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DAY TWO

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Global Trends to 2040: Europe's strategic choices in a more disputed world

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Tomorrow's world - and its risks, opportunities and choices for Europe (Part 2)

Moderator
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Panel discussion
Florence Gaub, Deputy Director, EU Institute of Security Studies
Hervé Delphin, Head of Strategic Policy Planning at the European External Action Service (EEAS)
Kristi Raik, Director of the Estonian Foreign Policy Institute at the ICDS
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Summary of the session

Florence Gaub presented the Mid-term report on global trends she had just written for ESPAS. Entitled "The Global Future - an update", the report analyses what has changed in the trends and challenges facing European decision-makers since the 2019 ESPAS Global Trends Report.

The 2019 report had been quite accurate on many issues. However, existing trends are changing and new trends are emerging. Climate change had accelerated, as set out in the pessimistic IPPC report earlier this year. There was a growing sense of "urgency and emergency" on this issue. The energy market was changing with a new 'energy crisis', accompanied by great uncertainties about the energy transition. On demography, the population of Africa was growing rapidly, while in Europe it was shrinking. The global population was still rising but not so quickly as previously thought. By 2066, the population of China could be half of what it is today, and similar trends were underway in Russia. The pandemic had harmed economic growth, but the overall trend in growth had not been

reversed. By 2024, the world would return to the economic position pre-pandemic. Africa would be the big economic loser from the pandemic, the winner would be China which will be the largest economy by 2028. Regarding trade, talk of deglobalisation and reshoring was wide of the mark. On technology, Zoom and others in this field had been the big winners from the pandemic. Covid had changed the future significantly because it changed mindsets about working online. AI had also been pushed forward by the pandemic. The world will transition into the new labour market seven years faster than was previously anticipated. There was an assumption that in the longer term, the transition would lead to more jobs, not fewer. On geopolitics, the election of President Biden had made it easier for the EU to pursue its traditional transatlantic relations. China had been increasingly assertive during the pandemic, including in the use of cyber attacks. Covid, together with climate change, had changed how we relate to cities, to mobility, how we live, how we think about health as a collective good, rather than an individual one. Finally, one very new development was the use of foresight, from the EU to China. Every time things become uncertain, foresight comes to the fore.

In discussion, the following issues were raised on Europe's capacity to address challenges. The first part of the discussion was focused on the concept of European strategic autonomy. Other global powers and nations were pursuing self-reliance, so why shouldn't the EU do the same? Many global actors would like us Europe to assert its strategic responsibility.

EU limitations in foreign and security policy: The increase in geopolitical competition had been a trend for some time, pushing the EU to change its narrative about what kind of actor it aspired to be. In European foreign policy debates, much had been said about the supposedly unique nature of EU power, but there had been a shift in recent years. For example, there had been an emphasis on a 'geopolitical' European Commission and the need for the EU to learn the language of power. There were still major shortcomings in the EU's ability to be a trade power in a traditional sense. First, there was a weakness in political unity among Member States and lack of resolve to act collectively. Second, shortages in the foreign policy toolbox, particularly the lack of hard power tools in a world where power politics and use of force had increased. In the area of hard power, the EU lacked the capacity to be autonomous, and relied on Member States. More work needed to be done in the EU to build the collective trust, solidarity and commitment of Member States to act through the EU. The political reality was that in terms of hard power in particular, the Union was not the primary framework for many Member States, and this would continue to be the case for some time to come. Even the tools the EU had developed were often not being used to their full potential. This also applied to military capability and in the field of cyber. In the intelligence arena, there was also a lack of trust among Member States to cooperate more, or to push for more collective action.

The more confrontational nature of geopolitics was not something the EU was well-equipped to deal with. The EU was the child of multilateralism conceived in an era when multilateral institutions played a vital role. This was not the case today. The EU did not have a sufficiently common world view among Member States to have a joint response. On hard power, the current competition was less about traditional military power, more about economic, technological and commercial battles where the EU is quite well-equipped, so this could be a strength for the EU.

Risks, Opportunities and Choices for Europe: On risks, would EU member states have the foresight to understand how the world is evolving? Can the EU make sense of the trends and 'weak signals'? More importantly, was the EU capable of acting and to shape the global environment. On opportunities, the pandemic had served to accelerate trends, revealed vulnerabilities and dependencies. However, the EU had shown it could work, for example on vaccine procurement and 'Next Generation EU'. On the choices, being 'strategic' meant ends, ways and means. At times, the EU could see everything as a priority. The EU and Member States retained twentieth-century, 'siloed' 'fragmented', and 'vertical' institutions. This at a time when the world had changed. Is geopolitics where the EU should invest resources, time and energy, and political will? Where can the EU distinguish itself so it can make a difference? Should the EU project power as a 'great power' when we know the inherent difficulties? The European system was not fit for the new world situation. The 2020s should be a decade of European preparedness for 2030.

Discussion moved to demography, and whether it would shift the balance of power? More research was needed on what will demography mean? In the past, demography meant the more people you had, the more people could serve in the military and the more people could work. However, the labour market was changing, as was the military - and labour and defence were no longer defined in terms of man or woman power.

On defence and security, could the EU only be taken seriously if it had a genuine military capability? The approach to power needed to be more systemic. The usual divide between 'hard' and 'soft' power had become increasingly blurred. The EU was perhaps best wired to address some form of 'softer' version of power. When it came to 'harder' power, a proposal for the Union had been placed on the table - the 'Strategic Compass'. This was intended to strengthen EU security and defence capability. The nature of threats was no longer clear-cut, so how should the EU develop its toolbox? For example, how should Europe deal with cyber attacks? The issue of Europe's power should be addressed in terms of twenty-first century geopolitical realities, not those of the nineteenth. The EU had strength in some areas, and weakness in others. If the EU wanted to be truly autonomous, while it lacked some of the important elements of power.

The world is changing Europe was scared about what is coming down the track. Elsewhere in the world, there were more balanced views on future challenges. Europe needed to find its place in a changing world. It was missing an opportunity to shape the future, with more enthusiasm, imagination and to grab the opportunities. A more constructive debate about the future of Europe in the world was needed. One of the challenges in forging a European strategic vision was the need for a greater understanding of the preoccupation of other partners in the EU. Mutual solidarity was required because only in this way could a greater sense of common purpose. Otherwise, there will continue to be several views on what constitutes Europe's real strategic interest.