



Atlantic Council

YOUNG ATLANTICIST PROGRAM

The Europe We Would Like to Inherit: Toward a Visionary New Pragmatism



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We are pleased to present the first publication of the Atlantic Council's Young Atlanticist program, "The Europe We Would Like to Inherit: Toward a Visionary New Paradigm."

This publication is important to the Atlantic Council for several reasons. First, it is the first publication of our Young Atlanticist program, which we hope can serve as a model for subsequent efforts from future emerging leaders who participate in Council programming. Second, the brief is an organic effort of five European leaders representing four different countries in Europe. Four of the authors were delegates at the Atlantic Council's Young Atlanticist Summit alongside the NATO summit in Chicago in May 2012, where they built the relationships that fostered this effort. Third, the brief presents a vision for the future of Europe from the next generation of European leaders. We believe a report presenting a strategic vision of the future can enrich and reshape the policy debate taking place in Brussels.

Central to our commitment to engaging the next generation of leaders is a belief that their ideas deserve to find a place in the broader policy discourse. In Chicago we challenged Young Atlanticists to offer up bold ideas for relevant policy issues and are delighted that many of them have answered that call. It is with pleasure that we introduce this publication as the first of what will hopefully be many next-generation opinions on the critical issues facing the transatlantic community.

We hope you enjoy this publication and find it to be a useful contribution to the debate on the future of Europe.

David Kirk
Director, Young Atlanticist Program

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Deputy Director, Brent Scowcroft Center on International Security



Facing a major economic and financial crisis, an increasingly authoritarian Russia, and the rise of Asia, Europe is now at a major crossroads. The economic and financial crisis clearly demonstrates that the European Union is insufficiently integrated to face a real challenge and that the prevalent economic models are ill-equipped to resolve the structural causes of our vulnerability to economic shocks. Unresolved conflicts in the Balkans and the Caucasus, democratic setbacks in Ukraine, and the persistence of “Europe’s last dictatorship” in Belarus are reminders that the European project is in danger of losing its appeal. The troubling resurgence of the extreme right and the polarization of party politics threaten to undermine stability as political leaders opportunistically exploit the divisive issue of immigration to capitalize on rising public discontent, fueled by the recession. Recent humanitarian crises in Libya and Syria have also demonstrated the limitations of Europe’s capabilities in dealing with even small-scale contingencies in its own neighborhood. The oft-cited default position that Europe is a “soft” power, made in comparison to the supposedly “hard” power of the United States, has become defunct given Europe’s frequent failure to adequately respond to these challenges.

Europe not only lacks integration. This internal disunity has, perhaps more importantly, contributed to a potentially fatal lack of direction. On its current trajectory, Europe is set to fade into oblivion in the upcoming decades, exerting only a marginal impact

on global affairs. Such a state of affairs would serve neither Europeans nor their allies.

It is in this context that we have produced this report to assess how the Europe of today can take the steps necessary to forge a Europe of tomorrow that is capable, unified, and steadfast in the face of the growing challenges of the twenty-first century. But while we all share a passion for transatlantic relations, we are by no means utopian Europhiles. It is precisely against the background of a crisis that rocks the very foundation of Europe that we believe only a reenergized European project can save Europe from doom and revitalize the transatlantic alliance. To foster a debate to that end, we outline such a European agenda, proposing a radical leap forward. As visionary and broad-ranging as this may sound, it is neither a left- nor right-wing agenda but a call for reform grounded in a pragmatic and realistic assessment of the challenges ahead.

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About the Authors

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Europe urgently needs to move forward on a number of crucial reforms simultaneously. To face the challenges of the recession, we need better economic integration. The crisis of the Euro zone is not only a debt crisis. What Europe is facing is a multitude of different crises, of which the debt crises in Greece, Cyprus, Spain, and Italy are only a small part. All European countries have accumulated huge debts, their social security models are facing an inevitable demographic challenge of enormous proportions. The conventional crisis management response—austerity—has failed to create a foundation for future economic stability. To survive, Europe needs to rethink the very foundations of its economic policies for a population that is older and a Europe more fractured. Europe needs to open itself up to immigration, foster regulation and integration of financial markets, overhaul social security structures set up decades ago, galvanize productive investment in new post-carbon industries that will create jobs and spur technological innovation, and invest in a security sector that is capable of projecting stability.

Further economic integration will not be possible without making Europe a truly democratic Union. This project is paramount not simply on economic grounds but for resuscitating the European dream itself. Despite the Lisbon Treaty, its political institutions lack democratic legitimacy and this, in turn, underscores the inadequacy of its powers in dealing with the problems considered to be most serious by the people of Europe. What Europe

needs is an integrated parliament with real powers commensurate with that of a real government that is genuinely and meaningfully accountable to its voters, based on a political bureaucracy that is truly European.

Political integration and legitimacy must pave the way for military integration. European leaders insist that the Libya intervention served as a wake-up call for Europe to finally enhance its own military capabilities. But NATO's response to Europe's dramatic decline in capabilities—smart defense—does not even come close to sufficiently addressing this challenge. The continued abject dependency on US forces should be a serious concern for Europe, especially given that the United States' own economic troubles may in the future decrease its willingness to sustain European security. The US role in assuring European security could thus become a potential source of transatlantic friction. What Europe needs is a single army and legitimate political structures able and willing to authorize its deployment. While at first glance this may appear an economic burden in uncertain times in which public appetite for increased defense spending is at an all-time low, the reality is that more robust EU-wide strategic cost-sharing may well ease the burden in the long-term.

Finally, for Europe to sustain its positive leadership role in global affairs, it must be forward-thinking and ready to adapt to the emerging challenges of the near future. This requires serious attention to one

of the most urgent global problems of our times— climate change and willingness to proactively address a major cause of this problem, our continued dependency on fossil fuels. The scientific evidence increasingly suggests that Europe’s—and the world’s—current environmental trajectory could be catastrophic for Europe’s economy, political integrity, and security within coming decades. Yet action on climate change and energy resilience will also provide near-term dividends, including a massive boost to Europe’s economy, energy independence, and, thus, security.



Of all the challenges Europe currently faces, the Eurozone crisis has attracted the most attention. However, the most persistent myth about the current crisis in Europe is that it is by and large a debt crisis. While debt is a central part of the story, it is by far not the only problem, nor can it be addressed in isolation. In fact, Europe is experiencing a multi-layered economic challenge, of which the Southern debt crisis is only part. All European countries have accumulated huge debts; their social security models are facing an inevitable demographic challenge, while an insufficiently regulated financial market allowed for economic bubbles and banking lapses that threaten not only the European but also the global economy. To survive, Europe needs to rethink the very foundations of its economic policies: It needs to open itself up to immigration, foster integration and regulation of financial markets, reform (not abolish) social security structures set-up decades ago, and introduce financial regulation which mitigates risk. But to make any of this possible, the EU needs to meet a key prerequisite: have effective and legitimate institutions in place.

If the problem had been isolated to Greece, Europe might be in a position to handle the challenge right away. What is mostly forgotten, however, is that even Europe's economic power engine—Germany—is a country deep in debt. Germany is, moreover, a republic of sixteen states, many of which are facing deep financial crises themselves. Its smaller states—Bremen, Saarland, and Berlin—barely manage to

survive on virtually constant federal bailouts, and its bigger states like North Rhine Westphalia are also deeply in the red. While the austerity measures are being hailed as successes and Germany enjoys beneficial credit ratings, this conceals the fact that the country is still spending far more than it raises in revenues. Equally, the failure of austerity in Greece, Spain, and Italy, accompanied by rocketing youth unemployment, the collapse of domestic consumption, and deindustrialization, is linked inextricably to Germany's boom. German companies are now in a prime position to buy up devalued state-owned industries and infrastructure in these countries. Put differently, there is a much larger debt crisis than is currently acknowledged, and addressing the Greek debt in isolation without taking account of its wider EU context will inevitably fall short. Across the continent, spending patterns—tied to debt leverage—are simply unsustainable, as they have been for decades. But with shrinking populations and slowing growth rates, debt crises might become even more frequent, not less. If Europe remains as fractured as it is today, it will not be in a position to offer piecemeal solutions for long.

The Way Forward

Europe needs to address the fundamentals of its integration process. With the European Monetary Union, Europe put the cart before the horse, seeking financial and economic integration while neglecting the political integration process. Another problem is that Europe's economic adaptation to globalization and its demographic development has differed

from country to country. For example, Germany raised the retirement age to 67 while the French president Francois Hollande promised to lower the French retirement age, although he has recently backed away from this campaign promise, in part due to EC pressure. What the EU needs to do right away is to harmonize the economic regulations and policies in all of its member states. While this is a tough sell, even a retirement age of 67 is inadequate to sustain the current level in pension benefits. Like the age of retirement, the number of public holidays and the various tax systems also need to be harmonized. The EU will also need to make sure that investors meet roughly the same conditions in every member state, which is why Europe will have to invest in public infrastructure across the continent. Specifically, Europe can invest in its low and zero-carbon infrastructure to kick-start growth, creating the foundation for a sustainable European economy, competitive in global markets, and resilient to global shocks.

The current crisis calls into question the foundation of the financial system under which Europe's economy has developed in the past two decades. The crisis, after all, was triggered not only by the unsustainable level of debt accumulation in Southern European countries but also by a housing market bubble. Such bubbles are a predictable feature of modern market economies, but modern market regulation needs to ensure that these bubbles do not grow to the extent that their inevitable collapse threatens the rest of the global economy. The regulating authorities need to step in before that happens—something that they have so far neglected to do. What Europe needs is a single banking authority to oversee bank commerce and interbank transactions and regulations that control and curtail the power of foreign capital in derivatives trading, for example. The European Commission's proposed Financial Transaction Tax (FTT) would consolidate a EU-wide system to tax these high-level speculative financial transactions. This system can only work under a EU-wide umbrella by leaving investors with no choice to go elsewhere in the EU. Currently, the FTT proposal is hampered by the fact that only eleven member states, including France and Germany, have signed up to it under the 'enhanced cooperation' procedure.

Without the inclusion of the world's leading financial centers—London and New York—the FTT could fail. But if the UK and the US join forces to support these measures, economic growth and provision of essential services could be secured under a new transatlantic FTT regime.

Europe also needs to make sure that financial speculation is isolated from retail banking so that financial speculations can no longer threaten the entire economy. Moreover, banks engaged in speculation should have to guarantee a higher level of equity. In short, European institutions will have to ensure that banks are no longer too big to fail and that speculation in the markets reflects real economic power.

Of course, since these structural reforms will require some years to formulate, legislate, and enforce, there remains the question of what can be done immediately to address the debt crisis. Increasingly, a straightforward debt cut seems to be the only viable option. After all, the financial market provided credits that did not adequately reflect the economic power of the Southern European economies.

Yet for such reforms to become a reality, Europe needs to have the institutions in place capable of delivering them. On the one hand, the lack of robustly independent European economic policymaking feeds directly into the lack of institutional development within the EU. On the other, to ensure that economic policymaking is robust, what Europe needs first and foremost are efficient and democratic institutions.



Europe's decision-making processes are opaque. To the average European citizen, Europe is not a political utopia but a bureaucratic monstrosity with a decision-making system as sluggish as it is outdated. That perception is not misguided; while the European project has given the continent decades of peace and prosperity, its political integration lags behind both economic integration and social realities. Although Europe's bureaucracy has expanded and more authority has been delegated to Brussels, its democratic and institutional development lacks cohesion and legitimacy.

If Europe again wants to play a leading role in the world, it must reform its institutional system. The Lisbon treaty, while helpful in some respects, did not address the basic problem: that the European Parliament does not have the authority worthy of a modern parliament; that the European Commission (EC) is not held accountable to the parliament and is staffed largely as an exercise of national powers instead of cross-national political coalitions. For more than a decade this insufficient arrangement served the European nation-states just fine. Whenever a scapegoat was required, politicians pointed to bureaucrats in far-away Brussels who did not understand local needs, while doing little to rectify the institutional deficiencies of the European Union. European integration thus always exhibited a strange dissonance: European governments sought to retain crucial powers for themselves while happily delegating others to Brussels with

little thought. This halfhearted integration has run its course. What is now needed is a real democratic consolidation and a new direction that revives the utopian dream and rejects bureaucratic entrenchment.

The Way Forward

The first step should include the extension of voting rights. While European citizens can vote in any regional and local elections in any European country in which they legally reside, they cannot vote in national elections unless they hold the respective citizenship. Though this might have been understandable three decades ago, in today's Europe, where people enjoy the freedom of travel and movement within the Union and often work and live in European foreign countries, this arrangement no longer reflects reality. EU citizens should be eligible to vote in all elections in any EU country.

More importantly, Europeans need to know what they are voting for. European elections have often been perceived as an exercise in voting for a marginal pseudo-parliament. European institutions must therefore come to reflect the most basic European ideal: democracy. That requires a European Parliament whose members have legislative and budgetary control over the EU's policies and finances. The parliament will also have to elect the European Commission without national government interference. Only such powers will provide the necessary incentives to create truly European parties based

on cross-national political platforms, not national backgrounds. These political reforms are crucial for EU's survival and for building a Europe for all its citizens and not a bureaucratic nightmare.

The European Union should, therefore, also consider ensuring that all European commissioners are directly elected. With such an election, they would enjoy a broader mandate to intervene and effectively conduct a wider European agenda; this is a legitimizing step that could finally give a more decisively policy-oriented role to the commissioner. Elections would give individual politicians and policymakers greater prominence and popularity.

The legitimacy of the European Union would also be bolstered through a popular election of its president. The president should be a figurehead for Europe and a guardian of European interests, spearheading the building of a European identity and supervising a future European army. But above all she or he should be a source of leadership and guidance. The president will be a globally-recognized face to the European dream, someone to reassure Europeans that the Union is not a bureaucratic monstrosity, but a viable future worth working towards and voting for.

The prospect of political integration with a view to establish greater legitimacy for more robust, democratic institutions has major implications for the way Europe deals with a controversial issue of immigration.



3. Immigration: The Need for Controlled and Open Borders

The European Union's recent economic crisis, porous borders, growing xenophobia, and the refusal of all twenty-eight members to share the burden of illegal immigration are pushing the EU and some of its members toward drastic policies. The Arab Spring and a population boom in Sub-Saharan Africa have exacerbated this trend, sending thousands of illegal immigrants to the EU. This is happening at the same time as the numbers of legal immigrants are dwindling due to the economic crisis and its impact on the labor market.

The unsuccessful and downright counterproductive policies of the EU in dealing with illegal immigration have led the Union to make questionable policy decisions. For instance, a treaty between Italy and the authoritarian regime of Muammar Gaddafi, signed in May 2009, allowed the EU to intercept immigrants trying to reach Southern Europe on small ships in the central Mediterranean and return them "back" to Libya, placing them outside the jurisdiction of the EU's legal system. More recently, the EC initiated a deal with Turkey under which, once enacted, Turkey will take back illegal immigrants crossing into EU territory from the borders of third party countries. Perhaps most disturbingly, interior ministers of the EU recently agreed to temporarily reintroduce border controls.

Greece, the hardest hit by the economic crisis, is also among the most affected by illegal immigration. So far, the European response has largely focused on intercepting immigrants before they reach

the EU or on keeping them out with fences. The EU is also touting new plans for surveillance in the Mediterranean, including the use of drones. However, what is to be done once immigrants are spotted by these drones is conveniently omitted. Most of these problems stem at least partially from the Dublin Regulation, an agreement between EU member states ensuring that an application for asylum submitted in an EU country is handled by only one country. This ensures that an asylum seeker is not redirected from state to state simply because no one will take the responsibility of processing his or her case. Consequently, since by virtue of their geographical location Southern Mediterranean countries are the first to receive illegal immigrants, they are currently responsible for processing and paying for all the costs associated with the immigrants' care, legal issues, and repatriation in those cases where that is even an option. For the rest of Europe, this arrangement is quite beneficial and there is no obvious incentive to change it.

But the prevailing approach to illegal immigration neglects the fact that Europe actually needs more—not less—immigration to safeguard its economic vitality and demographic health. Europe faces a looming demographic crisis, since the number of working people is shrinking, while the number of retired citizens is growing. Immigrants are often the most determined and hard-working members of society. They are in a position to make an important contribution to Europe's economy while further

enriching Europe's cultural diversity. Unfortunately, the EU's ineffective immigration policies have led to the erosion of Europe's core ideas, have damaged EU's image as a democratic union with high regard for human rights, and are indirectly fueling support for extreme right-wing nationalist parties. All of this runs counter to Europe's long-term interests. Indeed, the failure to properly address illegal immigration could lead to the undoing of a democratic, tolerant, and functioning European Union.

instability outside Europe's borders, it is important for European countries to have a unified approach to their common defense and security interests.

The Way Forward

Immigration is a central issue for the European Union since it encompasses all of the Union's core ideas: the projection of stability, the creation of a sustainable and growing economy, expansion of freedoms and the sharing of each other's burden. Europe needs to recognize that being a beacon of hope and freedom has turned the continent into an attractive place for immigrants aspiring to the same chances and ideals as most Europeans. The EU should acknowledge that this is something tremendously positive. Europe should be proud to be a continent of immigrants. Therefore, Europe should promote its own diversity by welcoming more immigrants. It should offer more and better legal immigration and, it needs to pave the way to full citizenship for political refugees.

Second of all, the EU needs to find a common approach to sharing the burden of irregular immigration. It is only fair to expect Northern European countries to shelter their share of immigrants. Finally, equal burden sharing should be introduced with a common database of all illegal immigrants, including those that have overstayed their visas. The immigration problem needs to be centrally handled and binding for all members. Lack of coordination means that when one country adopts a firm policy, migrants will find other points of entry. Immigration needs to be addressed as the EU-wide problem that it is.

Europe also must play a more constructive role in addressing the underlying political and economic causes of immigration through a more prominent EU role in world affairs. Given that the rise in illegal immigration is driven by increasing geopolitical



4. Defense: A European Army for an Atlantic Community

Currently the EU is facing an unprecedented set of challenges to its defense and foreign policy, including the global economic crisis, the Arab Spring, the Iranian nuclear question, and instability in the Horn of Africa. Europe must also confront the broad strategic challenge of the rising economic and political influence of the BRIC (Brazil, Russia, India, China) powers, along with the major shift in US security policy toward Asia.

European leaders insist that the Libya intervention served as a wake-up call to finally enhance Europe's military capabilities and get serious about military integration. But NATO's response to Europe's dramatic decline in capabilities—smart defense—falls short of adequately addressing the challenge. Holding on to two dozen armies, air forces, logistical networks, and more than a dozen different navies is a burden, not an asset. Most European countries can only deploy their armed forces when their respective parliaments consent to a government's decision to commit themselves to a military mission and delegating this right to a European entity would raise constitutional hurdles in many places. After all, the military is a key institution marking a state's sovereignty. Putting one's citizens in uniform in harm's way, whether in peacekeeping missions or wars, is the most serious decision any government can make. To ensure that these decisions are not taken lightly, most constitutions established strong oversight mechanisms making parliamentary consent a prerequisite. To ensure that European institutions consider the deployment of armed

forces with adequate scrutiny, they will have to reflect—if not improve—the role hitherto taken by national parliaments.

With European defense spending falling short of NATO benchmarks for years, Europe has begun to specialize its military capabilities. Unfortunately though, it has done so by default, not by design. In the face of the European debt crisis, further austerity measures are in store, threatening to cut defense budgets to the bone. To prevent these austerity measures from endangering essential military capabilities, NATO leaders have agreed to pool and share military resources. This stop-gap measure, however, will neither halt nor reverse the decline in European defense capabilities. Without drastic action, Europe will maintain some critical and less-critical military abilities while overall falling short of having any meaningful defensive and offensive capabilities. As such, Europe will be able to commit to some missions with a very narrow scope, but it will be totally unprepared for full spectrum engagements, let alone for providing territorial defense. This will deny Europe the capacity to act effectively in international emergencies, humanitarian or otherwise, and will drastically diminish European influence on the world stage, at least in the medium-term.

The Way Forward

What Europe needs is a unified army, a single procurement system, and legitimate cross-national political structures able and willing to authorize

the deployment of European forces. A unified European army cannot be achieved overnight and the challenges facing Europe in establishing a single force often appear to be insurmountable because they raise all sorts of political, legal, and constitutional questions. There are two principal avenues to be pursued in building such a united force. Both, however, depend on progress in the political integration process.

First, in recognizing that most European countries have constitutional hurdles to commit armed forces, Europe needs to ensure that strong constitutional processes exist on a Europe-wide level that allow for close scrutiny of military deployments and military affairs more generally. The European Parliament must, therefore, wield as much oversight and control powers as most national European parliaments do today. This requires far more political integration than has been achieved so far. Should obstacles to the establishment of a European army continue, Europe will have to think seriously about introducing European citizenship, either in addition to national citizenships or as replacement to such citizenships. This would allow the EU to raise its own armed forces without violating national constitutions.

A European army could go some way to address the shift in public opinion across Europe against a larger European military role in the world. The Iraq and Afghanistan wars have vastly decreased the public will to support wars, prompting legitimate questions about the politicization of intelligence and the adherence to international laws of war. Clearly, the fragmentation of the current defense system has not provided the oversight the European public sees as necessary. A stronger constitutional process on a Europe-wide level linked to the European Parliament should be integrated with robust measures to ensure transparency and accountability in the way decisions are made to mobilize military forces. In this way, Europe-wide checks and balances would mitigate against national governments making ill-conceived military decisions.

The second avenue would require the acceleration of European defense integration. The British-French cooperation agreement is a step in the

right direction for both countries. However, the agreement falls short of addressing Europe's needs while marginalizing the significant contributions smaller member states have made in the past. Moreover, bilateral cooperation will not halt the French and British decline in capabilities and therefore demonstrates that even significant bilateral cooperation between major European powers cannot reverse the loss of military capabilities due to massive budget constraints and rising procurement and maintenance costs. But most importantly, such cooperation agreements require the willingness of national governments to commit forces and resources even when their vital national interests are not at stake. There is always the risk of national domestic considerations undermining European agreements. But by creating a single European navy and air force as the first step toward a single European army, Europe can improve its collective military capabilities dramatically while streamlining overall costs. Such a navy would see the development and acquisition of a single set of platforms, being sailed by all Europeans who volunteer, and committed by and accountable to a democratically elected European Parliament.



5. Environment: Sustainable Prosperity for the Post-Carbon Age

The need for an integrated approach to global challenges affecting Europe’s economic, foreign affairs, defense, and security policies leads us to two interrelated issues that cannot be ignored in assessing the future of Europe: climate change and energy security.

According to a number of recent scientific studies, our current global emissions trajectory will guarantee a temperature rise of 4 to 6 degrees Celsius within this century. In the Amazon, forests and soils would increasingly release carbon into the atmosphere as they fail under heat-stress, drought, and fires, accelerating widespread desertification and overall warming. In the Arctic, melting permafrost would increasingly release sub-ice methane twenty times more powerful than CO₂. These developments alone would potentially culminate in global average temperatures as high as 8 degrees Celsius.

If this continues, by mid-century nearly two thirds of the world would experience extreme drought, and five billion people would experience periodic water scarcity. This would endanger crop yields by up to 40 percent and undermine fossil fuel-based power production due to shortages of water for steam and cooling. As the global population rapidly expands, lack of appropriate action could lead many developing states to collapse, fuelling resource conflicts and driving mass migrations.

Although the EC has rightly re-stated the EU’s firm commitment to limiting the global temperature rise to 2 degrees Celsius—which may still be too little,

too late according to scientists like James Hansen, the former director of the NASA Goddard Institute for Space Studies—in practice, the EU’s climate policies are in disarray. The EU’s emissions trading scheme has failed to reduce emissions, instead allowing steel and cement giants to avoid doing so through purchasing carbon credits. The EU’s biofuels policies are also set to increase emissions according to internal studies. Consistent annual emissions reductions have not yet been achieved: Although the EU’s greenhouse gas emissions fell in 2011 by about 3 percent, the previous year they rose by 3.5 percent because of a 7.4 percent increase in natural gas consumption. Although rebranded as a “low carbon” fuel, shale gas generates 1.3 times the amount of carbon it saves in electricity generation by leading to more coal use in other sectors.

On its own terms, dramatic technological breakthroughs have not prevented unconventional oil and gas being far more costly than conventional crude oil production. While the US has increased production by 2.1 million barrels per day (mbd) since January 2005 to 10 mbd large via unconventional sources, world conventional oil production has remained largely flat since that year.

Studies by Sir David King, the British government’s former chief scientific adviser, found that despite reported increases in oil reserves, tar sands production and fracking-generated natural gas, depletion of the world’s existing fields is still running at between 4.5 and 6.7 percent per year, with production at shale gas wells dropping by as much as 60 to 90 percent within their first year of

operation. King, currently a professor at Cambridge University, and his former Oxford University team warned that while we will become increasingly dependent on unconventional sources like shale gas, this will not ameliorate high oil prices. And as climate change contributes to water scarcity increases, the costs of water-intensive fracking will increase.

The Way Forward

The task ahead is to avoid dangerous climate change impacts and costs, as well as to secure an affordable and stable energy future. Arguably, neither nuclear power nor shale gas can provide these for Europe. Despite the EU energy chief giving Europe's 145 nuclear power stations a "satisfactory" verdict, the European Commission's stress test report in October last year found hundreds of defects, including insufficient safety and emergency response procedures, and a lack of consistency in safety assessments. None of France's fifty-eight nuclear plants, for instance, meet the international safety standards of the International Atomic Energy Agency (IAEA). Bringing such defects up to standard could cost some twenty-five billion euros. This is compounded by costs when compared to plummeting market prices for solar and wind—even the chief executive of General Electric has declared that nuclear power is "really hard" to defend financially. Vindicating this skepticism, risk assessment expert and Notre Dame Professor Kristin Schrader-Frechette's 2011 study, *What Will Work*, calculates that actual costs of nuclear energy can be about 700 percent higher than industry claims. The other problem is that mining, enrichment, and waste-processing for nuclear power has a carbon equivalent approaching that of natural gas. Shale gas has played little role in US emission reductions over the last half-decade according to the CO2 Scorecard Group—90 percent of which were due to a decline in petroleum use, and the replacement of coal by solar, wind, and hydroelectric power, among other renewable sources.

Thus, Europe must gather the confidence to embark on a renewable energy transition strategy with vigor and determination. The EU's renewable energy target of 20 percent by 2020 is far too modest, given the gravity of the climate crisis and the increasing cost of liquid fuels, but on the current course, we will fail to meet even this target. The good news is that some of the groundwork necessary for a

successful transition is already there. In 2007, the European Parliament formally endorsed a long-term economic sustainability plan that focuses not on large-scale projects but on developing distributed renewable energy networks at a local scale. The goal is to enable households and communities to become owners and producers of energy and partners with utility companies in distribution. This would convert Europe's entire stock of 191 million buildings into green power plants collecting solar, wind, geothermal, and biomass energy, which can be shared on a smart electric grid using a combination of hydrogen storage and information technology. The program would create millions of jobs and boost local businesses across the EU, while contributing to the creation of a new, sustainable post-carbon infrastructure.

The problem is that implementation of the plan has been too slow and too piecemeal. Despite the plan's formal acceptance by the EU, insufficient political integration complicates its actual delivery. Only a more politically integrated Europe would allow the European Commission to be backed by a truly democratic European Parliament, capable of firmly coordinating member states to implement this vision. This would bring multiple, overlapping dividends. It would provide a prime output for productive investment, regenerating the European economy, boosting employment, and empowering local communities and businesses. It would create a more resilient energy independent EU no longer affected by oil price shocks. It would establish a clean, sustainable, high-technology infrastructure better adapted to the challenges of climate change, demonstrating the EU's world leadership in a new form of sustainable development. Finally, by increasing Europe's energy independence, it would create a strong platform for Europe's future security, allowing it to reduce foreign policy commitments and rethink alliances with and investments in unstable countries.



At first glance, the future of Europe seems rife with difficulty and uncertainty. The economic crisis, political disunity, military impotence and looming dangers of environmental and energy insecurity seem foreboding. We underscore this prevalent sense of gloom in order to bring home the reality that Europe's current trajectory is not only deeply flawed, but that continuing business as usual is simply not an option. Fortunately, none of the challenges that we have identified are insurmountable. On the contrary, it is clear that Europe has the ingenuity, dynamism, and resources to resolve them.

But this cannot be done without a dose of visionary pragmatism—an optimistic vision for Europe that is able to truly revitalize the Union, grounded in a pragmatic recognition of the hurdles and obstacles ahead. The ideas that we have put forward here, taken collectively, amount to a program of decisive action that could well transform Europe from a waning power to a world leader that will confidently overcome the economic, environmental and geopolitical challenges it faces.

Economic integration is necessary, but it must not be premised on conventional models that have played a direct role in causing and exacerbating the recession. Instead, there is a need for a bold willingness to implement wide-ranging reforms of European economic, banking, and financial structures, as well as tax systems. Of course, such a program of economic integration is premised on durable and viable political institutions. European Parliamentary reform, greater legislative

and budgetary control over the European Union policies for members, and directly elected European commissioners and a European president are among our proposals for a robust, truly democratic Union capable of making joint decisions and accountable to all Europeans.

A unified Europe will require a unified European identity—one that is open to others and that celebrates Europe's ethnic and cultural diversity. This should enable more rational policies on immigration to come to the fore. Europe will remain firm on illegal immigration, but through a centralized EU system, it will more fairly share this burden across member states. We must also put an end to EU-wide and domestic mechanisms and laws that consistently violate the human rights of asylum seekers. Ultimately, a recognition that it is in Europe's own economic and demographic interests to remain open to greater legal immigration is essential.

Political integration should pave the way for the formation of a single European army, moving beyond NATO's "smart defense" concept to a far more efficient and legitimate unified European military system capable of acting decisively in the common defense interests of member states, without overdependence on US forces.

Clearly, the ideas we have set out here are interlinked and cannot be introduced in the same bureaucratic, piecemeal fashion in which so much EU policymaking has taken place. They require a holistic approach, seeing political integration

as a means of democratizing and legitimizing the Union; and recognizing this as a platform for Europe to embark on a radical programme of economic and military integration capable of securing a sustainable and prosperous environmental future.

Such a Europe would not just be capable of acting as the strong ally that the United States needs, as it too faces the converging crises of the twenty-first century, but serve as an example around the world of how to rise to these new challenges with vigor, determination, and confidence. We hope that this analysis and the vision of a new Europe we have suggested will provoke much needed fresh thinking on the future of the European Union. Despite the seemingly overwhelming problems ahead, there is a way forward to not only keep the European dream alive, but to turn it into a flourishing reality. That thriving Europe is a Europe we would very much like to inherit.

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