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### **INTRO**

The Policy Prism is a quarterly newsletter providing the latest on transatlantic legislative news to policymakers on both sides of the Atlantic.

In this issue, Section I on the war in Ukraine and its impact on global food security is meant for all readers. Those in Europe may wish to continue to Section II, which provides the latest from Capitol Hill as U.S. voters gear up for autumn's midterm elections. American readers may want to skip to Section III for some of the latest happenings in Brussels vis-à-vis EU enlargement. We hope readers everywhere will enjoy the fun fact in Section IV.

Happy reading!

## **SECTION I: U.S.-EU**



### THE FIGHT FOR FOOD

#### **KEY POINTS**

- Russia and Ukraine produce 12% of the world's food in terms of calories. The war between them is significantly impacting food security.
- The Biden administration has launched efforts to increase domestic crop and fertilizer production.
- The EU is struggling to strike a balance between food production and sustainability targets in its attempt to offset the consequences of the conflict without losing sight of longstanding priorities.

Russia's invasion of Ukraine is reverberating around the world, and one top concern of the international community is the war's impact on food security. Between 2018 and 2020, Ukraine accounted for 50% of global sunflower production and 10%-15% of wheat, barley, and maize production. Russia, meanwhile, is the world's largest wheat exporter, followed by Canada and the U.S. Russia and Ukraine together produce 12% of total global food calories consumed, and they rank among the five largest exporters of cereals and oilseeds. The UN Food and Agricultural Organization food price index consequently jumped 12% after the invasion's first month. Accessibility to food depends in large part on affordability.

Another reason for the price rises is that Russia and Ukraine also account for 28% of the world's fertilizer, which can

be made from nitrogen, phosphorous, or potassium. Unsurprisingly, fertilizer costs have also soared. The U.S. produces its own nitrogen and phosphorous fertilizer but imports a substantial amount of potassium fertilizer. Little of that comes from Russia and Ukraine. Still, American farmers will feel the repercussions of record-high global fertilizer prices, which the U.S. market will not escape. American farmers may, therefore, face a future of high production costs, lower yields, and reduced consumer demand.

Policy makers have quickly discovered that discussions about food insecurity overlap with challenges posed by climate change. This is especially true in Europe, where environmental concerns have long been a priority. The EU's all-encompassing European Green Deal, launched in 2019, includes the Farm to Fork Strategy that promotes a more resilient food system, in part through more sustainable farming practices. The initiative aims to halve the use of pesticides by 2030 and to reduce the use of chemical fertilizers by 20%. But some studies claim the effort could reduce food production by 13%. "Europe cannot afford to produce less," French President Emmanuel Macron warned as he called for revising Farm to Fork. He argued shortterm priority must be given to productivity rather than to sustainable farming goals. Debate about the need to balance competing EU goals of global food security and long term sustainability targets has just started.

In the U.S., the Biden administration is leading policy action that aims to raise food supplies and lower global crop and fertilizer prices. Among the measures is an incentive for American farmers to "double crop", or plant a second crop on the same land within the same year. Double cropping insurance is now being made available in more than 1,900 counties, up from an initial 681 counties. The U.S. Department of Agriculture is also doubling investment, to \$500 million, in domestic fertilizer production.

A recent agreement, brokered by the U.N. and Turkey, and signed by Russia and Ukraine, to release 20 million tons of grain held in Ukrainian Black Sea ports initially looked as if it would take some pressure off world food markets. Russian missiles struck Odesa, Ukraine's largest port, less than a day after the signing, and the pact's implementation remains fragile. A Ukrainian ship was able to leave the port on August 1st. Loaded with 26,000 metric tons of corn, the ship is the first to sail out since the invasion began. As the conflict continues, difficult decisions remain as transatlantic allies, and much of the rest of the world, determine the best approach to countering the war's impact on global food production and security.

# SECTION II: HAPPENING ON THE HILL



### MIDTERM MINDSET

#### **KEY POINTS**

- U.S. midterm elections take place in the fall. Republicans are expected to gain a House majority; the Senate is up for grabs.
- Major issues on voters' minds include inflation, abortion, and gun rights.
- Gerrymandering and retirement of incumbents may also impact election results.

With the U.S. midterms quickly approaching in November, and primaries already in full swing, Democrats face headwinds. According to recent forecasts, Republicans are expected to reclaim the House, but the Senate remains a more competitive venue. History also predicts the Democrats' potential loss of the House. In the most recent 21 midterm elections, the president's party lost its majority there in all but two.

Several issues are prominent in Americans' minds, and it's important to understand how they could sway the electorate and influence results.

Inflation tops voters' concerns. Prices in June rose 9.1% on an annual basis, a 40-year high. Republicans blame the president's stimulus checks and \$1.9 trillion American Rescue Plan for the rising cost of living, labeling it "Bidenflation". The Democrats refer to "Putin's price hike"

and claim the war in Ukraine is a major reason for higher prices. Average voters, who see the result in supermarkets and at gas stations, may well vote against whomever they hlame.

Democrats may be able to garner more support, however, after the recent Supreme Court decision to overturn Roe v. Wade. Polls indicate little approval of the ruling, with 61% of Americans supporting legal abortion in most or all cases. The Court's announcement nevertheless triggered the enactment of laws banning abortion in most cases in many red states. Opponents to these measures are many. In early August, the first opportunity for a state to vote on this issue appeared on a proposed constitutional amendment. In Kansas, a solidly red state, voters upheld the right to an abortion when presented with this proposed legislative change. Going beyond these state decisions are the demands for voters on Congress to codify abortion rights. To achieve this, President Joe Biden supports changing Senate rules to allow a carveout to the filibuster, which would allow codification with only a simple majority. Not all Democrats, however, are eager to set such a precedent and sow further partisan division.

Balancing gun rights and gun control is again also a hot topic. One month after the mass shooting in Uvalde, Texas, President Biden signed into law a bipartisan gun control bill. This ended a <u>30-year gridlock on addressing gun violence in the U.S.</u>, even if many feel there's more to do.

Democrats continue to push for more stringent gun laws, citing recent shootings as further evidence of the need to prohibit access to military-grade weapons. Republicans continue to defend the right to bear arms but advocate measures such as arming school teachers and increasing mental health assistance.

A fourth factor likely to impact midterm election <u>results is</u> the relatively high number of <u>Democratic incumbents not seeking re-election</u>. It's at a 30-year high, which creates an additional challenge for their party through the loss of advantages, such as name recognition and fundraising, that can come with incumbency.

Lastly, the recent redrawing of Congressional districts will also have electoral consequences. Several maps suspected of reflecting illegal gerrymandering are being challenged in state courts, but any decision to overturn them is unlikely before the midterms. Opponents of such redistricting claim it reduces the number of competitive seats and dilutes the power and representation of minority populations.

## THE LONG ROAD TO ENLARGEMENT

#### **KEY POINTS**

- The EU has granted Ukraine and Moldova candidate status as a first official step towards membership in the bloc.
- French President Emmanuel Macron has proposed a "European Political Community" for political coordination among democracies, EU members or not.

Pathways to EU membership have long been debated, but the war in Ukraine has brought the issue front and center. In response to Russian aggression, last month's European Council summit resolved to offer two former Soviet states, Ukraine and Moldova, candidacy for membership. Actual admission to the bloc rests on their ability to align themselves with the EU's institutional and regulatory framework.

Many criticize this process as too slow and bureaucratic, especially as unanimity among member states is required to move anything forward. Candidate country North Macedonia has experienced the ensuing challenges. Bulgaria stood alone in barring membership to its neighbor before it met stringent conditions, including an admission that ethnic Bulgarians in North Macedonia experienced since World War II "ethnic and linguistic engineering" that robbed them of their identities. Bulgaria demands, among other things, that North Macedonia recognize the Macedonian language as a derivative of Bulgarian. Such spats between the countries are not new, but they are now obstacles to a smooth EU enlargement process.

On the western side of the continent, France recently proposed an alternative mechanism for membership when President Emmanuel Macron expressed support for developing a "European Political Community". The grouping would not replace enlargement but offer a forum for working with non-EU member states important to the bloc by providing a format for dialogue, exchange, and cooperation. Macron stated that such an alliance could involve countries such as the United Kingdom. Responses range from enthusiasm to skepticism, with many leaders wondering how the Community would not duplicate efforts of existing organizations such as the Organization for Security and Co-operation in Europe (OSCE) or NATO. Still, the idea is not entirely new. Former Italian Prime Minister Enrico Letta once proposed a "European confederation" with a similar goal of bringing together aspiring and current member states.

Potential EU institutional changes are not limited to enlargement. The European Parliament approved in June a resolution calling upon the EU Council to amend the EU treaties. The legislature wants reformed voting procedures in the Council and expanded parliamentary powers, among other changes. Any approval will take time as member states are split on treaty revisions. The European Council will most likely seek consensus since all governments will need to agree on the changes before submitting them to national legislatures for official ratification by all member states.

# SECTION III: SPOTLIGHT ON STRASBOURG



## SECTION IV: HISTORY IN THE PRESENT



# EXPECT THE UNEXPECTED: HOMAGE TO AN UNLIKELY TRIO

In monumental moves, Sweden and Finland have chosen to join NATO. Both countries meet the criteria for NATO membership and, as Secretary General Jens Stoltenberg declared, both "will make strong and important contributions" to the alliance.

Sweden is breaking a 200-year-old tradition. The last time the country engaged in war was in 1814 when conflict broke out with neighboring Norway. Since the end of the Napoleonic Wars, Sweden has avoided joining any military alliance. Foreign Minister Anne Linde rightfully declared a "historic day for Sweden" when her country decided on NATO membership.

Finland's history of neutrality is not as long as Sweden's, but the end of "Finlandization" still marks a historic break. The term, which refers to a small country's maintaining neutrality and nominal independence by not provoking a larger, more powerful neighboring country, was floated earlier this year as a concept for framing future Ukrainian engagement with Russia. But the dawning of a new era of transatlantic relations may well mark the end of a concept whose name many Finns disliked anyway.