

EUROPE'S FLIGHT FROM FUTILITY

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PARIS -In the next 25 years, Europe's share of the world population and global GDP is expected to fall considerably. Does that mean that a weakened Europe will fall prey to the rising powers of 2040? Given that Europe's prospects are highly dependent on external factors, any speculation about its future must account for global conditions. One thing seems certain: although the financial crisis of 2007 exposed dangerous flaws in the free-market system, the market economy appears likely to remain the norm in the coming decades. Moreover, in view of the difficulty of opting out of international markets, large-scale protectionism is unlikely. But there is little doubt that new regulations - including financial and commercial regulation, as well as social-welfare rules and tax reforms - will include protective measures for some countries and blocs. At the same time, the need to counter the economic crisis and fight climate change, together with an array of fresh incentives, new directives, and scientific breakthroughs, will lead to substantial progress toward "greening" agriculture, industry, transport, construction, energy, and so on. Indeed, by 2040, environmental standards will become an indicator of an economy's overall competitiveness. In this sense, Europe seems well positioned to compete in the future global economy. But, as it struggles to overcome crisis, dynamic emerging economies may well surpass it. After all, in 2040, many emerging markets - those that have managed to avoid stagnation or collapse by addressing effectively the considerable challenges currently facing them - will have "emerged." The divide between developed and developing countries will be replaced by a distinction between weak and strong economies, with Russia remaining a special case. In geopolitical terms, many scenarios are possible. According to a [\[url=http://info.publicintelligence.net/GlobalTrends2030.pdf\]](http://info.publicintelligence.net/GlobalTrends2030.pdf) report published by the US National Intelligence Council, Western countries' share in the global economy should fall to 25% by 2030, from 56% today, suggesting that Europe will continue to struggle in the coming years. Of course, there is also the possibility of an American decline and European renewal, although that seems highly unlikely. Even so, the European Union could enhance its global clout through a strategic alliance with Russia, or by negotiating a Euro-Mediterranean partnership with Turkey and with the transition countries of the southern Mediterranean and Africa. Another scenario is that the United States and China form a G-2, or include the EU to form a G-3 that balances out the BRICS (Brazil, Russia, Indian, China, and South Africa). But either of these outcomes would risk geopolitical destabilization, given that they would require a major democratization effort in China. Furthermore, there is the possibility of a multipolar system accommodating 12-15 powers (including the US, China, Japan, Russia, Europe, India, Brazil, Mexico, the Pacific Alliance, ASEAN, South Africa, and Nigeria). But, while such a system could balance competition with cooperation, it would lack an anchor to ensure stability. Finally, there is the chaos scenario. For example, a cyber superbug destroys the networks on which our way of life has come to depend, leading to economic, demographic, and environmental collapse. In this set of possible outcomes, one point stands out: the uncertainty of Europe's role in the future global system. To prevent inexorable decline, Europe must reach clear decisions on three fundamental issues. First, EU leaders must determine how to resolve the eurozone crisis. Any plan must involve the pursuit of a stronger and more integrated Europe, though not necessarily a truly federal arrangement, which would be met with widespread popular resistance. The United Kingdom would undoubtedly choose to remain a member of a 28- or 30-member EU; Turkey might also wish to join. Second, leaders of member countries must agree on exactly how much national sovereignty would be transferred to the EU - and win voters' approval for their plan. And, third, they must determine how far enlargement should be taken, including establishing a clearer distinction between the EU and the eurozone. If these issues are not resolved - with EU leaders continually failing to achieve "more Europe" and Europeans increasingly rejecting the notion - Europe will simply move from one crisis to another. It may not collapse, but it would not thrive, owing to the lack of a stable, viable, and effective institutional structure with fixed and accepted limits. Above all, Europe's political elites must offer citizens the one thing that might lead to agreement on the EU's future: an end to over-standardization and the appropriation of national sovereignty through excessively detailed regulation. The European system must be put to work to serve Europeans' interests in the global competition that will underpin multilateral negotiations in the years ahead. Otherwise, European renewal will prove to be little more than a vain conceit.



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