



BULLETIN

No. 87 (163) • June 7, 2010 • © PISM

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“Project Europe 2030: Challenges and Opportunities” – Recommendations and Assessment

by Paweł Tokarski

The report “Project Europe 2030: Challenges and Opportunities” compiled by a consultative group of twelve Wise Men, analyzes the challenges Europe is likely to face in 2020–2030. The current eurozone crisis, experts believe, provides an important warning which must not be ignored. Europe will either reform or lose, the group concludes. While having no binding character, the report contains useful recommendations on measures to be initiated in order to prevent a scenario of the EU’s marginalization in the future.

Origins. The Wise Men Group, also known as the Reflection Group, was called into being—as the European Union’s consultative body—at the Brussels European Council on 14 December 2007. Having among its members Mario Monti, former commissioner for the internal market, Jorma Ollila, CEO at Nokia, Reiner Münz, an economist and specialist in demography, Nicole Notat, former head of the CFDT trade unions confederation in France, and Lech Wałęsa. The group is headed by former Spanish Prime Minister Felipe González. Its report was handed over to the president of the European Council, Herman Van Rompuy, on 8 May 2010.

Key Points. The group identified the following major problems for Europe to tackle: the global economic crisis and its consequences, ageing societies, falling economic competitiveness, climate change, growing dependence on energy sources, a changing international order, and the threats of terrorism, organized crime and nuclear proliferation.

With the eurozone in crisis, emphasis was understandably placed on economic issues, where the group called for better macroeconomic coordination, reform of financial oversight, and—in response to increasing competitiveness of other regions—an overhaul of the European socio-economic model. In around 15 years’ time, the report predicts, the lead in technology and science will pass to Asia, so the EU should perceptibly boost its R&D spending to reach 3% GDP, as set in the Europe 2020 Strategy (and earlier in the Lisbon Strategy). In particular, there should be an increase in technology investments in the SME sector, the foundation of EU economies.

On the single market, the reports notes the need for liberalization of services and energy supplies, and recommends greater workforce flexibility through such tested tools as flexicurity strategy, combining easy hire-and-fire arrangements with high-level social safety nets. Long-term demographic trends are expected to adversely affect member states’ economies, and therefore the retirement age should be raised right now—to account for increasing life expectancy and falling birth rates. In the period to 2050, the EU will need some 100 million outside workers, which necessitates developing a common immigration policy targeting the best qualified labor.

The authors of the report recognize the changes going on in the international environment, notably a passage towards a multi-polar world and a blurring of differences between internal and external security. Regarding the coordination of EU’s external activity, an urgent task is to define longer-term priorities, reinforce the existing instruments and develop new ones, such as rapid reaction forces, air transportation and means of communications. So far, EU member states, with the combined national armed forces of 1.8 million, have proved unable to form a 60,000-strong rapid reaction force. Also needed are the establishment of a common defense market (given the high costs of armaments production) and agreement on a joint budget for military missions. The EU should make better use of its soft power strengths on the international arena. It is further noted that activities in several areas of EU operations, such as foreign and defense policy or development, should be coordinated with

economic policies, e.g. on exchange rates or energy, in order boost their effectiveness internationally. Neighborhood policy should be continued, and as regards admission of new members, the report recommends—against French President Nicolas Sarkozy's pressure to clearly define the geographical limits to further integration—that the EU remain open to all countries meeting the accession criteria and that it keep its obligations to all candidate countries, including Turkey.

The Reflection Group also calls for the development of a common energy policy. It expects the EU's demand for energy to grow by a half to 2030, with 80% represented by fossil fuels—which means that nearly two-thirds of energy sources will be imported from outside the EU area. A large proportion of these imports will come from the most politically unstable regions, which adds to the urgency of cutting energy consumption and CO₂ emissions by means of renewable-sources technology. The report further says that R&D investments in the energy field should be increased, and the common agricultural policy reoriented towards rewarding environmentally friendly farming. Despite the Copenhagen conference fiasco, the EU should seek a continuation of climate change negotiations, as the problem can only be solved globally.

Communication with citizens should be an EU priority. Through a system of multi-layered management, involving the local, regional, national and Community levels, citizens' active participation in public life must increase. There is a need to highlight the concrete benefits of European integration, which manifest themselves on a daily basis, and to encourage massive turnout at elections to the European Parliament.

Conclusions. The report is not a legally binding document, but because of the time of its publication—amidst the eurozone crisis—it has attracted a much lower than expected interest on the part of the European public. The document reiterates major proposals already formulated in many similar publications, such as the Lisbon Strategy, the new Europe 2020 Strategy (adopted by the European Council last March) or the paper "The World in 2025" (compiled by the Bureau of European Policy Advisers). The need is stressed for keeping a balance between economic growth, social safety and nature conservation, but the report does not contain detailed suggestions on how to combine an increased competitiveness of EU economies with a continuation of social benefits at their present level.

Hence the report "Project Europe 2030: Challenges and Opportunities" is not a recipe for the EU's problems, but rather a collection of indications which should be taken into consideration when planning the bloc's future actions. The main impulse to EU economic reforms, however, will come not from the publication of successive reports, but rather from economic problems, which necessitate not only drastic cuts in budget expenditure but also taking up such fundamental issues as prolongation of the retirement age. As such, the document's role is primarily to issue a major warning about the urgency of reforms needed to counter the tough problems the EU may face in the coming decades.

From the Polish point of view, it is especially significant that the report places emphasis on issues of priority importance for this country, such as completion of the internal market, continuation of the Eastern Partnership, or the EU's continued opening up to other countries, and that it stresses the threats involved in dependence on energy supplies.