

Annual Report 2012

PRESIDENT'S MESSAGE

2012 has been yet another difficult year for the European Union with further developments of the sovereign debt and banking crises in the euro-zone. However 2012 might also be remembered as a turning point in the crisis thanks to the more decisive response of the European institutions and of the Member States.

The Treaty on Stability, Coordination and Governance (TSCG) in the Economic and Monetary Union (EMU), signed in March by 25 out of the 27 EU Member States provided a stronger underpinning to the reinforcement of the fiscal and economic pillars of the EMU. The Treaty was complemented in June by the "Compact for Growth and Jobs", encompassing action to be taken by the Member States and the EU with the aim of relaunching growth, investment and employment as well as making Europe more competitive.

Despite political instability and a lot of hardship to the population, decisions were taken by the Greek Government and funding provided by EU and international institutions setting Greece on a sustainable course for recovery and showing that the euro zone with 17 Members is there to stay. In September 2012, market confidence was restored by the ECB decision to support with no limit through Outright Monetary Transactions (OMTs) Member States in difficulty submitting themselves to implement an European Financial Stability Facility/European Stability Mechanism (EFSF/ESM) program. At the December meeting of the European Council, key elements of the Roadmap for completion of the EMU drafted under the leadership of President Van Rompuy were adopted: in particular EU leaders agreed on a process that would lead to a Banking Union, involving a Single Supervisory Mechanism, new rules on bank capital requirements and the drafting of legislative proposals on more harmonized national bank resolution and deposit guarantee frameworks. This could also lead to a single resolution mechanism.

If the ideas included in the roadmap are implemented, the EMU could become more resilient, underpinned by more solidarity and greater fiscal, economic and political integration. There are still a lot of uncertainties and obvious political resistance to the transfers of sovereignty involved, which should be counterbalanced by greater democratic legitimacy and accountability at the EU level. Last but not least the award of the Nobel Peace Prize to the European Union showed that the European project remains indeed a powerful inspiration for many around the world.

The crisis in the European Union and in the euro zone dominated also in 2012 the discussions within ELEC and the activities of our working commissions in particular. Given the new "fiscal compact" included in the TSCG Treaty, the Monetary Commission convened (Vienna, May 7th) to focus on fiscal governance in the euro area. At this meeting members also learned how Austria introduced growth friendly fiscal consolidation. Monetary Commission president Wim Boonstra presented the final text of the proposal on a Euro T-Bill Facility that was worked out by a working group within ELEC. The difficult challenges facing the European monetary authorities were addressed by Peter Praet, member of the executive board and chief economist of the European Central Bank, during a keynote dinner speech on the occasion of the Central Council meeting in Brussels (December 6th).

But fiscal austerity alone cannot help us out of the doldrums. The Economic and Social Commission held a meeting (Paris, May 31st) on how to create economic growth. During a joint meeting (Brussels, December 6th) of the Monetary Commission and the Economic and Social Commission the question was "what kind of European social model do we want?" On both occasions resolutions with European policy recommendations were drafted.

The euro area was not the only point of concern for our working commissions. ELEC took seriously the remarks of its Eastern European members that the euro crisis may be very important to countries in the euro area, but that the "outsiders" are groping as much in the dark about their economic and monetary roadmap. That is why the Monetary Commission organized a special Monetary Conference in Bucharest (October 26th) in cooperation with the National Bank of Romania. Some hundred participants took part in the debate on whether those Eastern European countries that originally wanted to join the Economic and Monetary Union should still do so now that the euro area is in crisis.

In the UK where ELEC no longer has a formal section we continued our presence by organizing several "ELEC London dinners".

ELEC also looked outward via its Mediterranean Commission. After a "warm up" meeting on the Arab spring in Brussels (June 4th), a full-fledged Mediterranean Conference was organized in Marseille (November 12th & 13th). A large number of specialists explored how Europe and the countries south of the Mediterranean Sea can work together, given the new economic and political challenges on both sides of the Mediterranean.

The economic difficulties left their mark on our internal operations and financial position. Due to a lack of German sponsors, the German section of ELEC had to stop its activities. We have not given up hope to revive the German section that always was one of the pillars of ELEC since its start in 1946. At the same time we see that more and more interest for ELEC is coming from the "new frontier" of Europe. Armenia became a member section of ELEC in 2012 and we have serious prospects to expand our activities in other Eastern European countries.

To tackle the onerous effects on ELEC's budget, a set of comprehensive dispositions were approved. They will take effect in 2013 and should lead to a positive margin as from 2014.

Baron Bernard SNOY
International President

THE CENTRAL COUNCIL

Gaia (Porto) - June 15th 2012

At the invitation of the Portuguese section the Central Council convened in Villa Nova de Gaia, the "rive gauche" of the Douro river, opposite Porto. International president Bernard Snoy underlined that given the present crisis in Europe, ELEC has more than ever a role to play. Portugal is an example in fighting back. The Central Council approved a short statement in which it expressed the highest level of concern about the crisis in the euro zone. It urged the European Council to come out at its meeting of June 28th-29th 2012 with a credible road map towards a new level of economic and political union without which the euro and the single market will not be sustainable. At lunch the

Portuguese minister of economic affairs, Alvaro Santos Pereira, explained how Portugal restored its competitiveness by front-loaded economic reforms.

The Central Council unanimously approved the membership of Armenia. The establishment of an ELEC section fits in the Armenian democratic and European aspirations. The Monetary Conference on Eastern Europe and euro membership in Bucharest in October should be used to explore the possibilities for other ELEC sections in Eastern Europe. A lot of attention was given to the impressive list of activities of ELEC's working commissions and special conferences in 2002. There was also a wide-ranging debate on the possibility of reviving the Agriculture Commission. The German section could only partly pay its 2011 contribution. As the prospects remain bleak the General Assembly decided to take the non-payment into account in the balance sheet 2011, resulting in a larger than foreseen deficit.

Brussels - December 7th 2012

The meeting of the Central Council took place at the historic premises of ING's Hôtel Coudenberg at the Place Royale in Brussels. ELEC's year-end events also included a joint meeting of the Economic and Social Commission and the Monetary Commission and a keynote dinner speech by Peter Praet (ECB).

The Central Council meeting discussed the state of the European Union and the question of how we can see to it that Europe is again a source of hope for the young. As for ELEC activities, the sections and commissions were reviewed and the possibility was raised to turn the former Neighborhood Commission into a "Partnership Commission". There is good hope that by the next Central Council we will have an ELEC section in Bulgaria. The next Central Council in June 2013 will be hosted by the new Armenian section. The Central Council deplored the possible disappearance of the German section, so it was decided not to dissolve it but to put it on hold until a solution is found. The General Assembly approved the new draft budget that foresees in halving the deficit in 2013 and wiping it out entirely in 2014 by slimming down the staff and office space of the international secretariat.

ACTIVITIES of the NATIONAL SECTIONS and MEETINGS of the WORKING COMMISSIONS

13 January - Paris - French section

Breakfast "L'euro au bord de la faillite?": Xavier TIMBEAU, Directeur département analyse et prévision - OFCE

17 January - Paris - French section

Lunch debate "L'Allemagne est-elle en train de redécouvrir le fédéralisme européen?": Reinhard SCHÄFERS, German Ambassador

19 January - Barcelona - Spanish section

Lunch debate "Las Pymes víctimas de la crisis o protagonistas de la salida de la crisis": Daniel CALLEJA, Director General DG Entreprise - European Commission

15 February - Vienna - Austrian section

Conference in collaboration with the International Vienna Council "EU Agrar- und Budgetpolitik": August ASTL, Secretary General Austrian Chamber of Agriculture

22 February - Barcelona - Spanish section

Lunch debate "Por una economia catalana competitiva en Europa y en el mundo": Salvador ALEMANY, President - C.A.R.E.C.

8 March - Paris - French section

Breakfast "L'économie comportementale"

14 March - Vienna - Austrian section

Conference in collaboration with the International Vienna Council "Turkey and the EU - Time for a new vision": Ayse SEZGIN, Turkish Ambassador

13 April - Barcelona - Spanish section

Lunch debate "La investigacion, politica prioritaria de la UE. Criterios para optimizar los fondos dedicados a la investigacion": Octavio QUINTANA TRIAS, Director, DG Research and Innovation - European Commission

13 April - London - "London dinner"

17 April - Brussels - Belgian section

Lunch debate "Global Financial Regulation: is any real progress being made?": Nicolas VERON, Senior Fellow, Bruegel Institute

23 April - Vienna - Austrian section

Conference in collaboration with the International Vienna Council "Die Rolle des Europäischen Rechnungshofes im Rahmen der Krise im Euroraum": Harald WÖGERBAUER, Austrian Representative at the European Court of Justice

4 May - Paris - French section

Lunch debate "La crise mondiale et les défis lancés à l'UEM": Jean-Claude TRICHET, Former President of the ECB

7 April - Vienna - Monetary Commission

President: Wim BOONSTRA

Topics: "Fiscal governance in the euro area" (Nicolas CARNOT, Counselor – DG ECFIN European Commission) – "The Austrian experience with growth friendly fiscal consolidation" (Franz NAUSCHNIGG, Head European Affairs – Austrian Central Bank) – "The ELEC temporary euro T-bill facility" (Wim BOONSTRA, Chief Economist – Rabobank)

9 April - Madrid - Spanish section

Lunch debate: Lone WISBORG, Danish Ambassador

16 April - Paris - French section

Breakfast "La crise des années 1930 en Europe dans une perspective internationale - comparaison avec la crise actuelle": Pierre-Cyrille HAUTCOEUR, Professor - Ecole d'économie de Paris

31 April - Paris - Economic and Social Commission

President: Philippe JURGENSEN

Topic: Comment relancer les investissements et la croissance en Europe

Speakers: Philippe ASKENAZY, CNRS – Beate BILBAO, Associate Director, Center for global competitiveness and performance – Isabel GRILO, Head Product Market Reform Unit, European Commission – Jean-Luc SCHNEIDER, Directeur adjoint, Département des Affaires économiques, OCDE – Xavier TIMBEAU, Directeur du département analyse et prévision - OFCE

Resolution "Comment relancer les investissements et la croissance en Europe"

4 June - Brussels - Mediterranean Commission

President: Carles GASOLIBA

Topic: Arab Spring a year later

Speaker: Bichara KHADER, Professor - Faculté de Sciences politiques de Louvain

8 June - Barcelona - Spanish section

Lunch debate "Una Europa mas alemana, o una Alemana mas europea": Quentin PEEL, Editeur associé - Financial Times

12 June - Vienna - Austrian section

Lunch debate "Promoting growth and jobs: balancing savings and stimulus": William Eacho III, US Ambassador

15 June - Gaia - Central Council

Resolution "ELEC calls for European road map towards economic and political union"

25 June - London - "London dinner"

26 June - Barcelona - Spanish section

Lunch debate "Reflexiones sobre el euro y el futuro de Europa": Joaquim MUNS, Professor in economic organization

27 June - Bern - Swiss section

Lunch debate: Richard JONES, Ambassador - EU Delegation

6 July - Paris - French section

Breakfast "Les marchés financiers font-ils la loi?": Pierre de LAUZUN, Délégué général - Association française des marchés financiers

24 July - Barcelona - Spanish section

General Assembly of the Spanish section

14 September - Barcelona - Spanish section

Lunch debate "La politica europea del gobierno espanol": Inigo MENDEZ de VIGO, EU State Secretary

17 September - Madrid - Spanish section

Conference debate "La presidencia chipriota del Consejo de la UE: politica mediterranea de la UE": Antonis TOUMAZIS, Cypriot Ambassador

4 October - Paris - French section

Lunch debate "Les voies d'un possible renouveau de la compétitivité française": Jean-François DEHECQ, Vice President - Conférence Nationale de l'Industrie

26 October - Bucharest - Monetary Conference

Topic: Eastern Europe and the EMU: finding the optimal path for introducing the euro

Speakers: Paul KUTOS, Head of Unit DG ECFIN, European Commission – Ettore DORRUCCI, Head Convergence and Structural Analysis, European Central Bank – Han de JONG, Chief Economist, ABN Amro Bank – Alfred STEINHERR, University of Bolzano – Kalin MARINOV, Executive Director, Economic Policy Institute of Sofia – Ludek NIEDERMEYER, Director, Deloitte – Ryszard KOKOSZCZYNSKI, Director, Bureau of Macroeconomic Research, National Bank of Poland – Valentin LAZEA, Chief Economist, National Bank of Romania

30 October - London - "London dinner"

12&13 November - Marseille - Mediterranean Conference

Topic: Méditerranée et développement partagé: les nouveaux enjeux

Speakers: Michel VAUZELLE, President, Conseil régional de la région PACA – Philippe JURGENSEN, President of ELEC French section – Carles GASOLIBA, President of ELEC Mediterranean Commission – Jean-Louis GUIGOU, Délégué général, Institut de prospective économique du monde méditerranéen – Abderrahman Hadj NACER, Former Governor, Central Bank of Algeria – El Mouhoud MOUHOUD, Professor of Economics, University of Paris-Dauphine – Andreas PAPADOPOULOS, Assistant Head of Unit DG ECFIN, European Commission – Mustapha MEKIDECHE, Vice-president, Conseil économique et social, Association algérienne des relations internationales – Giorgio GOMEL, Chef du département analyse économique, Bank of Italy – Gilles PENNEQUIN, Délégation ministérielle à la Méditerranée – Jean-Claude PLANA, Director France-Europe, ONUDI – Antonio MARTINS da CRUZ, Former Minister of Foreign Affairs of Portugal – Manar TALHI, Vice-president, Association des femmes chefs d'entreprise au Maroc – Nathalie ABU-ATA, Centre de Marseille pour l'intégration en Méditerranée – Olivier STEINMETZ, co-founder, Fondation Desertec – Roger GOUDIARD, Director CEFEB – Emmanuel BONNE, Conseiller à la présidence de la République – Dov ZERAH, Director General, Agence française de développement – Anthony BOUTHELIER, Conseil des investisseurs en Afrique – Hichem ELLOUMI, President de la Commission économique, Union tunisienne de l'industrie, du commerce et de l'artisanat – Denis SIMONNEAU, Membre du Comité exécutif, GDF-Suez – Marie-Hélène LOISON, Proparco – Salah EDDINE, Forum des chefs d'entreprise algériens – Jean-Claude SITBON, Director General, Agence pour le développement du compagnonnage industriel – Philippe de FONTAINE-VIVE CURTAZ, Vice-president, European Investment Bank – Denis PIETTON, Directeur, Cabinet du Ministre des affaires étrangères – Radhi MEDDEB, President, IPEMED

15 November - Barcelona - Spanish section

Lunch debate "Barcelona capital europea de la Mediterranea": Xavier TRIAS, Mayor of Barcelona

6 December - Brussels - Economic and Social Commission / Monetary Commission

Topic: Quel avenir pour le modèle social européen

Speakers: Anton HEMERIJCK, Dean, Faculty of Social Sciences, Free University of Amsterdam – Raphaël HADAS-LEBEL, President, Conseil d'orientation des retraites – Philippe POCHE, Director, European Trade Union Institute – Fernando VAZQUEZ, Deputy Head DG Employment, European Commission – Marie-Claire CARRERE-GEE, President, Conseil national de l'emploi – Emmanuel JULIEN, Directeur adjoint des relations sociales, Medef

Resolution: "Quel avenir pour le modèle social européen"

7 December - Brussels – Central Council

20 December - Paris - French section

Breakfast "Est-il possible de réformer le marché du travail en France?": Gilbert CETTE, Director Analyses économiques et structurelles - Banque de France

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Annexes

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