

DEUTSCH-BRITISCHE GESELLSCHAFT

54th Young Königswinter Conference

Tuesday 17th June – Sunday 22nd June, 2014, Berlin

Conference Report



WHAT KIND OF EU DO WE WANT?

Has the EU become too rigid and distant from its citizens and need some substantial reforms or do we just need to undertake some corrections?

PROGRAMME

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Accommodation Europäische Akademie Berlin
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Date 17 June - 22 June 2014

TOPICS

WHAT KIND OF EU DO WE WANT?

- Has the EU become too rigid and distant from its citizens and need some substantial reforms or do we just need to undertake some corrections

1. How should we best cope with political and social tensions in Europe?
2. Have the economic and the financial crises in The EU been overcome?
3. Is the EU, is Europe, a 21st century power and player in the world?

Tuesday, 17 June 2014

- 19:00 Arrival at Berlin Tegel (BA 986)
 Everybody will make their own way to the EAB
- 19:30 Light dinner at the EAB
- As of 21:00 Opportunity for a welcome-get together at the EAB

Wednesday, 18 June 2014

- 08:00 Breakfast

- 09:30 **Opening of the conference**
- by the Chairman Sir Nigel Broomfield, Former
Ambassador to the Federal Republic of Germany
and the German Democratic Republic
and Hans-Henning Horstmann, Ambassador ret.
Chairman of the Deutsch-Britische Gesellschaft
e.V.
- Participants will be invited to briefly introduce
themselves**
- Group photo
- 10:30 Coffee break
- 11:00 **Key note Speakers**
Martin Kotthaus, Director General,
Auswärtiges Amt
- H.E. Sir Simon McDonald, KCMG
British Ambassador
- 12:30 Lunch at EAB
- 14:00 **Introductions** to the study group topics by
selected participants
- Group 1: Seb Somers, Sabrina Axster
Group 2: Alexandra Rension, Thomas Kolaska
Group 3: Felix Condry, Katharina Klebba
- 15:30 Coffee break
- 16:00 **Study group sessions begin**
Selection of Chair and Rapporteur
- 17:00 **Lecture with regard to the topic of group B**
- Speaker: Dr. Martin Heipertz,
- 19:00 Walk to the residence of the British Ambassador,
Hömannstr. 10, 14193 Berlin-Grünwald
- 19:30 **Dinner hosted by the British Ambassador to the
Federal Republic of Germany,
H.E. Sir Simon McDonald**
- As of 21:30 Walk back to the EAB

Thursday, 19 June 2014

- 08:00 Breakfast
- 09:00 **Lecture with regard to the topic of group C**
Speaker: Almut Möller, Head of Program,
Alfred von Oppenheim Center for
European Policy Studies, DGAP
- 10:30 Coffee break
- 11:00 **Lecture with regard to the topic of group A**
Speaker: Isabell Hoffmann, Project Manager
Europe's Future program, Bertelsmann Stiftung
- 13:00 Lunch at EAB
- 14:00 **Study groups**
- 16:00 Coffee break
- 16:30 **Study groups**
- 18:30 Bus transfer to the Würth Haus
- 19:00-21:30 **Würth Haus**, Schwanenwerder
Concert,
Lecture,
Dinner
Speaker: Manfred Kurz, Director of Würth Haus

Friday, 20 June 2014

- 08:00 Breakfast
- 09:00 **Study groups**
- 11:00 Coffee break
- 11:30 **Study groups**
- 13:00 Lunch at EAB
- 14:00 – 15:30 **Study groups**
- 15:30 Coffee break
- 18:00 Direct Bustransfer to Brasserie am

Gendarmenmarkt

18:30 **Dinner at the invitation of the Federal Foreign Office to “The European Agenda after the EU elections”**

Speaker: Dr. Peter Ptassek, Auswärtiges Amt
Deputy Director General for European Affairs

As of 21:00 Time off

Saturday, 21 June 2014

08:00 Breakfast

09:00 **Preparation of study group reports**

10:30 Coffee break

11:00 Transfer to Berlin-Mitte, Deutscher Bundestag

12:00 **Guided tour at the Deutscher Bundestag**

13:30 Time off

17:30 Walk to the Berliner Dom

18:00 **Boat trip** through the historical centre of Berlin with buffet, Berliner Dom at the Radisson Blu Hotel
Boat will leave at 18:00 sharp

21:00 Time off

Sunday, 22 June 2014

08:00 Breakfast and check-out

09:30-12.45 **Presentation of working group results
Plenary Session**

13:00 **Wrap-up**
Feedback

13:15 Lunch at EAB

14:30 Transfer to Berlin-Tegel

Conference Sponsors

This conference has been made possible by the support of:

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den baltischen Staaten, Großbritannien, Irland und BENELUX

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Topics for the Jung Königswinter Conference 2014

What kind of EU do we want? – Has the EU become too rigid and distant from its citizens and need some substantial reforms or do we just need to undertake some corrections?

The elections for the European Parliament will just have taken place and a new EU-Commission will have to be put in place. The growing anti-European sentiments in many EU countries will have found its expression in the outcome of the elections. The Parliament is likely to become more multifaceted and the political process in the EU more difficult. But the challenges our countries and the EU will have to face will not be less. The economic crisis in many countries and the Euro crisis have not been fully resolved. Solidarity and cohesion are at stake. Can we, can our countries, solve our problems on our own?

A majority of Germans and many Brits differ in their approach to the further development of the EU: either a more politically and financially integrated EU – at least in the Euro zone – or an EU limited to economic integration and a repatriation of some EU competences under national sovereignty. What should be the future direction?

Europe's weight will be in relative decline in a globalized world with more international players and competitors. This can already be felt today. Can our countries look after their interests in the future and punch their full weight, in political, economic and security terms, on their own or only collectively through an EU with more political cohesion and responsibilities?

A How should we best cope with political and social tensions in Europe?

- What are the reasons for the anti-EU sentiment in many countries? Is 'austerity' mainly to blame or are the causes wider than that?
- How have the institutions of the EU performed? Which have proved effective and which weak?
- Is there general agreement that the case for reforming parts of the EU is strong?
- How can the selection of the President of the Commission and the choice of the commissioners improve the standing of the EU? How could we win more public support?
- Do we need more subsidiarity rule in the EU or should more powers be given to the new Commission?
- How can the democratic control in the EU be improved?
- How did the Euro crisis and the public discontent about the European institutions affect the elections to the European Parliament? How strong will be the faction that seeks to stop or reverse European integration and how will they effect the work and the political weight of the European Parliament?
- Will the election results have a serious impact on policy in Brussels and will it result in more intergovernmental decision making?

- Will the election result affect domestic politics in the UK and Germany?
- Citizens across Europe are worried about immigration from East European member countries and some parties exploit these concerns. What implications does the debate have in the UK and Germany and for the freedom of movement of workers in the EU? What can be done to allay concerns of ordinary people about immigration?
- How well is the EU coping with the steady increase of the number of immigrants from its neighbourhood, in particular from Africa? Should there be a clearer distinction between asylum seekers and economic migrants? Do we need more burden-sharing among EU countries?

B Have the economic and the financial crises in the EU been overcome?

- Is the German economy as strong as it seems? How real is the British recovery? Will growth in both be substantial and will it help other EU members to recover?
- How can the significant economic disparities within the Euro zone be overcome? To what extent are transnational redistribution mechanisms between more or less affluent EU member states necessary in order to ensure the long-term survival of the present Euro zone? Germany and the UK have consistently been net contributors to the EU budget. Is this a reasonable sharing of the burden?
- Are there limits for German taxpayers' solidarity with other EU member states?
- Is austerity alone the right approach to dealing with the heavy burden of debt of many countries and for how long will the public in the indebted countries tolerate such policies?
- Is stable growth in Europe's South possible and do we need a new Marshall plan and who should finance it?
- Do Germany and the UK have a shared interest in seeing the struggling economies of the EU and the stabilization of the Euro succeed, in view of the fact that UK's trade with other EU countries makes up for about 50% of the British foreign trade?
- Is there a European strategy to cope with the enormous unemployment rates in some EU member states, in particular the youth unemployment or is it a problem for the individual countries alone?
- Are social payments sustainable in our shrinking and ageing societies?
- How much EU-wide regulation of the financial sector (i.e. banking union) is necessary and politically possible? Does it matter if they are introduced in the Euro zone alone?
- What are the chances of a free trade agreement between the EU and the US? Why should there be reservations in the EU as an agreement might create many new jobs on both sides?

C Is the EU, is Europe, a 21st century power and player in the world?

- The EU has failed to make much of a mark on world politics, why?
- What role has the EU played in the Ukrainian crisis? What lessons can be learned?

- Will the role and the weight of our countries depend, in the globalized world, on more common policies and more political integration or can they go it successfully alone or in “coalitions of the willing”?
- Do we need to engage in a stronger common EU foreign policy? If so, how might it be organised?
- What should the EU’s priority be with regard to its neighbourhood policies as the neighbourhood becomes more dangerous? Do Germany and the UK have a similar agenda?
- How can one evaluate the EU’s role in regard to Syria? Did the EU exhaust its means to solve the conflict? What constrains the EU in being more pro-active?
- Is European common defence a concept without substance at a time of declining defence budgets and reduced armed forces? What needs to be done?
- How did the NSA actions affect the relations between the EU and the US? How can trust be regained? Are the activities of the NSA debated differently in Germany and the UK? Do we need a no-spy treaty within the EU and between the EU and the US?
- A free trade agreement between the EU and US might take several years to negotiate and to ratify. Are there more immediate steps that could be taken to bring the EU and the US closer together?

Report

Welcome to Berlin and an Introduction to the Conference

The 54th Jung Königswinter Conference was held between 17th-22nd June 2014 at the Europäische Akademie Berlin. 42 British and German delegates from diverse professional backgrounds including academia, politics, law and economics gathered for the event organised by the Deutsch-Britische Gesellschaft. They were divided into three groups to discuss the state of the European Union, its institutions and the future of both from different perspectives, including socio-political, economic and diplomatic. The European Parliamentary Elections from the previous month and the ongoing debate about who should be the new President of the European Commission provided grounds for intense discussion throughout the Conference.

The Conference was chaired by Sir Nigel Broomfield, former British Ambassador to the Federal Republic of Germany and the German Democratic Republic. Along with the Chairman of the Deutsch-Britische Gesellschaft, Hans-Henning Horstmann (former German Ambassador to Austria and the Holy See), Sir Nigel welcomed the delegates at the official opening of the Conference on 18th June. Mr Horstmann described the Jung Königswinter Conference as “a jewel in the series of conferences” and that the true spirit of the Königswinter Conference was borne out of what delegates themselves could bring to it. Speaking about the theme of the Conference, Sir Nigel reminded the delegates of how many membership benefits EU citizens take for granted, including the ability to travel through some countries in continental Europe without a passport and mobility laws that allow citizens unlimited professional residence in all member states. He then called upon each delegate to speak briefly about their background, their interests in Anglo-German relations and to mention one aspect of the European Union they would like to see changed. The general consensus among the delegates was the wish for more accountability in the European Parliament; greater transparency among European institutions and a stronger focus on benefits for member states including trade and mobility.

Key Note Speeches

The opening plenary session continued with impassioned speeches underlining the respective positions of the German and British governments.

Martin Kotthaus, Director General for European Affairs at the Auswärtiges Amt began by challenging some widespread misconceptions about the European Union. He pointed out that no decision is made in Brussels without the consent of member states (some, as agreed, with qualified majority) and that the Council is composed of the governments of all member states. In defining the EU's role towards member states, Mr Kotthaus argued for subsidiarity and limited sovereignty. There was a general feeling that the EU-Commission regulated too many issues we needed therefore to focus more on subsidiarity.

40% of all global social expenses are made in Europe, which has helped to develop generally in our countries a peaceful and prosperous society. However, the last few years had been a real challenge for Europe. The common currency was at risk. People across member states had suffered badly in the sub-prime crisis and had seen their welfare and pensions cut. Thus far the stability of the Eurozone had been maintained and member states had held out admirably well. In 2010, Der Spiegel (German weekly magazine) claimed the Euro was dead, a prediction that had turned out to be completely wrong. Mr Kotthaus argued that it was the clear political will of member states putting differences behind them in order to keep the Eurozone together. The ECB played an important role as well.

Looking to the future, Mr Kotthaus acknowledged that we need undoubtedly a more coherent Europe in order to remain competitive in the globalized world. We must identify therefore our priorities and what is really important for us as European Union citizens. Once again it was up to member states to identify and realise these priorities. The new EU-Commission should be more focused on jobs, innovation and growth.

He concluded by reminding us that “Germany does not make the rules” in Europe and by stressing that, the German government did not want to see any further alienation of Great Britain but it will be difficult for Germany not to vote for Juncker as President of the Commission. It made no sense, he said, for Britain to leave the European Union. The position of the German government on this was very clear: IT IS FOR BRITAIN TO STAY. This has clear advantages for both of us.

Sir Simon McDonald, British Ambassador to Germany, was in agreement with many of the previous points made. He mainly echoed the concern of the British Government in view of the possible appointment of former Luxembourg Prime Minister Jean-Claude Juncker as President of the European Commission.

He explained that the concern was two-fold. Firstly, the Spitzenkandidaten system (lead candidates nominated by different party groups in the European Parliament) system, by which Juncker had come to be nominated had no basis in the Lisbon Treaty (2007) and Juncker’s name did not appear on the ballot anywhere during the European Parliamentary Elections.

Secondly, Juncker as an enthusiastic integrationist would most likely adopt a federalist approach towards the European Commission which was not in British interests. PM Cameron had set out a process to change the present EU in order to have in 2017 a referendum to confirm Britain its membership of the European Union. If Juncker were appointed, Eurosceptics in Britain would be strengthened further arguing the European Union was undemocratic and the British Government’s case for keeping Britain in the European Union would thus be weakened. The balance of power between the EU Parliament, the Commission and the Council was very important.

Introduction of the Study Topics

Two British and German delegates from each of the three study groups gave presentations introducing the different subjects to be discussed.

Group 1: How should we best cope with political and social tensions in Europe?

A British official and a German participant introduced the social and political tensions in Europe. They explained how large gains in the European Elections for populist parties like FN (Front National) in France and UKIP (UK Independence Party) in Britain confirmed the increasing extent of dissatisfaction towards the EU for its unaccountable bureaucracy and policies, like austerity. There remained, however, a lack of unity among Eurosceptics in Europe with UKIP refusing to share a platform with FN, and obviously the pro-European political groups, EPP (European People's Party) and S&D (Progressive Alliance of Socialists and Democrats) were still in the majority in the European Parliament. The challenge ahead was to address the uncertainty surrounding the appointment of President of the European Commission. From a British perspective, if Jean-Claude Juncker were elected it could become difficult for British Prime Minister David Cameron to continue to support Britain's membership of the European Union.

Part of the introduction also focussed on immigration. The speakers reminded delegates of freedom of movement between EU member states and internal migration without a passport, made possible by the Treaty of Rome (1957) and the Schengen Agreement (1985) respectively. They outlined discussions around internal migration, e.g. the public uproar in Britain about Romanian and Bulgarian immigrants, but also immigration from outside the EU, the impact of which is most felt in Spain, Italy and Greece, all themselves suffering particularly from severe economic crises and being deeply unhappy with austerity programmes. Mindful of this, questions to consider were: what is the long term future and what are possible positive impacts of immigration?

Group 2: Have the economic and the financial crises in Europe been overcome?

A British and a German delegate began with a reminder that it was important to first define a crisis, i.e. when matters get out of control. Whilst the economic problems affecting Europe were immediate, the financial crisis in the Eurozone was gradually dissipating and there is currently relative tranquillity. Southern European economies particularly affected by the crisis such as Greece, Italy and Spain were gradually paying down their deficits.

However, problems remained to be overcome and the speakers warned against complacency. Issues like sluggish growth and economic stagnation needed to be addressed to prevent the downfall of the Euro. High unemployment rates remained in Southern European member states and austerity was hugely unpopular among Europe's citizens, Italian Prime Minister Matteo Renzi notably calling for more economic flexibility.

Matters for discussion would therefore be the question of austerity, unemployment and how those in need can be helped. Other questions to consider were: how do we engender jobs and growth? Do member states need to

introduce unemployment insurance? In addition to this, how can a similar kind of crisis be averted in future? What changes need to be made to public institutions? How can we increase incentives to take risks, particularly in the banking sector? More regulation in Europe was clearly needed, but that alone would not be sufficient.

In summary we could not afford to wait for another market dictated crisis before we reacted, we must act now.

Group 3: Is the EU, is Europe a 21st century power and player in the world?

The last introduction was given by a British official and a German participant. They described the EU as a player on the world stage, albeit a weak one, a player that has power, but is not able to translate it. As it stood, EU foreign policy was not fit to react robustly to international challenges. A series of unsatisfactory responses, notably during the Arab Spring towards crises in Libya and Syria had resulted in the reduction of the EU's impact on the world stage. Similarly the EU was involved in the Ukraine crisis from the beginning, but where was its vision following Russia's reaction? On this point, EU Parliament President Martin Schulz described the EU as a "lame horse". This was due to long term, pervasive internal structural problems and a lack of common strategies, clarity and coherence. The Lisbon Treaty had gone some way to countering these problems, but improvements had to be made.

This, however, did not mean that there have been no successes. Eastern Enlargement (2004), the Iran negotiations in 2012 led to an agreement, as did the Brussels Agreement (2013) regarding Serbia and Kosovo.

Serious shortcomings nonetheless remained and these needed to be resolved otherwise the EU's global influence would weaken. Questions to consider therefore were: what sort of power and influence does the EU want, how is it to be wielded and what is the trajectory of that power? In the same way, how do we solve the problems in Ukraine, Syria and Palestine? What are the minimum requirements to meet our targets? Is pooling defence resources the future?

Rounding up the introductions, Sir Nigel Broomfield commented that we will live in a much more inhospitable world. The question now would be whether the European Union will matter in this world and what we should take from the spirit of Europe.

Other Perspectives on the Study Topics

Lecture 1 - 18th June

Dr Martin Heipertz, adviser to Jean-Claude Juncker, former economist at the ECB (European Central Bank) and EIB (European Investment Bank) and former adviser to German Finance Minister Wolfgang Schäuble, opened the first of three lectures given on the study topics. Dr Heipertz told the Conference that far from

being a cue to panic, the economic crisis of the last few years offered an opportunity to make decisions to resolve all hitherto pent up and unresolved issues.

The occurrence of the crisis itself was not surprising but the speed at which it developed definitely was. Thinking back to his days as an economist at the ECB, Dr Heipertz said that it was clear in 2007 that something was not right as banks suddenly became averse to risk. The collapse of Lehman Brothers in 2008 was a big shock and it was only through the intervention of the public sector that the banks were saved from collapse. In Germany, for example, the government guaranteed all private savings, which whilst fiscally impossible, averted a public run on the banks.

Having explained the first two phases of the crisis (private and public debt), Dr Heipertz explored the final phase, the sovereign debt crisis. This began in Greece and it soon became obvious that if one sovereign went down, so, too, would others. Consequently in 2010, the decision was taken to bail out Greece in the hope of stopping contagion. The enormity of the situation was underlined by the fact that the Greek bailout did not stop the sovereign debt crisis as the situation became very serious in Ireland; Portugal and Spain. Furthermore companies like Allianz and Siemens stopped lending to international entities, which Dr Heipertz described as “dangerous as it leads to self-fulfilling prophecies”. Mario Draghi (President of the ECB) stepped in at this point with the policy of conditionality; i.e. these countries would be provided with bailouts on the condition they accepted austerity. Draghi reiterated his commitment in 2012, stating the “ECB is ready to do whatever it takes to preserve the Euro. And believe me, it will be enough.”

The result of this policy was that the public sector was now balancing its books and this would lead to positive developments in the labour market, including employment growth. In 2014 there would be 1% growth in Eurozone and this is set to rise to 1.7% in 2015. If the situation stayed the same, we would get out of it, but governments should not cede to the temptation to relax their austerity policies in spite of the pressure to spend.

In conclusion, Dr Heipertz stated he was profoundly convinced that worst was over but governments had to stay on track. He reaffirmed Germany’s desire for Britain to remain in the EU.

Lecture 2 – 19th June

Almut Möller, Head of Program, Alfred von Oppenheim Center for European Policy Studies, DGAP, addressed the delegates about the future of the EU and Europe on the world stage.

There was certainly a marked contrast in Germany and Britain’s respective outlooks towards the Eurozone. In Germany the pledge was to do whatever it took to save the Euro, whilst in Britain opinion was divided as to whether the Euro was useful. What was certain, though, was that no one in Germany wanted Britain to leave the European Union. Almut Möller was personally very concerned about

the possibility of a British exit and identified this Conference as an occasion to ensure action to stop it.

Since the crises began in the Eurozone in 2010 the EU had become an increasingly inward-looking union as member states had begun a period of introspection. This was demonstrated in the European Parliamentary Elections with the success of inward-looking parties whose platform is founded on a call to revert back to older times. Now, however, in an increasingly changing world a global dimension is essential and the high priority for EU member states was to be outward-looking in preparing their people for a global narrative and policy. Closing labour markets and social welfare was not a good idea even if some people think the opposite is the case.

Questions that now needed to be asked were: from where is growth going to come? What will become of the Transatlantic Trade and Investment Partnership? How can member states become energy independent? What kind of Armed forces will be required?

These are questions that must be answered urgently, but EU member states had understood the urgency of the situation and had come a long way between 2009 and 2014.

Lecture 3 - 19th June

Isabell Hoffmann, Project Manager, Europe's Future program, Bertelsmann Stiftung gave the final study topic lecture with an overview of social and political tensions in the EU.

She reminded the delegates that the EU was still young when the crisis came in 2009/10. Over time it had evolved through different stages including its expansions in the 1970s and 1990s, the Treaty of Maastricht (1992) and the Lisbon Treaty (2007). 2014 was, however, the first major European election since the Eurozone crisis hit. Social and political tensions, contributed greatly to the success of populist parties in the European Parliamentary Elections and a lack of trust in the EU as an institution.

Using visually represented data, she showed delegates how pro- and anti-European Union sentiment was expressed in Britain and Germany. Whilst fairly evenly balanced in Germany, Britain was far more Euro critical online. This was unsurprisingly due to UKIP, who were virtually unopposed in expressing anti-European sentiment.

Offering a possible explanation, Hans-Henning Horstmann reminded delegates of the different meanings the EU traditionally held for Germany and Britain. In Germany, the EU healed deep wounds following the end of the Second World War and Reunification. By contrast Britain joined later, only entering the EU when it became clear that it would be a successful project.

Sir Nigel Broomfield added that the art of political persuasion is to simplify and exaggerate, something that the populist parties had done well. It was clear that the European Union is a good thing, but the rules created now would strongly influence the future. A vision is needed as “without a vision people perish, but with the wrong vision people perish quickly.”

Study Groups – Final Reports

GROUP ONE: How should we best cope with political and social tensions in Europe?

The group began by exploring the democratic deficit in the EU, the lack of understanding around the EU, immigration and the challenges for the next generation.

Both British and German delegates agreed that a democratic deficit existed, but disagreed on how it presented itself. This was mainly because of different understandings of the EU and what it stands for. The question, though, was not so much about the existence of a democratic deficit as it was how to engage and empower voters, particularly given the low turnout in the European Parliamentary Elections (20% lower than the first European Parliamentary Elections in 1979). A need for greater transparency and accountability among EU institutions, expressed by many delegates in the introductory session, was generally agreed to be the reason for low turnout, combined with a lack of understanding.

The group identified three entities with roles to play in resolving this; the media; the national governments and the EU Commission. Currently only negative points about the EU are made in national media. Similarly, when governments took positive action on the EU stage, national MPs took the credit whilst also blaming the EU for their failures on the EU stage. For its part, the EU needed to communicate its message more clearly. The group recommended better and more informative websites and more outreach strategies at national level, such as easily accessible information centres and greater acknowledgements of EU funded projects in all member states. Collaboration with influencers in the media, politics, academia and information centres would also help. Politicians also needed to be more honest about reporting on the European Union, communicating with the national media and population.

Integral to this theme was the matter of perception versus the reality surrounding immigration, both between EU member states and non-EU nationals to the EU. The group pointed out that in spite of the uproar in the British media towards EU migrants, it was important to be mindful that only a small percentage of EU migrants claim state benefits in Britain, whilst notably c.10,000 British nationals claim state benefits in Germany. Moreover, migrants often took jobs that local people did not want. The precedents of settling in one country and having to be there for a certain time before being able to claim state benefits were already in place, suggesting that immigration had become an inflated issue. A crucial discussion is how to support member states such as Spain, Italy and Greece who are dealing most with refugees from non-EU regions such as Africa and the

Middle East. Systems must be put in place for states to be able to distinguish who is an economic migrant and who is asylum seeker.

Youth unemployment and the concept of a lost generation has been a topical theme throughout the Eurozone crisis. Nearly one million young people remain out of work in the UK and in countries compelled to accept bailouts, such as Greece and Spain, youth unemployment stands at up to 60%. Similarly underemployment, e.g. zero hours contracts or part-time jobs, unpaid internships and unemployment for other age groups, e.g. over 45 were still causes for concern. The group concluded that there was a clear need to improve competitiveness of countries to help create businesses and jobs.

They therefore made a series of proposals to counter these challenges:

- Increasing the Erasmus Plus budget to encourage study abroad among students, which could boost the economy by 300bn Euros;
- pooling Corporate Social Responsibility money to create training courses to enhance the skills of the young unemployed;
- introducing loans and sponsorships for unpaid internships to allow young people from all backgrounds to have equal opportunities;
- incentivising companies to employ young unemployed people, perhaps through the introduction of an official EU recognition system;
- introducing training programmes for unemployed people of all ages;
- enhancing the recognition and accreditation of diplomas and qualifications across the EU;
- making it easier for professionals e.g. doctors to move across EU member states with qualification recognition but also with language training.

It was also necessary to empower businesses. Small to Medium Enterprises (SMEs) currently provide two thirds of all jobs, but are struggling to grow, strangled by regulation. For this, the group proposed appointing an EU Commissioner for SMEs to ensure regulation was reduced and help to empower younger people to become entrepreneurs for SMEs.

If we could strike this balance, the group concluded, we have the chance to empower those who represent our future. Not a lost generation, but a hopeful generation.

GROUP TWO: Have the economic and the financial crises in the EU been overcome?

To ascertain whether the economic crises in the EU were being overcome, the group first of all took a step back to examine the original causes of the crises. Members were in general agreement that the failure of the Eurozone and financial

system architecture were in part responsible. Specifically, a lack of fiscal surveillance and the failings of the Stability and Growth Pact coupled with the failure of financial regulation to recognise systemic risk and a 'one-size-fits-all' monetary policy. However, failings were not simply down to the Euro itself. National economic policies including incorrect spending priorities, poor economic structures and the uncompetitive development of labour markets also played critical roles.

With the causes established, the group summarised the policies introduced to tackle the crisis. To address the financial crisis, emergency rescue measures like bank bailouts; ECB liquidity and converting private debt to public debt, along with stricter regulation and supervision including the Third Basel Accord; the banking union; the SSM and SRM (Single Supervisory Mechanism and Single Resolution Mechanism) were all being implemented. Similarly, in the Eurozone, macroeconomic policies like austerity, structural reform and privatisation and an overhaul of the Eurozone architecture including fiscal compact, coordination and oversight of economic policies were being utilised.

While acknowledging these fiscal policies the group explained that there remained many economic and financial challenges for the EU. With high unemployment (particularly among younger people), rising social tensions and declining long term productivity, the EU should provide funds to focus on education, retraining and labour mobility, to move human capital to where it is required and finance the promotion of necessary skills when and where states could not. As to whether Europe could now withstand a re-run of the crisis, good progress had been made in the form of clear direction from the banking union, but political hurdles remained and the Asset Quality Review would be a key testing ground for this.

One of the most pressing questions now was the potential source of future economic growth in the EU. The group argued that a mixture of EU and national action would be required to tackle this issue. At a national level, they believed austerity to be broadly the correct approach but that it needed to be supplemented with EU assistance on measures to improve competitiveness, promote reform and encourage investment. For the EU's part, a combination of external and internal action is required. Externally, the EU needed to promote free trade agreements, particularly cultivating relationships with emerging markets whilst internally fostering the single market, promoting a single market in energy, acting on the digital single market and improving the business climate across the EU.

Regarding the future direction of the EU and Eurozone, the group said that members' views were quite divergent, but it was broadly accepted that there was a need for some greater integration in the Eurozone. However, as deeper political union (with permanent transfers of sovereignties) is currently not feasible, the group proposed a two step compromise. Firstly, a stronger EU enforcement mechanism with a clear rule framework (reassessed periodically) with sanctions and fines if this is breached. Secondly, a choice (by the member state) between entering an ESM (European Stability Mechanism) programme with debt restructuring and EU control of national economic policies, or exiting the

Eurozone. For the latter, there would need to be a clearer legal mechanism for exiting the Euro and steps for doing so.

The group concluded their presentation by asking whether the crisis was well and truly over. The simple answer is Jein (yes and no). Whilst the acute crisis had been tackled and the financial and economic architecture had been improved, a long term economic crisis remained and as did questions over political union. National economic reforms also continued to lag and still needed to be improved.

GROUP THREE: Is the EU, is Europe, a 21st century power and player in the world?

In tackling whether the EU / Europe is a 21st century power and player in the world, the group presented the recent successes and failures of EU foreign policy. On the one hand, the EU demonstrated significant diplomatic skill and strength e.g. in Iran and the EU was widely admired for its civilisational model, serving as a reference point for other regional integration projects, such as ASEAN. Eastern enlargement in 2004 was also a notable achievement.

On the other hand, however, a lack of a clear strategy and structural weaknesses within EU institutions have made it increasingly difficult to manage the current and future global challenges such as terrorism, migration or cyber security. Identifying these strengths and weaknesses enabled the group to devise policy proposals on enlargement; diplomacy; defence; aid; trade and energy security.

In the past, the group argued, enlargement had been an effective foreign policy tool in bringing stability and democracy to the area. To keep it so the EU needed to modify its message to potential new candidates. The group felt that the European Neighbourhood Policy currently relied on a limited spectrum of policy tools. Especially in the light of a multi-layered neighbourhood in the East and South, the EU should think of additional ways to foster relations and cooperation. In terms of diplomacy, the EU had done a lot well, but would need an effective internal structure, achieved by streamlining the unity of command without losing the expertise and experience of the member states. Additionally, the role of the High Representative needed to be strengthened for the EU to be able to present a united front, but also to react quickly and flexibly.

Regarding defence, the EU should not seek to replace NATO or national militaries, nor serve as the decision maker in the deployment of military force, but act as a coordinator and facilitator of defence funds. The group recommended this in order to ensure that national militaries had a full spectrum of capabilities in spite of reduced overall budgets and empower nation states to focus on what is really achievable. Although the group could not agree on whether to keep or build nations' capabilities, they acknowledged that pooling nation states' capabilities may be a future possibility.

On aid the group had two bold policy suggestions; phasing out Common Agricultural Policy (CAP) by 2050 and reducing tariff barriers on agricultural

imports from ACP (Africa, Caribbean and Pacific). FED funds should also be more conditional on good governance without precluding provision of humanitarian aid to emergency needs. The group agreed they should still maintain aid targets to ensure member states spend at least 0.7% of GDP on aid, if not nationally then through extra contributions to the EU aid efforts, with priority given to neighbouring regions like northern Africa.

According to the group, trade was an EU success story and to build on this success the EU needed to pursue more bilateral trade deals. Finally, energy security required the identification of a variety of sources and a focus on forming lasting partnerships with these countries, thereby diversifying the EU's dependencies. The EU could also provide capital investment to increase member states' reliance on indigenous energy sources and promote increased energy efficiency, both domestically and abroad.

The group summarised that the nature of their policy recommendations clarified that the EU faced many challenges towards consolidating its role as a global player in the 21st century. Yet they also believed strongly as a group that the EU's normative and economic power was enviable and by adopting their proposals, the EU could strengthen its role as a 21st century world player.

The Social Programme

Delegates were privileged to enjoy an active and varied social programme and with it, the chance to interact with those not in their study groups and to get to know each other outside the Conference setting.

On 18th June British Ambassador Sir Simon McDonald hosted a dinner at his official residence. Delegates were treated to a splendid menu including rare roast beef and the Ambassador was on hand after the meal to answer the delegates' questions arising from his speech earlier in the day.

The evening of 19th June was spent at Würth Haus, the Berlin Representation of the Würth Group, on the beautiful Schwanenwerder Island. As well as an absorbing lecture from Manfred Kurz, Director of Würth Haus, delegates enjoyed a buffet dinner on the terrace overlooking the lake and a concert by the Berliner Saxophon Ensemble.

On the evening of 20th June followed a dinner and diplomatic discussion by courtesy of the Auswärtiges Amt at the Brasserie am Gendarmenmarkt. Delegates enjoyed excellent German cuisine accompanied by a lecture "The European Agenda after the EU elections" and follow up debate about the future of EU Institutions with Dr Peter Ptassek, Deputy Director General for European Affairs at the Auswärtiges Amt.

On the last full day of the Conference (June 21st), delegates were taken into Berlin for a guided tour of the Bundestag building. As well as being taken into the main chamber, delegates were shown some secrets of the building, including

graffiti left by Soviet soldiers in 1945 and were able to view a magnificent panorama of the city from the Reichstag Dome.

A relaxed afternoon exploring Berlin culminated in delegates gathering at Berliner Dom for an evening boat trip down the river Spree through the historical centre of Berlin accompanied by an exquisite buffet courtesy of the Deutsch-Britische Gesellschaft. This was only the start of an entertaining evening in the bars and nightclubs of Prenzlauer Berg.

2014 being a World Cup year, football and the progress of English and German national teams were never far from everyone's mind and matches formed an important part of the Social Programme. Agony complemented joy for delegates as they saw England crash out and Germany live to fight another day.

A Final Vote of Thanks and Farewell

Hans-Henning Horstmann and Sir Nigel Broomfield closed the conference at lunch time on 22nd June. Sir Nigel expressed his heartfelt thanks to Ellen Haußdörfer and her assistant, Isabel for all of their work in organising the Conference. He also thanked the German delegates for speaking English throughout the Conference and the Chairs and Rapporteurs of the study groups, saying the presentations truly showed the quality of discussions and leadership of Chairs.

In summarising the Conference, he said that the EU was at the next stage of its development. The crisis was not over and the institutional architecture needed a serious amount of attention. The EU is now living in a different world and the debate about resources has gone on for a long time. However, the world will not wait and invoking the memory of General Kitchener's "Your country needs you!" campaign, Sir Nigel informed delegates that "Europe needs you!" now. Adding a warning that if Britain left the EU, the EU would lose English as official language, he reminded the Conference that the way to get institutions understood is to personalise them. Finishing by paraphrasing Heraclitus, Sir Nigel commented how strife and change are natural features of the universe and his message to delegates as part of the next generation was "as much as you freely have the right to receive, so freely give."

Hans-Henning Horstmann thanked Sir Nigel for listening, encouraging and caring throughout the Conference and for helping to lead the delegates through many difficult and challenging items. He encouraged the participants to spread the word about the Conference and echoed the sentiment of Ellen Haußdörfer, urging delegates to get involved in the Alumni Association, the Deutsch-Britische Gesellschaft and the British-German Association.

With thanks to my fellow delegates
Gerard Owen
London - July 2014