was a young politician: "Look, Mr. Ferber, I don't do what is good for Germany. I consider what is good for Europe, because what is good for Europe, even if people don't understand it at first, will in the long term be good for Germany." For example, the Deutsche Mark was not well-received in Germany. I was one of the first things I had to promote as a young MEP. I started in 1994. I was not welcomed with great applause. But we know that in the long term, we were the main beneficiaries. Germany, as an exporting country, was the main beneficiary, because we no longer had that high exchange rate of the Deutsche Mark against other currencies. Competitiveness thus came with higher wages for our workers, and not with a different ratio between currencies.

This is what we need. Convinced Europeans who really think about Europe when they speak and who deliver, even if they understand that it is not directly beneficial for their country in the short term, but beneficial for all of us in the long term. This is the mindset we need again at the European level. Sorry, I grew up with that, and I still have it in my heart. That's why I am so convinced and devoted to the European federalists.

Catherine Vieilledent:

Well, thank you. I think the Commission has proceeded cautiously in this regard. The problem is that there is always a risk of fragmentation, the risk that Member States, as they have often done in the past, will compete with each other, what we call national champions. They all want to be the leaders. Isn't this partly the problem that arose with Galileo, for example, the European space project, which lost 10 years, from what I've read, since I wasn't there at the time. Ten years were lost because the Member States all wanted to be the leaders. Everyone wanted to be the leader. Couldn't this be part of the problem? A counterexample is the famous discussion between France and Germany about Siemens-Alstom in the railway sector. I am not an expert in this area. The Member States or two Member States stepped forward and said, "We want to be competitive with the heavily subsidized Chinese companies in the regions, etc." What kind of response do you have to this particular problem?

Markus Ferber:

We are really at the heart of the problems. To be honest, regarding Siemens-Alstom, I didn't understand what the Commission did, because it is about the question of the relevant market, which I have already mentioned. If you say that this company holds 100% of the railway signaling systems in Europe, you are right. And in that case, the commissioner should not allow it. But if you say that, nevertheless, it is a small company compared to the Chinese competitors, who at the time were very active in Central and Eastern Europe, using European funds from the Cohesion Fund, for example, and participating in all the tenders we launched, there was a question of whether we could create a unit that works.

I think at certain stages, we should be able to create a more European approach. We currently have in Europe more than 100 telecommunications operators, and we organize competition in each Member State with a minimum of 3, and 4 for the larger ones. But these three or four are not allowed to be number one in the neighboring Member State. And of course, we have national competent authorities that ensure this competition works under the supervision of the European Commission, but this creates an environment where we are never able to produce economies of scale in telecommunications. And it's not just about autonomous driving, but I mentioned that as an easier example. But if we had a regulation that says you need at least 5 operators across all of Europe, like in the United States, where there are even fewer than five global telecommunications companies, I think that could create a more competitive environment, even for us as consumers, with lower prices and better quality.

Energy, I think, is another one. If you want to have a good energy supply, which is one of the factors of competitiveness, we need to be more European in the energy sector. I know Germany is not at the forefront of energy solutions. As I said myself, when the decisions were made, I said Germany could afford it because we have nine neighbors. And that's unfortunately what we do, and we do it against our neighbors, and it's not very comfortable for the neighbors. It's very easy to understand. If we have a lot of wind and a lot of sun, we put all the electricity into the grids of our neighbors. If we don't have wind and sun, we ask all our neighbors to provide us with electricity, and you have to manage your grids. France is at the forefront, Belgium too. Even Poland is flooded with electricity. Sorry, this is not a serious approach, and that's why I complain about this German energy policy, which is not European, which was never discussed with the neighbors and which relies on the shoulders of our neighbors. Thank God, we have nine. We can manage it, where it's possible. I said if we were Portugal, we would really fail, because we would have a lot of blackouts, to be honest.

But that's why a German is always a bit shy when talking about the electricity market, because everyone knows we need it, but we need it as Europeans. Likewise, we will always have higher energy prices. You mentioned at the beginning the dependence on Russia or the outsourcing of cheap energy to Russia, and the failure that occurred when it no longer worked. But that's why I think we need to think about some markets where we can move to the next level of integration, or my favorite, trains. And now, with the "Fit for Rail" package, we even have the question of whether a train is approved individually, but we have the same system as in the aviation sector, where a new product from Airbus, for example, doesn't need to be approved plane by plane, but by family. So the A380 is approved, as is the A350, to name just the latest examples. Once approved, you can produce them. In the railway sector, we have individual approval, train by train, Member State by Member State. It's crazy.

I remember the first ICE that was transported from France to the UK via that tunnel and was not allowed to drive by itself. It was a Eurostar pushing the ICE through the tunnel because it didn't have the license to cross the tunnel. It's crazy, because not only we, as Members of the European Parliament, who want to go to Strasbourg from Germany, for me, from Augsburg to Strasbourg, the train would be the best means. It's a nightmare because I have to change trains once. I'm not complaining about Germany, but that's another story. Why can't we have more trains from Paris to Bratislava, which is one of these interconnections? It's because of these things. And this is something we need to overcome. And

there, I see many areas, but the main problem, I repeat, is not the Commission that made the proposal, not the Parliament that supported the proposals, it is a certain institution that was not very favorable, and things were watered down.

Catherine Vieilledent:

Yes, networks, trade exchanges, and trains—it's a great story. If there are no questions, thank you for your great examples. Another tough question: the omnibus packages that the Commission is introducing these days are at the top of the agenda. Mr. Draghi, for example, says that we need 19 months for a legislative act to be adopted at the EU level, and then we also have to wait for the Member States to implement it, and sometimes they do it poorly, on top of that. So it's very, very slow. We want simplification, but what is the real target of this package? I have been involved in debates on this issue, and some people say it is actually a form of deregulation. We are backtracking on our commitment to environmental and social change.

Markus Ferber:

First of all, our process is very complicated, yes, but it creates a kind of stability that I really appreciate because Mrs. von der Leyen does not have the right to issue 1000 or 2000 decrees a day like Mr. Trump. And I am really surprised that the Capitol does not react to this, because it is the legislative power being used by the president himself. And nobody complains about that. In Europe, it does not work like that. Even if you look at a lot of legislation in the United States, the Senate mandates an authority, and then the authority sets the rules. But the authorities are politicized. All the heads of administration are now replaced by the new government, by Republicans and friends of Mr. Trump. Even in financial services, we are concerned that the SEC and the CFTC are becoming politicized and used against us in the financial sector, for example, because that's the area I know best. It was the same for consumer protection, the FDA, the Food and Drug Administration, which was really a good authority because it was created due to the many problems that occurred in the United States in the 19th century. And then it was established by Congress, but now it is being politicized by Mr. Trump.

So I appreciate our system. I think what is more crucial is what simplification is and what deregulation is. And this is, of course, a narrow path that we have to walk at the moment. And I think, since we have the first omnibus in front of us, streamlining data requirements between the CSRD (Corporate Sustainability Reporting) and the CSDDD (Corporate Sustainability Due Diligence) directives makes sense. But on the details, of course, one can say that a lot of things that have been achieved are now

being questioned by this simplification procedure, and this is what we are currently discussing in Parliament. The first omnibus covers the CSRD, the CSDDD, and a bit of the taxonomy. And I hear that the Council has similar discussions because it's not like everyone said yes, we are in favor of this, and a few years later we say, "Oh, sorry, we made a huge mistake. What the hell did we do? Now we have to change everything." No, it's a bit more complicated than that.

But following this path, to make things easier for businesses, but without lowering the requirements in terms of outcomes, that is, decarbonization, social standards, setting social standards within and outside the European Union as well. If I talk about the CSDDD, I think it makes sense. I hear less resistance regarding the CBAM regulation (Carbon Border Adjustment Mechanism), for example. That's very interesting to me. So maybe everyone understands that we really did too much in this area, which makes me a bit optimistic. And regarding the streamlining of data, nobody is complaining either. So I think we should focus on these things, and then I think we are on the right track. And so I think the Commission's proposal is quite cautious between these negative and positive scenarios on this narrow path to get the best outcome. So I am quite optimistic that in the end, we will be very close to the Commission's proposal because, reading the impact assessment, it is clear that it is the right response, not to get rid of the goals, but to make things a bit easier for businesses.

Audience Member:

My question concerns the instrument: do you think that legal instruments, for example, a directive, are the right elements to continue adopting legislation, as we have done in the past at the European level? There is new thinking on this subject, starting from the migration area, to go back to regulation in order to avoid all these differentiations between Member States, transposition measures, and all the time needed to properly transpose EU law.

Markus Ferber:

Thank you very much. Honestly, it's an old question, even since the late 80s, after the first treaty change and the development of the single market with regulation or directive, which is the right approach? We have seen waves. We see these different waves, but I think it makes sense to distinguish between different areas. If we want to create a level playing field, regulation is more appropriate. If it's really a matter of subsidiarity, sorry, I have negotiated consumer protection in the financial sector more than once, where we really have different national legislations. Minimum standards make sense, and then Member States can add elements according to their national historical experience. So I

think we should look at each issue to see whether full harmonization, that is, regulation, is appropriate, or whether minimum or multi-level harmonization, that is, a directive, is more suitable. So you will never hear me say that everything must be done by regulation or everything by directive. I think it depends on the issue, but even we know that sometimes it makes sense to have a really European approach.

We need to get rid of these waves, more centralized, less centralized. I think it really depends, and I think the Commission does a very careful analysis of what the appropriate tool is, because we know that, especially coming back to my favorite problem, the Council always questions whether a regulation is necessary in this area when it is proposed by the Commission, and normally it is the Parliament that pushes with the Commission for better harmonization, which means regulation. I can imagine, remembering, even when we started to implement the capital requirements, we had a CRR, a regulation, and the directive, on what had to be done and where. Oh, I really thought we were destroying Europe by putting everything into the regulations. Nowadays, nobody complains anymore because we have a level playing field, and it gives good results for all of us, people with savings accounts or normal people like me, for entrepreneurs who have access to financing. It creates a stable environment at the cross-border level. And then I think we are on the right track.

Catherine Vieilledent: If I understand correctly, you are not the typical German federalist, are you?

Markus Ferber:

Yes, the word federal in German means something different from the English word. I know. But I am a member of the European Federalists. So, in the English sense of the word. Yes, the federal government in the United States is the central government, the federal government in Germany is the central government, but “federal” in German means organized according to the model of subsidiarity. I know this problem. I remember when Roman Herzog, the former President of the Federal Republic of Germany, was speaking in the European Parliament. It was in the late 90s. He said, “There is only one chance to build Europe, but I know that this word is not well-received here because it has different meanings in different languages. But it starts with an F.” That’s what Roman Herzog said, without mentioning it, but mentioning it.

Catherine Vieilledent: Yes, indeed. That’s a good point.

Now, I should perhaps address the last question, if you still have the energy and good humor you've shown, about defense. Now,

the question is this: future European defense—the Commission proposes 800 billion euros over 5 years to rearm Europe. Could this lead to a reversal of economic governance, meaning internal requirements with greater integration and coordination of military capabilities as the main drivers? This is quite an urgent question. Understanding all the drivers of growth, integration, and cooperation in Europe.

Markus Ferber:

This is a very serious question, and I think it's not just a matter of money and financial resources. First of all, we need to discuss what is really necessary because I think it's easier to open the wallet if you know why, and sorry, that's why I was a bit disappointed by this proposal from the President of the Commission to put 800 billion on the table and say we have something. I think we should do the opposite. What do we need? And what is the price? And then it will be easier to access the resources from the Member States.

On the other hand, we have this bad experience in Germany, to be honest. You know, after the start of the war, Russia against Ukraine, we had this statement from the German Chancellor Olaf Scholz, which, I think, is used in all languages now. And there was a special financial vehicle, according to our Constitution, of 100 billion euros, and more than 80% of this amount will be spent in the United States because we don't have the necessary products. So I think we need to rethink in Europe as well. How can we bring our companies together in the military sector? It's more allowed, sorry. Then in the civilian sector, in the research program, so that we really get this European approach and European cooperation, and I think this is something the European Commission can achieve.

So we have the European Defense Agency, also a baby of the Parliament. It's supported by the Commission; it took a lot of time for the Council to accept it because they said there was no need. I am grateful that we now have this instrument in place because it can create a single market for defense. The other issue is what we need to discuss now, and it was also the Parliament that foresaw a small sum in the European research program for defense research at the time. Everyone was complaining; now everyone is happy that we have this small tool because it creates added value by bringing companies together to cooperate at the European level, and I think these are the small plans that we should nurture and give the possibility to realize that in the end. We don't just look at what is available in South Korea or the United States. Maybe we need a small tool for negotiations, but it also strengthens our industries, even to get the spin-offs in many

areas. Because at the beginning, investments in defense, according to the economy, are consumption expenditures, not investment expenditures, because they do not create added value as long as they do not create spin-offs. And I think if we focus on that, we can achieve a lot, even in the area where we started to discuss.

So I am very happy that we have these small plans, either the European Defense Agency or this small program in the area of research, as starting tools, and this should be further developed. The main added value of the European Commission could be, if you bundle, because 650 billion of these 800 billion are national budgets, so national defense budgets. That's why the Member States should bundle them only if they also get a return on investment, but not according to the ESA method, cent by cent, but in a common method where one has more in aviation, the other more on the ground, and the third more in munitions, and in the end, everyone gets their fair share as well. I think this can be organized, and this is really what the Commission can achieve. I think we should organize things in this way.

Number one, we need air defense, and everyone understands that this is a European issue, and it even protects Portugal. This is one of those issues as well. What is my problem? Oh, I am so far from Russia. Or in Germany, the main debate is, "Oh, Putin will never attack us because he stayed for a long time at the end of the 80s and the beginning of the 90s in the GDR, then in the eastern part of Germany." He will never attack us. So we don't need to protect ourselves. No, we need to protect ourselves together as Europeans, and to be very clear, we should do it as the European Union, open to other states like the UK, like Norway. But then we have Ireland and Austria as well, which are not members of NATO but are also protected. Sorry, I say it very clearly, it's not a NATO question, it's a European question, but we should invite other partners as well. And there, Norway and the UK make sense for both, to bring them closer to us. We all have in mind that at some point, they should come back home to Europe.

Catherine Vieilledent:

Now, time is almost up. I just had maybe one small question in one minute about the savings and investment union, this big idea that appeared in the Draghi report and is now being pushed forward by the Commission. What can we expect from it in terms of growth, in terms of strategic autonomy as well, and I know this is one of the issues you have also worked on. I'm sorry, you are the perfect victim.

Markus Ferber:

Yes, Draghi also mentioned it in his report, and I was really surprised to read it in the mission letter. So it has been taken up by the President of the Commission, Ursula von der Leyen, because so far, we have worked for 10 years, and it was Jean-Claude Juncker who invented it with the Capital Markets Union, with limited results, let's say it that way. Investment, yes, but Capital Markets Union, not really. Sorry, at the moment, many CFOs are running into my office because of tax problems in the United States, and I always ask them, "If you do a corporate bond, where do you place it?" They answer, "In London or New York." And I say, "Why not in Paris, why not in Frankfurt, why not in Milan?" "Oh, it's not liquid enough." "If you do an IPO, where do you go?" "Oh, probably New York." "Why not Paris, Dublin, Amsterdam?", to mention other places as well? "Oh, it's not liquid enough," and we still have this problem with the Capital Markets Union, which is not working properly. Where do you do the clearing? In London. Why? Because it's liquid enough. And this is something we need to address.

And honestly, we have failed, for example, in clearing (EMIR on the derivatives market), which was not the Commission, which was not the Parliament, but there is a third one at the table, and I will not mention it again. And so, I thought we would have a bit more ambition in this regard as well. But on the other hand, it makes sense that we try to overcome this typical European behavior, which is to place a lot of savings in a savings account. That's a challenge. But on the other hand, just to mention one or two Member States that have good ideas, the Netherlands, with their pension funds. Of course, they skim the savings of the people, but they have the possibility to invest as institutional investors in infrastructure, where you also have revenues, in stocks, whatever, and if you look at Sweden, where you have this tax scheme, the savings are invested in the stock markets as well, and this is subsidized by tax incentives. That's also an issue. I know that the Swedes are closer to the financial markets than the Germans, for example, but if there is a need for an intermediary like a Dutch pension fund, we should give the Member States the possibility to develop these things so that these savings are attracted. And of course, number one is to have stable but higher revenues than on the savings account, so that I can really say, after retirement, I have something to live with. That's why the demonstrations in the United States last weekend, because American citizens are mainly invested in stocks. Yes, and they have lost a lot of their retirement savings.

That's the problem. That's what Mr. Trump is doing to his electorate. That's his decision, but you see that people are

complaining about that. It's not our approach. I think if you have an intermediary, as I said, a pension fund that is able to manage that, if you have the public, like the Swedish model, that gives certain incentives to make it even attractive, or in infrastructure investments, for example, you have the public taking the fundamental risk, so that private investments can increase, and that's InvestEU. Where we have not attracted private investors to jump in. Maybe there are some possibilities, but if I read the work program, which is the annex of the Communication on the savings and investment union, which is already published by the European Commission, it lacks a bit of ambition. It's always the old approach. We need to think about the pan-European pension product, which is not working properly, and we need to do a bit of securitization, and things like that. I think that's not the big issue. What we need is to bring private households to invest a bit more with their savings and not only place them in a savings account.

Catherine Vieilledent:

Of course, we need some financial capacity now. May I try to draw some conclusions, but very briefly, because there was so much that you told us. You are such a good teacher, which does not always mean agreeing with you, not 100%, 90%. Especially regarding your very strong advocacy for Europe, if I may say so, myself, I am a federalist, but where are we today? A major change is being imposed on us, and we need to reassess our economic preferences and choices. I think you have explored a lot of that, and it is high time. Our dependence on external powers for energy, technology, and defense is not sustainable. This should be a wake-up call for Europeans and a call to act swiftly because we are lagging and unprepared for the new global environment. For very passionate Europeans, of course, we need acceleration and acceleration that involves and includes institutional progress regarding our own resources, regarding unanimity. We need to be more agile to act swiftly and powerfully, and we are always hampered by ourselves and perhaps sometimes by our Member States as well.

We need to put an end to the fragmentation of our capital markets and our banking system. We need effective decision-making and political leadership; this is a tough question. So I will recall the European Parliament resolution of November 2023, calling for a treaty change. Of course, this is a red flag for some people and some Member States, and so far, it has not been followed. There has been no opening to a treaty change. I think we need at least some progress. If you cannot find consensus among the 27, the willing must move forward, overcome stagnation and paralysis. This is what we call pragmatic federalism. But anyway, we can

no longer, and I think in a way, you have also convinced us of that, we can no longer live and act below our means, below our economic capacity, and ignore the aspirations of citizens for peace, security, and prosperity.

Thank you very much, because it was very instructive. And my conclusions are just an attempt to conclude precisely. Thank you very much. There will be a report and an article published in GRASPE and perhaps in other places, but you will certainly be informed. Thank you very much and thank you to the people who came. Thank you, Domenico. Thank you to those who helped provide access.

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The articles published in this issue do not necessarily reflect the views of each individual who has participated in the work of GRASPE.

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