

A New Era: Can the EU Meet the Challenges Ahead?

External and Internal considerations

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Europe faces multi-faceted challenges, some of which are putting the achievements of European integration at risk

Globalisation and international socio-economic environment

A few years ago,
globalisation
was assumed
to dilute
market power
and stimulate
competition

It was hoped that
greater
economic
interdependence
would prevent
**international
conflict**

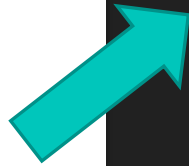
Yet we have
entered a
world of
**economic
monopolies
and
geopolitical
rivalry**

Discussed at Bruegel,
Brussels-based think tank
(see *next slide*)



Bruegel, 2019

Lenin wrote a century ago



..imperialism, is defined by five key features:

- the concentration of production
- the merging of financial and industrial capital
- exports of capital
- transnational cartels
- territorial division of the world among capitalist powers

Until recently, only Bolsheviks still found that definition relevant

Not anymore

Lenin's classification seems increasingly accurate

Europe in a new landscape

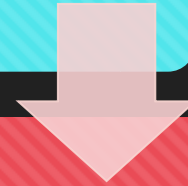
- According to the OECD, **market concentration** has increased across a range of sectors, in the **US** as well as in **Europe**
- **China** is creating ever-larger state-backed national companies
- China has entered into “**systemic competition with liberal market economies**”
- Europe’s challenge now is to position itself in a new landscape where **power matters more than rules and consumer welfare**
- Economically, the **EU is a protector of the post-war liberal order**
- Geopolitically, the EU felt at home in a **multilateral, rules-based system**

EU Agendas:

Global



Transatlantic



Regional

The EU: where are we now?

- **Globally- Economic concentration and geopolitical rivalry** are inseparable
 - **The question is** whether globalization/interdependence **political, economic** and **cultural**, is in decline, and what this could mean in the longer-term?
- **Regionally- Cooperation has been a key principle of the European project**
 - **The question is** how Europe addresses
 - territorial and societal fragmentation risks?
 - growing interdependencies between places?
 - functional mismatches between decision making jurisdictions and affected geographies for the future well-being of Europe and its economic, social and territorial cohesion?

EU trade policy adapts to changing realities → rising protectionism worldwide

Can Europe prevent the paralysis of the multilateral trading system?

Friends of Europe about “Geopolitical Europe”- the EU Commission position

Sino-American rivalry looks to be the dominant feature of future economic and political developments around the world

‘Alliance for Multilateralism’- UN-aiming to reorganise and safeguard the WTO, which includes countries such as Australia, Canada and Japan



EU- Russia and US-China

- *Giles Merritt* (chairman of the Friends of Europe think tank)
- *"a major improvement in EU-Russia relations is a vital step towards preventing China and the US from turning their economic rivalry into something far more dangerous"*

Muddling Through or European Economic Diplomacy?

Geopolitical Europe



New EU Commission -2030-2050 Agendas. Geopolitics must shape the policies of the new European Commission



International economic and financial rules



Labour standards (with ILO)



Paris Agreement on climate Change



International cooperation: UN, IMF, WB, WTO

Commission Work Programme 2020

- **A Stronger Europe in the World- Institutional changes- regulations of the Parliament and the Council**
- **Setting up a Union regime for the control of exports, transfer, brokering, technical assistance**
- Supporting negotiations on access of Union goods and services to the public procurement markets of third countries
- **Enforcement of international trade rules**
- Establishing the Instrument for **Pre-accession Assistance**

Cooperation

European Territorial Reference Framework post-2020 EU strategic policies

- **the stimulation of cooperation between places**
 - **the stimulation of cooperation between sectors**
 - **the stimulation of cooperation** between societal groups
 - **the removal of cooperation barriers** at various levels
 - **the scaling up of domestic cooperation platforms**
- Territorial dimension of energy policies: Identify and test approaches for the cooperation between spatial planning and energy policies (at any geographical level) on the territorial dimension of energy policies (production, transmission and consumption)
 - Cross-border functional areas: Identification of cross-border functional areas and concrete local examples of how cooperation barriers have been addressed and removed, e.g. based on b-solution15 experience or ESPON studies such as cross-border public services
- ESPON A Territorial Reference Framework for Europe – Strategic Advisory Forum
<https://www.espon.eu/etrf>

○ Thank you !

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For discussion

For decades EU has been involved in:



**POST-WAR
LIBERAL
INTERNATIONAL
ECONOMIC
AND POLITICAL
ORDER**



**ENFORCEMENT
OF ECONOMIC
RULES,
REGULATIONS
AND
STANDARDS**

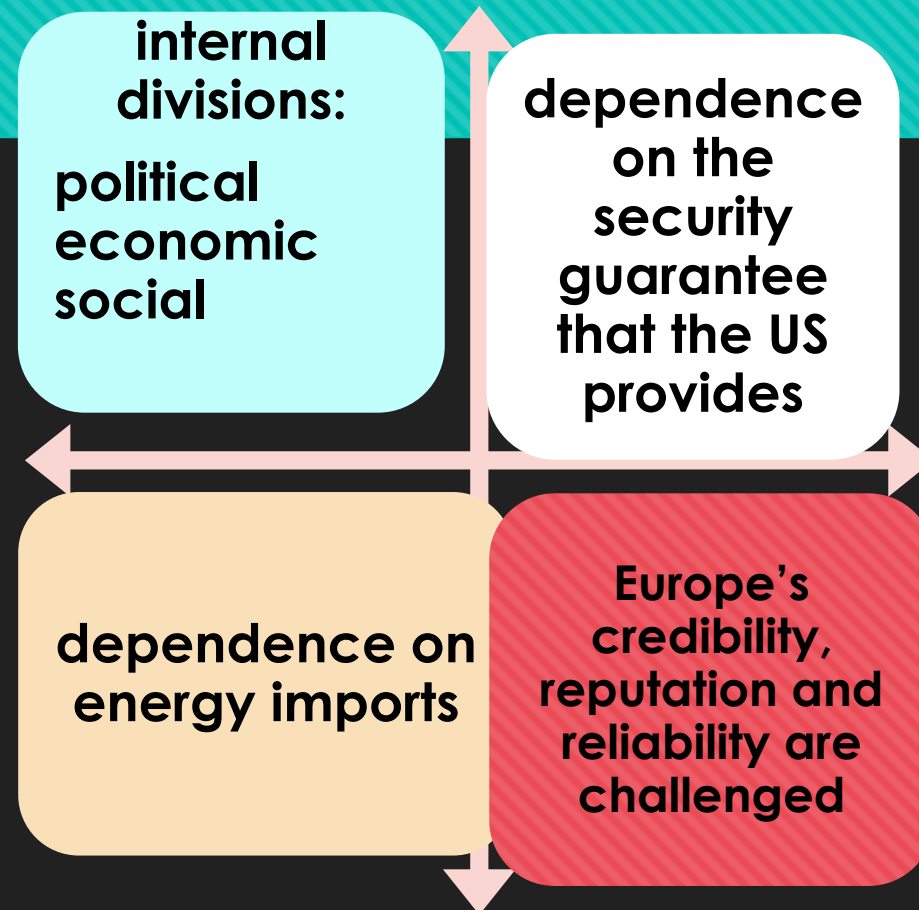


**NATIONAL
AMBITIONS HAVE
BEEN
SUBORDINATED TO
SHARED GOALS
WITHIN
MULTILATERAL
BODIES**



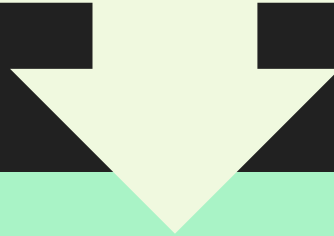
**CURRENTLY
EU DEALS WITH
US , CHINA AND
INDIA
INCREASINGLY
MIXING
ECONOMICS
WITH
NATIONALIST
FOREIGN-
POLICY
AGENDAS**

EU challenges



Protectionism tendencies

In the past similar situations resulted in a period that was called as “eurosclerosis”, and integration was not developing further



There is a danger that the same tendency to be repeated and we should do our utmost to avoid this repetition