European University Institute

THE STATE OF THE UNION

9/10 MAY 2012
SALONE DEI CINQUECENTO
PALAZZO VECCHIO
FLORENCE-ITALY

The State of the Union conference will take place in Palazzo Vecchio (Florence City Hall) on 9 May, the anniversary of the Schuman Declaration, and continues on 10 May.

The conference aims at contributing to the analysis of the European Union's current situation and at debating EU policies and the functioning of EU institutions. It brings together leading academics, policy-makers and opinion leaders.

On 9 May there are two sessions: 'Economic Governance for Europe' and 'The EU in a New World'. On 10 May the focus area is 'EU Energy Policy'.

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PROGRAMME

WEDNESDAY, 9 MAY

SESSION 1 ECONOMIC GOVERNANCE FOR EUROPE
SESSION 2 THE EU IN A NEW WORLD

Each session will be introduced by an opening report which sets the agenda for the discussion and highlights the challenges to be discussed. Panelists then offer a brief reaction, and a moderated debate will follow.

9.00-9.30 Welcome

Matteo Renzi, Mayor, City of Florence
Enrico Rossi, President, Region of Tuscany

9.30-13.00 SESSION 1
ECONOMIC GOVERNANCE FOR EUROPE

A severe sovereign debt crisis has been threatening the existence of the eurozone for the last two years. Policy-makers promised to do whatever it takes to tackle the crisis, but the situation continues to worsen. Far-reaching decisions have already been taken (reform of the Stability and Growth Pact, the establishment and widening of the EFSF, the establishment of the ESM, etc.), but so far these changes appear to be insufficient to bring a stop to the crisis.

There is broad consensus that the governance of the Eurozone will have to be changed fundamentally to reduce its fragility and ensure its survival. How exactly should the governance of the Eurozone be changed? What should be the role of the ECB in this new governance? How should a European Monetary Fund be designed? What is the nature of the budgetary union that is necessary to sustain the Eurozone? These are some of the questions that will be addressed in this panel discussion.

Introduction

Elena Carletti, Professor of Economics, European University Institute

9.30-11.00 Panel 1
The Eurozone Crisis and EU Institutions:
What is the Optimal Design?

Moderator **Tony Barber,** Europe Editor, Financial Times

Speakers **Vítor Constâncio,** Vice President, European Central Bank
Fulvio Conti, CEO, Enel
Daniel Gros, Director, Centre of European Policy Studies
Olli Rehn, Vice President, Commissioner for Economic and Monetary Affairs, European Commission
Fabrizio Saccomanni, Director General, Bank of Italy

Questions and answers

11.00-11.30 *Coffee break-Sala d'Arme*

Introduction
Elena Carletti, Professor of Economics, European University Institute

11.30-13.00 **Panel 2**
What Implications for the Integration Process and the Outer World?

Moderator **Alessandro Plateroti,** Deputy Director, *Il Sole 24 Ore*

Speakers **Edmond Alphandéry,** Chairman of the Board, CNP Assurances and Former Minister of Economy of France
Michel Barnier, Commissioner for Internal Market and Services, European Commission
Luca Cordero di Montezemolo, President, Ferrari S.p.a.
Barry Eichengreen, Professor of Economics and Political Science, UC Berkeley
Harold James, Professor of History and International Affairs, Princeton University

Questions and answers

13.00-13.30 **KEYNOTE SPEECH**
Mario Monti, Prime Minister of Italy

13.30-14.30 *Lunch-Sala d'Arme*

14.30-18.00 SESSION 2

THE EU IN A NEW WORLD

European integration is seen both as an example of globalisation and an answer to its challenges. For some, it embodies many of the promises and fears that globalisation itself generates and provides a case study for possible global developments. For others, it's a unique and distinctive process that cannot be exported to the global level but is destined to play a fundamental role in that global stage.

These are the two traditional dimensions of the relationship between Europe and globalisation that this session will explore from the perspective of the "emerging powers" at the Global level and with a focus on the current financial crisis. What do these new powers expect from the EU? How is Europe's economic and fiscal crisis impacting on its standing and relationships in the world? Is the EU seen as a model for integration in other parts of the globe and has that been changed by the current crises? How should Europe shape its relationships with those emerging powers? And, finally, how is this going to affect the classical relation between Europe and the US? These are some of the questions to be discussed in this session.

Introduction

Miguel Poiares Maduro, Director of the Global Governance Programme, EUI

14.30-16.00 Panel 1

What is New in the World and Why Does It Matter for the EU?

Moderator **David Tweed,** Europe Editor, Bloomberg Television

Speakers **Chen Xin,** Professor, Institute of European Studies of Chinese Academy of Social Sciences
Oleg Kharkhordin, Rector, European University at St. Petersburg
Pedro Verona Rodrigues Pires, Former President of Cape Verde and winner of the 2011 Mo Ibrahim Prize for Achievement in African Leadership
Jan Zielonka, Professor of European Politics, Oxford University

Questions and answers

16.00-16.30 Coffee break - Sala d'Arme

Introduction

Miguel Poiares Maduro, Director of the Global Governance Programme, EUI

16.30-18.00 **Panel 2**
What EU for a New World?

Moderator **Quentin Peel,** Berlin Chief Correspondent, *Financial Times*

Speakers **Mark Leonard,** Director, European Council on Foreign Relations
Anne-Marie Slaughter, Professor of Politics and International Affairs, Princeton University and Former Director of Policy Planning for the US Department of State
Alfredo Conte, Head of Division, Strategic Planning, European External Action Service
Javier Solana, President of ESADEgeo and Former EU High Representative for Common Foreign and Security Policy

Questions and answers

18.00 **OFFICIAL CLOSING**
José Manuel Barroso, President, European Commission

THURSDAY, 10 MAY

SESSION 3 EU ENERGY POLICY

Each panel has three parts. The panel opens with two speakers: one, a representative of a European Institution, and the other, an academic. Panellists then respond with short presentations on the chosen topic and the panel closes with questions and answers.

8.45-9.00 Welcome

Jean-Michel Glachant, Director, Florence School of Regulation (FSR); Holder, Loyola de Palacio Chair (LdP) at the EUI

9.00-10.40 Panel 1
Achieving the Internal Market

The European Union is said to achieve its Internal Energy Market by 2014. It has been underway since 1990. Why did it take so long? What does "achieving" mean? Who will achieve what? And al-so, what can EU citizens expect from such "achievement"? Lower prices? More stable prices? A better supply? A fairer equalisation of energy conditions all across Europe?

Chair **Claude Mandil,** Former Director, International Energy Agency

Speakers **Philip Lowe,** Director-General, European Commission – DG Energy
David Newbery, Emeritus Professor of Economics, University of Cambridge

Panellists **Inge Bernaerts,** Head of Unit, European Commission – DG Energy
Guido Bortoni, President, Autorità per l'Energia Elettrica e il Gas (AEEG)
Daniel Dobbeni, CEO, Elia; President, ENTSO-E
Juan Perez, Director - Strategy & Business Development, EPEX Spot
Alberto Pototschnig, Director, ACER
Pippo Ranci, Professor of Financial Ethics, Cattolica University

Questions and answers

10.40-11.00 *Coffee break-Sala d'Arme*

11.00-12.40 Panel 2
Mitigating Climate Change

The Climate of planet Earth is changing. Mitigating this change has been high on the agenda since 2007. Europeans use up to three tools to reduce the Green House Gas emissions deemed respon-sible for

these changes. Firstly they charge for pollution through CO2 permits (EU ETS). Secondly they push Renewables mainly with feed-in tariffs. Thirdly they reduce energy consumption with en-ergy efficiency enhancement. Are these tools all efficient? What is the best tool to mitigate climate change? Do we need all these tools and if so, why? Are GHG emissions really declining? Can a "bankrupted" Europe afford to have its own climate change policy?

Chair — **Denny Ellerman,** Director, Climate Policy Research Unit, Loyola de Palacio Chair (EUI)

Speakers — **Carlo Carraro,** Rector, University Ca' Foscari of Venice; Coordinator, Climate Change and Sustainable Development Programme (FEEM)
Jos Delbeke, Director General, European Commission - DG Climate Action

Panellists — **Carlos Batlle,** Associate Research Professor, Comillas University; Visiting Scholar, MIT
Ronnie Belmans, Professor of Electric Power and Energy Systems, KULeuven; Honorary Chairman of the Board of Directors, Elia
Simon Blakey, Special Envoy, Eurogas
Karsten Neuhoff, Head of Department, Climate Policy @ DIW Berlin
Jorge Vasconcelos, Chairman, NEWES - New Energy Solutions

Questions and answers

12.40-14.00 *Lunch - Sala d'Arme*

14.00-15.30 Panel 3
Implementing Security of Supply

Europe produces fewer and fewer fossil fuels (oil, gas, coal) and imports them more and more. Even if the EU intends to green all its energy, there still is a very long way to go: 40 years or so. Until then, will the EU get enough energy at the right time and location? Will external producers and various transit countries invest enough and in a timely manner according to the European needs? Will our internal market and our grids make energy flow well wherever we would need it? Will we keep every grid and storage asset "national only" and will we build and operate no common asset at all at the no the EU level? Should any EU framework protect us all vis à vis the rest of the world? Wouldn't we be slightly stronger if really united at the EU level?

Chair — **Leigh Hancher,** Professor of European Law, University of Tilburg

Speakers — **Walter Boltz,** Executive Director, E-Control; Vice President, CEER; Vice Chair, ACER'S Regulatory Board
Jeff Makholm, Senior Vice President, NERA Economic Consulting

Panellists **Jacques de Jong,** Senior Fellow, CIEP
Francisco de la Flor, President, GLE
Helmut Schmitt von Sydow, Professor of European Law, University of Lausanne

Questions and answers

15.30-16.00 *Coffee break - Sala d'Arme*

16.00-16.40 Panel 4
Three Energy Pillars or Three Energy Policies?

From 2004-2007 the EU has developed a new concept of common policy: the "European" Energy Policy. It however still does not exist, and European countries did not help one another during the first and the second oil shocks (in the 70s and 80s). Energy has always been considered a "matter of sovereignty". One claim is that the EU Energy Policy is now based on three pillars: the Internal Market, the Mitigation of Climate Change and the Security of Supply. Is this claim true? Is our inter-nal market actually amplifying or reducing our security of supply? Is our climate change policy rein-forcing or weakening our internal market? Is our need for security of supply compatible with more and more renewables and fewer and fewer long-term deals with our primary energy rich neighbours?

Chair **Jean-Michel Glachant,** Director, Florence School of Regulation (FSR); Holder, Loyola de Palacio Chair (LdP) at the EUI

Speakers **Heinz Hilbrecht,** Former Director, European Commission – DG Energy
Ignacio Pérez-Arriaga, Professor and Director of the BP Chair on Sustainable Development, Comillas University;
Permanent Visiting Professor, MIT

16.40-18.00 ROUNDTABLE

Chair **Simon Wright,** *The Economist*

Panellists **Jean-François Cirelli,** President, Eurogas; President, GdF Suez
Fernand Felzinger, President, IFIEC Europe
Jürgen Großmann, CEO, RWE
Christian Von Hirschhausen, Professor of Infrastructure Policy, Berlin University of Technology; Research Director, DIW Berlin
Umberto Vergine, Chief Operating Officer - Gas & Power, ENI

Debate - Questions and answers