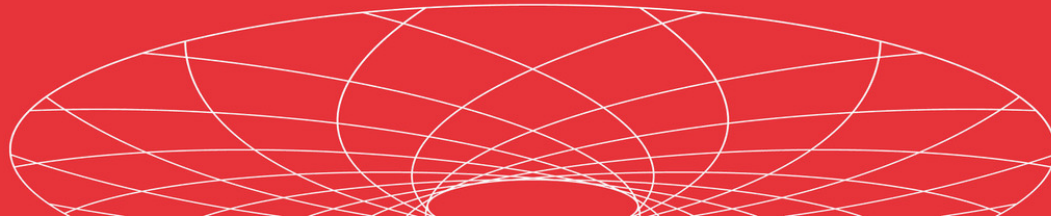




POST EU SUMMIT

A progressive take on European Council summits by the team of FEPS policy advisors



At the latest European Council summit in Brussels (23 March 2019), Brexit once again dominated EU council talks over other matters due to urgency and desperate nature of the situation. Other main topic was “Jobs, Growth and Competitiveness”, where the conclusions show the need for interventions in the market, and the European Council invites the European Commission to present an industrial strategy by the end of 2019. Two months before the European Elections, fighting disinformation was also one of the priorities of the summit.

Following huge international marches over the last few months of young people in particular calling for urgent action to address climate change, this summit was the moment of high expectations for many. However the European Council of leaders did not give recognition to these significant calls from civil society. Within the framework of external relations, the main focus of the discussions was on China.

Jobs, Growth and Competitiveness

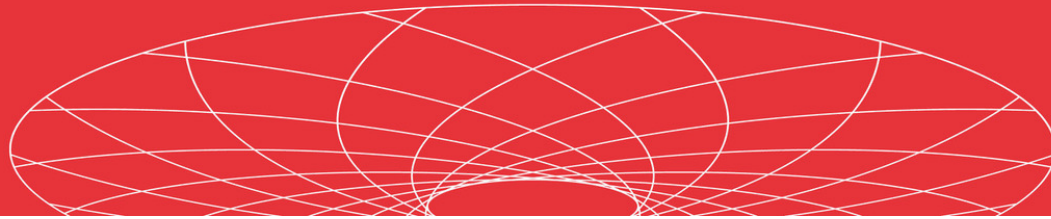
Historically, the European Commission has used the market as a tool to wrestle power from Member States. The idea was that market integration would lead to political integration and progressive outcomes. But while the EU is very good at breaking down barriers to market forces, it is much less capable to put in place EU level rules to effectively govern the market thus created. Tragically, this market-driven and deregulatory integration has undermined the political space for exactly those EU-wide solutions that could help create an economy that works for EU citizens. People who are exposed to the vagaries of global competition without support and protection do not leap forward; they retreat.

Now, for different reasons, including unfair and stiff competition from China, a more protectionist stance on trade in the US, the UK’s impending departure from the EU, and the likely electoral backlash against EU integration, there is political room to change course. And it is visible in the Council conclusions. Although the mantra of market integration is still repeated, most of the text is devoted to the need for interventions in the market, and the European Council invites the European Commission to present an industrial strategy by the end of 2019.

Determining the content of such an industrial policy and implementing it will be a key task for the next European Commission, and a real opportunity for progressives to ensure the market serves European citizens. They should develop a positive vision for economic integration, one that goes beyond just competitiveness or reindustrialisation. A more ecologically - focused economy could be such a clear goal for economic development, with updated state-aid and public procurement policies to steer market demand in that direction. For digital services, progressives should develop a model that differs from the existing data-driven surveillance practices.

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Securing free and fair elections and fighting disinformation

The Council conclusions urge private operators – read Facebook, Google and Twitter – to fully implement the Code of Practice against disinformation. This voluntary code contains many sensible measures, such as increased transparency for political ads. But indeed, implementation has been piecemeal, because the measures often contradict platforms' business interests, and involve difficult trade-offs between different and competing public interests and rights.

Even in case of full implementation of the code, there will inevitably be many instances of dubious, false and misleading information in the run-up to the EU election. Yet, progressives should not give in to the temptation to use that to criticise the election outcomes, which will surely put many Eurosceptics in the European Parliament. The Democratic Party in the United States has fought such a rear-guard action for years after the election of President Trump, and, as it now seems, on dubious grounds and to no avail.

Progressives should look ahead instead, and ask themselves why the EU ended up in a situation where it needs to ask US social media – in essence ads companies - to secure the integrity of our elections. Why is it that the way we communicate and look for information is driven by ads? How can we change this? The Council will get back to this point in June, after the EU election. It is to be hoped it will go beyond an inventory of instances of disinformation, and will ask the European Commission to start a more fundamental enquiry into our online communications infrastructure.

Brexit:

With the Brexit date foreseen for the 29th March this Council summit with just 8 days remaining was notably considered as the 'last-chance-saloon' for a final scramble and to avoid a no-deal. The conclusions note a new date for Brexit unless something else happens in the meantime.

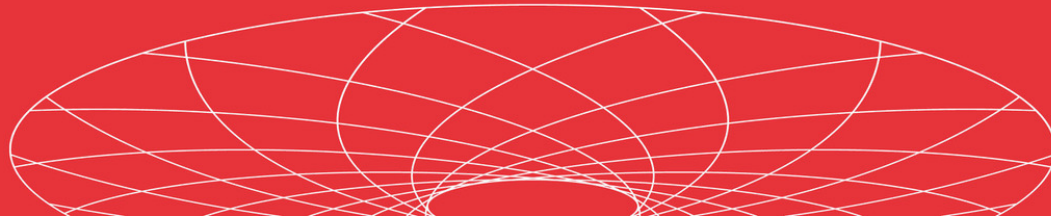
The urgency and desperate nature of the situation meant of course that Brexit once again dominated EU council talks over other matters.

As developments have occurred it was to be the moment that all EU heads of state would meet together and could decide on a possible extension of article 50, a decision that requires agreement from all 27 of EU leaders.

Let us remember that this date was the two-year deadline Theresa May had after triggering article 50. She has failed to be able to meet this two year deadline. So her letter to Donald Tusk ahead of the council sought to extend article 50 until 30th June.

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The European Council did not agree to this timeline and, after apparently two-hours of questioning Theresa May, instead offered until 22nd May (the day before European

Parliament elections) but only if the Houses of Parliament approves the withdrawal agreement in its current form this week. Otherwise the European Council accepts an extension until 12th April for the UK to be able to 'indicate' a way forward but before this date. So 12th April is now seen to be the new Brexit date.

The possibility of a no-deal for the new date still hangs heavily in the air. As does also the possibility of having to extend article 50 to beyond the end of June, meaning the UK would have to legally participate in European Parliament elections.

Theresa May came to Brussels for the summit meeting against the backdrop of a rapidly-growing number of people signing a petition to revoke article 50, which now at time of writing has over 5.5 million signatures. It was also ahead of an anti-Brexit rally in London over the weekend, organised by the people's vote campaign which saw over 1 million people descend on the capital from all over the UK.

The 12th April is the deadline for knowing also if the UK will participate in the European Parliamentary elections or not; a significant change that will affect number of MEP seats and campaigning in the other EU Member States.

This week the UK Parliament has seized control of the situation from the government and there will be a series of votes on next steps. With the deadlines set as they are now after the Council summit we will know what this will look like within a fortnight.

Climate change:

Following huge international marches over the last few months of young people in particular calling for urgent action to address climate change, this summit was the moment of high expectations for many. However the European Council of leaders did not give recognition to these significant calls from civil society.

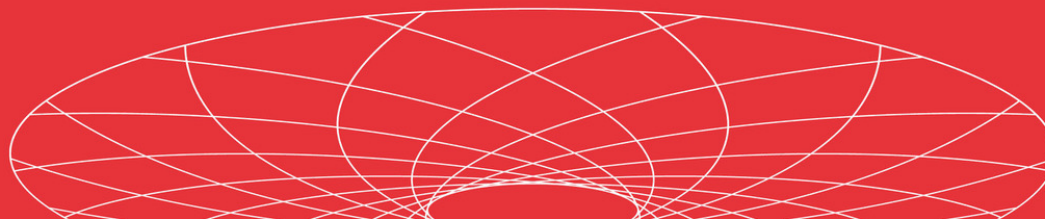
In addition the summit does not reference a date for reaching climate-neutrality in Europe as the European Commission, supported by the European Parliament have called for to be by 2050.

Leaked documents ahead of the summit exposed a divide amongst the core of Europe's leaders, with Germany siding with its eastern neighbours (Poland, Hungary and Czech Republic) on this very issue. What is more, those countries prefer not to link the 1.5°C Paris objective with EU climate action, this is apparently contrary to another group of countries within the bloc (including France, Netherlands, Luxembourg, Spain Portugal and Finland).



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The Council summit conclusions therefore simply reiterate previous statements and objectives. Hopefully the Council summit in June will be more progressive on this matter

especially ahead of the UN climate summit planned for September in New York where countries are expected to bring scaled-up, ambitious climate plans to the table.

However it's a pity that EU leaders were not able to provide positive developments on an issue that will likely be top of the agenda during the European election campaign.

This is definitely a missed opportunity for the EU if it is serious about addressing climate change and feeds concerns that whereas it should be leading on this issue, the EU although has the capacity to do much more, is not doing enough.

External Relations

Within the framework of external relations, the main focus of the discussions was on China. These discussions were made even more pertinent by certain recent developments, including the signing of the Memorandum of Understanding between China and Italy regarding the Belt and Road Initiative during Xi Jinping's six-day visit to Europe, and the uproar it caused in various European capitals as well as in Brussels. Responding to the need for more coordinated EU responses on this issue, French president Macron announced after the Summit that he has invited EU Commission president Juncker and German Chancellor Merkel to join him in meeting president Xi in Paris, also adding that "the period of European naivety is over."

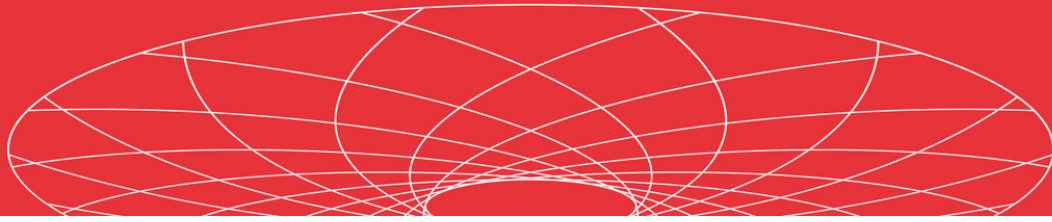
With Brexit dominating much of the time that was initially allotted to a comprehensive discussion on China, this much-needed discussion finally took place on Friday, but produced no concrete outcome. The official summit conclusions simply mention that "The European Council prepared the EU-China summit to be held on 9 April 2019. It exchanged views on overall relations with China in the global context."

Nonetheless, it is clear that many concerns were raised, not least over Beijing's insufficient pace of opening up and its strategic investment across Europe. Elsewhere in the conclusions text, China is alluded to without being named, reflecting these concerns: "the EU must also safeguard its interests in the light of unfair practices of third countries, making full use of trade defence instruments and our public procurement rules, as well as ensuring effective reciprocity for public procurement with third countries. The European Council calls for resuming discussions on the EU's international procurement instrument...".

Despite the absence of a more concrete wording in the conclusions, it is clear that the momentum is towards assuming a new, much more assertive EU stance towards Beijing. After years of a more accommodationist posture, where Member States have allowed, if not

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welcomed, BRI projects in their territory, the language used by many leaders during and after the summit marks this sudden shift of tone and attention in a very clear manner.

Also worth noting is the strongly-worded Communication that the Commission released just days ago, as it was indicative of this momentum. In the Communication which, according to many accounts, was put together at record speed and included input from across services, China is referenced not only as ‘a cooperation partner ... [and] a negotiating partner..., [but also as] an economic competitor ... and a systemic rival promoting alternative models of governance.’ At the Council doorstep, Federica Mogherini, the Union’s High Representative, captured the essence of the collective, arguing that the EU needs to establish “a pragmatic but also principled approach with China, a mix of protection of our interests but also a search for common ground for partnership whenever it is possible”.

After a long time when it was apparent that an [EU policy recalibration was needed](#), the European Council has indicated its willingness to engage more actively with the issue. Evidently, time will assess the efficiency of this approach, but it at least opens up an honest discussion between Brussels and the Member States over the Union’s multifaceted relationship with one of the most important global actors, China.