



**Querdenkerplattform: Wien - Europa**

**Policy Crossover Center: Vienna - Europe**

## **NEWSLETTER** *September 2017*

**Welcome to our Newsletter!**

In our first year, the Policy Crossover Center (PPC) dealt with the changing geopolitical landscape, increasing populism and xenophobia, and with improving European governance and strategy. Policy briefs were published summarizing the policy recommendations of our team. We also started a flash papers series on specific European topics by individual members. We established cooperation with several other teams interested in European affairs and increased our number of individual as well as institutional members. We spread our ideas and results via events, discussions and op-eds in media. This newsletter is distributed to about 2000 persons and institutions directly and many more via our cooperation partners.

The Policy Crossover Center concentrates on topics of high relevance to Europe that are under-researched. As a first research topic we chose **"More or less Europe"**, since on the one hand the need for common solutions increases, and on the other hand countries or citizens oppose central, bureaucratic decisions and often call for a renationalization of policy. In our second research topic **"Europe taking the Lead in responsible Globalization"**, we propose that Europe should take the lead in reshaping globalization, in an environment in which populism in Europe but also in the US make globalization the culprit for many problems and China is about to be the main defender of globalization. Both topics lead to many outputs and publications and a final presentation in February, respectively July.

Our next topic will be to design a new **European policy for its neighborhood (ENP)** – first, out of our historic responsibility for these countries, and second, based on the European interest to be surrounded by booming and stable markets instead of a "ring of fire". Stabilizing the eastern and southern neighborhood will also mitigate disruptive inward migration pushed by conflicts and climate catastrophes. We welcome any comments on the past topics as well as suggestions on our new topic. These will be interesting months, since the European Commission intends to present a new strategy in its forthcoming Whitebook.

Please feel free to comment on our work at [info@querdenkereuropa.at](mailto:info@querdenkereuropa.at) or write to us.

In the name of all team members,

*Karl Aiginger, Heinz Handler, Anna Kanduth, Vanessa Koch and Alina Pohl*

### **1. Outputs of the Policy Crossover Center**

#### **Topic 1: "More or less Europe?"**

New challenges such as climate change and fighting tax evasion can only be dealt with internationally. The report highlights that Europe-wide regulations can actually lead to a

greater scope of action at the national level. Innovative, problem-specific solutions can be developed based on national priorities due to the fact that international restrictions and leakage effects are eliminated. We demonstrate this in the case of tax regimes, fiscal and climate policy, and for globalization. Best practice examples of European policy empowering member states and regions are the financial resources provided for regional and research policy. On the one hand the amount of money provided would not be feasible at the national level, on the other hand regions and nations are invited to specify the projects funded according to their own priorities and stages of development. From these examples we derived principles for overcoming the contradiction between the need for common rules and the desire for decentralized solutions.

### Final presentation on [Feb. 27th 2017](#)

**Karl Aiginger**, **Erza Aruqai** (Wirtschaftspolitischer Club), **Kahtarina Gnath** (Bertelsmann Stiftung) and **Paul Schmidt** (ÖGfE) discussed whether more Europe can be designed in such a way as to increase national sovereignty and how to cope with new challenges; **Hans Bürger** (ORF) moderated the event in the House of the European Union in Vienna, for which the Policy Crossover Center cooperated with ÖGfE, the Representation of the European Commission, the Information Office of the European Parliament in Austria and the student organization Wirtschaftspolitischer Club.



### Publications

[PCC Policy Brief 1/2017, Wie ein starkes Europa mehr nationalen Spielraum schaffen könnte \(Karl Aiginger\)](#)

[PCC Working Paper 1/2017, Mehr nationale Souveränität durch eine neue Europapolitik \(Karl Aiginger\)](#)

[PCC Flash Paper 1/2017, How a strong Europe could create more national scope of action \(Karl Aiginger\)](#)

The dissemination of this topic resulted in further publications:

[ÖGfE Policy Brief 4'2017, Wie ein starkes Europa mehr nationalen Spielraum schaffen könnte](#)

[Intereconomics Vol.52/2017, Nr. 4, pp. 242-246, „How a strong Europe Could Create More National Scope of Action“ \(Karl Aiginger\)](#)

### Topic 2: “Europe taking the lead in responsible globalization”

Globalization has led to overall welfare gains, but the effects vary according to countries and groups of people. Europe is definitely no loser of globalization, but inequality and unemployment has increased and losers as well as populist parties are naming globalization as the culprit. Europe did not shape the rules of globalization up to now to a significant degree. As the world's largest economic area, given the probable retreat of the US from leadership in open trade, and the quest for leadership by China with its different socio-political model, it would make sense if Europe would switch from its passive to a more active role in the future. If the European Union intensifies its engagement it would have the chance to promote social and environmental standards as well as European values, even if this is no easy task given the divergence of opinion within its members and the absence of a political union. But Europe would be well-advised to take greater responsibility, if not the lead, in determining the rules of globalization. Based on an opinion-forming process within Europe, but also learning from our partners, a vision of a “responsible globalization” is delineated, which could improve quality of life in Europe and its partners worldwide

## Final presentation on [July 4th 2017](#)

The results were presented on [July 4th 2017](#) in the House of the European Union Vienna. Messages from **Dennis Snower** (ifw Kiel) and Foreign Minister of Austria **Sebastian Kurz** launched the event. **Gabriel Felbermayr** (IFO Institute Munich), **Elisabeth Springler** (FH BFI Wien), **Hannes Swoboda** (European Parliament) and **Karl Aiginger** discussed the topics under the moderation of **Eric Frey** (Der Standard). More than 100 visitors, media interests and great positive feedback reflected the success of our work!



[Presentations and photos can be viewed here.](#)

For the presentation in the House of the European Union we cooperated with ÖGfE, the Representation of the European Commission, the Information Office of the European Parliament in Austria, the student organizations WinQuadrat and Wirtschaftspolitischer Club, with friendly support from the Federal Ministry for Europe, Integration and Foreign Affairs.

## Publications

[PCC Policy Brief 2/2017, Die Globalisierung verantwortungsbewusst und europäisch gestalten](#)

[PCC Flash Paper 2/2017, How should Europe React to US Corporate Tax Reform Plans? \(Heinz Handler\)](#)

[PCC Flash Paper 3/2017, Wie soll Europa auf die Einschränkung der Arbeitsvisa in den USA reagieren? \(Anna Kanduth\)](#)

[PCC Flash Paper 4/2017, Keine falschen Alternativen: Globalisierung muss gestaltet werden. \(Kurt Bayer\)](#)

[PCC Flash Paper 5/2017, Europe taking the Lead in responsible Globalization. \(Karl Aiginger, Heinz Handler\)](#)

The dissemination of this topic resulted in further publications:

[ÖGfE Policy Brief 18'2017](#)

[Euractive \(July 4th 2017\)](#)

[Economics G20 discussion paper \(Karl Aiginger, Heinz Handler\) published as contribution to the G20 summit, held from July 6th to 7th 2017 in Hamburg](#)

## Our next Topic 3: “Towards a European Neighborhood Program – ENP”

European neighboring countries are predicted to enjoy high growth potential. However, they are currently threatened and destabilized by political crises and instabilities. In addition to political and social imbalances, investment is lacking to boost potential innovations and entrepreneurship, and hence economic growth.

A European Neighborhood Program (ENP) could accelerate European investment in the countries east or south of Europe. It should learn from the experience provided by the US European Recovery Program (ERP) after WWII and the Fulbright Program inviting European researchers and young leaders to study the political system of the US- even if some facts including governance and degree of industrialization is rather different from European status after the war. We analyze past programs and current proposals specifically for Africa and review the literature on development policy including the critique that development policy benefited the donors more than the recipients.

The idea is to achieve an active neighborhood policy by implementing a participatory

approach to promote investment-, cultural- and educational programs. We will investigate whether and how to promote circular migration (which reduces the stock of migrants leaving their country indefinitely). We discuss free trade areas between Europe and neighboring countries, how to promote special zones, maybe under umbrella of the United Nations, the IMF or the World Bank. An ENP for tangible investment could be complemented with a program for education (from university level to vocational training let us call this Schumpeter Program). Both programs could initiate role models for peace and prosperity in the long run. This approach should be an empowering strategy for countries around Europe lacking in economic concerns, and create future trade within our neighbors and with Europe. Europe can now pass on the support it received after WWII. Financing it to a large extend by safe assets will be discussed.

We welcome any contribution to this project, whether these are hints about good papers and books. We welcome own contributions or flash papers which highlight a specific issue or proposal for how to increase dynamics and political stability in European neighborhood. Please contact [info@querdenkereuropa.at](mailto:info@querdenkereuropa.at). The results will be disseminated in policy briefs, flash papers and a final discussion event.

## Annual Member Conference: “Europe between elections and White Paper”

After the members annual meeting we organized a high-level discussion on the current political situation in Europe. To some extent this could prepare next year’s Austria’s EU presidency. As topics we decided to review the elections conducted in several European countries, stopping the quest for power by populist parties and forming expectations for the European Commission’s planned White Paper. Despite the upcoming parliamentary elections in Austria, we succeeded in getting a leading expert from the Ministry of European affairs (**Yvonne Toncic-Sorinj**) as well from the Federal Chancellery (**Bernhard Wrabetz**). It was a discussion for members only, which enabled a very open discussion.

## Starting a “Flash Paper Series”

Our Policy Briefs and Working Papers are the result of brainstorming, discussing and debating the central topics in the PCC-Team. With the goal of a unanimous result, many inputs and sometimes different opinions will not be duly reflected in the outputs. We therefore founded the Flash Paper Series in which specific inputs can be published, and different opinions documented.

[PCC Flash Paper 1/2017, How a strong Europe could create more national scope of action \(Karl Aiginger\)](#)

[PCC Flash Paper 2/2017, How should Europe React to US Corporate Tax Reform Plans? \(Heinz Handler\)](#)

[PCC Flash Paper 3/2017, Wie soll Europa auf die Einschränkung der Arbeitsvisa in den USA reagieren? \(Anna Kanduth\)](#)

[PCC Flash Paper 4/2017, Keine falschen Alternativen: Globalisierung muss gestaltet werden \(Kurt Bayer\)](#)

[PCC Flash Paper 5/2017, Europe taking the Lead in responsible Globalization \(Karl Aiginger, Heinz Handler\)](#)

## Reads of the Month & Books for the Summer

We regularly provide reading recommendations for members on policy-oriented analyses of European problems, the future of the European integration process and the role of Europe in the globalizing world. Twice a year, for Christmas holidays and summer vacations, we provide a list of best books published on European topics.

In our January read we presented articles on the likely change of economic policy in the United States due to the start of the **presidency of Donald Trump**. In March the reads concentrated on the **best European reaction** to the economy policy of the new **US President elect** and complemented this read with articles on the **planned US Border Adjustment Tax**,

including one on the unlikely response from Germany. In June, articles described the deep changes in Europe (**which strategy Europe should pursue, migration, Brexit**) and further strategy choices, including the challenges of **China** becoming Europe's new partner in **globalization**. For the summer season the PCC team recommended seven books covering different topics, which are highly relevant to political questions in 2017 and the years to come: **crises and change processes** in various geopolitical regions and improving the understanding of **Russia**; the use of **big data** to understand societies – and maybe also biased elections; and on **alternatives to the current economic mainstream**.

You can download the list of the Books for the Summer [here](#).

## 2. Discussions, Events, Press & Media

A strategy for a transition process **"Towards a more sustainable Europe"** was presented by Karl Aiginger in a public hearing at the European Economic and Social Committee (EESC) on [March 1st 2017](#) in Brussels. The participants discussed how the new economic model could be made economically resilient, socially fairer and environmentally responsible.

**Competitiveness** should not be defined as low costs and low standards but as the ability to **deliver the beyond GDP goals**. This was the main message of the lecture of Karl Aiginger at the **"International Workshop on European Competitiveness"**, organized by the RESuME-Project (Resources on the European socio-economic model) of the University of Luxembourg on [March 29th 2017](#). The definition should substitute price competitiveness as well as the definition of structural policy as a strategy to limit wages and social benefits (structural policy 1.0). The idea to redefine structural policy had been proposed by Commissioner Pierre Moscovici in his call for innovation and skill upgrades as "structural policy 2.0". These new definitions of competitiveness as well as structural policy are essential to a high road strategy which should be the core of the new White Book of the European Commission to be published this year.

The 60th birthday of the European Union: looking back and ahead.



**"60th anniversary of the EU and 15 years of Euro - a successful project on the way to decline?"/60. Geburtstag der EU und 15 Jahre Euro – ein Erfolgsprojekt auf dem Weg zum Zerfall?"** ([April 24th, 2017](#)) **Karl Aiginger**, **Josef Taus** (head of the MTB-Group and former vice chancellor of Austria), **Claus Raidl** (President of the Austrian National Bank, former

CEO of Böhler-Uddeholm) and **Julia Bachtrögl** (macro-economist at the Vienna University of Economics and Business) discussed how the EU had succeeded in bringing "peace for a conflict-ridden continent", but that his narrative is not enough for the future, and threatened by conflicts in the neighborhood.

**„60 Years European Union!"** ([April 25th, 2017](#)) **Karl Aiginger**, **Armin Thurnherr** (editor of Falter), **Anton Pelinka** (professor at the Central European University), **Ali Mahlodji** (entrepreneur and EU Youth Ambassador) and **Julya Rabinovich** (Austrian actor, interpreter and painter) discussed whether populism and claims for renationalization could infect Europe. As a positive vision for a future-oriented European narrative, Karl Aiginger proposed that Europe should try to become the first Beyond GDP economy with a technology lead in decarbonization. This could at the same time reduce unemployment and inequality, and increase internal dynamics and mobility. Austria should try to improve its own model and offer it as a European role model.

Going for social and environmental excellence could be the European answer to the new US administration. **The new role of Europe as a soft power** was discussed at Summer Academy Burg Schlaining ([July 12th 2017](#), Burgenland). On the overall subject of a changing world and perspectives for European peace policy, **Karl Aiginger**, **Birgit Mahnkopf** (Berlin School of Economics and Law) and **Andreas Novy** (WU Wien) discussed socio-economic and environmental challenges in the context of geopolitical conflicts, rising inequality and climate change.

With special reference to his role in encouraging Austria to welcome refugees and to integrate them into the labor market in summer 2015, **Karl Aiginger was awarded the Badge of Honour of the European Forum Alpbach** ([August 20th 2017](#)). The other awards were given to Dr. Heinz Fischer and Prof. Helga Nowotny.



**Upcoming Event:** Within the series of lectures "Wirtschaft 2050" in Waidhofen/Ybbs (Lower Austria) ([www.wirtschaft2050.at](http://www.wirtschaft2050.at)), on September 21st Karl Aiginger will report on current developments in a Europe without the UK and with a new strong French president explaining his ideas and new necessary strategies.

## Press & Media

**"Europa braucht Plan für die unruhige Nachbarschaft"**. This guest commentary by Karl Aiginger in "Die Presse" ([June 6th, 2017](#)) is an appetizer to the next research topic of the Policy Crossover Center, suggesting a European Neighborhood Program and Schumpeter fellowships for leading researchers from neighboring countries.

**"Europe should welcome China's positive approach to globalization"** ([June 8th, 2017](#)) is the main message in an interview by "Xinhuanet" with Karl Aiginger. Europe and China can cooperate in shaping globalization ensuring social and ecological standards, and Europe should welcome China's positive approach towards globalization.

**„Drei Kapitäne einer verantwortungsbewussten Globalisierung“** (Karl Aiginger, Heinz Handler) (Ökonomenstimme July 2017). If the US retreats as a spearhead of globalization, Europe, China and California could be partners for Europe in shaping globalization.

**"Führt uns Bayern in die Dieselfalle"** Guest commentary in "Wiener Zeitung" ([July 11th, 2017](#)), Karl Aiginger strongly objects the idea to give bonuses for new Diesel driven cars. The evidence is that even the newest models emit more than the currently allowed limits and any subsidies for new cars will increase the lifetime of a technology never able to comply even with the current standards, and even less standards required to fit to the goal of limiting global warming to 2 degrees.

**„Ermächtigen statt im Nachhinein schützen“** Commentary in „Der Standard“ ([July 16th, 2017](#)). Europe currently has the highest social costs, and nevertheless a two-digit unemployment rate, with much higher youth unemployment. Further increasing social costs cannot be the strategy; the solution is to upgrade skills and thus empower people for the new jobs and structural change demanded by globalization.

Analyzing how the concept of Trafficclub Austria (Verkehrsclub Österreich, VCÖ) can be embedded in a European overall strategy to combat climate change, Karl Aiginger presented his **ideas on the end of combustion-driven cars** (following the analysis of the Economist of [August 18th 2017](#) that the end of the combustion machine is in sight) at a VCÖ Press Conference on [August 23rd 2017](#). The Paris Treaty demands a reduction of carbon emissions by more than 80%, since the remaining 20% are needed for production, emergencies or regions without sufficient means for a new decarbonized infrastructure, and road traffic should tend towards zero emissions in 2050. This implies a higher share of public traffic, but also of emission-free cars. The question is therefore not whether Diesel or gasoline is less harmful for climate and health, but which emission-free technology will work best. The break-even point for new electric cars will be reached in 2020 at the latest. If subsidies for fossil energy are curtailed and regulations demand that existing petrol stations and public buildings provide solar power stations, this can perhaps be accomplished in 2018. The leading countries will have the advantage, the laggards the costs. Europe should not give up its potential technology advantage to China for cheap alternative engines and to the US for the luxury class.

**Economics G20 discussion paper** (Karl Aiginger, Heinz Handler) published as contribution to the G20 summit, held from July 6th to 7th 2017 in Hamburg.

## 3. Cooperations & Partners

Cooperations with other organizations and platforms exist and are highly welcome! A special concern of the Policy Crossover Center is the involvement of youth. The younger generation will decide Europe's future in the long run and hence decide upon nationalist versus open solutions. We currently have active collaborative projects with:



**European Dialogue**



**Österreichische Gesellschaft für Europapolitik  
(ÖGfE)/Austrian Society for European Policy**



**Ökosoziales Forum**



**Österreichisches Studienzentrum für Frieden und Konfliktlösung  
(ÖFSK)/Austrian Study Centre for Peace and Conflict Resolution (ASPR)**



**We build Europe**



**WinQuadrat**



**Wirtschaftspolitischer Club (Alumni of the Wirtschaftspolitische Akademie)**

For more information on our cooperations, please see our [Factsheet on Cooperations](#).

If you are interested in cooperating with us, please contact [alina.pohl@querdenkereuropa.at](mailto:alina.pohl@querdenkereuropa.at).

#### **4. Membership in the Policy Crossover Center: Vienna-Europe**

The increasing number of members and cooperation partners, hundreds of visitors at our panel discussions and overwhelming feedback on our activities show us that our work meets the pulse of the times!

We (i) discuss the future of Europe and stimulate reforms (ii) want to develop a new narrative for Europe and reconnect Europe with its citizens and (iii) adapt existing strategies to new challenges, including political implementation.



If you are interested in contributing to our work and would like to actively participate in designing Europe's future, we look forward to welcoming you on board as a new "lateral thinker".

Further information: [www.querdenkereuropa.at/membership](http://www.querdenkereuropa.at/membership).  
Contact and membership: [vanessa.koch@querdenkereuropa.at](mailto:vanessa.koch@querdenkereuropa.at)

[www.querdenkereuropa.at](http://www.querdenkereuropa.at)

If you are not interested in receiving the Newsletter or other information from the Policy Crossover Center:  
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